



Consolidated financial statements

Village of New Maryland

December 31, 2018

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# Independent auditor's report

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Her Worship the Mayor, and Members of Council  
Village of New Maryland

## Opinion

We have audited the consolidated financial statements of the Village of New Maryland ("the Village"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated results of operations and accumulated surplus, changes in net assets, and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Village of New Maryland as at December 31, 2018, and the results of its operations, changes in net assets, and 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 *Auditor's Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of the Village 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other matter

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. Schedules 5, 6, and 8 on pages 24, 25, and 27 are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.

## 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 Village's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Village or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's 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 auditor's 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.

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 Village'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 Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Village 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 consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate 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.

*Grant Thornton LLP*

Chartered Professional Accountants

Fredericton, Canada  
May 8, 2019

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# Village of New Maryland

## Consolidated statement of operations and accumulated surplus

Year Ended December 31

2018

2017

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	(schedule 7) <u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Revenue</b> (schedule 4)			
Property tax warrant	\$ 4,320,046	\$ 4,322,448	\$ 4,213,613
Services to other governments (schedule 2)	137,798	137,798	135,750
Other revenue from own source (schedule 2)	157,748	249,179	223,116
Unconditional grant	5,859	5,859	6,163
Other government transfers (schedule 2)	341,372	1,663,814	883,525
Water and sewer user fees (schedule 2)	1,090,774	1,079,594	1,047,675
Interest	16,500	143,684	82,387
Loss on disposal of tangible capital assets	-	(44,257)	(29,169)
	<u>6,070,097</u>	<u>7,558,119</u>	<u>6,563,060</u>
<b>Expenses</b> (schedules 3 & 4)			
General government services	1,010,397	981,917	881,509
Protective services	984,507	968,199	980,303
Transportation services	1,301,963	1,323,671	1,236,424
Environmental health services	258,361	283,067	258,164
Environmental development services	164,882	239,847	148,069
Recreation and cultural services	778,781	720,408	708,691
Water and sewer	<u>1,148,316</u>	<u>1,453,676</u>	<u>1,315,662</u>
	<u>5,647,207</u>	<u>5,970,785</u>	<u>5,528,822</u>
Annual surplus (schedule 6)	\$ <u>422,890</u>	\$ <u>1,587,334</u>	\$ <u>1,034,238</u>
Accumulated surplus, beginning of year		<u>39,549,506</u>	<u>38,515,268</u>
Accumulated surplus, end of year		<u>\$ 41,136,840</u>	<u>\$ 39,549,506</u>

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See accompanying notes to the consolidated financial statements.

# Village of New Maryland

## Consolidated statement of financial position

Year Ended December 31

2018

2017

### Financial assets

Cash and cash equivalents	\$ 11,435,041	\$ 10,047,550
Receivables		
General	364,796	325,960
Federal Government and its agencies (note 3)	51,397	99,646
Province of New Brunswick (note 4)	219,194	6,085
Pension asset (note 9)	117,100	105,200

12,187,528      10,584,441

### Liabilities

Bank indebtedness (note 5)	60,000	240,000
Payables and accruals (note 6)	261,285	206,522
Deferred revenue (note 7)	-	298,177
Long term debt (note 8)	6,083,000	6,124,000
Accrued sick leave obligation (note 10)	129,000	136,800

6,533,285      7,005,499

### Net assets

5,654,243      3,578,942

### Non-financial assets

Tangible capital assets (schedule 1)	35,403,971	35,905,929
Prepaid expenses	78,626	64,635

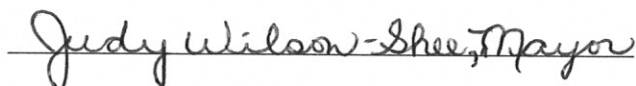
35,482,597      35,970,564

### Accumulated surplus

\$ 41,136,840      \$ 39,549,506

Commitments and contingency (note 11)

On behalf of the Council



See accompanying notes to the consolidated financial statements.

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## Village of New Maryland

### Consolidated statement of changes in net assets

Year Ended December 31

2018

2017

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	(schedule 7) <u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Annual surplus	\$ 422,890	\$ 1,587,334	\$ 1,034,238
Acquisition of tangible capital assets	(1,068,761)	(843,735)	(911,693)
Proceeds on disposal of tangible capital assets	-	3,047	-
Amortization of tangible capital assets	1,298,389	1,298,389	1,280,592
Loss on sale of tangible capital assets	-	44,257	29,169
	<u>652,518</u>	<u>2,089,292</u>	<u>1,432,306</u>
Acquisition of prepaid assets	-	(78,626)	(64,635)
Use of prepaid assets	-	64,635	63,716
	<u>-</u>	<u>(13,991)</u>	<u>(919)</u>
Increase in net assets	652,518	2,075,301	1,431,387
Net assets, beginning of year	<u>3,578,942</u>	<u>3,578,942</u>	<u>2,147,555</u>
Net assets, end of year	<u>\$ 4,231,460</u>	<u>\$ 5,654,243</u>	<u>\$ 3,578,942</u>

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See accompanying notes to the consolidated financial statements.

