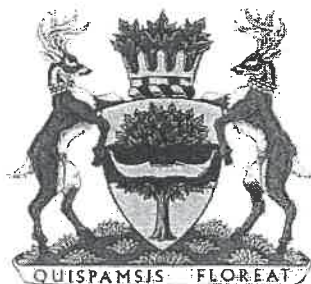


**MUNICIPALITY OF QUISPAMISIS**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**



# MUNICIPALITY OF QUISPAMSI

DECEMBER 31, 2016

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## INDEPENDENT AUDITORS' REPORT

To His Worship The Mayor and Members of Council  
Municipality of Quispamsis, New Brunswick

We have audited the consolidated statement of financial position of the Municipality of Quispamsis as at December 31, 2016, and the consolidated statements of operations, changes in net debt and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Report to His Worship The Mayor and Members of Council of the Municipality of Quispamsis (cont'd)

*Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Municipality of Quispamsis as at December 31, 2016, and the results of its operations and changes in net debt for the year then ended in accordance with Canadian public sector accounting standards.



CHARTERED PROFESSIONAL ACCOUNTANTS

Saint John, NB  
May 2, 2017

# MUNICIPALITY OF QUISPAMISIS

## CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2016

	<b><u>2016</u></b> <b>Budget</b> (Note 22)	<b><u>2016</u></b> <b>Actual</b>	<b><u>2015</u></b> <b>Actual</b>
<b>REVENUE</b> (Notes 2 and 22)			
Property tax warrant	\$ 20,930,281	\$ 20,930,278	\$ 20,294,652
Unconditional grant	155,323	155,323	100,356
Conditional government transfers (Note 23)	31,592	3,944,541	1,692,366
Services to other governments	47,063	47,063	47,063
Other own source (Note 23)	1,238,932	1,304,464	1,330,467
Water and sewer user fees	2,372,416	2,400,281	2,332,287
Public donations and sponsorships	90,898	103,568	108,511
Sundry income	<u>300,390</u>	<u>531,784</u>	<u>395,761</u>
	<u>25,166,895</u>	<u>29,417,302</u>	<u>26,301,463</u>
<b>EXPENDITURE</b> (Notes 2 and 22)			
General government services	2,364,076	2,305,031	2,152,384
Protective services	6,740,986	6,626,240	6,397,397
Transportation services	7,269,113	7,358,037	7,732,038
Environmental health services	1,124,000	999,493	193,175
Environmental development services	382,133	383,080	392,232
Community services	6,204,906	6,217,219	6,003,154
Utility services	<u>2,790,770</u>	<u>2,776,533</u>	<u>2,750,721</u>
	<u>26,875,984</u>	<u>26,665,633</u>	<u>25,621,101</u>
<b>ANNUAL SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>\$ <u>(1,709,089)</u></b>	<b>2,751,669</b>	<b>680,362</b>
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>		<b>83,425,010</b>	<b>82,744,648</b>
<b>CHANGE IN PERCENTAGE OWNERSHIP OF CONTROLLED ENTITIES</b>		<b><u>3,328</u></b>	<b><u>-</u></b>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>		<b><u>\$ 86,180,007</u></b>	<b><u>\$ 83,425,010</u></b>

# MUNICIPALITY OF QUISPAMISIS

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

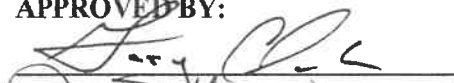
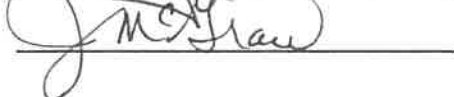
AS AT DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Notes 2, 3 and 4)	\$ 3,497,571	\$ 5,429,631
Accounts receivable (Notes 2 and 3)		
General	695,792	623,479
Federal Government and its agencies (Note 5)	1,040,680	453,531
Province of New Brunswick (Note 6)	258,850	258,850
Investments (Notes 2, 3 and 7)	<u>502,349</u>	<u>449,533</u>
	<u>\$ 5,995,242</u>	<u>\$ 7,215,024</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Notes 2 and 3)	\$ 3,628,303	\$ 2,875,811
Deferred revenue (Note 2)	465	-
Long term debt (Notes 2, 3 and 8)	28,088,133	30,032,319
Accrued pension obligation (Notes 2 and 11)	999,733	1,445,642
Accrued sick leave (Notes 2 and 10)	597,132	568,799
Accrued retirement allowance (Notes 2 and 11)	<u>659,477</u>	<u>695,581</u>
	<u>33,973,243</u>	<u>35,618,152</u>
<b>NET DEBT</b>	<u>(27,978,001)</u>	<u>(28,403,128)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Notes 2 and 16)	174,951,154	167,777,849
Accumulated amortization (Notes 2 and 16)	<u>(61,285,463)</u>	<u>(56,505,276)</u>
	113,665,691	111,272,573
Inventory (Note 2)	115,571	89,344
Prepaid expenses	79,645	146,607
Unamortized debenture costs	<u>297,101</u>	<u>319,614</u>
	<u>114,158,008</u>	<u>111,828,138</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 86,180,007</u>	<u>\$ 83,425,010</u>

**CONTINGENT LIABILITY** (Note 12)

**COMMITMENTS** (Note 13)

**APPROVED BY:**

 Mayor  
 Treasurer

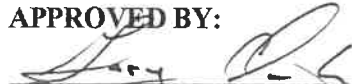
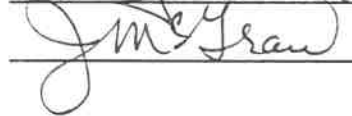
# MUNICIPALITY OF QUISPAMISIS

## CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

AS AT DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
Annual surplus	\$ 2,751,669	\$ 680,362
Acquisition of tangible capital assets	(8,327,618)	(3,357,821)
Proceeds on disposal of tangible capital assets	41,779	3,113
Amortization of tangible capital assets	5,932,265	5,688,502
Change in percentage ownership of tangible capital assets	(7,281)	-
Loss (gain) on disposal of tangible capital assets	<u>(32,263)</u>	<u>425</u>
	358,551	3,014,581
Acquisition of inventories	(115,571)	(89,344)
Acquisition of prepaid assets	(79,645)	(146,607)
Acquisition of unamortized debenture costs	(297,101)	(319,614)
Consumption of inventories	89,344	123,711
Use of prepaid assets	146,607	35,625
Consumption of unamortized debenture costs	<u>319,614</u>	<u>346,121</u>
	421,799	2,964,473
Change in percentage ownership	<u>3,328</u>	<u>-</u>
Decrease in net debt	425,127	2,964,473
Net debt - beginning of year	<u>(28,403,128)</u>	<u>(31,367,601)</u>
Net debt - end of year	<u>\$ (27,978,001)</u>	<u>\$ (28,403,128)</u>

APPROVED BY:

Mayor

Treasurer

# MUNICIPALITY OF QUISPAMISIS

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 2,751,669	\$ 680,362
Loss (gain) on disposal of tangible capital assets	(32,263)	425
Amortization of tangible capital assets	5,932,265	5,688,502
Accounts receivable - General	(72,313)	136,236
Accounts receivable - Federal Government and its agencies	(587,149)	1,070,600
Accounts receivable - Province of New Brunswick	-	(136,850)
Accounts payable and accrued liabilities	752,492	10,816
Deferred revenue	465	(1,014)
Change in accrued sick leave	28,333	36,198
Change in accrued pension obligation	(445,909)	(386,105)
Change in accrued retirement allowance	(36,104)	52,513
Change in inventory/prepaid expenses/unamortized debenture costs	<u>63,248</u>	<u>(50,108)</u>
	<u>8,354,734</u>	<u>7,101,575</u>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	(8,327,618)	(3,357,821)
Change in percentage ownership of capital assets	(7,281)	-
Proceeds on disposal of tangible capital assets	<u>41,779</u>	<u>3,113</u>
	<u>(8,293,120)</u>	<u>(3,354,708)</u>
<b>FINANCING TRANSACTIONS</b>		
Long term debt	<u>(1,944,186)</u>	<u>(2,516,903)</u>
<b>INVESTING TRANSACTION</b>		
Increase in investments	<u>(52,816)</u>	<u>(9,667)</u>
<b>CHANGE IN PERCENTAGE OWNERSHIP</b>	<u>3,328</u>	<u>-</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(1,932,060)	1,220,297
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>5,429,631</u>	<u>4,209,334</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 3,497,571</u>	<u>\$ 5,429,631</u>



# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 1. PURPOSE OF THE ORGANIZATION

Quispamsis ("the Municipality") was incorporated as a Municipality by the Province of New Brunswick Municipalities Act on January 1, 1998 and was approved for status as a Municipality effective January 1, 1998 by an amendment of New Brunswick Regulation 85-6 under the Municipalities Act. As a municipality, Quispamsis is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Municipality are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local government, as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

The focus of Public Sector Accounting Standards ("PSAS") financial statements is on the financial position of the Municipality and the changes thereto. The consolidated statement of financial position includes all of the assets and liabilities of the Municipality and its jointly controlled entities.

