

MUNICIPALITY OF QUISPAMISIS
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2021



MUNICIPALITY OF QUISPAMISIS

DECEMBER 31, 2021

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INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of the Municipality of Quispamsis, which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, changes in net debt and cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the consolidated financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Municipality or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Municipality's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.


(continues)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (cont'd)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



CHARTERED PROFESSIONAL ACCOUNTANTS

Saint John, NB
May 3, 2022

MUNICIPALITY OF QUISPAMSI

CONSOLIDATED STATEMENT OF OPERATIONS



FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u> Budget (Note 22)	<u>2021</u> Actual	<u>2020</u> Actual
REVENUE (Note 23)			
Property tax warrant	\$ 24,853,968	\$ 24,853,968	\$ 24,180,624
Unconditional grant	115,092	115,092	114,312
Other own source (Note 23)	1,033,108	1,246,082	908,056
Conditional government transfers (Note 23)	28,800	3,269,440	2,128,298
Services to other governments	60,595	53,239	47,265
Water and sewer user fees	3,113,500	3,156,231	2,957,348
Public donations and sponsorships	83,815	60,938	55,572
Sundry income	<u>345,844</u>	<u>509,582</u>	<u>417,765</u>
	<u>29,634,722</u>	<u>33,264,572</u>	<u>30,809,240</u>
EXPENDITURE (Note 23)			
General government services	2,847,021	2,590,088	2,481,299
Protective services	7,994,588	7,968,028	7,916,310
Transportation services	7,718,215	7,515,594	7,426,172
Environmental health services	1,117,405	1,129,009	1,081,598
Environmental development services	561,263	586,515	391,946
Community services	6,367,121	6,496,479	5,418,340
Utility services	<u>3,371,159</u>	<u>3,312,181</u>	<u>3,103,234</u>
	<u>29,976,772</u>	<u>29,597,894</u>	<u>27,818,899</u>
ANNUAL SURPLUS (DEFICIT) FOR THE YEAR	\$ <u>(342,050)</u>	3,666,678	2,990,341
ACCUMULATED SURPLUS - BEGINNING OF YEAR		92,184,217	89,192,987
CHANGE IN PERCENTAGE OWNERSHIP OF CONTROLLED ENTITIES		<u>(383)</u>	<u>889</u>
ACCUMULATED SURPLUS - END OF YEAR		<u>\$ 95,850,512</u>	<u>\$ 92,184,217</u>

MUNICIPALITY OF QUISPAMISIS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and cash equivalents (Note 4)	\$ 10,463,514	\$ 7,475,959
Accounts receivable		
General	848,395	805,404
Federal Government and its agencies (Note 5)	487,843	577,534
Province of New Brunswick (Note 6)	152,742	1,038,636
Investments (Note 7)	434,246	561,727
Accrued pension asset (Note 11)	<u>149,393</u>	<u>-</u>
	<u>\$ 12,536,133</u>	<u>\$ 10,459,260</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 4,344,907	\$ 4,317,141
Deferred revenue	2,177,323	1,148,149
Long term debt (Note 8)	21,089,985	22,658,634
Accrued pension obligation (Note 11)		18,980
Accrued sick leave (Note 10)	574,381	552,537
Accrued retirement allowance (Note 11)	<u>835,624</u>	<u>804,515</u>
	<u>29,022,220</u>	<u>29,499,956</u>
NET DEBT	<u>(16,486,087)</u>	<u>(19,040,696)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 16)	196,382,774	191,787,074
Accumulated amortization (Note 16)	<u>(84,434,950)</u>	<u>(80,927,214)</u>
	111,947,824	110,859,860
Inventory	113,989	89,081
Prepaid expenses	50,495	55,898
Unamortized debenture costs	<u>224,291</u>	<u>220,074</u>
	<u>112,336,599</u>	<u>111,224,913</u>
ACCUMULATED SURPLUS	<u>\$ 95,850,512</u>	<u>\$ 92,184,217</u>
CONTINGENT LIABILITY (Note 12)		
COMMITMENTS (Note 13)		
APPROVED BY:		
 _____ Mayor		
 _____ Treasurer		

MUNICIPALITY OF QUISPAMSIS

CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT

AS AT DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
Annual surplus	\$ 3,666,678	\$ 2,990,341
Acquisition of tangible capital assets	(7,107,117)	(7,081,879)
Proceeds on disposal of tangible capital assets	46,870	485,000
Amortization of tangible capital assets	6,005,242	5,992,902
Change in percentage ownership of tangible capital assets	(77)	(1,700)
Loss (gain) on disposal of tangible capital assets	<u>(32,882)</u>	<u>(38,648)</u>
	2,578,714	2,346,016
Acquisition of inventories	(113,989)	(89,081)
Acquisition of prepaid assets	(50,495)	(55,898)
Acquisition of unamortized debenture costs	(224,291)	(220,074)
Consumption of inventories	89,081	129,233
Use of prepaid assets	55,898	45,771
Consumption of unamortized debenture costs	<u>220,074</u>	<u>228,852</u>
	2,554,992	2,384,819
Change in percentage ownership	<u>(383)</u>	<u>889</u>
Decrease in net debt	2,554,609	2,385,708
Net debt - beginning of year	<u>(19,040,696)</u>	<u>(21,426,404)</u>
Net debt - end of year	<u>\$ (16,486,087)</u>	<u>\$ (19,040,696)</u>

APPROVED BY:

Elizabeth J. Harris Mayor

K. Brando Treasurer

MUNICIPALITY OF QUISPAMSIS

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>2021</u>	<u>2020</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
OPERATING TRANSACTIONS		
Annual surplus	\$ 3,666,678	\$ 2,990,341
Loss (gain) on disposal of tangible capital assets	(32,882)	(38,648)
Amortization of tangible capital assets	6,005,242	5,992,902
Accounts receivable - General	(42,991)	228,025
Accounts receivable - Federal Government and its agencies	89,691	(84,595)
Accounts receivable - Province of New Brunswick	885,894	(751,672)
Accounts payable and accrued liabilities	27,766	998,308
Deferred revenue	1,029,174	(240,475)
Change in accrued sick leave	21,844	(61,438)
Change in accrued pension obligation	(168,373)	(376,190)
Change in accrued retirement allowance	31,109	57,131
Change in inventory/prepaid expenses/unamortized debenture costs	<u>(23,722)</u>	<u>38,803</u>
	<u>11,489,430</u>	<u>8,752,492</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(7,107,117)	(7,081,879)
Change in percentage ownership of capital assets	(77)	(1,700)
Proceeds on disposal of tangible capital assets	<u>46,870</u>	<u>485,000</u>
	<u>(7,060,324)</u>	<u>(6,598,579)</u>
FINANCING TRANSACTION		
Long term debt	<u>(1,568,649)</u>	<u>(151,161)</u>
INVESTING TRANSACTION		
Decrease (increase) in investments	<u>127,481</u>	<u>(30,799)</u>
CHANGE IN PERCENTAGE OWNERSHIP	<u>(383)</u>	<u>889</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,987,555	1,972,842
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>7,475,959</u>	<u>5,503,117</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 10,463,514</u></u>	<u><u>\$ 7,475,959</u></u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

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>2021</u>	<u>2020</u>
Kennebecasis Regional Joint Board of Police Commissioners	59.92%	59.86%
Kennebecasis Valley Fire Department Inc.	59.23%	59.26%
Kennebecasis Public Library	61.01%	61.01%

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

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

Budget

The budget figures contained in these consolidated financial statements were approved by Council on November 17, 2020 and the Minister of Local Government on November 27, 2020.