# Village of New Maryland

## Consolidated statement of cash flows

Year Ended December 31

2018

2017

### Increase (decrease) in cash and cash equivalents

#### Operating activities

Annual surplus	\$ 1,587,334	\$ 1,034,238
Amortization of tangible capital assets	1,298,389	1,280,592
Loss on disposal of tangible capital assets	44,257	29,169
Change in receivables:		
General	(38,836)	(2,622)
Federal government and its agencies	48,249	(77,660)
Province of New Brunswick	(213,109)	-
Change in payables and accruals	54,763	(269,363)
Change in deferred revenue	(298,177)	(515,788)
Change in pension obligation	(7,800)	(22,100)
Change in accrued sick leave	(11,900)	(3,900)

Net cash provided by operating activities	<u>2,463,170</u>	<u>1,452,566</u>
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#### Capital activities

Acquisition of tangible capital assets	(843,735)	(911,693)
Proceeds from sale of capital assets	3,047	-
Change in prepaid expenses	<u>(13,991)</u>	<u>(919)</u>

Net cash used for capital activities	<u>(854,679)</u>	<u>(912,612)</u>
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#### Financing activities

Bank loan proceeds (repayment)	(180,000)	150,000
Long-term debt proceeds	525,000	376,000
Long-term debt repayment	<u>(566,000)</u>	<u>(549,000)</u>

Net cash used for financing activities	<u>(221,000)</u>	<u>(23,000)</u>
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Increase in cash and cash equivalents	1,387,491	516,954
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Cash and cash equivalents at beginning of year	<u>10,047,550</u>	<u>9,530,596</u>
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Cash and cash equivalents at end of year	<u>\$ 11,435,041</u>	<u>\$ 10,047,550</u>
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See accompanying notes to the consolidated financial statements.



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# Village of New Maryland

## Notes to the consolidated financial statements

December 31, 2018

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### 1. Purpose of the organization

The municipality was incorporated as a Village by the Province of New Brunswick Municipalities Act on June 1, 1991. As a municipality, the Village of New Maryland is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act.

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### 2. Summary of significant accounting policies

The consolidated financial statements of the Village of New Maryland are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board ("PSAB") of CPA Canada.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirement, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

The focus of Public Sector Accounting (PSA) 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.

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

a) **Reporting entity**

These consolidated financial statements reflect the assets, liabilities, revenues, expenses, changes in net debt and cash flows of the reporting entity. The Village of New Maryland is comprised of all organizations accountable for the administration of their financial affairs and resources to the Village of New Maryland, and which are controlled by the Village of New Maryland.

Interdepartmental and organizational transactions and balances are eliminated.

b) **Budget**

The budget figures contained in these financial statements were approved by Council on December 20, 2017, and the Minister of Local Government on January 9, 2018.

c) **Revenue recognition**

Taxation Revenue represents the annual levy administered and collected by the Province of New Brunswick on behalf of all New Brunswick Municipalities for municipal services. They are recorded as warrant of assessment as the funds are received by the Village.

Fee and charge revenue for building permits, water and wastewater, and transportation are recorded on the accrual basis and recognized as earned, which is usually when services are provided or facilities are utilized.

Other revenues are recorded when it is earned, and collection is reasonably assured.

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# Village of New Maryland

## Notes to the consolidated financial statements

December 31, 2018

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### 2. Summary of significant accounting policies (continued)

#### d) Government transfers

Government transfers are transfers of monetary assets or tangible capital assets from a government to an individual, an organization or another government that are not the result of an exchange transaction, expected to be repaid in the future or expected to produce a direct financial return. Government transfers received are recognized in the financial statements as revenue when the transfers are authorized and all eligibility criteria have been met except when there is a stipulation that gives rise to an obligation that meets the definition of a liability. In that case, the transfer is recorded as a liability and recognized as revenue as the stipulations are met.

#### e) Expense recognition

Expenses are recognized in the period that the goods and services were acquired and a liability was incurred. Expenses are recorded on an accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the balance sheet date.

#### f) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets for the year.

##### i) Tangible capital assets

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

<b>Asset type</b>	<b><u>Years</u></b>
Buildings and structures	10-50 years
Vehicles and equipment	5-25 years
Roads, streets, sidewalks and culverts	15-80 years
Parks and playgrounds	10-20 years
Water and wastewater networks	40-80 years

Amortization is not recognized in the year assets are acquired.

##### ii) Assets under construction

Assets under construction are not amortized until the asset is available for productive use, at which time they are transferred to their respective tangible capital asset categories.

##### iii) Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

#### f) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

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# Village of New Maryland

## Notes to the consolidated financial statements

December 31, 2018

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### 2. Summary of significant accounting policies (continued)

#### g) Post-employment benefits

The Village and its employees participate in the New Brunswick Municipal Employees Pension Plan (NB MEPP). The NB MEPP 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 Plan provides for service pensions based on length of service and best average earnings.

In addition to the Municipal Pension Plan, the Village allows a portion of unused sick benefits which have vested to be paid to employees upon retirement or resignation. The costs of these benefits are actuarially determined based on service and best estimate of retirement ages and expected salary increases.

#### h) Reserve funds

Certain amounts, as approved by Village Council, are set aside in reserve funds for future operating and capital purposes. Transfers to and from reserve funds are recorded as an adjustment within accumulated surplus. Schedule 5 to the consolidated financial statements is included to show the reserve fund balances as supplementary information.

#### i) Segmented information

The Village of New Maryland is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Village'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.