Significant aspects of the accounting policies adopted by the Municipality are as follows:

#### Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net debt and cash flows of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Municipality and which are owned or jointly controlled by the Municipality.

The entities included in the consolidated financial statements are as follows:

- Municipality of Quispamsis;
- Kennebecasis Regional Joint Board of Police Commissioners ("KRJBPC");
- Kennebecasis Valley Fire Department Inc. ("KVFD"); and
- Kennebecasis Public Library ("KPL").

Interdepartmental and organizational transactions and balances are eliminated.

The jointly controlled entities have been proportionately consolidated at the following rates:

	<u>2016</u>	<u>2015</u>
Kennebecasis Regional Joint Board of Police Commissioners	59.02%	58.98%
Kennebecasis Valley Fire Department Inc.	58.55%	58.35%
Kennebecasis Public Library	59.95%	59.95%

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Budget

The budget figures contained in these consolidated financial statements were approved by Council on December 22, 2015 and the Minister of Local Government on January 13, 2016.

#### Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equity instruments with actively traded markets are reported at fair value, with any unrealized gains and losses reported in annual surplus. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

#### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

#### Revenue Recognition

Unrestricted revenue is recorded on an accrual basis and is recognized when collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred.

Other revenue is recorded when it is earned.

#### Expenditure Recognition

Expenditures are recorded on an accrual basis.

#### Measurement Uncertainty

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenditures during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results may differ from those estimates.

Examples of significant estimates include:

- the allowance for doubtful accounts;
- providing for amortization of tangible capital assets;
- the estimated useful lives of tangible capital assets;
- the recoverability of tangible capital assets; and
- post employment benefits liability.

#### Inventory

Inventories are valued at the lower of cost and net realizable value with cost being determined on the first in, first out basis.

# MUNICIPALITY OF QUISPAMSIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Capital Reserves

The use of the Capital Reserve Funds is restricted to capital acquisitions. The intention is to use these funds for future capital acquisitions and reduce future borrowing requirements.

#### Operating Reserves

The use of these funds is restricted to payment of operating expenditures.

#### Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital asset, less any residual value when applicable, is amortized on a straight-line basis over the estimated useful lives as follows:

<u>Asset Type</u>	<u>Estimated Useful Life</u>
Land improvements	10-25 years
Buildings and leasehold improvements	20-40 years
Vehicles	3-25 years
Machinery and equipment	3-20 years
Furniture and fixtures	5-20 years
Roads and streets	5-75 years
Treatment facilities	25-60 years
Water and wastewater networks	30-60 years

Assets under construction are not amortized until the asset is available for productive use.

#### Segmented Information

The Municipality is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Municipality's operations and activities are organized and reported by function. This presentation was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments as follows:

#### General Government Services

This department is responsible for the overall governance and financial administration of the Municipality. This includes council functions, general and financial management, legal matters and compliance with legislation, as well as civic relations.

#### Protective Services

This department is responsible for the provision of policing services, fire protection, emergency measures, animal control and other protective measures.

#### Transportation Services

This department is responsible for common services, roads and streets maintenance, street lighting, traffic services, parking and other transportation related functions.

# MUNICIPALITY OF QUISPAMSI

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### Segmented Information (cont'd)

##### Environmental Health Services

This department is responsible for the provision of waste collection and disposal, and a climate change program.

##### Environmental Development Services

This department is responsible for planning and zoning, community development, tourism and other municipal development and promotion services.

##### Community Services

This department is responsible for the maintenance and operation of recreational and cultural facilities including the swimming pool, arenas, parks and playgrounds and other recreational and cultural facilities and community programs.

##### Utility Services

This department is responsible for the provision of water and sewer services including the maintenance and operation of the underground networks, treatment plants, reservoirs and lagoons.

The Municipality has documented a schedule of segmented disclosure in Note 18.

#### Post Employment Benefits

The Municipality recognizes its obligations under post employment benefit plans and the related costs, net of plan assets. The Municipality has a sick leave benefit as documented in Note 10 and a pension plan and retirement allowance as documented in Note 11.

### 3. FINANCIAL INSTRUMENTS

The Municipality is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Municipality's risk exposure and concentration as of December 31, 2016:

#### Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Municipality is exposed to credit risk from its accounts receivable. The Municipality minimizes credit risk through ongoing credit management.

#### Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Municipality is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long term debt, accounts payable and accrued liabilities and other obligations.

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 3. FINANCIAL INSTRUMENTS (cont'd)

#### Currency Risk

Currency risk is the risk to the Municipality's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Municipality is not exposed to foreign currency risk as it does not hold foreign currencies.

#### Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Municipality manages exposure through its normal operating and financing activities. The Municipality is not exposed to interest rate risk as its long term debt does not have a variable interest rate.

### 4. CASH

	<u>2016</u>	<u>2015</u>
Unrestricted	\$ 1,514,564	\$ 1,927,633
Restricted - reserve funds (Note 20)	1,801,411	3,305,634
Restricted - controlled entities	<u>181,596</u>	<u>196,364</u>
	<u>\$ 3,497,571</u>	<u>\$ 5,429,631</u>

### 5. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES

	<u>2016</u>	<u>2015</u>
Canada Revenue Agency (HST refund)	\$ 391,680	\$ 312,531
Canada-New Brunswick Gas Tax	<u>649,000</u>	<u>141,000</u>
	<u>\$ 1,040,680</u>	<u>\$ 453,531</u>

### 6. DUE FROM PROVINCE OF NEW BRUNSWICK

	<u>2016</u>	<u>2015</u>
NB Emergency Measures Organization - Disaster Recovery	\$ <u>258,850</u>	\$ <u>258,850</u>

A claim has been made with the NB EMO Recovery Program for Disaster Financial Assistance to recover \$258,850 in costs that were incurred as a result of damages to infrastructure caused by a storm that occurred September 30, 2015.

### 7. INVESTMENTS

The investments represent the Municipality's proportionate share of the investments of the KRJBPC. The investments consist of short term notes, Canadian equities and foreign equities and are recorded at fair market value. The unrealized gain (loss) on the investments at December 31, 2016 was \$29,036 (2015 - \$21,513). The investments are restricted for future payment of retirement benefits.

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 8. LONG TERM DEBT

#### (a) General Capital Fund

	Balance January 1, 2016	Issued during year	Redeemed during year	Balance December 31, 2016
New Brunswick Municipal Financing Corporation				
Debentures:				
AU09 4.25% - 4.7%, due June 2016, OIC # 05-55	\$ 102,000	\$ -	\$ 102,000	\$ -
AW06 4.3% - 4.55%, due May 2017, OIC # 06-71	121,000	-	59,000	62,000
AY14 3.3% - 4.85%, due May 2018, OIC # 07-12	173,000	-	55,000	118,000
BD20 1.5% - 3.85% due November, 2020, OIC # 99-25, 99-72	276,000	-	52,000	224,000
BE14 1.65% - 4.25%, due May 2021, OIC # 00-43, 09-40, 09-72	9,439,000	-	749,000	8,690,000
BF19 1.35% - 3.45%, due December 2026, OIC # 11-39	1,697,000	-	236,000	1,461,000
FCM 10092 1-2012 2%, due May 2027, OIC # 09-75	1,647,000	-	123,000	1,524,000
BJ21 1.25% - 4.4%, due November 2033, OIC # 11-83	3,233,000	-	170,000	3,063,000
BL23 1.20% - 3.70%, due December 2034, OIC # 11-83	386,000	-	16,000	370,000
BP18 1.2% - 2.45%, due December 2023, OIC # 16-0039	-	428,000	-	428,000
	<u>17,074,000</u>	<u>428,000</u>	<u>1,562,000</u>	<u>15,940,000</u>