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;
- the sick leave liability; and
- the 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, 2021

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. Capital assets are subject to the half year rule of amortization in the year of acquisition.

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 QUISPAMSIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

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, 2021:

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, 2021

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>2021</u>	<u>2020</u>
Unrestricted	\$ 3,627,554	\$ 3,820,937
Restricted - reserve funds (Note 20)	6,382,871	3,355,575
Restricted - controlled entities	<u>453,089</u>	<u>299,447</u>
	<u>\$ 10,463,514</u>	<u>\$ 7,475,959</u>

5. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES

	<u>2021</u>	<u>2020</u>
Canada Revenue Agency (HST refund)	\$ 471,783	\$ 517,616
Clean Water Wastewater	-	11,471
Small Communities Fund	16,060	14,379
RCMP Secondments	<u>-</u>	<u>34,068</u>
	<u>\$ 487,843</u>	<u>\$ 577,534</u>

6. DUE FROM PROVINCE OF NEW BRUNSWICK

	<u>2021</u>	<u>2020</u>
Clean Water Wastewater	\$ -	\$ 5,736
Regional Development Corporation	18,597	-
Small Communities Fund	16,060	14,379
Safe Restart	-	216,900
Department of Transportation and Infrastructure	12,231	677,859
Community Development Fund	-	25,902
Department of Finance and Treasury Board	7,355	-
NB Emergency Measures Organization - Disaster Recovery	<u>91,425</u>	<u>97,860</u>
	<u>\$ 152,742</u>	<u>\$ 1,038,636</u>

MUNICIPALITY OF QUISPAMSIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

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, 2021 was \$39,211 (2020 - \$31,072). The investments are restricted for future payment of retirement benefits.

8. LONG TERM DEBT

(a) General Capital Fund

	Balance January 1, 2021	Issued during year	Redeemed during year	Balance December 31, 2021
New Brunswick Municipal Financing Corporation				
Debentures:				
CA18 0.9% - 2.8%, due November 2036, OIC # 19-0047	\$ -	\$ 1,049,000	\$ -	\$ 1,049,000
BZ18 0.3% - 1.35% due June, 2026, OIC # 09-0040	-	4,637,000	-	4,637,000
BE14 1.65% - 4.25%, due May 2021, OIC # 00-43, 09-40, 09-72	5,498,000	-	5,498,000	-
BF19 1.35% - 3.45%, due December 2026, OIC # 11-39	457,000	-	457,000	-
FCM 10092 1-2012 2%, due May 2027, OIC # 09-75	1,008,000	-	135,000	873,000
BJ21 1.25% - 4.4%, due November 2033, OIC # 11-83	2,348,000	-	192,000	2,156,000
BL23 1.20% - 3.70%, due December 2034, OIC # 11-83	304,000	-	18,000	286,000
BP18 1.2% - 2.45%, due December 2023, OIC # 16-39	190,000	-	62,000	128,000
BR19 1.65% - 3.2%, due December 2032, OIC # 17-50	621,000	-	45,000	576,000
BX16 0.9% - 2.65%, due May 2035, OIC # 19-0037	1,016,000	-	61,000	955,000
BY21 0.5% - 2.30%, due November 2035, OIC # 20-0012	700,000	-	43,000	657,000
	<u>12,142,000</u>	<u>5,686,000</u>	<u>6,511,000</u>	<u>11,317,000</u>

MUNICIPALITY OF QUISPAMSIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

8. LONG TERM DEBT (cont'd)

(a) General Capital Fund (cont'd)

	Balance January 1, 2021	Issued during year	Redeemed during year	Balance December 31, 2021
Capital leases:				
Caterpillar Financial Services Ltd, 4.45%, due May 2021, secured by equipment.	3,198	-	3,198	-
	<u>\$ 12,145,198</u>	<u>\$ 5,686,000</u>	<u>\$ 6,514,198</u>	<u>\$ 11,317,000</u>

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

2022 - \$1,544,000; 2023 - \$1,565,000; 2024 - \$1,452,000; 2025 - \$1,472,000; 2026 - \$1,494,000

(b) Utility Capital Fund

	Balance January 1, 2021	Issued during year	Redeemed during year	Balance December 31, 2021
New Brunswick Municipal Financing Corporation				
Debentures:				
BE15 1.65% - 4.25%, due May 2021, OIC # 00-43, 01-11	68,000	-	68,000	-
BF20 1.35% - 3.45%, due December 2021, OIC # 09-68	20,000	-	20,000	-
BI19 1.35% - 4.0%, due June 2033, OIC # 09-93	1,239,000	-	77,000	1,162,000
BJ22 1.25% - 4.4%, due November 2033, OIC # 11-83	1,983,000	-	121,000	1,862,000
BK10 1.15% - 4.15%, due May 2034, OIC # 12-0079, 12-0091	2,932,000	-	130,000	2,802,000
BL24 1.2% - 3.7%, due December 2034, OIC # 14-0009	1,639,000	-	66,000	1,573,000
BO18 1.45% - 2.9%, due June 2026, OIC # 04-0015	814,000	-	128,000	686,000
BR20 1.65% - 3.3%, due Dec 2037, OIC # 15-0091	912,000	-	31,000	881,000
BX17 0.9% - 2.95%, due May 2040, OIC # 19-0037	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ 16,000</u>	<u>\$ 484,000</u>
	<u>\$ 10,107,000</u>	<u>\$ -</u>	<u>\$ 657,000</u>	<u>\$ 9,450,000</u>

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

2022 - \$585,000; 2023 - \$601,000; 2024 - \$619,000; 2025 - \$640,000; 2026 - \$660,000

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

8. LONG TERM DEBT (cont'd)

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

	Balance January 1, 2021	Issued during year	Redeemed during year	Balance December 31, 2021
New Brunswick Municipal Financing Corporation				
Debtures:				
BN 35 1.05% - 3.15%, due 2025, OIC # 03-0053	\$ 280,235	\$ -	\$ 53,127	\$ 227,108
BL 45 1.2% - 3.1%, due 2024, OIC# 02-66, 03-53	<u>126,201</u>	<u>-</u>	<u>30,324</u>	<u>95,877</u>
	<u>\$ 406,436</u>	<u>\$ -</u>	<u>\$ 83,451</u>	<u>\$ 322,985</u>

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

2022 - \$85,690; 2023 - \$84,788; 2024 - \$90,484; 2025 - \$62,023

Total Long Term Debt:

	2021	2020
General Capital Fund	\$ 11,317,000	\$ 12,145,198
Utility Capital Fund	9,450,000	10,107,000
Jointly Controlled Entity - KRJBPC	<u>322,985</u>	<u>406,436</u>
	<u>\$ 21,089,985</u>	<u>\$ 22,658,634</u>

Approval of the Municipal Capital Borrowing Board has been obtained for the long term debt. There was no approval of the Municipal Capital Borrowing Board obtained for the capital leases.