##### Environmental health services and development services

This department is responsible for the provision of waste collection and disposal, planning and zoning, community development, tourism and other municipal development and promotion services.

##### Recreation and cultural services

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

##### Water and sewer

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.

Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis. Taxation, unconditional grant, fees and user charges are allocated to those segments that are funded by these amounts based on percent of budgeted expense.

# Village of New Maryland

## Notes to the consolidated financial statements

December 31, 2018

### 2. Summary of significant accounting policies (continued)

#### j) Use of estimates

The preparation of consolidated financial statements in accordance with Canadian public sector standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses 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. Significant estimates reported in these financial statements include amortization of tangible capital assets, the pension asset/obligation, and the accrued sick leave obligation. Actual results may differ from those estimates.

#### k) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries.

A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Village is directly responsible, or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

3. Due from federal government and its agencies	<u>2018</u>	<u>2017</u>
Canada Revenue Agency (HST rebate)	\$ 51,397	\$ 84,696
Government contribution for Solar energy project	-	14,950
	<u>\$ 51,397</u>	<u>\$ 99,646</u>

4. Due from Province of New Brunswick	<u>2018</u>	<u>2017</u>
New Brunswick Department of Transportation	\$ 179,194	\$ 6,085
Environmental Trust Fund	40,000	-
	<u>\$ 219,194</u>	<u>\$ 6,085</u>

# Village of New Maryland

## Notes to the consolidated financial statements

December 31, 2018

### 5. Bank indebtedness

Bank indebtedness for operating purposes is within the limit prescribed by the Municipalities Act. The credit facility with the Municipality's bank has a combined borrowing limit of \$300,000 for the Municipality's operations.

### 6. Payables and accruals

	<u>2018</u>	<u>2017</u>
Trade payables and accruals	\$ 205,288	\$ 121,809
Holdbacks	13,200	-
Interest on long-term debt	21,010	29,319
Local improvement deposits	<u>21,787</u>	<u>55,394</u>
	<u>\$ 261,285</u>	<u>\$ 206,522</u>

### 7. Deferred revenue

	<u>2018</u>	<u>2017</u>
Gas Tax funding – Province of New Brunswick	<u>-</u>	<u>\$ 298,176</u>

### 8. Long-term debt

	<u>2018</u>	<u>2017</u>
<u>New Brunswick Municipal Financing Corporation Debentures</u>		
BP33 1.20% - 3.55%, due 2031, OIC #15-0032	\$ 496,000	\$ 560,000
BM38 0.95% - 2.80%, due 2025, OIC #04-0005	1,305,000	1,478,000
BN30 1.05% - 3.65%, due 2030, OIC #14-0032	362,000	388,000
BA43 0.95% - 5.00%, due 2019, OIC #08-0067	87,000	100,000
BE25 1.65% - 4.25%, due 2021, OIC #09-0024	1,184,000	1,312,000
BE26 1.65% - 4.25%, due 2021, OIC #09-0048	719,000	763,000
BH38 1.35% - 3.80%, due 2027, OIC #09-0024	638,000	700,000
BI42 1.35% - 4.00%, due 2033, OIC #09-0048	425,000	447,000
BR32 1.65% - 2.90%, due 2027, OIC #17-0014, 17-0062	342,000	376,000
BU32 2.55% - 3.55%, due 2033, OIC #17-0014	<u>525,000</u>	<u>-</u>
	<u>\$ 6,083,000</u>	<u>\$ 6,124,000</u>

In 2019, debenture BA43 will mature with a final amount due of \$87,000, however \$74,000 of this payment is expected to be refinanced during that year. In 2021, debentures BE25 and BE26 will mature with final amounts due of \$914,000 and \$625,000 respectively. These debentures are expected to be refinanced for \$773,000 and \$577,000 respectively during that year.

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# Village of New Maryland

## Notes to the consolidated financial statements

December 31, 2018

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### 8. Long-term debt (continued)

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

2019	\$ 680,000
2020	609,000
2021	1,971,000
2022	399,000
2023	410,000

Approval of the Municipal Capital Borrowing Board has been obtained for the debenture debt reported and all the long-term debt has been approved by an Order-in-Council of the Provincial Legislature.

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### 9. Pension asset

The Village and its employees participate in the New Brunswick Municipal Employees Pension Plan (NB MEPP). The NB MEPP 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 NB MEPP 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 NB MEPP. 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, 2016 and resulted in an overall NB MEPP accrued benefit obligation of \$115,347,700 based on the accounting basis.

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, 2017:

- The expected inflation rate is 2.25%
- The discount rate used to determine the accrued benefit obligation is 5.50% per annum
- The expected rate of return on assets is 5.50% per annum
- Retirement age varies by age and employment category
- Estimated average remaining service life (EARSL) is 14.0 years

The actuarial valuation prepared as at December 31, 2016 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 \$254,800, a change of \$1,005,400 from the December 31, 2015 deficit of \$1,260,200. Based on the assumptions as at December 31, 2016, 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 Pension Benefits Act.

As at December 31, 2016, the NB MEPP provides benefits for 233 retirees. Total benefit payments to retirees and terminating employees during 2018 are estimated to be approximately \$3,508,400 (actual 2017 was \$4,638,400) in totality for the NB MEPP.

