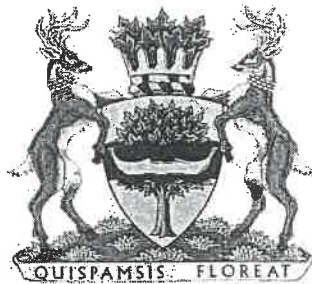


**MUNICIPALITY OF QUISPAMISIS**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**



# MUNICIPALITY OF QUISPAMSI

DECEMBER 31, 2017

## CONTENTS

	Page
<b>INDEPENDENT AUDITORS' REPORT</b>	1 - 2
<b>FINANCIAL STATEMENTS</b>	
Consolidated Statement of Operations	3
Consolidated Statement of Financial Position	4
Consolidated Statement of Changes in Net Debt	5
Consolidated Statement of Cash Flows	6
Notes to Consolidated Financial Statements	7 - 34

## 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, 2017, 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, 2017, 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 15, 2018

# MUNICIPALITY OF QUISPAMIS

## CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2017

	<b><u>2017</u></b> <b>Budget</b> (Note 22)	<b><u>2017</u></b> <b>Actual</b>	<b><u>2016</u></b> <b>Actual</b>
<b>REVENUE (Note 22)</b>			
Property tax warrant	\$ 21,554,031	\$ 21,554,031	\$ 20,930,278
Unconditional grant	105,015	105,015	155,323
Other own source (Note 23)	1,226,661	1,274,370	1,304,464
Conditional government transfers (Note 23)	32,000	3,441,974	3,944,541
Services to other governments	47,064	47,064	47,063
Water and sewer user fees	2,441,122	2,426,348	2,400,281
Public donations and sponsorships	90,898	103,662	103,568
Sundry income	<u>363,889</u>	<u>390,054</u>	<u>531,784</u>
	<u>25,860,680</u>	<u>29,342,518</u>	<u>29,417,302</u>
<b>EXPENDITURE (Notes 22 and 23)</b>			
General government services	2,385,625	2,330,105	2,305,031
Protective services	6,932,423	6,757,107	6,626,240
Transportation services	7,402,713	7,381,078	7,358,037
Environmental health services	950,500	961,481	999,493
Environmental development services	333,168	375,330	383,080
Community services	6,226,191	6,132,273	6,217,219
Utility services	<u>2,875,214</u>	<u>2,767,237</u>	<u>2,776,533</u>
	<u>27,105,834</u>	<u>26,704,611</u>	<u>26,665,633</u>
<b>ANNUAL SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>\$ <u>(1,245,154)</u></b>	<b>2,637,907</b>	<b>2,751,669</b>
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>		<b>86,180,007</b>	<b>83,425,010</b>
<b>CHANGE IN PERCENTAGE OWNERSHIP OF CONTROLLED ENTITIES</b>		<u>2,021</u>	<u>3,328</u>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>		<b>\$ <u>88,819,935</u></b>	<b>\$ <u>86,180,007</u></b>

# MUNICIPALITY OF QUISPAMIS

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

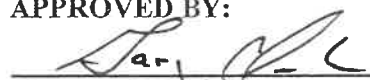
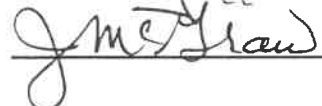
AS AT DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 4)	\$ 2,681,533	\$ 3,497,571
Accounts receivable		
General	777,238	695,792
Federal Government and its agencies (Note 5)	1,172,428	1,040,680
Province of New Brunswick (Note 6)	887,165	258,850
Investments (Note 7)	<u>1,389,236</u>	<u>502,349</u>
	<u>\$ 6,907,600</u>	<u>\$ 5,995,242</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 3,513,282	\$ 3,628,303
Deferred revenue	27,733	465
Long term debt (Note 8)	27,468,970	28,088,133
Accrued pension obligation (Note 11)	603,230	999,733
Accrued sick leave (Note 10)	499,598	597,132
Accrued retirement allowance (Note 11)	<u>671,479</u>	<u>659,477</u>
	<u>32,784,292</u>	<u>33,973,243</u>
<b>NET DEBT</b>	<u>(25,876,692)</u>	<u>(27,978,001)</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 16)	180,737,519	174,951,154
Accumulated amortization (Note 16)	<u>(66,515,579)</u>	<u>(61,285,463)</u>
	114,221,940	113,665,691
Inventory	146,756	115,571
Prepaid expenses	41,026	79,645
Unamortized debenture costs	<u>286,905</u>	<u>297,101</u>
	<u>114,696,627</u>	<u>114,158,008</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 88,819,935</u>	<u>\$ 86,180,007</u>

**CONTINGENT LIABILITY** (Note 12)

**COMMITMENTS** (Note 13)

**APPROVED BY:**

 Mayor  
 Treasurer

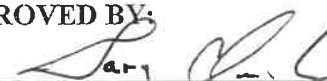
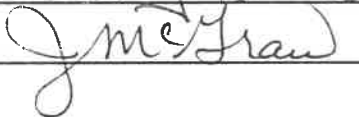
# MUNICIPALITY OF QUISPAMIS

## CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

AS AT DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
Annual surplus	\$ 2,637,907	\$ 2,751,669
Acquisition of tangible capital assets	(6,674,999)	(8,327,618)
Proceeds on disposal of tangible capital assets	28,711	41,779
Amortization of tangible capital assets	6,092,616	5,932,265
Change in percentage ownership of tangible capital assets	(5,525)	(7,281)
Loss (gain) on disposal of tangible capital assets	<u>2,948</u>	<u>(32,263)</u>
	2,081,658	358,551
Acquisition of inventories	(146,756)	(115,571)
Acquisition of prepaid assets	(41,026)	(79,645)
Acquisition of unamortized debenture costs	(286,905)	(297,101)
Consumption of inventories	115,571	89,344
Use of prepaid assets	79,645	146,607
Consumption of unamortized debenture costs	<u>297,101</u>	<u>319,614</u>
	2,099,288	421,799
Change in percentage ownership	<u>2,021</u>	<u>3,328</u>
Decrease in net debt	2,101,309	425,127
Net debt - beginning of year	<u>(27,978,001)</u>	<u>(28,403,128)</u>
Net debt - end of year	\$ <u>(25,876,692)</u>	\$ <u>(27,978,001)</u>

APPROVED BY:

  
 \_\_\_\_\_ Mayor  
  
 \_\_\_\_\_ Treasurer

# MUNICIPALITY OF QUISPAMISIS

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>2017</u>	<u>2016</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 2,637,907	\$ 2,751,669
Loss (gain) on disposal of tangible capital assets	2,948	(32,263)
Amortization of tangible capital assets	6,092,616	5,932,265
Accounts receivable - General	(81,446)	(72,313)
Accounts receivable - Federal Government and its agencies	(131,748)	(587,149)
Accounts receivable - Province of New Brunswick	(628,315)	-
Accounts payable and accrued liabilities	(115,021)	752,492
Deferred revenue	27,268	465
Change in accrued sick leave	(97,534)	28,333
Change in accrued pension obligation	(396,503)	(445,909)
Change in accrued retirement allowance	12,002	(36,104)
Change in inventory/prepaid expenses/unamortized debenture costs	<u>17,630</u>	<u>63,248</u>
	<u>7,339,804</u>	<u>8,354,734</u>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	(6,674,999)	(8,327,618)
Change in percentage ownership of capital assets	(5,525)	(7,281)
Proceeds on disposal of tangible capital assets	<u>28,711</u>	<u>41,779</u>
	<u>(6,651,813)</u>	<u>(8,293,120)</u>
<b>FINANCING TRANSACTIONS</b>		
Long term debt	<u>(619,163)</u>	<u>(1,944,186)</u>
<b>INVESTING TRANSACTION</b>		
Increase in investments	<u>(886,887)</u>	<u>(52,816)</u>
<b>CHANGE IN PERCENTAGE OWNERSHIP</b>	<u>2,021</u>	<u>3,328</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(816,038)</u>	<u>(1,932,060)</u>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>3,497,571</u>	<u>5,429,631</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 2,681,533</u>	<u>\$ 3,497,571</u>

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

### 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>2017</u>	<u>2016</u>
Kennebecasis Regional Joint Board of Police Commissioners	59.18%	59.02%
Kennebecasis Valley Fire Department Inc.	58.61%	58.55%
Kennebecasis Public Library	59.95%	59.95%

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

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

#### Budget

The budget figures contained in these consolidated financial statements were approved by Council on January 11, 2017 and the Minister of Local Government on January 24, 2017.

#### 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 QUISPAMIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

### 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, 2017

### 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, 2017:

#### 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, 2017

### 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>2017</u>	<u>2016</u>
Unrestricted	\$ 2,478,698	\$ 1,514,564
Restricted - reserve funds (Note 20)	5,783	1,801,411
Restricted - controlled entities	<u>197,052</u>	<u>181,596</u>
	<u>\$ 2,681,533</u>	<u>\$ 3,497,571</u>

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

	<u>2017</u>	<u>2016</u>
Canada Revenue Agency (HST refund)	\$ 677,721	\$ 391,680
Canada-New Brunswick Gas Tax	<u>494,707</u>	<u>649,000</u>
	<u>\$ 1,172,428</u>	<u>\$ 1,040,680</u>

### 6. DUE FROM PROVINCE OF NEW BRUNSWICK

	<u>2017</u>	<u>2016</u>
Small Communities Fund	\$ 646,518	\$ -
NB Emergency Measures Organization - Disaster Recovery	<u>240,647</u>	<u>258,850</u>
	<u>\$ 887,165</u>	<u>\$ 258,850</u>

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

# MUNICIPALITY OF QUISPAMIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

### 7. INVESTMENTS

The investments represent the Municipality's proportionate share of the investments of the KRJBPC and the short term investments of the Municipality reserve funds. The investments of KRJBPC 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, 2017 was \$11,331 (2016 - \$29,036). The investments are restricted for future payment of retirement benefits.

During the year, the Municipality invested \$900,000 of the reserve funds (Note 20) in short term guaranteed investment certificates with a value of \$450,000 maturing on May 30, 2018 and a value of \$450,000 maturing on August 30, 2018.

### 8. LONG TERM DEBT

#### (a) General Capital Fund

	Balance January 1, 2017	Issued during year	Redeemed during year	Balance December 31, 2017
New Brunswick Municipal Financing Corporation				
Debentures:				
AW06 4.3% - 4.55%, due May				
2017, OIC # 06-71	\$ 62,000	\$ -	\$ 62,000	\$ -
AY14 3.3% - 4.85%, due May				
2018, OIC # 07-12	118,000	-	58,000	60,000
BD20 1.5% - 3.85% due November,				
2020, OIC # 99-25, 99-72	224,000	-	53,000	171,000
BE14 1.65% - 4.25%, due May				
2021, OIC # 00-43, 09-40, 09-72	8,690,000	-	754,000	7,936,000
BF19 1.35% - 3.45%, due December				
2026, OIC # 11-39	1,461,000	-	241,000	1,220,000
FCM 10092 1-2012 2%, due May				
2027, OIC # 09-75	1,524,000	-	125,000	1,399,000
BJ21 1.25% - 4.4%, due November				
2033, OIC # 11-83	3,063,000	-	173,000	2,890,000
BL23 1.20% - 3.70%, due December				
2034, OIC # 11-83	370,000	-	16,000	354,000
BP18 1.2% - 2.45%, due December				
2023, OIC # 16-39	428,000	-	58,000	370,000
BR19 1.65% - 3.2%, due December				
2032, OIC # 17-50	-	750,000	-	750,000
	<u>15,940,000</u>	<u>750,000</u>	<u>1,540,000</u>	<u>15,150,000</u>

# MUNICIPALITY OF QUISPAMIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

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

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

	Balance January 1, 2017	Issued during year	Redeemed during year	Balance December 31, 2017
Capital leases:				
Caterpillar Financial Services Ltd, 4.45%, due May 2021, secured by equipment	38,090	-	8,151	29,939
HSBC Bank Canada, 3.899%, due September 2020, secured by equipment	<u>65,925</u>	<u>-</u>	<u>17,005</u>	<u>48,920</u>
	<u>104,015</u>	<u>-</u>	<u>8,854</u>	<u>78,859</u>
	<u>\$ 16,044,015</u>	<u>\$ 750,000</u>	<u>\$ 1,548,854</u>	<u>\$ 15,228,859</u>

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

2018 - \$1,591,201; 2019 - \$1,579,290; 2020 - \$1,629,170; 2021 - \$6,410,198; 2022 - \$462,000

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 2018, debenture AY14 will mature with a final amount due of \$60,000.