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 8. LONG TERM DEBT (cont'd)

#### (a) General Capital Fund (cont'd)

	Balance January 1, 2016	Issued during year	Redeemed during year	Balance December 31, 2016
Capital leases:				
Caterpillar Financial Services Ltd, 4.45%, due May 2021, secured by equipment	45,886	-	7,796	38,090
HSBC Bank Canada, 3.899%, due September 2020, secured by equipment	<u>82,281</u>	<u>-</u>	<u>16,356</u>	<u>65,925</u>
	<u>128,167</u>	<u>-</u>	<u>24,152</u>	<u>104,015</u>
	<u>\$ 17,202,167</u>	<u>\$ 428,000</u>	<u>\$ 1,586,152</u>	<u>\$ 16,044,015</u>

Principal payments required during the next five years for the General Capital Fund are as follows:

2017 - \$1,565,156; 2018 - \$1,549,201; 2019 - \$1,536,290; 2020 - \$1,585,170; 2021 - \$6,365,198

In 2021, debenture BE14 will mature with a final amount due of \$5,498,000, however it is expected that \$4,637,000 will be refinanced for a period not to exceed five years.

In 2017, debenture AW06 will mature with a final amount due of \$62,000.

#### (b) Utility Capital Fund

	Balance January 1, 2016	Issued during year	Redeemed during year	Balance December 31, 2016
New Brunswick Municipal Financing Corporation				
Debentures:				
AU10 4.15% - 4.7%, due June 2016, OIC # 94-13, 93-22	\$ 1,416,000	\$ -	\$ 1,416,000	\$ -
AW07 4.3% - 4.55%, due May 2017, OIC # 05-55, 05-105, 05-91	216,000	-	106,000	110,000
AY15 3.5% - 4.85%, due May 2018, OIC # 06-71, 07-12	15,000	-	5,000	10,000
BB24 1.0% - 4.5%, due November 2019, OIC # 07-12	127,000	-	30,000	97,000
BD21 1.5% - 3.85%, due November 2020, OIC # 08-42	160,000	-	30,000	130,000



# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 8. LONG TERM DEBT (cont'd)

#### (b) Utility Capital Fund (cont'd)

	Balance January 1, 2016	Issued during year	Redeemed during year	Balance December 31, 2016
BE15 1.65% - 4.25%, due May 2021, OIC # 00-43, 01-11	376,000	-	57,000	319,000
BF20 1.35% - 3.45%, due December 2021, OIC # 09-68	114,000	-	22,000	92,000
BI19 1.35% - 4.0%, due June 2033, OIC # 09-93	1,598,000	-	69,000	1,529,000
BJ22 1.25% - 4.4%, due November 2033, OIC # 11-83	2,541,000	-	107,000	2,434,000
BK10 1.15% - 4.15%, due May 2034, OIC # 12-0079, 12-0091	3,535,000	-	116,000	3,419,000
BL24 1.2% - 3.7%, due December 2034, OIC # 14-0009	1,943,000	-	57,000	1,886,000
BO18 1.45% - 2.9%, due June 2026, OIC # 04-0015	-	1,304,000	-	1,304,000
	<u>\$ 12,041,000</u>	<u>\$ 1,304,000</u>	<u>\$ 2,015,000</u>	<u>\$ 11,330,000</u>

Principal payments required during the next five years for the Utility Capital Fund are as follows:

2017 - \$729,000; 2018 - \$634,000; 2019 - \$645,000; 2020 - \$627,000; 2021 - \$610,000

In 2017, debenture AW07 will mature with a final amount due of \$110,000.

#### (c) Jointly Controlled Entity - KRJBPC (proportionate share)

	Balance January 1, 2016	Issued during year	Redeemed during year	Balance December 31, 2016
New Brunswick Municipal Financing Corporation				
Debentures:				
BN 35 1.05% - 3.15%, due 2025, OIC # 03-0053	\$ 524,922	\$ -	\$ 48,056	\$ 476,866
BL 45 1.2% - 3.1%, due 2024, OIC# 02-66, 03-53	264,230	-	26,978	237,252
	<u>\$ 789,152</u>	<u>\$ -</u>	<u>\$ 75,034</u>	<u>\$ 714,118</u>

Principal payments required during the next five years are as follows:

2017 - \$75,494; 2018 - \$76,674; 2019 - \$77,854; 2020 - \$79,623; 2021 - \$81,392



# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 8. LONG TERM DEBT (cont'd)

#### Total Long Term Debt:

	2016	2015
General Capital Fund	\$ 16,044,015	\$ 17,202,167
Utility Capital Fund	11,330,000	12,041,000
Jointly Controlled Entity - KRJBPC	<u>714,118</u>	<u>789,152</u>
	<u>\$ 28,088,133</u>	<u>\$ 30,032,319</u>

Approval of the Municipal Capital Borrowing Board has been obtained for the long term debt.

### 9. SEWER OUTFALL RESERVE

In accordance with an agreement with Rothesay, the Municipality and Rothesay are required to fund, on an annual basis, an amount to cover the operating and maintenance costs associated with the shared sewer effluent line and outfall pipe. The contributions are made on a per unit basis, with Rothesay contributing \$1 per unit and the Municipality of Quispamsis contributing \$2 per unit.

### 10. ACCRUED SICK LEAVE

Quispamsis provides sick leave that accumulates at a rate of one and one-half days per month. All employees can accumulate a maximum of 200 days and can take leave with pay for an amount of time equal to the accumulated sick leave.

KVFD provides sick leave that accumulates at a rate of 18 hours per month while the employees sick bank is below 1,000 hours, and at 13.5 hours per month while the sick bank is above 1,000 hours. All employees can accumulate to a maximum of 2,184 sick leave hours and can take leave with pay for an amount of time equal to the accumulated sick leave.

An actuarial valuation in accordance with PSAS 3255, was performed for each plan, December 31, 2015 for the Municipality and December 31, 2014 for KVFD, the 85 employee plan for Quispamsis and the 36 employee plan for KVFD. The actuarial method used was the Projected Unit Credit pro-rated on service to expected usage. The valuation was based on a number of assumptions about future events, such as interest rates, wage and salary increases and employee turnover and retirement. The assumptions used reflect the Municipality's and KVFD's best estimates.

The following summarizes the major assumptions in the valuation:

- annual salary increase is 3% for the Municipality and 3% for the KVFD;
- the discount rates used to determine the accrued benefit obligations are 3.14% for the Municipality and 3.17% for KVFD;
- retirement age is 60 for the Municipality and 60 for KVFD; and
- estimated net excess utilization of rate of sick leave is independent of age.

The sick leave is an unfunded benefit and as such, there are no applicable assets. Benefits are paid out of general revenue as they come due.

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 10. ACCRUED SICK LEAVE (cont'd)

The consolidated unfunded liability consist of:

	<u>2016</u>	<u>2015</u>
Quispamsis	\$ 170,600	\$ 165,000
KVFD	418,683	395,955
KRJBPC	<u>7,849</u>	<u>7,844</u>
	<u>\$ 597,132</u>	<u>\$ 568,799</u>

### 11. POST EMPLOYMENT BENEFITS PAYABLE

#### Retirement Allowance Program

KVFD's retiring employees are entitled to four weeks' regular salary for every five years of employment to a maximum of 24 weeks based on a minimum of ten years service. This benefit is available to all employees who have reached the retirement age of 55.

The accrued liability is based on an actuarial valuation as at December 31, 2016, which used a discount rate of 3.3% and an annual salary increase rate of 3%.

KRJBPC's retiring employees are entitled to accumulate the greater of fifty percent of unused sick leave credits or one month's standard salary for every five years, or any part thereof, of service to a maximum of 6 months.

The accrued liability is based on an actuarial valuation as at July 31, 2016, which used a discount rate of 2.86% and an annual salary increase rate of 3%.