# Village of New Maryland

## Notes to the consolidated financial statements

December 31, 2018

### 9. Pension asset (continued)

Employees make contributions using rates that may 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 employee's contribution amounts. Pension Fund Assets are invested in Short Term Securities, Bonds, Canadian Equities and Foreign Equities. Combined employees and municipalities contributions for 2018 are estimated to be approximately \$6,377,000 (actual 2017 was \$6,196,600) in totality for the NB MEPP.

The following summarizes the NB MEPP data as it relates to the Village of New Maryland:

- The average age of the 18 active employees covered by the NB MEPP is 46.5 (as at December 31, 2016)
- Benefit payments were \$52,700 in 2017 and were estimated to be \$12,100 in 2018
- Combined contributions were \$156,600 in 2017 and were estimated to be \$161,200 in 2018

In addition to determining the position of the NB MEPP as it relates to the Village of New Maryland as at December 31, 2016 and December 31, 2017, NB MEPP's actuary performed an extrapolation of the December 31, 2017 accounting valuation to determine the estimated position as at December 31, 2018. The extrapolation assumes assumptions used as at December 31, 2018 remain unchanged from December 31, 2017. The extrapolation also assumes assets return 5.50% 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>Accrued benefit liability / (asset)</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Accrued benefit asset at beginning of period	\$ (105,200)	\$ (83,100)
Pension expense for the year	68,700	55,700
Less: Employer contributions	<u>(80,600)</u>	<u>(77,800)</u>
Accrued benefit asset at end of period	<u>\$ (117,100)</u>	<u>\$ (105,200)</u>

In summary, the accrued benefit asset as it relates to the Village of New Maryland is estimated to be \$117,100 as at December 31, 2018. This compares to an asset of \$105,200 as at December 31, 2017. This amount is reported as a financial asset on the consolidated statement of financial position.

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

<b>Reconciliation of funded status at end of period</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Accrued benefit obligation	\$ 1,650,600	\$ 1,532,900
Plan assets	<u>1,552,500</u>	<u>1,445,100</u>
Plan deficit	98,100	87,800
Unamortized experience losses	<u>215,200</u>	<u>193,000</u>
Accrued benefit asset at end of period	<u>\$ (117,100)</u>	<u>\$ (105,200)</u>

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# Village of New Maryland

## Notes to the consolidated financial statements

December 31, 2018

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### 9. Pension asset (continued)

Total expenses related to pensions include the following components:

<b>Pension expense</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
Employer current service cost	\$ 47,000	\$ 35,900
Interest on accrued benefit obligation	83,000	78,800
Expected return on assets	(77,000)	(73,100)
Experience loss	<u>15,700</u>	<u>14,100</u>
Pension expense	<u>\$ 68,700</u>	<u>\$ 55,700</u>

The pension expense is included in the consolidated statement of operations.

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### 10. Accrued sick leave obligation

The Village of New Maryland provides employees the ability to accumulate sick leave benefits payable either upon retirement or resignation.

	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>Accrued employee benefit obligation:</b>		
Opening balance	\$ 136,800	\$ 140,700
Current period service cost	20,200	20,200
Accrued interest	5,400	5,400
Experience loss (gain)	7,100	(4,800)
Benefit payments	<u>(26,300)</u>	<u>(24,700)</u>
<b>Accrued employee benefit obligation</b>	<b><u>\$ 129,000</u></b>	<b><u>\$ 136,800</u></b>
<b>Unfunded obligation:</b>		
Accrued employee benefit obligation	\$ 129,000	\$ 136,800
Less: funded amount	<u>(129,000)</u>	<u>(136,800)</u>
<b>Unfunded accrued employee benefit obligation</b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

The accrued sick leave liabilities were valued based on an actuarial calculation as of December 31, 2017. The actuarial method used was the projected benefit method prorated on service to calculate the accrued benefit obligation. 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 Village's best estimates.

The following summarizes the major assumptions in the valuation:

- Annual salary increase is 3.0%;
  - The discount rate used to determine the accrued benefit obligation is 3.07%;
  - Retirement age is 60; and,
  - Estimated average remaining service life (EARS�) is 12.53 years.
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# Village of New Maryland

## Notes to the consolidated financial statements

December 31, 2018

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### 11. Commitments and contingency

- a) The Village has entered into an agreement for solid waste collection at an annual cost of \$167,534 (including HST). The agreement expires December 31, 2020.
- b) The Village has entered into an agreement for animal control services at an annual cost of \$6,000 (including HST). The agreement expires November 30, 2019.
- c) The Village has entered into three agreements for snow and ice control at an annual cost for 2019 of \$239,983 (including HST). These agreements expire October 2020.
- d) The Village has entered into an agreement for recreational services at a variable annual cost based on a percentage of the municipal tax base. The estimated annual cost for 2019 is \$138,755 (including HST). The agreement expires December 31, 2027, but either Party may terminate the agreement, at the end of the calendar year following the year in which the written notice is given.
- e) The Village has entered into an agreement for the purchase of a two door walk in heavy rescue vehicle at a cost of \$402,443 (including HST). Payment is due 10 days after delivery, which is expected to occur in October 2019.
- f) In the normal course of the Village's activities, the Village is from time to time named as a defendant in actions for damages and costs allegedly sustained by plaintiffs. The Village intends to defend and negotiate such claims and litigation. The eventual outcome of these claims and litigation is not determinable at year end. At the end of the year the Village is aware of one claim, however the amount and outcome of the claim are not determinable at year-end. No provision has been made to the financial statements for this claim.