#### (b) Utility Capital Fund

	Balance January 1, 2017	Issued during year	Redeemed during year	Balance December 31, 2017
New Brunswick Municipal Financing Corporation				
Debentures:				
AW07 4.3% - 4.55%, due May 2017, OIC # 05-55, 05-105, 05-91	\$ 110,000	\$ -	\$ 110,000	\$ -
AY15 3.5% - 4.85%, due May 2018, OIC # 06-71, 07-12	10,000	-	5,000	5,000
BB24 1.0% - 4.5%, due November 2019, OIC # 07-12	97,000	-	31,000	66,000
BD21 1.5% - 3.85%, due November 2020, OIC # 08-42	130,000	-	31,000	99,000

# MUNICIPALITY OF QUISPAMIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

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

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

	Balance January 1, 2017	Issued during year	Redeemed during year	Balance December 31, 2017
BE15 1.65% - 4.25%, due May 2021, OIC # 00-43, 01-11	319,000	-	59,000	260,000
BF20 1.35% - 3.45%, due December 2021, OIC # 09-68	92,000	-	17,000	75,000
BI19 1.35% - 4.0%, due June 2033, OIC # 09-93	1,529,000	-	70,000	1,459,000
BJ22 1.25% - 4.4%, due November 2033, OIC # 11-83	2,434,000	-	109,000	2,325,000
BK10 1.15% - 4.15%, due May 2034, OIC # 12-0079, 12-0091	3,419,000	-	118,000	3,301,000
BL24 1.2% - 3.7%, due December 2034, OIC # 14-0009	1,886,000	-	59,000	1,827,000
BO18 1.45% - 2.9%, due June 2026, OIC # 04-0015	1,304,000	-	120,000	1,184,000
BR20 1.65% - 3.3%, due Dec 2037, OIC # 15-0091	-	1,000,000	-	1,000,000
	<u>\$ 11,330,000</u>	<u>\$ 1,000,000</u>	<u>\$ 729,000</u>	<u>\$ 11,601,000</u>

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

2018 - \$663,000; 2019 - \$674,000; 2020 - \$657,000; 2021 - \$641,000; 2022 - \$569,000

In 2018, debenture AY15 will mature with a final amount due of \$5,000.

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

	Balance January 1, 2017	Issued during year	Redeemed during year	Balance December 31, 2017
New Brunswick Municipal Financing Corporation				
Debentures:				
BN 35 1.05% - 3.15%, due 2025, OIC # 03-0053	\$ 476,866	\$ -	\$ 47,833	\$ 429,033
BL 45 1.2% - 3.1%, due 2024, OIC# 02-66, 03-53	<u>237,252</u>	<u>-</u>	<u>27,174</u>	<u>210,078</u>
	<u>\$ 714,118</u>	<u>\$ -</u>	<u>\$ 75,007</u>	<u>\$ 639,111</u>

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

2018 - \$78,118; 2019 - \$79,893; 2020 - \$81,668; 2021 - \$83,444; 2022 - \$85,219

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

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

#### Total Long Term Debt:

	<u>2017</u>	<u>2016</u>
General Capital Fund	\$ 15,228,859	\$ 16,044,015
Utility Capital Fund	11,601,000	11,330,000
Jointly Controlled Entity - KRJBPC	<u>639,111</u>	<u>714,118</u>
	<u>\$ 27,468,970</u>	<u>\$ 28,088,133</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, 2017 for KVFD, the 85 employee plan for Quispamsis and the 37 employee plan for KVFD. The actuarial method used was the Projected Unit Credit prorated 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 3.07% 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, 2017

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

The consolidated unfunded liability consist of:

	<u>2017</u>	<u>2016</u>
Quispamsis	\$ 60,600	\$ 170,600
KVFD	431,128	418,683
KRJBPC	<u>7,870</u>	<u>7,849</u>
	<u>\$ 499,598</u>	<u>\$ 597,132</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, 2017 consists of:

	<u>2017</u>	<u>2016</u>
KVFD	\$ 213,714	\$ 200,637
KRJBPC	<u>457,765</u>	<u>458,840</u>
Balance at end of year	<u>\$ 671,479</u>	<u>\$ 659,477</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, 2015 and resulted in an overall NBMEPP accrued benefit obligation of \$106,639,900 based on the accounting basis.

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

### 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, 2016 (same as December 31, 2015):

- the expected inflation rate is 2.25% (prior 2.25%);
- the discount rate used to determine the accrued benefit obligation is 5.6% (prior 5.85%);
- the expected rate of return on assets is 5.6% (prior 5.85%);
- 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, 2015 indicated that the market value of the net assets available for the accumulated plan benefits were less than 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 deficit of \$1,260,200, an decrease of \$2,501,800 from the December 31, 2014 surplus of \$1,241,600. Based on the assumptions as at December 31, 2015, 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, 2015, the NBMEPP provides benefits for 218 retirees. Total benefits payments to retirees and terminating employees during 2017 are estimated to be approximately \$3,125,100 (actual 2016, \$3,930,300) 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 7.99%. 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 2017 are estimated to be approximately \$6,303,400 (actual 2016, \$6,187,400) in totality for the NBMEPP.

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

- The average age of the 85 active employees covered by the NBMEPP is 46 (2016 - 45.4);
- benefit payments were \$339,700 in 2016 and were estimated to be \$107,500 in 2017; and
- combined contributions were \$850,400 in 2016 and were estimated to be \$829,600 in 2017.

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 (2016 - 43.1);
- benefit payments were \$385,000 in 2016 and were estimated to be \$394,100 in 2017; and
- combined contributions were \$523,000 in 2016 and were estimated to be \$538,600 in 2017.

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

- The average age of the 42 active employees covered by the NBMEPP is 42.5 (2016 - 41.7);
- benefit payments were \$437,200 in 2016 and were estimated to be \$176,200 in 2017; and
- combined contributions were \$664,800 in 2016 and were estimated to be \$684,800 in 2017.

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

### 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, 2015 and December 31, 2016, NBMEPP's actuary performed an extrapolation of the December 31, 2016 accounting valuation to determine the estimated position as at December 31, 2017. The extrapolation assumes assumptions used as at December 31, 2017 remain unchanged from December 31, 2016. The extrapolation also assumes assets return 5.6%, 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, 2017 to Dec 31, 2017</b>	<b>Jan 1, 2016 to Dec 31, 2016</b>
<b>Accrued Benefit Liability</b>		
Accrued benefit liability at beginning of period	\$ 999,733	\$ 1,445,642
Change in ownership percentage	-	-
Adjustment to actual	(69,750)	(72,135)
Pension expense for the year	448,506	343,515
Employer contributions	<u>(775,259)</u>	<u>(717,289)</u>
Accrued benefit liability at end of period	<u>\$ 603,230</u>	<u>\$ 999,733</u>