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.

MUNICIPALITY OF QUISPAMISIS

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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, 2021 for the Municipality and December 31, 2020 for KVFD, the 88 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 3.5% for the Municipality and 2.25% for the KVFD;
- the discount rates used to determine the accrued benefit obligations are 2.54% for the Municipality and 1.99% for KVFD;
- retirement age is 65 for the Municipality and 60 for KVFD;
- estimated net excess utilization of rate of sick leave is independent of age; and
- Municipal members are assumed to terminate from employment at a rate of 2.5% per annum for all ages.

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.

The consolidated unfunded liability consist of:

	<u>2021</u>	<u>2020</u>
Quispamsis	\$ 275,200	\$ 140,073
KVFD	290,013	403,306
KRJBPC	<u>9,168</u>	<u>9,158</u>
	<u>\$ 574,381</u>	<u>\$ 552,537</u>

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11. POST EMPLOYMENT BENEFITS

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, 2019, which used a discount rate of 2.69% and an annual salary increase rate of 2.5%.

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 December 31, 2019, which used a discount rate of 2.69% and an annual salary increase rate of 3.0% for four years and 2% thereafter.

Both organizations have internally restricted funds for these liabilities. The balance at December 31, 2021 consists of:

	<u>2021</u>	<u>2020</u>
KVFD	\$ 339,301	\$ 299,768
KRJBPC	<u>496,323</u>	<u>504,747</u>
Balance at end of year	<u>\$ 835,624</u>	<u>\$ 804,515</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 Local Governance 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, 2019 and resulted in an overall NBMEPP accrued benefit obligation of \$135,126,100 based on the accounting basis.

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11. POST EMPLOYMENT BENEFITS (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, 2019:

- the expected inflation rate is 2.10% (prior 2.10%);
- the discount rate used to determine the accrued benefit obligation is 5.55% (prior 5.75%);
- the expected rate of return on assets is 5.55% (prior 5.75%);
- retirement age varies by age and employment category; and
- estimated average remaining service life (EARS�) is 13 years (prior 14 years).

The actuarial valuation prepared as at December 31, 2019 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 \$641,800, a change of of \$6,896,200 from the December 31, 2018 deficit of \$7,538,000. Based on the assumptions as at December 31, 2019, 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, 2019, the NBMEPP provides benefits for 277 retirees. Total benefits payments to retirees and terminating employees during 2021 are estimated to be approximately \$4,641,200 (actual 2020, \$5,662,100) 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 8.00%. 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 2021 are estimated to be approximately \$7,136,800 (actual 2020, \$6,929,400) in totality for the NBMEPP.

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

- The average age of the 86 active employees covered by the NBMEPP is 47.5 (2020 - 47.0);
- benefit payments were \$388,300 in 2020 and were estimated to be \$284,600 in 2021; and
- combined contributions were \$792,000 in 2020 and were estimated to be \$815,800 in 2021.

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

- The average age of the 42 active employees covered by the NBMEPP is 42.7 (2020 - 42.9);
- benefit payments were \$531,900 in 2020 and were estimated to be \$531,900 in 2021; and
- combined contributions were \$587,600 in 2020 and were estimated to be \$605,200 in 2021.

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

- The average age of the 44 active employees covered by the NBMEPP is 44 (2020 - 43.1);
- benefit payments were \$449,900 in 2020 and were estimated to be \$432,700 in 2021; and
- combined contributions were \$796,600 in 2020 and were estimated to be \$820,400 in 2021.

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11. POST EMPLOYMENT BENEFITS (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, 2019 and December 31, 2020, NBMEPP's actuary performed an extrapolation of the December 31, 2020 accounting valuation to determine the estimated position as at December 31, 2021. The extrapolation assumes assumptions used as at December 31, 2021 remain unchanged from December 31, 2020. The extrapolation also assumes assets return 5.55%, 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:

	Estimated Jan 1, 2021 to Dec 31, 2021	Jan 1, 2020 to Dec 31, 2020
Accrued Benefit Liability (Asset)		
Accrued benefit liability at beginning of period	\$ 18,980	\$ 432,170
Change in ownership percentage	61	321
Adjustment to actual	20,013	(18,564)
Pension expense for the year	644,487	423,322
Employer contributions	<u>(832,934)</u>	<u>(818,269)</u>
Accrued benefit liability (asset) at end of period	<u>\$ (149,393)</u>	<u>\$ 18,980</u>

In summary, the consolidated accrued benefit asset is estimated to be \$149,393 as at December 31, 2021. The December 31, 2020 liability was estimated in the prior year. The actual liability was calculated to be \$38,993. The difference of \$20,013 has been recorded in the current year. This amount is included in the post employment benefits payable on the consolidated statement of financial position.

	Estimated Jan 1, 2021 to Dec 31, 2021	Jan 1, 2020 to Dec 31, 2020
Quispamsis	\$ (277,600)	\$ (254,000)
KVFD	94,650	86,283
KRJBPC	<u>33,557</u>	<u>186,697</u>
	<u>\$ (149,393)</u>	<u>\$ 18,980</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:

	Estimated Jan 1, 2021 to Dec 31, 2021	Jan 1, 2020 to Dec 31, 2020
Reconciliation of Funded Status at End of Period		
Accrued benefit obligation	\$ 34,691,686	\$ 32,394,580
Plan assets	<u>(33,817,855)</u>	<u>(31,247,296)</u>
Plan deficit	873,831	1,147,284
Unamortized experience losses	<u>(1,023,224)</u>	<u>(1,108,291)</u>
Accrued benefit liability (asset) at end of period	<u>\$ (149,393)</u>	<u>\$ 38,993</u>

MUNICIPALITY OF QUISPAMSIS

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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:

	Estimated Jan 1, 2021 to Dec 31, 2021	Jan 1, 2020 to Dec 31, 2020
Reconciliation of Accrued Benefit Obligation		
Accrued benefit obligation at beginning of period	\$ 32,394,580	\$ 29,214,829
Change in ownership percentage	6,954	10,472
Current service cost	1,337,526	1,195,556
Benefits payments	(858,931)	(972,805)
Interest for period	1,811,557	1,686,913
Experience gain during period	-	1,259,615
Accrued benefit obligation at end of period	<u>\$ 34,691,686</u>	<u>\$ 32,394,580</u>