Both organizations have internally restricted funds for these liabilities. The balance at December 31, 2016 consists of:

	<u>2016</u>	<u>2015</u>
KVFD	\$ 200,637	\$ 214,822
KRJBPC	<u>458,840</u>	<u>480,759</u>
Balance at end of year	<u>\$ 659,477</u>	<u>\$ 695,581</u>

#### Pension Obligation

Employees of Quispamsis, KVFD and KRJBPC participate in the New Brunswick Municipal Employees Pension Plan ("NBMEPP"). The NBMEPP is a multiple-employer defined benefit pension plan administered by a board elected by the members under the provisions of the Municipalities Act of New Brunswick. The NBMEPP provides pensions based on length of service and best average earnings.

Actuarial valuations for funding purposes are performed either annually or triennially depending on the financial position of the NBMEPP (currently annually). In turn, the actuarial valuations for accounting purposes are based on these figures (with adjustments). The most recent actuarial valuation was prepared as at December 31, 2014 and resulted in an overall NBMEPP accrued benefit obligation of \$96,549,500 based on the accounting basis.

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 11. POST EMPLOYMENT BENEFITS PAYABLE (cont'd)

The actuarial valuation for accounting purposes was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimates. The following summarizes the major assumptions in the valuation as at December 31, 2015 (same as December 31, 2014):

- the expected inflation rate is 2.25% (prior 2.25%);
- the discount rate used to determine the accrued benefit obligation is 5.85% (prior 5.9%);
- the expected rate of return on assets is 5.85% (prior 5.9%);
- retirement age varies by age and employment category; and
- estimated average remaining service life (EARS) is 14 years (prior 14 years).

The actuarial valuation prepared as at December 31, 2014 indicated that the market value of the net assets available for the accumulated plan benefits exceeded the present value of these benefits. The pension plan has been granted a solvency deficiency exemption by the Province of New Brunswick. On a going concern valuation basis, the actuarial valuation indicated a plan surplus of \$1,241,600, an increase of \$6,412,900 from the December 31, 2013 deficit of \$5,171,300. Based on the assumptions as at December 31, 2014, the actuary expected the level of employer and employee contributions to be sufficient to fund the deficit in less than fifteen years, as allowed by the Pensions Benefits Act.

As at December 31, 2014, the NBMEPP provides benefits for 206 retirees. Total benefits payments to retirees and terminating employees during 2016 are estimated to be approximately \$2,799,500 (actual 2015, \$3,806,600) in totality for the NBMEPP.

Employees make contributions using rates that vary by earnings level and employment category, with an overall average contribution rate of approximately 7.6%. Each municipality contributes an amount that equals their employees contributions amounts. Pension fund assets are invested in short term securities, bonds, Canadian equities and foreign equities. Combined employees and municipalities contributions for 2016 are estimated to be approximately \$5,959,800 (actual 2015, \$5,786,400) in totality for the NBMEPP.

The following summarizes the NBMEPP data as it relates to Quispamsis:

- The average age of the 82 active employees covered by the NBMEPP is 45.4 (2015 - 45);
- benefit payments were \$312,900 in 2015 and were estimated to be \$79,700 in 2016; and
- combined contributions were \$722,400 in 2015 and were estimated to be \$744,000 in 2016.

The following summarizes the NBMEPP data as it relates to KVFD:

- The average age of the 40 active employees covered by the NBMEPP is 43.1 (2015 - 45.4);
- benefit payments were \$372,600 in 2015 and were estimated to be \$338,500 in 2016; and
- combined contributions were \$524,800 in 2015 and were estimated to be \$540,600 in 2016.

The following summarizes the NBMEPP data as it relates to KRJBPC:

- The average age of the 42 active employees covered by the NBMEPP is 41.7;
- benefit payments were \$418,800 in 2015 and were estimated to be \$148,700 in 2016; and
- combined contributions were \$615,500 in 2015 and were estimated to be \$633,800 in 2016.

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 11. POST EMPLOYMENT BENEFITS PAYABLE (cont'd)

In addition to determining the position of the NBMEPP as it relates to Quispamsis and the other controlled entities as at December 31, 2014 and December 31, 2015, NBMEPP's actuary performed an extrapolation of the December 31, 2015 accounting valuation to determine the estimated position as at December 31, 2016. The extrapolation assumes assumptions used as at December 31, 2016 remain unchanged from December 31, 2015. The extrapolation also assumes assets return 5.85%, net of all fees and expenses. If experience is different than assumed, amounts will be adjusted to reflect actual experience. Results of the extrapolation are as follows:

	<b>Estimated Jan 1, 2016 to Dec 31, 2016</b>	<b>Jan 1, 2015 to Dec 31, 2015</b>
<b>Accrued Benefit Liability</b>		
Accrued benefit liability at beginning of period	\$ 1,445,642	\$ 1,831,747
Adjustment to actual	(72,135)	6,876
Pension expense for the year	343,515	266,616
Employer contributions	<u>(717,289)</u>	<u>(659,597)</u>
Accrued benefit liability at end of period	<u>\$ 999,733</u>	<u>\$ 1,445,642</u>

In summary, the consolidated accrued benefit liability is estimated to be \$999,733 as at December 31, 2016. The December 31, 2015 liability was estimated in the prior year. The actual liability was calculated to be \$1,373,507. The difference of \$72,135 has been recorded in the current year. This amount is included in the post employment benefits payable on the consolidated statement of financial position.

	<b>Estimated Jan 1, 2016 to Dec 31, 2016</b>	<b>Jan 1, 2015 to Dec 31, 2015</b>
Quispamsis	\$ 99,300	\$ 294,000
KVFD	458,329	611,916
KRJBPC	<u>442,104</u>	<u>539,726</u>
	<u>\$ 999,733</u>	<u>\$ 1,445,642</u>

The financial position as it relates to the accrued benefit liability is shown as follows and illustrates the unamortized amounts being recognized in pension expense over time:

	<b>Estimated Jan 1, 2016 to Dec 31, 2016</b>	<b>Jan 1, 2015 to Dec 31, 2015</b>
<b>Reconciliation of Funded Status at End of Period</b>		
Accrued benefit obligation	\$ 23,006,668	\$ 21,104,978
Plan assets	<u>(22,157,099)</u>	<u>(19,893,168)</u>
Plan deficit	849,569	1,211,810
Unamortized experience losses	150,164	161,697
2015 adjustment actual to estimate	<u>-</u>	<u>72,135</u>
Accrued benefit liability at end of period	<u>\$ 999,733</u>	<u>\$ 1,445,642</u>

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 11. POST EMPLOYMENT BENEFITS PAYABLE (cont'd)

The following illustrates the reconciliation of accrued benefit obligation from the beginning of period to the end of period:

	<b>Estimated Jan 1, 2016 to Dec 31, 2016</b>	<b>Jan 1, 2015 to Dec 31, 2015</b>
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued benefit obligation at beginning of period	\$ 21,104,978	\$ 19,747,700
Change in ownership percentage	-	22,464
Current service cost	1,013,774	945,800
Benefits payments	(365,652)	(778,225)
Interest for period	1,253,568	1,171,423
Experience gain during period	-	(4,184)
Accrued benefit obligation at end of period	<u>\$ 23,006,668</u>	<u>\$ 21,104,978</u>

The following illustrates the reconciliation of plan assets from the beginning of period to the end of period:

	<b>Estimated Jan 1, 2016 to Dec 31, 2016</b>	<b>Jan 1, 2015 to Dec 31, 2015</b>
<b>Reconciliation of Plan Assets</b>		
Plan assets at beginning of period	\$ 19,893,168	\$ 18,798,453
Change in ownership percentage	-	21,582
Employer contributions	717,289	696,434
Employee contributions	717,289	696,493
Benefit payments	(365,652)	(778,225)
Return on plan assets during period	1,195,005	1,209,331
Experience loss during the year	-	(750,900)
Plan assets at end of period	<u>\$ 22,157,099</u>	<u>\$ 19,893,168</u>

Total expense related to pensions include the following components:

	<b>Estimated Jan 1, 2016 to Dec 31, 2016</b>	<b>Jan 1, 2015 to Dec 31, 2015</b>
<b>Pension Expense</b>		
Employer current service cost	\$ 296,485	\$ 249,308
Interest on accrued benefit obligation	1,253,568	1,171,423
Expected return on assets	(1,195,005)	(1,128,548)
Amortization of unrecognized balances		
Prior service savings	24,000	800
Experience gain	(35,533)	(34,486)
Pension expense	<u>\$ 343,515</u>	<u>\$ 258,497</u>

The pension expense is included in the statement of operations.