In summary, the consolidated accrued benefit liability is estimated to be \$603,230 as at December 31, 2017. The December 31, 2016 liability was estimated in the prior year. The actual liability was calculated to be \$929,983. The difference of \$69,750 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, 2017 to Dec 31, 2017</b>	<b>Jan 1, 2016 to Dec 31, 2016</b>
Quispamsis	\$ (124,100)	\$ 99,300
KVFD	399,075	458,329
KRJBPC	<u>328,255</u>	<u>442,104</u>
	<u>\$ 603,230</u>	<u>\$ 999,733</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, 2017 to Dec 31, 2017</b>	<b>Jan 1, 2016 to Dec 31, 2016</b>
<b>Reconciliation of Funded Status at End of Period</b>		
Accrued benefit obligation	\$ 25,944,617	\$ 23,870,059
Plan assets	<u>(24,976,120)</u>	<u>(22,547,948)</u>
Plan deficit	968,497	1,322,111
Unamortized experience losses	(365,267)	(393,749)
2016 adjustment actual to estimate	<u>-</u>	<u>71,371</u>
Accrued benefit liability at end of period	<u>\$ 603,230</u>	<u>\$ 999,733</u>

# MUNICIPALITY OF QUISPAMIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

### 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, 2017 to Dec 31, 2017</b>	<b>Jan 1, 2016 to Dec 31, 2016</b>
<b>Reconciliation of Accrued Benefit Obligation</b>		
Accrued benefit obligation at beginning of period	\$ 23,870,059	\$ 21,080,725
Change in ownership percentage	26,629	24,253
Current service cost	1,133,123	1,058,774
Benefits payments	(442,752)	(823,144)
Interest for period	1,357,558	1,241,549
Experience gain during period	-	1,287,902
Accrued benefit obligation at end of period	<u>\$ 25,944,617</u>	<u>\$ 23,870,059</u>

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

	<b>Estimated Jan 1, 2017 to Dec 31, 2017</b>	<b>Jan 1, 2016 to Dec 31, 2016</b>
<b>Reconciliation of Plan Assets</b>		
Plan assets at beginning of period	\$ 22,547,948	\$ 19,870,050
Change in ownership percentage	-	23,118
Employer contributions	775,259	751,984
Employee contributions	775,259	796,984
Benefit payments	(442,752)	(823,144)
Return on plan assets during period	1,295,039	1,928,956
Experience loss during the year	25,367	-
Plan assets at end of period	<u>\$ 24,976,120</u>	<u>\$ 22,547,948</u>

Total expense related to pensions include the following components:

	<b>Estimated Jan 1, 2017 to Dec 31, 2017</b>	<b>Jan 1, 2016 to Dec 31, 2016</b>
<b>Pension Expense</b>		
Employer current service cost	\$ 357,864	\$ 261,789
Interest on accrued benefit obligation	1,357,558	1,241,549
Expected return on assets	(1,295,039)	(1,184,967)
Amortization of unrecognized balances		
Experience gain	28,123	2,278
Pension expense	<u>\$ 448,506</u>	<u>\$ 320,649</u>

The pension expense is included in the statement of operations.

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

### 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, 2017 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 (2016 - \$5,000) was made. The remaining \$20,000 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 four years are as follows:

2018	\$7,140
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 2017, 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, 2017, the Municipality had no funds (2016 - 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, 2017

### 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 no outstanding authority for short-term borrowings on December 31, 2017.

### 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>2017</u>	<u>2016</u>
2017 Surplus	\$ 18,416	\$ -
2016 Surplus	686	686
2015 Surplus	<u>-</u>	<u>12,397</u>
	<u>\$ 19,102</u>	<u>\$ 13,083</u>

# MUNICIPALITY OF QUISPAMIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

### 16. SCHEDULE OF TANGIBLE CAPITAL ASSETS

	Land	Land Improvements	Buildings and Leasehold Improvements	Furniture and Fixtures	Vehicles	Machinery and Equipment	Infrastructure			Subtotal	Assets Under Construction	2017 Total	2016 Total
							Roads and Streets	Treatment Facilities	Water and Sewer				
<b>COST</b>													
Balance - beginning of year	\$ 3,440,025	\$ 7,797,099	\$ 34,862,993	\$ 516,311	\$ 3,298,164	\$ 6,485,312	\$ 68,262,503	\$ 30,648,986	\$ 15,590,939	\$ 170,902,332	\$ 4,048,822	\$ 174,951,154	\$ 167,777,849
Change in percentage ownership	345	89	5,011	315	2,709	927	-	-	-	9,396	-	9,396	12,571
Add: Net additions during the year	-	279,958	62,561	341,722	314,982	577,139	2,868,729	3,429,972	2,763,910	10,638,973	54,825	10,693,798	8,385,622
Less: Disposals during the year	-	-	-	-	(208,631)	(132,151)	(553,015)	(4,233)	-	(898,030)	(4,018,792)	(4,916,822)	(1,224,888)
Balance - end of year	<u>3,440,370</u>	<u>8,077,146</u>	<u>34,930,565</u>	<u>858,348</u>	<u>3,407,224</u>	<u>6,931,227</u>	<u>70,578,217</u>	<u>34,074,725</u>	<u>18,354,849</u>	<u>180,652,671</u>	<u>84,848</u>	<u>180,737,519</u>	<u>174,951,154</u>
<b>ACCUMULATED AMORTIZATION</b>													
Balance - beginning of year	-	2,840,046	7,987,918	340,409	1,854,499	3,306,165	33,515,216	4,851,451	6,589,759	61,285,463	-	61,285,463	56,505,276
Change in percentage ownership	-	53	1,895	163	1,305	455	-	-	-	3,871	-	3,871	5,290
Add: Amortization during the year	-	417,230	1,001,501	55,233	252,706	585,220	2,764,154	539,205	477,367	6,092,616	-	6,092,616	5,932,265
Less: Accumulated amortization on disposals	-	-	-	-	(189,469)	(122,628)	(551,382)	(2,892)	-	(866,371)	-	(866,371)	(1,157,368)
Balance - end of year	<u>-</u>	<u>3,257,329</u>	<u>8,991,314</u>	<u>395,805</u>	<u>1,919,041</u>	<u>3,769,212</u>	<u>35,727,988</u>	<u>5,387,764</u>	<u>7,067,126</u>	<u>66,515,579</u>	<u>-</u>	<u>66,515,579</u>	<u>61,285,463</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 3,440,370</u>	<u>\$ 4,819,817</u>	<u>\$ 25,939,251</u>	<u>\$ 462,543</u>	<u>\$ 1,488,183</u>	<u>\$ 3,162,015</u>	<u>\$ 34,850,229</u>	<u>\$ 28,686,961</u>	<u>\$ 11,287,723</u>	<u>\$ 114,137,092</u>	<u>\$ 84,848</u>	<u>\$ 114,221,940</u>	<u>\$ 113,665,691</u>
Consists of:													
General Fund Assets	\$ 2,266,135	\$ 4,702,992	\$ 21,860,431	\$ 411,617	\$ 490,396	\$ 2,315,325	\$ 34,850,229	\$ -	\$ -	\$ 66,897,127	\$ 34,119	\$ 66,931,246	\$ 67,496,577
Utility Fund Assets	821,732	-	-	-	44,728	540,682	-	28,686,961	11,287,723	41,381,826	50,729	41,432,555	39,984,100
Jointly Controlled Entities	352,503	116,825	4,078,820	50,925	953,059	306,007	-	-	-	5,858,139	-	5,858,139	6,185,014
	<u>\$ 3,440,370</u>	<u>\$ 4,819,817</u>	<u>\$ 25,939,251</u>	<u>\$ 462,542</u>	<u>\$ 1,488,183</u>	<u>\$ 3,162,014</u>	<u>\$ 34,850,229</u>	<u>\$ 28,686,961</u>	<u>\$ 11,287,723</u>	<u>\$ 114,137,092</u>	<u>\$ 84,848</u>	<u>\$ 114,221,940</u>	<u>\$ 113,665,691</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	\$ 205,187	\$ 103,069