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

	Estimated Jan 1, 2021 to Dec 31, 2021	Jan 1, 2020 to Dec 31, 2020
Reconciliation of Plan Assets		
Plan assets at beginning of period	\$ 31,247,296	\$ 28,531,008
Change in ownership percentage	6,701	10,213
Employer contributions	832,934	808,520
Employee contributions	832,934	808,520
Benefit payments	(858,931)	(972,805)
Return on plan assets during period	<u>1,756,921</u>	<u>2,061,840</u>
Plan assets at end of period	<u>\$ 33,817,855</u>	<u>\$ 31,247,296</u>

Total expense related to pensions include the following components:

	Estimated Jan 1, 2021 to Dec 31, 2021	Jan 1, 2020 to Dec 31, 2020
Pension Expense		
Employer current service cost	\$ 504,592	\$ 387,036
Interest on accrued benefit obligation	1,811,557	1,686,913
Expected return on assets	(1,756,920)	(1,659,660)
Amortization of unrecognized balances		
Experience gain	<u>85,259</u>	<u>19,298</u>
Pension expense	<u>\$ 644,488</u>	<u>\$ 433,587</u>

The pension expense is included in the statement of operations.

MUNICIPALITY OF QUISPAMSIS

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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, 2021 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 (2020 - \$5,000) was made. The commitment was completed during 2021.

Fero Waste & Recycling Inc.

The Municipality has entered into a long-term agreement for services to collect and transport residential waste, Municipal generated waste and recyclable materials for all areas of Quispamsis. The contract expires on December 31, 2023. The future minimum payments over the next two years are estimated as follows:

2022	\$716,900
2023	\$759,914

14. SHORT TERM BORROWING

Operating Borrowing

As prescribed in the Local Governance 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 2021, 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, 2021, the Municipality had no funds (2020 - nil) borrowed from the facility.

MUNICIPALITY OF QUISPAMSIS

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14. SHORT TERM BORROWING (cont'd)

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.

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.

At December 31, 2021, the Municipality has remaining outstanding authority for short-term borrowings as follows: M019-0047 \$709,000 and M021-0034 \$2,081,000.

15. WATER AND SEWER FUND SURPLUS

The Local Governance 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>2021</u>	<u>2020</u>
2021 Surplus	\$ 2,092	\$ -
2020 Surplus	42,082	42,082
2019 Surplus	<u>-</u>	<u>25,947</u>
	<u>\$ 44,174</u>	<u>\$ 68,029</u>

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16. SCHEDULE OF TANGIBLE CAPITAL ASSETS

	Land	Land Improvements	Buildings and Leasehold Improvements	Furniture and Fixtures	Vehicles	Machinery and Equipment	Roads and Streets	Infrastructure Treatment Facilities	Water and Sewer	Subtotal	Assets Under Construction	2021 Total	2020 Total
COST													
Balance - beginning of year	\$ 3,522,188	\$ 8,500,839	\$ 35,001,098	\$ 1,026,335	\$ 4,120,370	\$ 7,826,956	\$ 74,551,072	\$ 19,710,249	\$ 35,265,804	\$ 189,524,911	\$ 2,262,163	\$ 191,787,074	\$ 186,706,576
Change in percentage ownership	96	36	587	129	(553)	160	-	-	-	455	-	455	3,404
Add: Net additions during the year	-	418,691	1,949,005	176,094	214,415	434,579	4,155,407	123,138	38,651	7,509,980	1,204,597	8,714,577	7,859,781
Less: Disposals during the year	-	-	-	-	(169,175)	(149,640)	(2,193,057)	-	-	(2,511,872)	(1,607,460)	(4,119,332)	(2,782,687)
Balance - end of year	<u>3,522,284</u>	<u>8,919,566</u>	<u>36,950,690</u>	<u>1,202,558</u>	<u>4,165,057</u>	<u>8,112,055</u>	<u>76,513,422</u>	<u>19,833,387</u>	<u>35,304,455</u>	<u>194,523,474</u>	<u>1,859,300</u>	<u>196,382,774</u>	<u>191,787,074</u>
ACCUMULATED AMORTIZATION													
Balance - beginning of year	-	4,334,919	11,502,828	591,416	2,260,557	5,112,892	41,274,034	6,375,813	9,474,755	80,927,214	-	80,927,214	76,491,050
Change in percentage ownership	-	29	222	91	(152)	188	-	-	-	378	-	378	1,704
Add: Amortization during the year	-	399,180	1,047,696	112,540	305,770	526,359	2,432,265	593,444	587,988	6,005,242	-	6,005,242	5,992,902
Less: Accumulated amortization on disposals	-	-	-	-	(155,187)	(149,640)	(2,193,057)	-	-	(2,497,884)	-	(2,497,884)	(1,558,442)
Balance - end of year	<u>-</u>	<u>4,734,128</u>	<u>12,550,746</u>	<u>704,047</u>	<u>2,410,988</u>	<u>5,489,799</u>	<u>41,513,242</u>	<u>6,969,257</u>	<u>10,062,743</u>	<u>84,434,950</u>	<u>-</u>	<u>84,434,950</u>	<u>80,927,214</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 3,522,284</u>	<u>\$ 4,185,438</u>	<u>\$ 24,399,944</u>	<u>\$ 498,511</u>	<u>\$ 1,754,069</u>	<u>\$ 2,622,256</u>	<u>\$ 35,000,180</u>	<u>\$ 12,864,130</u>	<u>\$ 25,241,712</u>	<u>\$ 110,088,524</u>	<u>\$ 1,859,300</u>	<u>\$ 111,947,824</u>	<u>\$ 110,859,860</u>
Consists of:													
General Fund Assets	\$ 2,268,627	\$ 4,113,678	\$ 20,635,903	\$ 459,642	\$ 393,199	\$ 1,958,006	\$ 35,000,180	\$ -	\$ -	\$ 64,829,235	\$ 131,185	\$ 64,960,420	\$ 63,805,255
Utility Fund Assets	872,064	-	-	11,122	84,514	351,318	-	12,864,130	25,241,712	39,424,860	1,728,118	41,152,978	41,058,427
Jointly Controlled Entities	<u>381,593</u>	<u>71,760</u>	<u>3,764,041</u>	<u>27,747</u>	<u>1,276,356</u>	<u>312,929</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,834,426</u>	<u>-</u>	<u>5,834,426</u>	<u>5,996,178</u>
	<u>\$ 3,522,284</u>	<u>\$ 4,185,438</u>	<u>\$ 24,399,944</u>	<u>\$ 498,511</u>	<u>\$ 1,754,069</u>	<u>\$ 2,622,253</u>	<u>\$ 35,000,180</u>	<u>\$ 12,864,130</u>	<u>\$ 25,241,712</u>	<u>\$ 110,088,521</u>	<u>\$ 1,859,303</u>	<u>\$ 111,947,824</u>	<u>\$ 110,859,860</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	\$ 429,000	\$ 235,950	\$ 193,050

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17. SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR JOINTLY CONTROLLED ENTITIES