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 12. CONTINGENT LIABILITY

In the normal course of operations, the Municipality becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at December 31, 2016 cannot be predicted with certainty, it is the opinion of management and council that resolution of these matters will not have a material adverse effect as the Municipality maintains insurance coverage in amounts considered appropriate.

### 13. COMMITMENTS

#### Dalhousie School of Medicine

In 2012, the Municipality committed \$50,000 payable over 10 years to the Dalhousie School of Medicine. During the year, a payment of \$5,000 (2015 - \$5,000) was made. The remaining \$25,000 is payable at \$5,000 per year, over the next 5 years.

#### Office Equipment

The Municipality has entered into long-term lease agreements for certain office equipment which have been accounted for as operating leases. The future minimum payments over the next five years are as follows:

2017	\$7,300
2018	6,460
2019	5,095
2020	3,352
2021	1,397

### 14. SHORT TERM BORROWING

#### Operating Borrowing

As prescribed in the Municipalities Act, borrowing to finance General Operating Fund operations is limited to 4% of the Municipality's budget. Borrowing to finance Water and Sewer Fund operations is limited to 50% of the operating budget for the year. In 2016, the Municipality has complied with these restrictions.

#### Interim Borrowing Capital Funds

The Municipality has arranged a revolving operating facility bearing interest at BMO prime minus 1% for the Capital Funds. The facility is used to provide interim financing for capital expenditures. At December 31, 2016, the Municipality had no funds (2015 - nil) borrowed from the facility.

#### Inter-fund Borrowing

The Municipal Financial Reporting Manual requires that short term inter-fund borrowings be repaid in the next year unless the borrowing is for a capital project. The amounts payable between Funds are in compliance with the requirements.



# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 14. SHORT TERM BORROWING (cont'd)

Amounts outstanding at year end are inter fund regular payables or in some cases, a short term loan may exist from the reserve account. Where a loan is in place, interest is paid to the reserve account at a rate that equates what the account would have earned had it been in the bank. These loan amounts are paid off within the following year and council is given a summary at year end to be fully informed of these transactions.

The Municipality has remaining outstanding authority for short-term borrowings as follows:

Utility Capital Fund, OIC # 15-0091	\$ 1,000,000
Utility Capital Fund, OIC # 15-0084 - interim financing	<u>4,600,000</u>
	<u>\$ 5,600,000</u>

### 15. WATER AND SEWER FUND SURPLUS

The Municipalities Act requires Water and Sewer Fund surplus amounts to be absorbed into one or more of four Operating Budgets commencing with the second next ensuing year. The balance of the surplus at the end of the year consists of:

	<u>2016</u>	<u>2015</u>
2016 Surplus	\$ 686	\$ -
2015 Surplus	12,397	12,397
2014 Surplus	<u>-</u>	<u>70,138</u>
	<u>\$ 13,083</u>	<u>\$ 82,535</u>

# MUNICIPALITY OF QUISPAMIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 16. SCHEDULE OF TANGIBLE CAPITAL ASSETS

	Land	Land Improvements	Buildings and Leasehold Improvements	Furniture and Fixtures	Vehicles	Machinery and Equipment	Infrastructure			Assets Under Construction		2015 Total
							Roads and Streets	Treatment Facilities	Water and Sewer	Subtotal	2016 Total	
<b>COST</b>												
Balance - beginning of year	\$ 3,433,128	\$ 6,945,237	\$ 34,696,089	\$ 503,816	\$ 3,205,206	\$ 5,948,030	\$ 66,383,604	\$ 30,574,291	\$ 15,590,939	\$ 167,280,340	\$ 497,509	\$ 167,777,849
Change in percentage ownership	194	21	5,591	67	5,820	878	-	-	-	12,571	-	-
Add: Net additions during the year	6,703	851,841	161,313	12,428	272,414	975,002	2,421,909	74,695	-	4,776,305	3,609,317	3,495,063
Less: Disposals during the year	-	-	-	-	(185,276)	(438,598)	(543,010)	-	-	(1,166,884)	(58,004)	(659,001)
Balance - end of year	<u>3,440,025</u>	<u>7,797,099</u>	<u>34,862,993</u>	<u>516,311</u>	<u>3,298,164</u>	<u>6,485,312</u>	<u>68,262,503</u>	<u>30,648,986</u>	<u>15,590,939</u>	<u>170,902,332</u>	<u>4,048,822</u>	<u>167,777,849</u>
<b>ACCUMULATED AMORTIZATION</b>												
Balance - beginning of year	-	2,431,086	6,989,700	300,901	1,776,485	3,182,277	31,302,083	4,443,181	6,079,563	56,505,276	-	51,334,995
Change in percentage ownership	-	12	2,419	35	2,473	351	-	-	-	5,290	-	-
Add: Amortization during the year	-	408,948	995,799	39,473	251,301	562,135	2,756,143	408,270	510,196	5,932,265	-	5,688,502
Less: Accumulated amortization on disposals	-	-	-	-	(175,760)	(438,598)	(543,010)	-	-	(1,157,368)	-	(518,221)
Balance - end of year	<u>-</u>	<u>2,840,046</u>	<u>7,987,918</u>	<u>340,409</u>	<u>1,854,499</u>	<u>3,306,165</u>	<u>33,515,216</u>	<u>4,851,451</u>	<u>6,589,759</u>	<u>61,285,463</u>	<u>-</u>	<u>56,505,276</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 3,440,025</u>	<u>\$ 4,957,053</u>	<u>\$ 26,875,075</u>	<u>\$ 175,902</u>	<u>\$ 1,443,665</u>	<u>\$ 3,179,147</u>	<u>\$ 34,747,287</u>	<u>\$ 25,797,535</u>	<u>\$ 9,001,180</u>	<u>\$ 109,616,869</u>	<u>\$ 4,048,822</u>	<u>\$ 111,272,573</u>
Consists of:												
General Fund Assets	\$ 2,266,135	\$ 4,828,693	\$ 22,625,029	\$ 119,259	\$ 331,000	\$ 2,237,419	\$ 34,747,287	\$ -	\$ -	\$ 67,154,822	\$ 341,755	\$ 67,496,577
Utility Fund Assets	821,732	-	-	-	60,016	596,570	-	25,797,535	9,001,180	36,277,033	3,707,067	39,984,100
Jointly Controlled Entities	352,158	128,360	4,250,046	56,643	1,052,649	345,158	-	-	-	6,185,014	-	6,185,014
	<u>\$ 3,440,025</u>	<u>\$ 4,957,053</u>	<u>\$ 26,875,075</u>	<u>\$ 175,902</u>	<u>\$ 1,443,665</u>	<u>\$ 3,179,147</u>	<u>\$ 34,747,287</u>	<u>\$ 25,797,535</u>	<u>\$ 9,001,180</u>	<u>\$ 109,616,869</u>	<u>\$ 4,048,822</u>	<u>\$ 111,272,573</u>

The Municipality has tangible capital assets under capital leases as follows, included in the amounts listed above:

	Historical Cost	Accumulated Amortization	Net Book Value
Machinery and equipment	\$ 308,256	\$ 187,508	\$ 120,748



# MUNICIPALITY OF QUISPAMIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 17. SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR JOINTLY CONTROLLED ENTITIES