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### 12. Short-term borrowing compliance

#### Capital Funds

The Village has no outstanding authority for short term borrowings.

#### Operating borrowing

As prescribed in the Municipalities Act, borrowing to finance General Fund operations is limited to 4% of the Municipality's operating budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2018, the Municipality has complied with these restrictions.

#### 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. Certain amounts payable between funds are not in compliance with the requirements, but the municipality intends on eliminating these balances in the next year.

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### 13. Capital funds

Current assets exceed current liabilities at December 31, 2018 in both the General Capital Fund and the Water and Sewer Capital Fund. This excess amount represents funds for future capital projects.

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# Village of New Maryland

## Notes to the consolidated financial statements

December 31, 2018

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### 14. Water cost transfer

The Municipality's water cost transfer for fire protection is within the maximum allowable by Regulation 81-195 under the Municipalities Act based upon the applicable percentage of water system expenses for the population.

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### 15. Water and sewer fund surplus / deficit

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

	<u>2018</u>	<u>2017</u>
2018 Deficit	\$ (33,991)	\$ -
2017 Surplus	(29,096)	(29,096)
2016 Surplus	<u>-</u>	<u>4,152</u>
	<u>\$ (63,087)</u>	<u>\$ (24,944)</u>

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# Village of New Maryland

## Schedule 1: tangible capital assets

December 31, 2018

	General capital assets						Water and sewer assets					
	Land	Buildings and structures	Parks and playgrounds	Assets under construction	Vehicles and equipment	Road, streets, sidewalks, culverts	Land	W&S buildings	Water and sewer mains	Assets under construction	2018	2017
<b>Cost</b>												
Opening cost	\$ 1,875,235	\$ 3,090,875	\$ 1,831,825	\$ 137,299	\$ 1,949,242	\$ 19,515,078	\$ 622,519	\$ 8,771,198	\$ 14,934,806	\$ -	\$ 52,728,077	\$ 51,903,585
Additions and transfers	-	-	67,414	12,452	102,384	586,388	-	24,781	203,949	44,171	1,041,539	911,693
Disposals and transfers	-	-	-	(65,704)	(59,736)	(142,930)	-	-	(71,333)	-	(339,703)	(87,201)
<b>Closing cost</b>	<b>1,875,235</b>	<b>3,090,875</b>	<b>1,899,239</b>	<b>84,047</b>	<b>1,991,890</b>	<b>19,958,536</b>	<b>622,519</b>	<b>8,795,979</b>	<b>15,067,422</b>	<b>44,171</b>	<b>53,429,913</b>	<b>52,728,077</b>
<b>Accumulated amortization</b>												
Opening accumulated Amortization	-	1,453,539	1,031,040	-	1,306,994	6,300,197	-	2,750,210	3,980,168	-	16,822,148	15,599,588
Amortization	-	123,600	66,030	-	102,659	522,092	-	263,838	220,171	-	1,298,389	1,280,592
Disposals	-	-	-	-	(59,736)	(2,743)	-	-	(32,116)	-	(94,595)	(58,032)
<b>Closing accum'd amortization</b>	<b>-</b>	<b>1,577,139</b>	<b>1,097,070</b>	<b>-</b>	<b>1,349,917</b>	<b>6,819,546</b>	<b>-</b>	<b>3,014,048</b>	<b>4,168,223</b>	<b>-</b>	<b>18,025,942</b>	<b>16,822,148</b>
<b>Asset net book value</b>	<b>\$ 1,875,235</b>	<b>\$ 1,513,736</b>	<b>\$ 802,169</b>	<b>\$ 84,047</b>	<b>\$ 641,973</b>	<b>\$ 13,138,990</b>	<b>\$ 622,519</b>	<b>\$ 5,781,931</b>	<b>\$ 10,899,199</b>	<b>\$ 44,171</b>	<b>\$ 35,403,971</b>	<b>\$ 35,905,929</b>

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# Village of New Maryland

## Schedule 2: consolidated schedule of revenues

Year ended December 31, 2018

2018

2018

2017

	(schedule 7) <u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Services to other governments</b>			
Fire protection	\$ 137,798	\$ 137,798	\$ 135,750
<b>Other revenue from own sources</b>			
Building rentals	\$ 14,800	\$ 14,549	\$ 13,142
Permits and fines	24,100	31,969	31,965
Recreation	103,008	120,344	105,860
Hookup and surcharges	13,540	11,724	9,099
Water meter fee	-	13,641	13,536
Other	2,300	56,952	49,514
	<u>\$ 157,748</u>	<u>\$ 249,179</u>	<u>\$ 223,116</u>
<b>Other government transfers</b>			
Gas tax funding	\$ 312,083	\$ 643,100	\$ 842,821
Flood recovery	-	424,084	-
Small community funding	-	330,586	-
Other	29,289	266,044	40,704
	<u>\$ 341,372</u>	<u>\$ 1,663,814</u>	<u>\$ 883,525</u>
<b>Water and sewer user fees</b>			
Water user charges	\$ 297,586	\$ 282,558	\$ 275,438
Sewer user charges	793,188	797,036	772,237
	<u>\$ 1,090,774</u>	<u>\$ 1,079,594</u>	<u>\$ 1,047,675</u>