# MUNICIPALITY OF QUISPAMIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

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

	Land	Land Improvements	Buildings	Furniture and Fixtures	Vehicles	Machinery and Equipment	Assets Under Construction	2017 Total	2016 Total
<b>COST</b>									
Balance - beginning of year	\$ 352,158	\$ 183,191	\$ 5,726,471	\$ 117,085	\$ 2,021,705	\$ 760,652	\$ -	\$ 9,161,262	\$ 9,008,771
Change in percentage ownership	345	89	5,011	315	2,709	927	-	9,396	12,571
Add: Net additions during the year	-	-	30,553	-	56,537	80,809	-	167,899	192,560
Less: Disposals during the year	-	-	-	-	(69,088)	(17,730)	-	(86,818)	(52,640)
Balance - end of year	<u>352,503</u>	<u>183,280</u>	<u>5,762,035</u>	<u>117,400</u>	<u>2,011,863</u>	<u>824,658</u>	<u>-</u>	<u>9,251,739</u>	<u>9,161,262</u>
<b>ACCUMULATED AMORTIZATION</b>									
Balance - beginning of year	-	54,831	1,476,425	60,442	969,056	415,494	-	2,976,248	2,545,214
Change in percentage ownership	-	53	1,895	163	1,305	455	-	3,871	5,290
Add: Amortization during the year	-	11,571	204,895	5,870	138,369	110,909	-	471,614	474,843
Less: Accumulated amortization on disposals	-	-	-	-	(49,926)	(8,207)	-	(58,133)	(49,099)
Balance - end of year	<u>-</u>	<u>66,455</u>	<u>1,683,215</u>	<u>66,475</u>	<u>1,058,804</u>	<u>518,651</u>	<u>-</u>	<u>3,393,600</u>	<u>2,976,248</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	<u>\$ 352,503</u>	<u>\$ 116,825</u>	<u>\$ 4,078,820</u>	<u>\$ 50,925</u>	<u>\$ 953,059</u>	<u>\$ 306,007</u>	<u>\$ -</u>	<u>\$ 5,858,139</u>	<u>\$ 6,185,014</u>

# MUNICIPALITY OF QUISPAMIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

### 18. SCHEDULE OF SEGMENT DISCLOSURE

	General	Protective	Transportation	Environmental Health	Environmental Development	Community Services	Utility Services	2017 Consolidated	2016 Consolidated
<b>REVENUE</b>									
Property tax warrant	\$ 2,674,855	\$ 7,647,370	\$ 4,782,839	\$ 1,073,391	\$ 982,864	\$ 4,392,712	\$ -	\$ 21,554,031	\$ 20,930,278
Services provided to other governments	-	-	47,064	-	-	-	-	47,064	47,063
Other own source	39,043	12,290	-	-	-	1,223,037	-	1,274,370	1,304,464
Unconditional grant	13,032	37,259	23,303	5,230	4,789	21,402	-	105,015	155,323
Conditional government transfers	-	-	1,128,158	-	-	146,298	2,167,518	3,441,974	3,944,541
Water and sewer user fees	-	-	-	-	-	-	2,426,348	2,426,348	2,400,281
Contributions from public donations and sponsorship	-	-	-	-	-	103,662	-	103,662	103,568
Sundry	55,716	261,982	-	-	-	11,219	61,137	390,054	531,784
	<u>2,782,646</u>	<u>7,958,901</u>	<u>5,981,364</u>	<u>1,078,621</u>	<u>987,653</u>	<u>5,898,330</u>	<u>4,655,003</u>	<u>29,342,518</u>	<u>29,417,302</u>
<b>EXPENDITURE</b>									
Salaries and benefits	987,311	5,581,209	2,191,284	-	208,166	2,093,657	682,268	11,743,895	11,775,724
Goods and services	1,271,565	842,007	1,897,625	961,481	162,683	2,130,305	606,089	7,871,755	7,866,079
Interest	10,088	28,822	33,145	-	-	512,326	391,131	975,512	1,091,206
Other	-	19,201	1,633	-	-	-	-	20,834	358
Amortization	61,140	285,868	3,257,391	-	4,482	1,395,987	1,087,748	6,092,616	5,932,265
	<u>2,330,104</u>	<u>6,757,107</u>	<u>7,381,078</u>	<u>961,481</u>	<u>375,331</u>	<u>6,132,275</u>	<u>2,767,236</u>	<u>26,704,612</u>	<u>26,665,632</u>
Surplus (deficit) for the year	\$ <u>452,542</u>	\$ <u>1,201,794</u>	\$ <u>(1,399,714)</u>	\$ <u>117,140</u>	\$ <u>612,322</u>	\$ <u>(233,945)</u>	\$ <u>1,887,767</u>	\$ <u>2,637,906</u>	\$ <u>2,751,670</u>