	Land	Land Improvements	Buildings	Furniture and Fixtures	Vehicles	Machinery and Equipment	Assets Under Construction	2016 Total	2015 Total
<b>COST</b>									
Balance - beginning of year	\$ 351,964	\$ 183,170	\$ 5,710,365	\$ 104,590	\$ 1,973,229	\$ 685,453	\$ -	\$ 9,008,771	\$ 8,834,297
Change in percentage ownership	194	21	5,591	67	5,820	878	-	12,571	-
Add: Net additions during the year	-	-	10,515	12,428	95,296	74,321	-	192,560	214,741
Less: Disposals during the year	-	-	-	-	(52,640)	-	-	(52,640)	(40,267)
Balance - end of year	<u>352,158</u>	<u>183,191</u>	<u>5,726,471</u>	<u>117,085</u>	<u>2,021,705</u>	<u>760,652</u>	<u>-</u>	<u>9,161,262</u>	<u>9,008,771</u>
<b>ACCUMULATED AMORTIZATION</b>									
Balance - beginning of year	-	43,252	1,269,472	54,863	868,297	309,330	-	2,545,214	2,136,215
Change in percentage ownership	-	12	2,419	35	2,473	351	-	5,290	-
Add: Amortization during the year	-	11,567	204,534	5,544	147,385	105,813	-	474,843	445,728
Less: Accumulated amortization on disposals	-	-	-	-	(49,099)	-	-	(49,099)	(36,729)
Balance - end of year	<u>-</u>	<u>54,831</u>	<u>1,476,425</u>	<u>60,442</u>	<u>969,056</u>	<u>415,494</u>	<u>-</u>	<u>2,976,248</u>	<u>2,545,214</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 352,158</u>	<u>\$ 128,360</u>	<u>\$ 4,250,046</u>	<u>\$ 56,643</u>	<u>\$ 1,052,649</u>	<u>\$ 345,158</u>	<u>\$ -</u>	<u>\$ 6,185,014</u>	<u>\$ 6,463,557</u>

# MUNICIPALITY OF QUISPAMIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 18. SCHEDULE OF SEGMENT DISCLOSURE

	<u>General</u>	<u>Protective</u>	<u>Transportation</u>	<u>Environmental Health</u>	<u>Environmental Development</u>	<u>Community Services</u>	<u>Utility Services</u>	<u>2016 Consolidated</u>	<u>2015 Consolidated</u>
<b>REVENUE</b>									
Property tax warrant	\$ 2,599,541	\$ 7,258,620	\$ 4,585,824	\$ 1,253,724	\$ 1,073,723	\$ 4,158,846	\$ -	\$ 20,930,278	\$ 20,294,652
Services provided to other governments	-	-	47,063	-	-	-	-	47,063	47,063
Other own source	191,698	32,422	-	-	-	1,080,344	-	1,304,464	1,330,467
Unconditional grant	19,291	53,866	34,031	9,304	7,968	30,863	-	155,323	100,356
Conditional government transfers	385,016	-	1,766,999	-	-	-	1,792,526	3,944,541	1,692,366
Water and sewer user fees	-	-	-	-	-	-	2,400,281	2,400,281	2,332,287
Contributions from public donations and sponsorship	-	-	-	-	-	103,568	-	103,568	108,511
Sundry	<u>61,291</u>	<u>385,362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,866</u>	<u>74,265</u>	<u>531,784</u>	<u>395,761</u>
	<u>3,256,837</u>	<u>7,730,270</u>	<u>6,433,917</u>	<u>1,263,028</u>	<u>1,081,691</u>	<u>5,384,487</u>	<u>4,267,072</u>	<u>29,417,302</u>	<u>26,301,463</u>
<b>EXPENDITURE</b>									
Salaries and benefits	1,048,500	5,450,782	2,239,562	-	211,152	2,094,771	730,957	11,775,724	11,410,588
Goods and services	1,193,345	848,345	1,892,139	999,493	167,446	2,169,019	596,292	7,866,079	7,360,862
Interest	11,534	32,954	37,896	-	-	547,330	461,492	1,091,206	1,160,724
Other	-	358	-	-	-	-	-	358	425
Amortization	<u>51,652</u>	<u>293,801</u>	<u>3,188,439</u>	<u>-</u>	<u>4,482</u>	<u>1,406,099</u>	<u>987,792</u>	<u>5,932,265</u>	<u>5,688,502</u>
	<u>2,305,031</u>	<u>6,626,240</u>	<u>7,358,036</u>	<u>999,493</u>	<u>383,080</u>	<u>6,217,219</u>	<u>2,776,533</u>	<u>26,665,632</u>	<u>25,621,101</u>
Surplus (deficit) for the year	<u>\$ 951,806</u>	<u>\$ 1,104,030</u>	<u>\$ (924,119)</u>	<u>\$ 263,535</u>	<u>\$ 698,611</u>	<u>\$ (832,732)</u>	<u>\$ 1,490,539</u>	<u>\$ 2,751,670</u>	<u>\$ 680,362</u>

# MUNICIPALITY OF QUISPAMIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 19. RECONCILIATION OF ANNUAL SURPLUS

	General Operating Fund	General Capital Fund	Utility Operating Fund	Utility Capital Fund	General Operating Reserve Fund	General Capital Reserve Fund	Utility Operating Reserve Fund	Utility Capital Reserve Fund	Land Trust Fund	Jointly Controlled Entities	Total
2016 annual surplus (deficit)	\$ 1,813,880	\$ (780,314)	\$ 708,605	\$ 939,420	\$ 3,845	\$ 10,967	\$ 859	\$ 14,382	\$ 6,969	\$ 33,049	\$ 2,751,669
Adjustments to annual surplus											
(deficit) for funding requirements											
Second previous year's surplus	14,327	-	70,138	-	-	-	-	-	-	137,415	221,880
Transfers between funds											
Transfer elimination	-	-	(44,686)	-	-	-	-	44,686	-	-	-
Transfer elimination	-	688,000	-	-	-	(688,000)	-	-	-	-	-
Transfer elimination	(17,000)	-	-	-	17,000	-	-	-	-	-	-
Transfer elimination	-	-	-	1,300,000	-	-	-	(1,300,000)	-	-	-
Long term debt principal repayment	(1,586,152)	1,586,152	(711,000)	711,000	-	-	-	-	-	-	-
Provision for pension liability	(171,667)	-	(23,033)	-	-	-	-	-	-	(253,654)	(448,354)
Provision for sick leave accrual	4,938	-	662	-	-	-	-	-	-	21,371	26,971
Provision for retirement allowance	-	-	-	-	-	-	-	-	-	(1,601)	(1,601)
Accumulated amortization on disposal of tangible capital assets	-	(1,108,269)	-	-	-	-	-	-	-	(49,099)	(1,157,368)
Unrealized gains on investments	-	-	-	-	-	-	-	-	-	(29,036)	(29,036)
Amortization expense	-	4,469,630	-	987,792	-	-	-	-	-	474,843	5,932,265
Total adjustments to 2016 annual surplus (deficit)	(1,755,554)	5,635,513	(707,919)	2,998,792	17,000	(688,000)	-	(1,255,314)	-	300,238	4,544,757
2016 annual surplus (deficit) for funding requirements	\$ 58,326	\$ 4,855,199	\$ 686	\$ 3,938,212	\$ 20,845	\$ (677,033)	\$ 859	\$ (1,240,925)	\$ 6,969	\$ 333,287	\$ 7,296,425

# MUNICIPALITY OF QUISPAMIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 20. STATEMENT OF RESERVES

	General Operating Reserve	General Capital Reserve	Utility Operating Reserve	Utility Capital Replacement Reserve	Utility Capital Reserve	Land Trust Fund	2016 Total	2015 Total
<b>ASSETS</b>								
Cash and short term investments	\$ 471,272	\$ 607,796	\$ 94,843	\$ 385,404	\$ 130,082	\$ 112,014	\$ 1,801,411	\$ 3,305,634
Accounts receivable from other funds	-	-	-	-	258	151	409	385,471
	<u>\$ 471,272</u>	<u>\$ 607,796</u>	<u>\$ 94,843</u>	<u>\$ 385,404</u>	<u>\$ 130,340</u>	<u>\$ 112,165</u>	<u>\$ 1,801,820</u>	<u>\$ 3,691,105</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 471,272</u>	<u>\$ 607,796</u>	<u>\$ 94,843</u>	<u>\$ 385,404</u>	<u>\$ 130,340</u>	<u>\$ 112,165</u>	<u>\$ 1,801,820</u>	<u>\$ 3,691,105</u>

<b>REVENUE</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,000	\$ 6,000	\$ 6,000
Lot fees	17,000	-	-	-	-	-	17,000	897,000
Transfers from General Operating Fund	-	-	-	44,686	-	-	44,686	116,640
Transfers from Utility Operating Fund	3,845	10,967	859	2,922	11,467	969	31,029	32,385
Interest	<u>20,845</u>	<u>10,967</u>	<u>859</u>	<u>47,608</u>	<u>11,467</u>	<u>6,969</u>	<u>98,715</u>	<u>1,052,025</u>
<b>EXPENDITURES</b>								
Transfers to General Operating Fund	-	-	-	-	-	-	-	155,000
Transfers to General Capital Fund	-	688,000	-	-	-	-	688,000	458,000
Transfers to Utility Operating Fund	-	-	-	-	-	-	-	16,500
Transfers to Utility Capital Fund	-	-	-	-	1,300,000	-	1,300,000	-
	<u>-</u>	<u>688,000</u>	<u>-</u>	<u>-</u>	<u>1,300,000</u>	<u>-</u>	<u>1,988,000</u>	<u>629,500</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>\$ 20,845</u>	<u>\$ (677,033)</u>	<u>\$ 859</u>	<u>\$ 47,608</u>	<u>\$ (1,288,533)</u>	<u>\$ 6,969</u>	<u>\$ (1,889,285)</u>	<u>\$ 422,525</u>

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 20. STATEMENT OF RESERVES (cont'd)

#### Council Resolutions regarding transfers to and from reserves:

Moved by Councillor Rioux and seconded by Councillor Miller be it resolved that \$44,686 be transferred from the Utility Operating Fund to the Utility Capital Replacement Reserve Fund.