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# Village of New Maryland

## Schedule 3: consolidated schedule of expenses

Year Ended December 31

2018

2018

2017

	(schedule 7) <u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>General government services</b>			
Legislative			
Mayor's remuneration and expenses	\$ 18,282	\$ 18,247	\$ 17,804
Councillors' remuneration and expenses	46,087	47,099	44,139
Development seminars	12,355	10,839	16,031
	<u>76,724</u>	<u>76,185</u>	<u>77,974</u>
Administrative			
Manager and clerks	202,046	192,821	178,917
Office building	55,224	49,623	45,222
Solicitor	5,000	4,865	5,838
Other	197,986	118,355	130,773
	<u>460,256</u>	<u>365,664</u>	<u>360,750</u>
Financial management			
Administration personnel	283,185	283,388	265,542
External audit	30,500	32,885	29,634
Accounting and consulting	3,000	2,815	2,390
Donations and grants	4,200	3,300	3,650
Cost of assessment	66,284	66,284	66,346
	<u>387,169</u>	<u>388,672</u>	<u>367,562</u>
Other general government services			
Public liability insurance	24,618	27,091	24,637
Asset management plan	-	67,502	-
Other	-	10,176	-
Pension and sick accrual adjustment	-	(19,671)	(22,143)
Interest	1,500	6,168	668
Amortization	60,130	60,130	72,061
	<u>86,248</u>	<u>151,396</u>	<u>75,223</u>
	<u>\$ 1,010,397</u>	<u>\$ 981,917</u>	<u>\$ 881,509</u>

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# Village of New Maryland

## Schedule 3: consolidated schedule of expenses

Year Ended December 31

2018

2018

2017

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	(schedule 7) <u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Protective services</b>			
RCMP	\$ 570,114	\$ 570,114	\$ 556,438
Fire			
Administration	41,760	41,037	39,484
Fire department – personnel	151,639	146,872	143,587
Training	12,300	5,615	5,255
Building maintenance	31,195	28,909	30,651
Equipment	17,300	20,411	13,171
Vehicle maintenance	22,493	16,610	54,121
	<u>276,687</u>	<u>259,454</u>	<u>286,269</u>
Other			
Animal and pest control	11,075	7,132	7,511
Building inspections	63,289	67,885	64,708
Emergency measures	10,223	10,495	9,901
Amortization	53,119	53,119	55,476
	<u>137,706</u>	<u>138,631</u>	<u>137,596</u>
	<u>\$ 984,507</u>	<u>\$ 968,199</u>	<u>\$ 980,303</u>

# Village of New Maryland

## Schedule 3: consolidated schedule of expenses

Year Ended December 31,	2018	2018	2017
	(schedule 7) <u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Transportation services</b>			
Common services			
Administration	\$ 159,190	\$ 153,518	\$ 144,969
Engineering services personnel fees	40,000	39,200	8,802
Vehicle expense	34,451	29,373	32,657
Other	<u>1,550</u>	<u>6,699</u>	<u>16,908</u>
	<u>235,191</u>	<u>228,790</u>	<u>203,336</u>
Road transport			
Culverts and drainage ditches	\$ 35,250	\$ 65,654	27,689
Sidewalks	1,500	1,461	810
Storm sewers	5,000	2,894	5,846
Street cleaning	15,000	22,421	19,610
Snow and ice removal	202,170	208,897	218,300
Summer maintenance	<u>47,183</u>	<u>36,623</u>	<u>41,008</u>
	<u>306,103</u>	<u>337,950</u>	<u>313,263</u>
Street lighting	<u>63,500</u>	<u>64,215</u>	<u>58,498</u>
Traffic services			
Street signs	2,500	4,710	2,814
Crosswalks	5,000	4,904	4,770
Other	<u>18,876</u>	<u>5,840</u>	<u>6,617</u>
	<u>26,376</u>	<u>15,454</u>	<u>14,201</u>
Other			
Interest	110,410	116,879	114,235
Amortization	<u>560,383</u>	<u>560,383</u>	<u>532,891</u>
	<u>670,793</u>	<u>677,262</u>	<u>647,126</u>
	<u>\$ 1,301,963</u>	<u>\$ 1,323,671</u>	<u>\$ 1,236,424</u>
<b>Environmental health services</b>			
Garbage and waste collection	<u>\$ 258,361</u>	<u>\$ 283,067</u>	<u>\$ 258,164</u>
<b>Environmental development services</b>			
Research and planning	\$ 122,882	\$ 197,086	\$ 114,618
Beautification and land rehabilitation	<u>42,000</u>	<u>42,761</u>	<u>33,451</u>
	<u>\$ 164,882</u>	<u>\$ 239,847</u>	<u>\$ 148,069</u>