# MUNICIPALITY OF QUISPAMIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

### 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
2017 annual surplus (deficit)	\$ 2,221,023	\$(1,685,522)	\$ 901,972	\$ 1,218,429	\$ 4,926	\$ 6,347	\$ 990	\$ 5,382	\$ 4,182	\$ (39,815)	\$ 2,637,907
Adjustments to annual surplus for funding requirements											
Second previous year's surplus	6,299	-	12,397	-	-	-	-	-	-	99,964	118,660
Transfers between funds											
Transfer elimination	-	-	(50,000)	-	-	-	-	50,000	-	-	-
Transfer elimination	-	-	(35,000)	-	-	-	35,000	-	-	-	-
Transfer elimination	-	-	(44,779)	-	-	-	-	44,779	-	-	-
Transfer elimination	(116,000)	-	-	-	-	116,000	-	-	-	-	-
Transfer elimination	(92,700)	-	-	-	92,700	-	-	-	-	-	-
Transfer elimination	(155,000)	155,000	-	-	-	-	-	-	-	-	-
Long term debt principal repayment	(1,565,156)	1,565,156	(729,000)	729,000	-	-	-	-	-	-	-
Provision for pension liability	(198,492)	-	(24,909)	-	-	-	-	-	-	(117,043)	(340,444)
Provision for sick leave accrual	(97,735)	-	(12,265)	-	-	-	-	-	-	12,015	5
Provision for retirement allowance	-	-	-	-	-	-	-	-	-	(59,724)	(59,724)
Accumulated amortization on disposal of tangible capital assets	-	(805,346)	-	(2,892)	-	-	-	-	-	(58,133)	(866,371)
Unrealized gains on investments	-	-	-	-	-	-	-	-	-	(11,332)	(11,332)
Amortization expense	-	4,533,254	-	1,087,748	-	-	-	-	-	471,614	6,092,616
Total adjustments to 2017 annual surplus (deficit)	(2,218,784)	5,448,064	(883,556)	1,813,856	92,700	116,000	35,000	94,779	-	337,367	4,933,410
2017 annual surplus (deficit) for funding requirements	\$ 2,239	\$ 3,762,535	\$ 18,416	\$ 3,032,285	\$ 97,626	\$ 122,347	\$ 35,990	\$ 100,161	\$ 4,182	\$ 297,552	\$ 7,473,333

# MUNICIPALITY OF QUISPAMIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

### 20. STATEMENT OF RESERVES

#### ASSETS

Cash and short term investments  
Accounts receivable from other funds

	General Operating Reserve	General Capital Reserve	Utility Operating Reserve	Utility Capital Replacement Reserve	Utility Capital Reserve	Land Trust Fund	2017 Total	2016 Total
\$ 237,838	\$ 305,249	\$ 47,986	\$ 193,125	\$ 64,571	\$ 57,014	\$ 905,783	\$ 1,801,411	
<u>331,060</u>	<u>424,894</u>	<u>82,847</u>	<u>241,080</u>	<u>117,129</u>	<u>59,333</u>	<u>1,256,343</u>	<u>409</u>	
\$ 568,898	\$ 730,143	\$ 130,833	\$ 434,205	\$ 181,700	\$ 116,347	\$ 2,162,126	\$ 1,801,820	
<u>\$ 568,898</u>	<u>\$ 730,143</u>	<u>\$ 130,833</u>	<u>\$ 434,205</u>	<u>\$ 181,700</u>	<u>\$ 116,347</u>	<u>\$ 2,162,126</u>	<u>\$ 1,801,820</u>	

#### ACCUMULATED SURPLUS

#### REVENUE

Lot fees  
Transfers from General Operating Fund  
Transfers from Utility Operating Fund  
Interest

\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000	\$ 6,000
92,700	116,000	-	-	-	-	208,700	17,000
-	-	35,000	44,779	50,000	-	129,779	44,686
<u>4,926</u>	<u>6,347</u>	<u>990</u>	<u>4,022</u>	<u>1,360</u>	<u>1,182</u>	<u>18,827</u>	<u>31,029</u>
97,626	122,347	35,990	48,801	51,360	4,182	360,306	98,715

#### EXPENDITURES

Transfers to General Capital Fund  
Transfers to Utility Capital Fund

-	-	-	-	-	-	-	688,000
-	-	-	-	-	-	-	1,300,000
-	-	-	-	-	-	-	1,988,000

#### ANNUAL SURPLUS (DEFICIT)

\$ 97,626	\$ 122,347	\$ 35,990	\$ 48,801	\$ 51,360	\$ 4,182	\$ 360,306	\$ (1,889,285)
-----------	------------	-----------	-----------	-----------	----------	------------	----------------

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

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

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

Moved by Councillor Loughery and seconded by Councillor Luck be it resolved that \$44,779 be transferred from the Utility Operating Fund to the Utility Capital Replacement Reserve Fund.

Moved by Councillor Loughery and seconded by Councillor Luck be it resolved that \$116,000 be transferred from the General Operating Fund to the General Capital Reserve Fund.

Moved by Councillor Luck and seconded by Councillor Olsen be it resolved that \$50,000 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund.

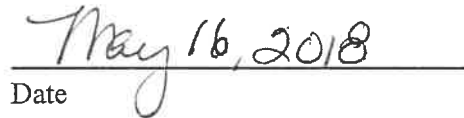
Moved by Councillor Loughery and seconded by Councillor Olsen be it resolved that \$35,000 be transferred from the Utility Operating Fund to the Utility Operating Reserve Fund.

Moved by Councillor Olsen and seconded by Deputy Mayor O'Hara be it resolved that \$92,700 be transferred from the General Operating Fund to the General Operating Reserve Fund.

I hereby certify that the above are true and exact copies of resolutions adopted at a meeting of Council on December 19, 2017.



Clerk,  
Quispamsis



Date

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

### 21. STATEMENT OF JOINTLY CONTROLLED ENTITIES OPERATIONS

	<u>KVFD</u>	<u>KRJBPC</u>	<u>Library</u>	<u>2017 Total</u>	<u>2016 Total</u>
<b>ASSETS</b>	\$ <u>2,118,117</u>	\$ <u>2,209,267</u>	\$ <u>2,905,379</u>	\$ <u>7,232,763</u>	\$ <u>7,489,789</u>
<b>LIABILITIES</b>	\$ <u>1,180,179</u>	\$ <u>1,672,657</u>	\$ <u>15,954</u>	\$ <u>2,868,790</u>	\$ <u>3,088,028</u>
<b>ACCUMULATED SURPLUS</b>	\$ <u>937,938</u>	\$ <u>536,610</u>	\$ <u>2,889,425</u>	\$ <u>4,363,973</u>	\$ <u>4,401,761</u>
<b>REVENUE</b>	\$ 2,825,427	\$ 3,701,669	\$ 140,522	\$ 6,667,618	\$ 6,593,770
<b>EXPENDITURES</b>	<u>2,836,471</u>	<u>3,567,314</u>	<u>314,974</u>	<u>6,718,759</u>	<u>6,589,753</u>
	(11,044)	134,355	(174,452)	(51,141)	4,017
<b>CHANGE IN PERCENTAGE OWNERSHIP</b>	<u>971</u>	<u>1,050</u>	<u>-</u>	<u>2,021</u>	<u>3,328</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ <u>(10,073)</u>	\$ <u>135,405</u>	\$ <u>(174,452)</u>	\$ <u>(49,120)</u>	\$ <u>7,345</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 QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