	<u>Land</u>	<u>Land Improvements</u>	<u>Buildings</u>	<u>Furniture and Fixtures</u>	<u>Vehicles</u>	<u>Machinery and Equipment</u>	<u>Assets Under Construction</u>	<u>2021 Total</u>	<u>2020 Total</u>
COST									
Balance - beginning of year	\$ 381,497	\$ 186,316	\$ 6,186,904	\$ 118,751	\$ 2,509,443	\$ 1,062,096	\$ -	\$ 10,445,007	\$ 9,995,460
Change in percentage ownership	96	36	587	129	(553)	160	-	455	3,404
Add: Net additions during the year	-	-	137,469	-	137,340	52,817	-	327,626	738,648
Less: Disposals during the year	-	-	-	-	(95,761)	(8,000)	-	(103,761)	(292,505)
Balance - end of year	<u>381,593</u>	<u>186,352</u>	<u>6,324,960</u>	<u>118,880</u>	<u>2,550,469</u>	<u>1,107,073</u>	<u>-</u>	<u>10,669,327</u>	<u>10,445,007</u>
ACCUMULATED AMORTIZATION									
Balance - beginning of year	-	102,795	2,338,810	85,098	1,193,606	728,520	-	4,448,829	4,261,766
Change in percentage ownership	-	29	222	91	(152)	188	-	378	1,704
Add: Amortization during the year	-	11,768	221,887	5,944	162,432	73,436	-	475,467	478,569
Less: Accumulated amortization on disposals	-	-	-	-	(81,773)	(8,000)	-	(89,773)	(293,210)
Balance - end of year	<u>-</u>	<u>114,592</u>	<u>2,560,919</u>	<u>91,133</u>	<u>1,274,113</u>	<u>794,144</u>	<u>-</u>	<u>4,834,901</u>	<u>4,448,829</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	<u>\$ 381,593</u>	<u>\$ 71,760</u>	<u>\$ 3,764,041</u>	<u>\$ 27,747</u>	<u>\$ 1,276,356</u>	<u>\$ 312,929</u>	<u>\$ -</u>	<u>\$ 5,834,426</u>	<u>\$ 5,996,178</u>

MUNICIPALITY OF QUISPAMISIS

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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>2021 Consolidated</u>	<u>2020 Consolidated</u>
REVENUE									
Property tax warrant	\$ 3,031,349	\$ 9,135,678	\$ 5,306,652	\$ 1,243,690	\$ 636,847	\$ 5,499,752	\$ -	\$ 24,853,968	\$ 24,180,624
Services provided to other governments	-	-	53,239	-	-	-	-	53,239	47,265
Other own source	88,766	258,439	-	-	-	898,877	-	1,246,082	908,056
Unconditional grant	14,037	42,305	24,574	5,759	2,949	25,468	-	115,092	114,312
Conditional government transfers	766,205	-	664,601	-	-	427,194	1,411,440	3,269,440	2,128,298
Water and sewer user fees	-	-	-	-	-	-	3,156,231	3,156,231	2,957,348
Contributions from public donations and sponsorship	-	-	-	-	-	60,938	-	60,938	55,572
Sundry	<u>41,930</u>	<u>347,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,226</u>	<u>107,813</u>	<u>509,582</u>	<u>417,765</u>
	<u>3,942,287</u>	<u>9,784,035</u>	<u>6,049,066</u>	<u>1,249,449</u>	<u>639,796</u>	<u>6,924,455</u>	<u>4,675,484</u>	<u>33,264,572</u>	<u>30,809,240</u>
EXPENDITURE									
Salaries and benefits	1,259,610	6,545,479	2,534,274	-	320,850	2,328,013	909,553	13,897,779	13,080,744
Goods and services	1,207,278	1,065,066	2,031,870	1,129,009	265,665	2,486,055	782,469	8,967,412	7,948,087
Interest	8,491	24,259	27,898	-	-	314,169	354,871	729,688	858,842
Other	-	(4,235)	(8,290)	-	-	-	-	(12,525)	(61,677)
Amortization	<u>114,709</u>	<u>337,459</u>	<u>2,929,842</u>	<u>-</u>	<u>-</u>	<u>1,368,242</u>	<u>1,265,288</u>	<u>6,015,540</u>	<u>5,992,903</u>
	<u>2,590,088</u>	<u>7,968,028</u>	<u>7,515,594</u>	<u>1,129,009</u>	<u>586,515</u>	<u>6,496,479</u>	<u>3,312,181</u>	<u>29,597,894</u>	<u>27,818,899</u>
Surplus (deficit) for the year	<u>\$ 1,352,199</u>	<u>\$ 1,816,007</u>	<u>\$ (1,466,528)</u>	<u>\$ 120,440</u>	<u>\$ 53,281</u>	<u>\$ 427,976</u>	<u>\$ 1,363,303</u>	<u>\$ 3,666,678</u>	<u>\$ 2,990,341</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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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
2021 annual surplus (deficit)	\$ 3,112,494	\$(1,536,764)	\$ 1,699,335	\$ (288,871)	\$ 9,386	\$ 12,596	\$ 4,225	\$ 8,921	\$ 8,337	\$ 637,019	\$ 3,666,678
Adjustments to annual surplus for funding requirements											
Second previous year's surplus	49,230	-	25,947	-	-	-	-	-	-	86,320	161,497
Transfers between funds											
Transfer elimination	(9,500)	-	-	-	9,500	-	-	-	-	-	-
Transfer elimination	(371,897)	-	-	-	-	371,897	-	-	-	-	-
Transfer elimination	(457,000)	-	-	-	-	457,000	-	-	-	-	-
Transfer elimination	(481,500)	-	-	-	-	481,500	-	-	-	-	-
Transfer elimination	-	-	(102,222)	-	-	-	-	102,222	-	-	-
Transfer elimination	-	-	(925,000)	-	-	-	-	925,000	-	-	-
Transfer elimination	-	-	(19,500)	-	-	-	19,500	-	-	-	-
Transfer elimination	-	-	(46,438)	-	-	-	-	46,438	-	-	-
Transfer elimination	-	-	12,883	-	-	-	-	(12,883)	-	-	-
Long term debt principal repayment	(1,877,198)	1,877,198	(657,000)	657,000	-	-	-	-	-	-	-
Provision for pension liability	(20,620)	-	(2,981)	-	-	-	-	-	-	(144,932)	(168,533)
Provision for sick leave accrual	118,059	-	17,068	-	-	-	-	-	-	(115,221)	19,906
Provision for retirement allowance	-	-	-	-	-	-	-	-	-	(2,243)	(2,243)
Proceeds from disposal of tangible											
Accumulated amortization on disposal of tangible capital assets	-	(2,408,111)	-	-	-	-	-	-	-	(89,773)	(2,497,884)
Unrealized gains on investments	-	-	-	-	-	-	-	-	-	(39,211)	(39,211)
Amortization expense	-	4,264,487	-	1,265,288	-	-	-	-	-	475,467	6,005,242
Total adjustments to 2021 annual surplus (deficit)	<u>(3,050,426)</u>	<u>3,733,574</u>	<u>(1,697,243)</u>	<u>1,922,288</u>	<u>9,500</u>	<u>1,310,397</u>	<u>19,500</u>	<u>1,060,777</u>	<u>-</u>	<u>(180,581)</u>	<u>3,478,774</u>
2021 annual surplus (deficit) for funding requirements	\$ <u>62,068</u>	\$ <u>2,196,810</u>	\$ <u>2,092</u>	\$ <u>1,633,417</u>	\$ <u>18,886</u>	\$ <u>1,322,993</u>	\$ <u>23,725</u>	\$ <u>1,069,698</u>	\$ <u>8,337</u>	\$ <u>456,438</u>	\$ <u>6,794,464</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