# Village of New Maryland

## Schedule 3: consolidated schedule of expenses

Year Ended December 31,	2018	2018	2017
	(schedule 7) Budget	Actual	Actual
<b>Recreation and cultural services</b>			
Administration	\$ 91,739	\$ 67,589	\$ 64,184
Gym, Day Camp & Vehicles	51,101	74,414	70,452
New Maryland Centre	156,359	104,357	101,013
Rinks and arenas	1,498	576	680
Parks and playgrounds	133,469	113,665	122,532
Special events	54,200	54,935	49,820
Other recreation facilities	149,667	164,124	163,804
Amortization	140,748	140,748	136,206
	<u>\$ 778,781</u>	<u>\$ 720,408</u>	<u>\$ 708,691</u>
<b>Water and sewer</b>			
Water supply			
Administration	\$ 162,477	\$ 165,105	\$ 145,773
Transmission and distribution	19,400	3,445	5,958
Purification	22,100	21,621	25,494
Power and pumping	50,050	23,867	27,254
Repairs and maintenance	1,300	37,531	9,272
Well exploration	-	268,892	255,038
Interest	50,106	47,342	49,631
Amortization	184,840	184,840	184,840
	<u>490,273</u>	<u>752,643</u>	<u>703,260</u>
Sewer collection and disposal			
Administration	174,602	236,505	153,603
Sewer collection system	14,850	7,184	1,461
Sewer lift stations	53,925	48,343	50,542
Sewer treatment and disposal	85,300	78,077	74,040
Interest	30,197	31,755	33,636
Amortization	299,169	299,169	299,118
	<u>658,043</u>	<u>701,033</u>	<u>612,400</u>
	<u>\$ 1,148,316</u>	<u>\$ 1,453,676</u>	<u>\$ 1,315,662</u>



# Village of New Maryland

## Schedule 4: schedule of segment disclosure

December 31, 2018

	General government	Protection	Transportation	Environmental health & development	Recreation and cultural	Water & sewer	2018 Consolidated	2017 Consolidated
<b>Revenues</b>								
Property tax warrant	\$ 951,771	\$ 1,176,807	\$ 1,085,844	\$ 423,913	\$ 684,113	\$ -	\$ 4,322,448	\$ 4,213,613
Services provided to other governments	-	137,798	-	-	-	-	137,798	135,750
Other revenue from own sources	70,813	3,947	28,022	-	120,344	26,053	249,179	223,116
Unconditional grant	1,290	1,595	1,472	575	927	-	5,859	6,163
Other government grants	573,615	-	435,199	-	-	655,000	1,663,814	883,525
Water and sewer user fees	-	-	-	-	-	1,079,594	1,079,594	1,047,675
Loss on disposal	-	-	(5,040)	-	-	(39,217)	(44,257)	(29,169)
Interest	65,865	-	-	-	-	77,819	143,684	82,387
	<u>1,663,354</u>	<u>1,320,147</u>	<u>1,545,497</u>	<u>424,488</u>	<u>805,384</u>	<u>1,799,249</u>	<u>7,558,119</u>	<u>6,563,060</u>
<b>Expenses</b>								
Salaries and benefits	535,668	218,505	178,814	94,890	275,720	217,868	1,521,465	1,425,727
Goods and services	399,622	696,575	467,595	428,024	303,940	482,907	2,778,663	2,474,706
Amortization	60,130	53,119	560,383	-	140,748	484,009	1,298,389	1,280,592
Interest	6,168	-	116,879	-	-	-	123,047	114,902
Pension obligation*	(19,628)	-	-	-	-	-	(19,628)	(22,100)
Accrued sick leave*	(43)	-	-	-	-	-	(43)	(43)
Well exploration and testing	-	-	-	-	-	268,892	268,892	255,038
	<u>981,917</u>	<u>968,199</u>	<u>1,323,671</u>	<u>522,914</u>	<u>720,408</u>	<u>1,453,676</u>	<u>5,970,785</u>	<u>5,528,822</u>
Surplus (deficit) for the year	<u>\$ 681,437</u>	<u>\$ 351,948</u>	<u>\$ 221,826</u>	<u>\$ (98,426)</u>	<u>\$ 84,976</u>	<u>\$ 345,573</u>	<u>\$ 1,587,334</u>	<u>\$ 1,034,238</u>

\*Annual cash contributions made by the Village are recorded in salaries and benefits costs in each of the departments. The change in the obligations is recorded in the general government department.

## Village of New Maryland

### Schedule 5: schedule of reserve funds

December 31, 2018

	General Operating Reserve	General Capital Reserve	W&S Operating Reserve	W&S Capital Reserve	2018 Total	2017 Total
<b>Accumulated surplus, beginning of year</b>	\$ 184,894	\$ 2,000,650	\$ 47,931	\$ 4,359,178	\$ 6,592,653	\$ 5,219,504
Transfers from General Operating Fund	48,000	366,400	-	-	414,400	356,953
Transfers to General Capital Fund	-	-	-	-	-	(219,532)
Transfers from Water and Sewer Operating Fund	-	-	-	23,363	23,363	272,895
Transfers from Water and Sewer Capital Fund	-	-	-	-	-	900,000
Transfers from General Capital Fund	-	545,753	-	-	545,753	-
Transfers to General Capital Reserve Fund	(53,799)	-	-	-	(53,799)	-
Transfers from General Operating Reserve Fund	-	53,799	-	-	53,799	-
Interest	2,842	38,658	775	70,031	112,306	62,833
<b>Annual surplus</b>	(2,957)	1,004,610	775	93,394	1,095,822	1,373,149
<b>Accumulated surplus, end of year</b>	\$ 181,937	\$ 3,005,260	\$ 48,706	\$ 4,452,572	\$ 7,688,475	\$ 6,592,653