### 22. OPERATING BUDGET TO PSAS BUDGET

#### REVENUE

Property tax warrant	
Unconditional transfers from other governments	
Conditional transfers from Federal or Provincial governments	
Services other governments	
Other own source	
Public donations and sponsorships	
Other transfers	
Water and sewer user fees	
Sundry income	
Surplus of second previous year	

Operating Budget General	Operating Budget Water and Sewer	Amortization and Long Term Accruals	Controlled Entities	Transfers	Total
\$ 21,554,031	\$ -	\$ -	\$ -	\$ -	\$ 21,554,031
105,015	-	-	-	-	105,015
32,000	-	-	-	-	32,000
56,011	-	-	-	(8,947)	47,064
1,222,158	4,503	-	-	-	1,226,661
90,898	-	-	-	-	90,898
-	243,452	-	-	(243,452)	-
-	2,441,122	-	-	-	2,441,122
15,000	44,158	-	304,731	-	363,889
<u>5,997</u>	<u>12,699</u>	<u>-</u>	<u>-</u>	<u>(18,696)</u>	<u>-</u>
<u>23,081,110</u>	<u>2,745,934</u>	<u>-</u>	<u>304,731</u>	<u>(271,095)</u>	<u>25,860,680</u>

#### EXPENDITURES

General government services	
Protective services	
Transportation services	
Environmental health services	
Environmental development services	
Community services	
Fiscal services	
Long term debt repayments	
Interest	
Transfer from General Operating Fund to Utility Operating Fund	
Transfer from Utility Operating Fund to General Operating Fund	
Transfer from Utility Operating Fund to Utility Capital Replacement Reserve Fund	
Transfer from General Operating Fund to General Capital Fund	
Transfer from Utility Operating Fund to Utility Capital Fund	
Transfer from General Operating Fund to General Capital Reserve Fund	
Utility services	

2,367,743	-	7,748	-	10,134	2,385,625
6,768,828	-	276,996	6,326,114	(6,439,515)	6,932,423
4,232,766	-	3,135,016	-	34,931	7,402,713
950,500	-	-	-	-	950,500
870,690	-	(7,333)	-	(530,189)	333,168
3,887,926	-	1,296,213	132,231	909,821	6,226,191
1,565,156	729,000	-	-	(2,294,156)	-
587,078	441,677	-	-	(1,028,755)	-
131,923	-	-	-	(131,923)	-
-	8,947	-	-	(8,947)	-
-	44,686	-	-	(44,686)	-
1,602,500	-	-	-	(1,602,500)	-
-	140,000	-	-	(140,000)	-
116,000	-	-	-	(116,000)	-
<u>-</u>	<u>1,381,624</u>	<u>1,051,913</u>	<u>-</u>	<u>441,677</u>	<u>2,875,214</u>
<u>23,081,110</u>	<u>2,745,934</u>	<u>5,760,553</u>	<u>6,458,345</u>	<u>(10,940,108)</u>	<u>27,105,834</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,760,553)</u>	<u>\$ (6,153,614)</u>	<u>\$ 10,669,013</u>	<u>\$ (1,245,154)</u>

Surplus (deficit)

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

### 23. REVENUE AND EXPENDITURES SUPPORT

	<b>2017 Budget</b>	<b>2017 Actual</b>	<b>2016 Actual</b>
<b>REVENUE</b>			
Other own source			
Permits and fines	\$ 101,700	\$ 104,578	\$ 135,739
Rental revenue	1,088,232	1,126,641	1,116,963
Miscellaneous	<u>36,729</u>	<u>43,151</u>	<u>51,762</u>
	<u>\$ 1,226,661</u>	<u>\$ 1,274,370</u>	<u>\$ 1,304,464</u>
Conditional government transfers			
Government of Canada	\$ -	\$ 38,046	\$ 25,000
Province of New Brunswick			
Small Communities Fund	-	2,129,472	1,792,526
Canada 150 Mural	-	15,000	-
Regional Development Corporation	-	60,000	-
Atlantic Canada Opportunities Agency	-	-	111,824
Trans Canada Trail	-	21,228	21,068
Gas Tax revenue	-	1,120,000	1,907,999
Other	<u>32,000</u>	<u>58,228</u>	<u>86,124</u>
	<u>\$ 32,000</u>	<u>\$ 3,441,974</u>	<u>\$ 3,944,541</u>
<b>EXPENDITURE</b>			
General government services			
Legislative			
Mayor	\$ 49,541	\$ 42,513	\$ 46,649
Councillors	<u>161,207</u>	<u>138,494</u>	<u>145,526</u>
	<u>210,748</u>	<u>181,007</u>	<u>192,175</u>
Administrative			
Administration	1,137,881	1,118,435	1,107,261
Office building	142,886	156,263	119,318
Solicitor	125,000	155,352	119,573
Other	<u>227,148</u>	<u>176,777</u>	<u>189,041</u>
	<u>1,632,915</u>	<u>1,606,827</u>	<u>1,535,193</u>
Financial management			
External audit	<u>21,000</u>	<u>21,170</u>	<u>17,139</u>

# MUNICIPALITY OF QUISPAMSI

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

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

	<u>2017</u> Budget	<u>2017</u> Actual	<u>2016</u> Actual
General government services (cont'd)			
Other			
Civic relations	77,735	71,862	95,081
Marketing	3,000	2,510	5,805
Insurance	95,458	93,196	107,571
Cost of assessment	326,687	326,686	319,726
Other	200	9,011	178
Interest	10,134	10,088	11,534
Pension recovery	(35,776)	(35,776)	(31,942)
Sick leave expense (recovery)	(17,616)	(17,616)	919
Amortization	<u>61,140</u>	<u>61,140</u>	<u>51,652</u>
	<u>520,962</u>	<u>521,101</u>	<u>560,524</u>
	<u>\$ 2,385,625</u>	<u>\$ 2,330,105</u>	<u>\$ 2,305,031</u>
Protective services			
Fire			
Administration	\$ 381,556	\$ 370,903	\$ 341,356
Firefighting force	2,055,906	2,019,636	1,926,546
Telecommunications	10,614	5,115	6,876
Insurance	19,527	20,132	19,314
Prevention and training	28,133	17,609	24,255
Facilities	119,655	115,915	115,021
Fleet	51,899	57,653	58,952
Operations	29,598	29,201	29,804
Water costs	16,824	16,824	16,328
Retirement allowance	27,308	33,055	27,674
Other	1,700	1,328	1,259
Loss on disposal of tangible capital assets	7,145	7,145	-
Amortization	<u>154,241</u>	<u>154,301</u>	<u>158,884</u>
	<u>2,904,106</u>	<u>2,848,817</u>	<u>2,726,269</u>
Police			
Crime control		2,570,970	2,460,138
2,513,784			
Vehicle fleet	128,371	106,826	109,241
Property	119,215	112,097	110,672
Administration	499,427	544,304	498,821
Retirement allowance	46,898	38,794	37,365
Communications	206,457	204,471	194,058
Loss on disposal of tangible capital assets	12,056	12,056	358
Amortization	<u>131,567</u>	<u>131,567</u>	<u>131,339</u>
	<u>3,714,961</u>	<u>3,610,253</u>	<u>3,595,638</u>