20. STATEMENT OF RESERVES

	General Operating Reserve	General Capital Reserve	Utility Operating Reserve	Utility Capital Reserve	Land Trust Fund	2021 Total	2020 Total
ASSETS							
Cash and short term investments	\$ 1,101,884	\$ 2,623,589	\$ 157,312	\$ 2,360,044	\$ 140,042	\$ 6,382,871	\$ 3,355,576
Accounts receivable from other funds	<u>148,244</u>	<u>352,969</u>	<u>3,195</u>	<u>298,745</u>	<u>7,461</u>	<u>810,614</u>	<u>1,394,270</u>
	<u>\$ 1,250,128</u>	<u>\$ 2,976,558</u>	<u>\$ 160,507</u>	<u>\$ 2,658,789</u>	<u>\$ 147,503</u>	<u>\$ 7,193,485</u>	<u>\$ 4,749,846</u>
ACCUMULATED SURPLUS	<u>\$ 1,250,128</u>	<u>\$ 2,976,558</u>	<u>\$ 160,507</u>	<u>\$ 2,658,789</u>	<u>\$ 147,503</u>	<u>\$ 7,193,485</u>	<u>\$ 4,749,846</u>
REVENUE							
Lot fees	\$ -	\$ -	\$ -	\$ -	\$ 8,099	\$ 8,099	\$ 4,500
Transfers from General Operating Fund	9,500	1,310,397	-	-	-	1,319,897	1,189,500
Transfers from Utility Operating Fund	-	-	19,500	1,073,660	-	1,093,160	365,573
Interest	<u>9,386</u>	<u>12,596</u>	<u>4,225</u>	<u>8,921</u>	<u>1,064</u>	<u>36,192</u>	<u>37,752</u>
	<u>18,886</u>	<u>1,322,993</u>	<u>23,725</u>	<u>1,082,581</u>	<u>9,163</u>	<u>2,457,348</u>	<u>1,597,325</u>
EXPENDITURES							
Transfers to Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,883</u>	<u>826</u>	<u>13,709</u>	<u>414,119</u>
ANNUAL SURPLUS	<u>\$ 18,886</u>	<u>\$ 1,322,993</u>	<u>\$ 23,725</u>	<u>\$ 1,069,698</u>	<u>\$ 8,337</u>	<u>\$ 2,443,639</u>	<u>\$ 1,183,206</u>

MUNICIPALITY OF QUISPAMIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

20. STATEMENT OF RESERVES (cont'd)

Council Resolutions regarding transfers to and from reserves:

Moved By Councillor Donovan

Seconded By Councillor Miller

BE IT RESOLVED that \$9,500 be transferred from the General Operating Fund to the General Operating Reserve Fund for future expenditures.

Motion Carried

Moved By Councillor Donovan

Seconded By Councillor Thompson

BE IT RESOLVED that \$371,897 be transferred from the General Operating Fund to the General Capital Reserve Fund as per the 2021 budget.

Motion Carried

Moved By Councillor Donovan

Seconded By Councillor Olsen

BE IT RESOLVED that \$457,000 be transferred from the General Operating Fund to the General Capital Reserve Fund for future expenditures.

Motion Carried

Moved By Councillor Olsen

Seconded By Councillor Donovan

BE IT RESOLVED that \$481,500 be transferred from the General Operating Fund to the General Capital Reserve Fund for future use.

Motion Carried

Moved By Councillor Olsen

Seconded By Councillor Donovan

BE IT RESOLVED THAT \$102,222 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund as per the 2021 budget.

Motion Carried

Moved By Councillor Donovan

Seconded By Councillor Thompson

BE IT RESOLVED that \$925,000 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund for future use on 2021 capital projects carries forward and planned 2022 projects.

Motion Carried

Moved By Councillor Donovan

Seconded By Councillor Olsen

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

20. STATEMENT OF RESERVES (cont'd)

BE IT RESOLVED that \$19,500 be transferred from the Utility Operating Fund to the Utility Operating Reserve Fund for future use.

Motion Carried

Moved By Councillor Miller
Seconded By Councillor Donovan

BE IT RESOLVED that \$46,438 be transferred from the 2021 Utility Operating Fund to the Utility Capital Replacement Reserve Fund to pay for future costs of replacement of capital items for the Wastewater System Upgrades.

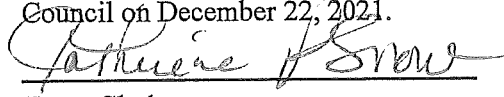
Motion Carried

Moved By Councillor Donovan
Seconded By Councillor Luck

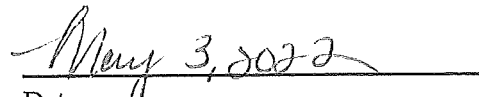
BE IT RESOLVED that \$12,883.08 be transferred from the 2021 Utility Capital Replacement Reserve Fund to the 2021 Utility Operating Fund to pay for the Longwood Treatment Plant Aerator project.

Motion Carried

I hereby certify that the above are true and exact copies of resolutions adopted at a meeting of Council on December 22, 2021.



Town Clerk,
Town of Quispamsis



Date



MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

21. STATEMENT OF JOINTLY CONTROLLED ENTITIES OPERATIONS

	<u>KVFD</u>	<u>KRJBPC</u>	<u>Library</u>	<u>2021 Total</u>	<u>2020 Total</u>
ASSETS	\$ <u>2,978,857</u>	\$ <u>2,019,698</u>	\$ <u>2,451,888</u>	\$ <u>7,450,443</u>	\$ <u>7,514,117</u>
LIABILITIES	\$ <u>815,203</u>	\$ <u>1,079,896</u>	\$ <u>41,568</u>	\$ <u>1,936,667</u>	\$ <u>2,276,249</u>
ACCUMULATED SURPLUS	\$ <u>2,163,653</u>	\$ <u>939,802</u>	\$ <u>2,410,320</u>	\$ <u>5,513,775</u>	\$ <u>5,245,018</u>
REVENUE	\$ 3,386,023	\$ 4,533,712	\$ 151,252	\$ 8,070,987	\$ 8,549,847
EXPENDITURES	<u>3,266,863</u>	<u>4,219,606</u>	<u>270,031</u>	<u>7,756,500</u>	<u>7,696,049</u>
	119,160	314,106	(118,779)	314,487	853,798
CHANGE IN PERCENTAGE OWNERSHIP	<u>(1,038)</u>	<u>655</u>	<u>-</u>	<u>(383)</u>	<u>889</u>
ANNUAL SURPLUS (DEFICIT)	\$ <u>118,122</u>	\$ <u>314,761</u>	\$ <u>(118,779)</u>	\$ <u>314,104</u>	\$ <u>854,687</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 QUISPAMSIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