# Village of New Maryland

## Schedule 6: schedule of reconciliation of annual surplus

December 31, 2018

	General Operating Fund	General Capital Fund	W&S Operating Fund	W&S Capital Fund	General Operating Reserve Fund	General Capital Reserve Fund	W&S Operating Reserve Fund	W&S Capital Reserve Fund	Total All Funds
<b>2018 annual surplus (deficit) per PSAB for the year</b>	<b>\$ (1,398,902)</b>	<b>\$ 772,840</b>	<b>\$ (370,271)</b>	<b>\$ 504,328</b>	<b>\$ (8,755)</b>	<b>\$ 1,970,562</b>	<b>\$ 775</b>	<b>\$ 116,757</b>	<b>\$ 1,587,334</b>
<b>Adjustment to annual surplus for funding requirements</b>									
Second previous year's surplus 3,570	(582)	-	4,152	-	-	-	-	-	-
Long-term debt principal repayment	327,000	(327,000)	239,000	(239,000)	-	-	-	-	-
Water cost transfer	(78,480)	-	78,480	-	-	-	-	-	-
Interfund transfers	1,159,876	(246,715)	14,648	55,707	5,799	(965,952)	-	(23,363)	-
Pension expense (11,900)	(11,900)	-	-	-	-	-	-	-	-
Loss on disposal of tangible assets	-	5,040	-	39,217	-	-	-	-	44,257
Proceeds from disposal of tangible assets	3,047	-	-	-	-	-	-	-	3,047
Amortization of tangible assets	-	814,380	-	484,009	-	-	-	-	1,298,389
Total adjustments	1,398,961	245,705	336,280	339,933	5,799	(965,952)	-	(23,363)	1,337,363
<b>2018 annual fund surplus (deficit)</b>	<b>\$ 59</b>	<b>\$ 1,018,545</b>	<b>\$ (33,991)</b>	<b>\$ 844,261</b>	<b>\$ (2,956)</b>	<b>\$ 1,004,610</b>	<b>\$ 775</b>	<b>\$ 93,394</b>	<b>\$ 2,924,697</b>

## Village of New Maryland

### Schedule 7: schedule of operating and capital budgets to PSAB budget

December 31, 2018

	General operating budget	Water & sewer operating budget	Capital budget	Allocate fiscal services	Amortization of TCA	Elimination of 2 <sup>nd</sup> previous years' surplus	Elimination of interfund transfers	Total
<b>Revenue</b>								
Property tax warrant	\$ 4,320,046	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,320,046
Services to other governments	137,798	-	-	-	-	-	-	137,798
Other revenue from own source	144,208	127,099	-	-	-	-	(113,559)	157,748
Unconditional grant	5,859	-	-	-	-	-	-	5,859
Other government transfers	29,289	-	312,083	-	-	-	-	341,372
Water and sewer user fees	-	1,090,774	-	-	-	-	-	1,090,774
Interest	6,000	10,500	-	-	-	-	-	16,500
Second previous years' surplus	-	4,152	-	-	-	(4,152)	-	-
	<u>4,643,200</u>	<u>1,232,525</u>	<u>312,083</u>	<u>-</u>	<u>-</u>	<u>(4,152)</u>	<u>(113,559)</u>	<u>6,070,097</u>
<b>Expenditure</b>								
General government services	948,767	-	-	1,500	60,130	-	-	1,010,397
Protective services	1,044,947	-	-	-	53,119	-	(113,559)	984,507
Transportation services	631,170	-	-	110,410	560,383	-	-	1,301,963
Environmental health services	258,361	-	-	-	-	-	-	258,361
Environmental and cultural services	164,882	-	-	-	-	-	-	164,882
Recreation and cultural services	638,033	-	-	-	140,748	-	-	778,781
Water and sewer	-	584,004	-	80,303	484,009	-	-	1,148,316
Fiscal services	445,458	319,303	-	-	-	-	(764,761)	-
Second previous years' deficit	582	-	-	-	-	(582)	-	-
Transfer to general capital fund	511,000	-	(511,000)	-	-	-	-	-
Transfer to water and sewer capital reserve fund	-	83,540	-	-	-	-	(83,540)	-
Transfer to water and sewer capital fund	-	245,678	(245,678)	-	-	-	-	-
	<u>4,643,200</u>	<u>1,232,525</u>	<u>(756,678)</u>	<u>192,213</u>	<u>1,298,389</u>	<u>(582)</u>	<u>(961,860)</u>	<u>5,647,207</u>
Surplus (deficit) for the year	\$ -	\$ -	\$ 1,068,761	\$ (192,213)	\$ (1,298,389)	\$ (3,570)	\$ 848,301	\$ 422,890

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## Village of New Maryland

### Schedule 8: reconciliation of funding deficit

December 31, 2018

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#### Reconciliation of funding deficit:

	<u>Vested post employment benefits</u>
Liability at December 31, 2018	\$ 129,000
Amount of December 31, 2018 liability funded in the current year	-
Amounts funded in prior years	<u>(129,000)</u>
Balance to be funded in future years	<u>\$ -</u>

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The Village has a vesting post-employment liability of \$129,000 that is fully funded at December 31, 2018.

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 \$254,800, a change of \$1,005,400 from the December 31, 2015 deficit of \$1,260,200. Based on the assumptions as at December 31, 2016, the actuary expects the level of employer and employee contributions to be sufficient to fund the deficit in less than fifteen years, as allowed by the Pension Benefits Act.