Moved by Councillor Rioux and seconded by Councillor Thompson be it resolved that \$17,000 be transferred from the General Operating Fund to the General Operating Reserve Fund.

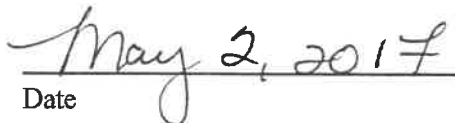
Moved by Deputy Mayor O'Hara and seconded by Councillor Loughery be it resolved that \$688,000 be transferred from the General Capital Reserve Fund to the General Capital Fund.

Moved by Councillor Miller and seconded by Councillor Loughery be it resolved that \$1,300,000 be transferred from the Utility Capital Reserve Fund to the Utility Capital Fund.

I hereby certify that the above are true and exact copies of resolutions adopted at a meeting of Council on December 20, 2016.



Clerk,  
Quispamsis



Date

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 21. STATEMENT OF JOINTLY CONTROLLED ENTITIES OPERATIONS

	<u>KVFD</u>	<u>KRJBPC</u>	<u>Library</u>	<u>2016 Total</u>	<u>2015 Total</u>
<b>ASSETS</b>	\$ <u>2,140,915</u>	\$ <u>2,269,910</u>	\$ <u>3,078,964</u>	\$ <u>7,489,789</u>	\$ <u>7,692,486</u>
<b>LIABILITIES</b>	\$ <u>1,192,904</u>	\$ <u>1,880,036</u>	\$ <u>15,088</u>	\$ <u>3,088,028</u>	\$ <u>3,327,103</u>
<b>ACCUMULATED SURPLUS</b>	\$ <u>948,011</u>	\$ <u>389,874</u>	\$ <u>3,063,876</u>	\$ <u>4,401,761</u>	\$ <u>4,365,383</u>
<b>REVENUE</b>	\$ 2,729,359	\$ 3,725,442	\$ 138,969	\$ 6,593,770	\$ 6,380,392
<b>EXPENDITURES</b>	<u>2,721,448</u>	<u>3,546,072</u>	<u>322,233</u>	<u>6,589,753</u>	<u>6,349,623</u>
	7,911	179,370	(183,264)	4,017	30,769
<b>CHANGE IN PERCENTAGE OWNERSHIP</b>	<u>3,211</u>	<u>117</u>	<u>-</u>	<u>3,328</u>	<u>-</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ <u>11,122</u>	\$ <u>179,487</u>	\$ <u>(183,264)</u>	\$ <u>7,345</u>	\$ <u>30,769</u>

The above noted entities are included in the consolidated financial statements. The above figures do not include the eliminating adjustments and represent Quispamsis' proportionate share.

# MUNICIPALITY OF QUISPAMIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 22. OPERATING BUDGET TO PSAS BUDGET

	Operating Budget General	Operating Budget Water and Sewer	Amortization and Long Term Accruals	Controlled Entities	Transfers	Total
<b>REVENUE</b>						
Property tax warrant	\$ 20,930,281	\$ -	\$ -	\$ -	\$ -	\$ 20,930,281
Unconditional transfers from other governments	155,323	-	-	-	-	155,323
Conditional transfers from Federal or Provincial governments	31,592	-	-	-	-	31,592
Services other governments	56,010	-	-	-	(8,947)	47,063
Other own source	1,234,542	4,390	-	-	-	1,238,932
Public donations and sponsorships	90,898	-	-	-	-	90,898
Other transfers	165,000	177,304	-	-	(342,304)	-
Water and sewer user fees	-	2,372,416	-	-	-	2,372,416
Sundry income	18,000	40,732	-	241,658	-	300,390
Surplus of second previous year	<u>14,327</u>	<u>70,138</u>	-	-	<u>(84,465)</u>	-
	<u>22,695,973</u>	<u>2,664,980</u>	-	<u>241,658</u>	<u>(435,716)</u>	<u>25,166,895</u>
<b>EXPENDITURES</b>						
General government services	2,331,913	-	20,629	-	11,534	2,364,076
Protective services	6,509,051	-	288,998	6,135,154	(6,192,217)	6,740,986
Transportation services	4,111,954	-	3,119,263	-	37,896	7,269,113
Environmental health services	1,124,000	-	-	-	-	1,124,000
Environmental development services	901,224	-	(2,068)	-	(517,023)	382,133
Community services	3,792,278	-	1,350,862	130,159	931,607	6,204,906
Fiscal services						
Long term debt repayments	1,646,152	711,000	-	-	(2,357,152)	-
Interest	622,633	475,190	-	-	(1,097,823)	-
Transfer from General Operating Fund to Utility Operating Fund	131,923	-	-	-	(131,923)	-
Transfer from Utility Operating Fund to General Operating Fund	-	8,947	-	-	(8,947)	-
Transfer from Utility Operating Fund to Utility Capital Replacement Reserve Fund	-	44,686	-	-	(44,686)	-
Transfer from General Operating Fund to General Capital Fund	1,524,845	-	-	-	(1,524,845)	-
Transfer from Utility Operating Fund to Utility Capital Fund	-	75,000	-	-	(75,000)	-
Utility services	-	<u>1,350,157</u>	<u>965,423</u>	-	<u>475,190</u>	<u>2,790,770</u>
	<u>22,695,973</u>	<u>2,664,980</u>	<u>5,743,107</u>	<u>6,265,313</u>	<u>(10,493,389)</u>	<u>26,875,984</u>
Surplus (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,743,107)</u>	<u>\$ (6,023,655)</u>	<u>\$ 10,057,673</u>	<u>\$ (1,709,089)</u>

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 23. REVENUE AND EXPENDITURES SUPPORT

	<b><u>2016</u></b> <b>Budget</b>	<b><u>2016</u></b> <b>Actual</b>	<b><u>2015</u></b> <b>Actual</b>
<b>REVENUE</b>			
Other own source			
Permits and fines	\$ 132,272	\$ 135,739	\$ 199,687
Rental revenue	1,098,860	1,116,963	1,070,667
Miscellaneous	<u>7,800</u>	<u>51,762</u>	<u>60,113</u>
	<u>\$ 1,238,932</u>	<u>\$ 1,304,464</u>	<u>\$ 1,330,467</u>
Conditional government transfers			
Government of Canada	\$ -	\$ 25,000	\$ -
Province of New Brunswick Small Communities Fund	-	1,792,526	-
Atlantic Canada Opportunities Agency	-	111,824	-
Trans Canada Trail	-	21,068	53,518
NB Emergency Measures Organization	-	-	258,850
Gas Tax revenue	-	1,907,999	1,340,050
Other	<u>31,592</u>	<u>86,124</u>	<u>39,948</u>
	<u>\$ 31,592</u>	<u>\$ 3,944,541</u>	<u>\$ 1,692,366</u>
<b>EXPENDITURE</b>			
General government services			
Legislative			
Mayor	\$ 50,667	\$ 46,649	\$ 41,343
Councillors	<u>172,045</u>	<u>145,526</u>	<u>143,397</u>
	<u>222,712</u>	<u>192,175</u>	<u>184,740</u>
Administrative			
Administration	1,143,444	1,107,261	1,079,012
Office building	104,913	119,318	116,486
Solicitor	125,000	119,573	108,934
Other	<u>187,880</u>	<u>189,041</u>	<u>135,783</u>
	<u>1,561,237</u>	<u>1,535,193</u>	<u>1,440,215</u>
Financial management			
External audit	<u>22,200</u>	<u>17,139</u>	<u>25,900</u>