22. OPERATING BUDGET TO PSAS BUDGET

	Operating Budget General	Operating Budget Water and Sewer	Amortization and Long Term Accruals	Controlled Entities	Transfers	Total
REVENUE						
Property tax warrant	\$ 24,853,968	\$ -	\$ -	\$ -	\$ -	\$ 24,853,968
Unconditional transfers from other governments	115,092	-	-	-	-	115,092
Conditional transfers from Federal or Provincial governments	28,800	-	-	-	-	28,800
Services other governments	60,595	-	-	-	-	60,595
Other own source	1,007,867	25,241	-	-	-	1,033,108
Public donations and sponsorships	83,815	-	-	-	-	83,815
Other transfers	131,500	203,452	-	-	(334,952)	-
Water and sewer user fees	-	3,113,500	-	-	-	3,113,500
Sundry income	24,140	73,700	-	248,004	-	345,844
Surplus of second previous year	49,230	25,947	-	-	(75,177)	-
	<u>26,355,007</u>	<u>3,441,840</u>	<u>-</u>	<u>248,004</u>	<u>(410,129)</u>	<u>29,634,722</u>
EXPENDITURES						
General government services	2,715,945	-	131,076	-	-	2,847,021
Protective services	8,208,039	-	330,357	7,262,842	(7,806,650)	7,994,588
Transportation services	4,767,813	-	2,958,692	-	(8,290)	7,718,215
Environmental health services	1,117,405	-	-	-	-	1,117,405
Environmental development services	1,250,390	-	5,032	-	(694,159)	561,263
Community services	4,270,698	-	1,402,264	141,774	552,385	6,367,121
Fiscal services						
Long term debt repayments	1,874,198	657,000	-	-	(2,531,198)	-
Interest	438,063	412,329	-	-	(850,392)	-
Transfer from General Operating Fund to Utility Operating Fund	91,923	-	-	-	(91,923)	-
Transfer from General Operating to General Capital Reserve Fund	116,000	-	-	-	(116,000)	-
Transfer from Utility Operating Fund to Utility Capital Replacement Reserve Fund	-	148,056	-	-	(148,056)	-
Transfer from General Operating Fund to General Capital Fund	1,248,636	-	-	-	(1,239,155)	-
Transfer from Utility Operating Fund to Utility Capital Fund	-	545,000	-	-	(35,000)	-
Transfer from General Operating Fund to General Operating Reserve Fund	255,897	-	-	-	(255,897)	-
Utility services	<u>-</u>	<u>1,679,455</u>	<u>1,279,375</u>	<u>-</u>	<u>412,329</u>	<u>3,371,159</u>
	<u>26,355,007</u>	<u>3,441,840</u>	<u>6,106,796</u>	<u>7,404,616</u>	<u>(12,812,006)</u>	<u>29,976,772</u>
Surplus (deficit)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(6,106,796)</u>	\$ <u>(7,156,612)</u>	\$ <u>12,401,877</u>	\$ <u>(342,050)</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

23. REVENUE AND EXPENDITURES SUPPORT

	<u>2021</u> Budget	<u>2021</u> Actual	<u>2020</u> Actual
REVENUE			
Other own source			
Permits and fines	\$ 146,000	\$ 258,439	\$ 230,044
Connection fees	-	-	43,610
Developers infrastructure contribution	-	35,713	67,096
Rental revenue	862,968	898,877	522,103
Miscellaneous	<u>24,140</u>	<u>53,053</u>	<u>45,203</u>
	<u>\$ 1,033,108</u>	<u>\$ 1,246,082</u>	<u>\$ 908,056</u>
Conditional government transfers			
Government of Canada			
Student Grant Canadian Parks	\$ -	\$ 28,730	\$ -
Small Communities Fund	-	1,680	110,543
Canada Summer Jobs	19,800	56,737	32,643
Province of New Brunswick			
Small Communities Fund	-	1,681	110,543
Department of Tourism	-	40,000	-
PNB CIF	-	38,597	-
Regional Developement Corporation	-	249,098	60,753
Safe Restart	-	990,447	216,900
P-GAP	-	240,769	-
Employment & Social Dev	-	-	94,043
SEED Grant	9,000	6,021	7,074
Canada Community Building Fund	-	1,607,680	1,480,799
Other	<u>-</u>	<u>8,000</u>	<u>15,000</u>
	<u>\$ 28,800</u>	<u>\$ 3,269,440</u>	<u>\$ 2,128,298</u>
EXPENDITURE			
General government services			
Legislative			
Mayor	\$ 61,331	\$ 54,352	\$ 45,842
Councillors	<u>199,976</u>	<u>174,325</u>	<u>149,610</u>
	<u>261,307</u>	<u>228,677</u>	<u>195,452</u>
Administrative			
Administration	1,222,501	1,189,864	1,159,551
Office building	197,010	162,095	157,850
Solicitor	150,000	130,810	133,618
Professional fees	-	-	(3,228)
Other	<u>311,889</u>	<u>179,588</u>	<u>207,121</u>
	<u>1,881,400</u>	<u>1,662,357</u>	<u>1,654,912</u>
Financial management			
External audit	<u>29,308</u>	<u>29,005</u>	<u>22,338</u>

MUNICIPALITY OF QUISPAMSIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

23. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2021</u> Budget	<u>2021</u> Actual	<u>2020</u> Actual
General government services (cont'd)			
Other			
Civic relations	55,160	40,490	52,455
Marketing	1,500	1,656	2,060
Insurance	128,000	129,266	111,492
Cost of assessment	359,070	359,070	349,350
Other	200	-	-
Interest	-	8,491	10,974
Pension expense (recovery)	(3,464)	(3,464)	(18,629)
Sick leave expense	19,831	19,831	(4,810)
Amortization	<u>114,709</u>	<u>114,709</u>	<u>105,705</u>
	<u>675,006</u>	<u>670,049</u>	<u>608,597</u>
	<u>\$ 2,847,021</u>	<u>\$ 2,590,088</u>	<u>\$ 2,481,299</u>
Protective services			
Fire			
Administration	\$ 469,800	\$ 448,715	\$ 413,711
Firefighting force	2,280,561	2,209,403	2,066,477
Telecommunications	122,649	121,004	-
Insurance	29,615	31,014	21,909
Prevention and training	34,650	19,427	20,734
Facilities	107,832	104,052	133,035
Fleet	62,517	48,072	44,549
Operations	37,611	34,854	39,065
Water costs	19,237	19,239	18,686
Retirement allowance	24,291	37,440	36,932
Other	1,777	-	1,518
Loss (gain) on disposal of tangible capital assets	(10,154)	(10,154)	(21,884)
Amortization	<u>204,875</u>	<u>204,875</u>	<u>204,088</u>
	<u>3,385,261</u>	<u>3,267,941</u>	<u>2,978,820</u>
Police			
Crime control		2,947,122	3,029,948
2,977,857			
Vehicle fleet	117,097	107,743	101,299
Property	126,557	131,924	131,930
Administration	631,076	641,199	706,172
Retirement allowance	47,615	52,037	51,496
Communications	196,917	169,338	257,008
Labour relations	-	-	127,392
Loss on disposal of tangible capital assets	5,919	5,919	(1,145)
Amortization	<u>126,583</u>	<u>126,583</u>	<u>133,111</u>
	<u>4,198,886</u>	<u>4,264,691</u>	<u>4,485,120</u>