# MUNICIPALITY OF QUISPAMSI

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

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

	<u>2017</u> Budget	<u>2017</u> Actual	<u>2016</u> Actual
Protective services (cont'd)			
Other			
Emergency measures	19,330	15,950	13,448
Animal control	75,224	67,451	67,417
Building inspection	191,834	187,370	185,000
Crosswalk guards	6,825	7,256	6,739
Interest	28,955	28,822	32,954
Pension recovery	(5,905)	(5,905)	(4,883)
Sick leave expense (recovery)	(2,907)	(2,907)	140
Amortization	-	-	3,518
	<u>313,356</u>	<u>298,037</u>	<u>304,333</u>
	<u>\$ 6,932,423</u>	<u>\$ 6,757,107</u>	<u>\$ 6,626,240</u>
Transportation services			
Common			
Workshop, yard and equipment maintenance	\$ 61,015	\$ 68,178	\$ 63,792
Engineering	<u>454,305</u>	<u>456,848</u>	<u>446,594</u>
	<u>515,320</u>	<u>525,026</u>	<u>510,386</u>
Roads and streets			
Culverts and drainage ditches	86,000	103,351	106,232
Summer maintenance	1,293,500	1,271,689	1,240,508
Snow and ice removal	1,976,923	1,951,790	2,008,583
Street lighting	138,000	141,021	139,578
Street signs	16,300	10,367	4,101
Traffic lane marking	30,000	36,271	33,806
Traffic signals and signs	11,200	14,328	4,856
Railway crossing signals	10,100	9,535	9,741
Public transit - Comex Service	155,423	147,906	143,087
Pension recovery	(82,039)	(82,039)	(71,225)
Sick leave expense (recovery)	(40,395)	(40,395)	2,049
Interest	33,298	33,145	37,896
Loss on disposal of tangible capital assets	1,633	1,633	-
Amortization	<u>3,257,450</u>	<u>3,257,450</u>	<u>3,188,439</u>
	<u>6,887,393</u>	<u>6,856,052</u>	<u>6,847,651</u>
	<u>\$ 7,402,713</u>	<u>\$ 7,381,078</u>	<u>\$ 7,358,037</u>
Environmental health services			
Waste collection and disposal	\$ 941,500	\$ 951,807	\$ 996,493
Climate protection	<u>9,000</u>	<u>9,674</u>	<u>3,000</u>
	<u>\$ 950,500</u>	<u>\$ 961,481</u>	<u>\$ 999,493</u>

# MUNICIPALITY OF QUISPAMISIS

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

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

	<u>2017</u> Budget	<u>2017</u> Actual	<u>2016</u> Actual
Environmental development services			
Administration	\$ 263,376	\$ 264,472	\$ 255,758
Municipal plan	15,000	-	10,155
Enterprise Saint John	56,067	112,133	112,133
Regional Services Commission	6,058	6,058	7,102
Pension recovery	(7,917)	(7,917)	(6,744)
Sick leave expense (recovery)	(3,898)	(3,898)	194
Amortization	<u>4,482</u>	<u>4,482</u>	<u>4,482</u>
	<u>\$ 333,168</u>	<u>\$ 375,330</u>	<u>\$ 383,080</u>
Community services			
Administration	\$ 206,368	\$ 206,522	\$ 190,339
Facilities maintenance	362,179	347,063	349,911
Beaches	67,910	64,666	62,810
Quispamsis Arena	350,242	358,096	345,111
Qplex	1,610,153	1,542,877	1,530,870
Parks and playgrounds	891,412	881,948	854,706
Parks office	70,763	75,830	70,123
Civic Centre	48,696	61,456	51,203
Recreation programs	83,070	72,994	78,156
Regional Facilities Commission	530,189	530,189	517,023
Library	132,231	130,113	202,155
Warehouse	11,126	7,924	16,885
Food bank building	9,420	6,645	8,299
Petingill Road house	-	-	56
Beach house	41,528	37,411	41,380
Pension recovery	(66,855)	(66,855)	(56,873)
Sick leave expense (recovery)	(32,919)	(32,919)	1,636
Interest	514,691	512,326	547,330
Amortization	<u>1,395,987</u>	<u>1,395,987</u>	<u>1,406,099</u>
	<u>\$ 6,226,191</u>	<u>\$ 6,132,273</u>	<u>\$ 6,217,219</u>
Utility services			
Water System			
Treatment	\$ 68,101	\$ 64,710	\$ 65,538
Wellfields	3,300	1,251	19,007
Pump	7,700	6,498	4,015
Infrastructure	157,861	134,756	152,948
Pension recovery	(4,080)	(4,080)	(3,727)
Sick leave expense (recovery)	<u>(2,009)</u>	<u>(2,009)</u>	<u>107</u>
	<u>230,873</u>	<u>201,126</u>	<u>237,888</u>

# MUNICIPALITY OF QUISPAMSI

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2017

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

	<u>2017</u> Budget	<u>2017</u> Actual	<u>2016</u> Actual
Sewer System			
Sewer collection system	147,692	121,362	136,766
Sewer lift stations	280,138	255,789	282,513
Treatment and disposal	205,717	208,888	200,973
Pension recovery	(9,352)	(9,352)	(8,985)
Sick leave expense (recovery)	(4,605)	(4,605)	258
Interest and bank charges	441,677	391,131	461,492
Loss on disposal of tangible capital asset	1,341	1,341	-
Amortization	<u>1,087,748</u>	<u>1,087,748</u>	<u>987,792</u>
	<u>2,150,356</u>	<u>2,052,302</u>	<u>2,060,809</u>
Administration			
Administration	511,113	530,937	487,860
Pension recovery	(11,477)	(11,477)	(10,321)
Sick leave expense (recovery)	<u>(5,651)</u>	<u>(5,651)</u>	<u>297</u>
	<u>493,985</u>	<u>513,809</u>	<u>477,836</u>
	<u>\$ 2,875,214</u>	<u>\$ 2,767,237</u>	<u>\$ 2,776,533</u>