# MUNICIPALITY OF QUISPAMSI

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 23. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2016</u> Budget	<u>2016</u> Actual	<u>2015</u> Actual
General government services (cont'd)			
Other			
Civic relations	99,935	95,081	67,690
Marketing	8,400	5,805	3,889
Insurance	97,703	107,571	98,531
Cost of assessment	319,726	319,726	315,357
Other	-	178	163
Interest	11,534	11,534	12,848
Pension recovery	(31,942)	(31,942)	(30,166)
Sick leave expense	919	919	3,783
Amortization	<u>51,652</u>	<u>51,652</u>	<u>29,434</u>
	<u>557,927</u>	<u>560,524</u>	<u>501,529</u>
	<u>\$ 2,364,076</u>	<u>\$ 2,305,031</u>	<u>\$ 2,152,384</u>
Protective services			
Fire			
Administration	\$ 365,715	\$ 341,356	\$ 362,371
Firefighting force	1,979,282	1,926,546	1,878,149
Telecommunications	12,219	6,876	10,341
Insurance	19,614	19,314	18,520
Prevention and training	26,055	24,255	23,526
Facilities	129,229	115,021	119,730
Fleet	59,975	58,952	51,690
Operations	27,167	29,804	27,795
Water costs	16,328	16,328	15,746
Retirement allowance	27,674	27,674	27,391
Other	1,171	1,199	972
Amortization	<u>158,884</u>	<u>158,944</u>	<u>151,544</u>
	<u>2,823,313</u>	<u>2,726,269</u>	<u>2,687,775</u>
Police			
Crime Control	2,511,979	2,513,784	2,358,669
Vehicle Fleet	140,005	109,241	132,956
Property	121,431	110,672	140,023
Administration	454,593	498,821	421,169
Retirement allowance	46,506	37,365	42,441
Communications	195,853	194,058	185,578
Loss on disposal of tangible capital assets	358	358	425
Amortization	<u>131,339</u>	<u>131,339</u>	<u>110,503</u>
	<u>3,602,064</u>	<u>3,595,638</u>	<u>3,391,764</u>

# MUNICIPALITY OF QUISPAMSI

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 23. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2016</u> Budget	<u>2016</u> Actual	<u>2015</u> Actual
Protective services (cont'd)			
Other			
Emergency measures	20,086	13,448	17,294
Animal control	74,664	67,417	87,571
Building inspection	183,148	185,000	181,091
Crosswalk guards	5,982	6,739	6,846
Interest	32,954	32,954	27,236
Pension recovery	(4,883)	(4,883)	(4,504)
Sick leave expense	140	140	565
Amortization	<u>3,518</u>	<u>3,518</u>	<u>1,759</u>
	<u>315,609</u>	<u>304,333</u>	<u>317,858</u>
	<u>\$ 6,740,986</u>	<u>\$ 6,626,240</u>	<u>\$ 6,397,397</u>
Transportation services			
Common			
Workshop, yard and equipment maintenance	\$ 64,941	\$ 63,792	\$ 56,668
Engineering	<u>450,234</u>	<u>446,594</u>	<u>431,037</u>
	<u>515,175</u>	<u>510,386</u>	<u>487,705</u>
Roads and streets			
Culverts and drainage ditches	86,000	106,232	129,177
Summer maintenance	1,260,269	1,240,508	1,440,699
Snow and ice removal	1,899,730	2,008,583	2,217,963
Street lighting	134,400	139,578	136,793
Street signs	10,800	4,101	4,957
Traffic lane marking	28,500	33,806	25,741
Traffic signals and signs	11,200	4,856	15,454
Railway crossing signals	10,100	9,741	9,708
Public transit - Comex Service	155,780	143,087	171,225
Plow route study	-	-	14,916
Pension recovery	(71,225)	(71,225)	(66,526)
Sick leave expense	2,049	2,049	8,343
Interest	37,896	37,896	97,032
Amortization	<u>3,188,439</u>	<u>3,188,439</u>	<u>3,038,851</u>
	<u>6,753,938</u>	<u>6,847,651</u>	<u>7,244,333</u>
	<u>\$ 7,269,113</u>	<u>\$ 7,358,037</u>	<u>\$ 7,732,038</u>
Environmental health services			
Waste collection and disposal	\$ 1,121,000	\$ 996,493	\$ 191,061
Climate protection	<u>3,000</u>	<u>3,000</u>	<u>2,114</u>
	<u>\$ 1,124,000</u>	<u>\$ 999,493</u>	<u>\$ 193,175</u>

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 23. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<b><u>2016</u></b> <b>Budget</b>	<b><u>2016</u></b> <b>Actual</b>	<b><u>2015</u></b> <b>Actual</b>
Environmental development services			
Administration	\$ 252,466	\$ 255,758	\$ 257,506
Municipal plan	12,500	10,155	13,611
Enterprise Saint John	112,133	112,133	112,000
Regional Services Commission	7,102	7,102	10,133
Pension recovery	(6,744)	(6,744)	(6,289)
Sick leave expense	194	194	789
Amortization	<u>4,482</u>	<u>4,482</u>	<u>4,482</u>
	<b><u>\$ 382,133</u></b>	<b><u>\$ 383,080</u></b>	<b><u>\$ 392,232</u></b>
Community services			
Administration	\$ 190,562	\$ 190,339	\$ 183,085
Facilities maintenance	359,990	349,911	336,391
Beaches	66,691	62,810	61,460
Quispamsis Arena	334,601	345,111	341,352
Qplex	1,480,859	1,530,870	1,455,213
Parks and playgrounds	915,350	854,706	896,257
Parks office	73,609	70,123	79,529
Civic Centre	77,012	51,203	52,184
Recreation programs	83,624	78,156	77,957
Regional Facilities Commission	517,023	517,023	449,219
Library	130,159	202,155	118,874
Warehouse	23,248	16,885	15,213
Food bank building	10,077	8,299	6,744
Petingill Road house	-	56	6,713
Beach house	43,909	41,380	53,482
Pension recovery	(56,873)	(56,873)	(52,443)
Sick leave expense	1,636	1,636	6,577
Interest	547,330	547,330	532,068
Amortization	<u>1,406,099</u>	<u>1,406,099</u>	<u>1,383,279</u>
	<b><u>\$ 6,204,906</u></b>	<b><u>\$ 6,217,219</u></b>	<b><u>\$ 6,003,154</u></b>
Utility services			
Water System			
Treatment	\$ 68,706	\$ 65,538	\$ 64,225
Wellfields	2,300	19,007	4,036
Pump	7,700	4,015	6,133
Infrastructure	153,521	152,948	134,209
Pension recovery	(3,727)	(3,727)	(3,415)
Sick leave expense	<u>107</u>	<u>107</u>	<u>428</u>
	<b><u>228,607</u></b>	<b><u>237,888</u></b>	<b><u>205,616</u></b>

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016

### 23. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2016</u> Budget	<u>2016</u> Actual	<u>2015</u> Actual
Sewer System			
Sewer collection system	142,847	136,766	138,073
Sewer lift stations	279,570	282,513	301,185
Treatment and disposal	206,987	200,973	192,859
Pension recovery	(8,985)	(8,985)	(8,378)
Sick leave expense	258	258	1,051
Interest and bank charges	475,190	461,492	491,540
Amortization	<u>987,792</u>	<u>987,792</u>	<u>968,649</u>
	<u>2,083,659</u>	<u>2,060,809</u>	<u>2,084,979</u>
Administration			
Administration	488,528	487,860	468,941
Pension recovery	(10,321)	(10,321)	(10,079)
Sick leave expense	<u>297</u>	<u>297</u>	<u>1,264</u>
	<u>478,504</u>	<u>477,836</u>	<u>460,126</u>
	<u>\$ 2,790,770</u>	<u>\$ 2,776,533</u>	<u>\$ 2,750,721</u>