MUNICIPALITY OF QUISPAMSI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

23. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2021</u> Budget	<u>2021</u> Actual	<u>2020</u> Actual
Protective services (cont'd)			
Other			
Emergency measures	94,573	134,400	156,408
Animal control	64,742	50,132	58,224
Building inspection	231,949	207,208	196,930
Crosswalk guards	10,305	10,525	7,867
Interest	-	24,259	31,355
Pension expense (recovery)	(608)	(608)	(3,509)
Sick leave expense (recovery)	3,479	3,479	(906)
Amortization	<u>6,001</u>	<u>6,001</u>	<u>6,001</u>
	<u>410,441</u>	<u>435,396</u>	<u>452,370</u>
	<u>\$ 7,994,588</u>	<u>\$ 7,968,028</u>	<u>\$ 7,916,310</u>
Transportation services			
Common			
Workshop, yard and equipment maintenance	\$ 72,523	\$ 71,996	\$ 77,515
Engineering	<u>551,627</u>	<u>519,505</u>	<u>481,266</u>
	<u>624,150</u>	<u>591,501</u>	<u>558,781</u>
Roads and streets			
Culverts and drainage ditches	73,000	72,610	73,067
Summer maintenance	1,412,344	1,389,883	1,435,463
Snow and ice removal	2,233,165	2,119,752	2,058,636
Street lighting	158,000	149,037	146,566
Street signs	37,800	30,043	31,448
Traffic lane marking	38,000	40,078	33,302
Traffic signals and signs	8,166	10,362	11,777
Railway crossing signals	10,100	9,529	9,528
Public transit - Comex Service	173,088	124,499	161,775
Pension expense (recovery)	(8,284)	(8,284)	(43,875)
Sick leave expense	47,431	47,431	(11,328)
Interest	-	27,898	36,058
Gain on disposal of tangible capital assets	(8,290)	(8,290)	(38,648)
Amortization	<u>2,919,545</u>	<u>2,919,545</u>	<u>2,963,622</u>
	<u>7,094,065</u>	<u>6,924,093</u>	<u>6,867,391</u>
	<u>\$ 7,718,215</u>	<u>\$ 7,515,594</u>	<u>\$ 7,426,172</u>
Environmental health services			
Waste collection and disposal	\$ 1,113,405	\$ 1,125,307	\$ 1,081,233
Climate protection	<u>4,000</u>	<u>3,702</u>	<u>365</u>
	<u>\$ 1,117,405</u>	<u>\$ 1,129,009</u>	<u>\$ 1,081,598</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

23. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	2021 Budget	2021 Actual	2020 Actual
Environmental development services			
Administration	\$ 353,131	\$ 350,729	\$ 280,047
Municipal plan	27,500	55,154	(7)
Enterprise Saint John	-	-	112,133
Envision Saint John: The Regional Growth Agency	168,000	168,000	-
Regional Services Commission	7,600	7,600	5,227
Pension expense (recovery)	(1,065)	(1,065)	(4,335)
Sick leave expense	<u>6,097</u>	<u>6,097</u>	<u>(1,119)</u>
	\$ <u>561,263</u>	\$ <u>586,515</u>	\$ <u>391,946</u>
Community services			
Administration	\$ 185,540	\$ 168,918	\$ 174,112
Facilities maintenance	602,530	561,971	454,774
Parks office	92,031	91,587	83,375
Beaches	72,940	77,413	37,062
Quispamsis Arena	337,548	303,750	278,618
Qplex	1,832,057	1,762,103	1,044,214
Parks and playgrounds	983,832	974,230	772,582
Civic Centre	-	-	46,211
Recreation programs	77,295	56,642	6,850
Regional Facilities Commission	532,253	555,239	610,282
Library	161,906	148,901	149,798
Warehouse	13,975	11,594	9,429
Food bank building	10,115	8,787	7,494
Beach house	62,835	58,911	34,273
Pension expense (recovery)	(7,199)	(7,199)	(31,481)
Sick leave expense	41,221	41,221	(8,128)
Interest	-	314,169	406,064
Amortization	<u>1,368,242</u>	<u>1,368,242</u>	<u>1,342,811</u>
	\$ <u>6,367,121</u>	\$ <u>6,496,479</u>	\$ <u>5,418,340</u>
Utility services			
Water System			
Treatment	\$ 46,400	\$ 41,532	\$ 41,717
Wellfields	6,250	13,414	3,239
Pump	47,268	41,849	35,905
Infrastructure	169,421	175,626	165,060
Pension expense (recovery)	(458)	(458)	(2,440)
Interest and bank charges	25,625	26,281	26,662
Sick leave expense	<u>2,623</u>	<u>2,623</u>	<u>(630)</u>
	<u>297,129</u>	<u>300,867</u>	<u>269,513</u>

MUNICIPALITY OF QUISPAMSIS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2021

23. REVENUE AND EXPENDITURE SUPPORT (cont'd)

	<u>2021</u> Budget	<u>2021</u> Actual	<u>2020</u> Actual
Sewer System			
Sewer collection system	155,912	178,289	170,859
Sewer lift stations	305,098	337,561	296,150
Treatment and disposal	262,511	262,293	263,328
Pension expense (recovery)	(1,095)	(1,095)	(5,720)
Sick leave expense	6,269	6,269	(1,477)
Interest and bank charges	386,714	354,871	374,390
Loss (gain) on disposal of tangible capital asset	-	(20,357)	-
Amortization	<u>1,265,288</u>	<u>1,265,288</u>	<u>1,227,268</u>
	<u>2,380,697</u>	<u>2,383,119</u>	<u>2,324,798</u>
Administration			
Administration	686,585	621,447	516,862
Pension expense (recovery)	(1,428)	(1,428)	(6,310)
Sick leave expense	<u>8,176</u>	<u>8,176</u>	<u>(1,629)</u>
	<u>693,333</u>	<u>628,195</u>	<u>508,923</u>
	<u>\$ 3,371,159</u>	<u>\$ 3,312,181</u>	<u>\$ 3,103,234</u>