CITY OF MOUNT PEARL

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2025

City of Mount Pearl
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Statement of Responsibility

The accompanying consolidated financial statements are the responsibility of the management of the City of Mount Pearl. The consolidated financial statements have been prepared by management in compliance with legislation and in accordance with Canadian Public Sector Accounting Standards ("PSAS").

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Committee of the Whole of the City of Mount Pearl met with management and its external auditors to review a draft of the consolidated financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the finalized consolidated financial statements.

BDO Canada LLP, as the City of Mount Pearl's appointed external auditors, have audited the accompanying consolidated financial statements. The independent auditor's report is addressed to the Mayor and Council and appears on the following pages. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of the City in accordance with Canadian Public Sector Accounting Standards.

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Dave Aker
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Dave Aker
Mayor

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Cassie Rideout
CAO

Tel: 709-579-2161
Fax: 709-579-2120
www.bdo.ca

BDO Canada LLP
300 Kenmount Road, Suite 100
St. John's, NL A1B 3R2

Independent Auditor's Report

To the Mayor and Council of City of Mount Pearl

Opinion

We have audited the consolidated financial statements of City of Mount Pearl (the "City"), which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated statements of operations and accumulated surplus, 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, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2025, and its consolidated financial performance 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 City 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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 City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City'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 City'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 City'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 City 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

BDO Canada LLP

Chartered Professional Accountants

St. John's, Newfoundland and Labrador
July 7, 2026

City of Mount Pearl
Consolidated Statement of Financial Position
December 31, 2025

	2025	2024 (Note 18)
Financial Assets		
Cash and cash equivalents	**$ 20,948,715**	$ 23,575,670
Accounts receivable (Note 3)	**15,165,384**	11,554,732
Long-term receivables (Note 4)	**2,378,699**	2,317,815
	38,492,798	37,448,217
Liabilities		
Accounts payable and accrued liabilities (Note 6)	**11,772,239**	9,461,765
Deferred revenue	**1,583,075**	989,866
Long-term debt (Note 7)	**23,799,813**	25,102,694
Asset retirement obligation (Note 8)	**4,003,153**	3,848,445
Unfunded pension liability (Note 9)	**95,337**	95,337
Accrued post-retirement benefits (Note 10)	**7,605,742**	7,260,851
Accrued employee benefits (Note 11)	**2,374,896**	2,135,282
Accrued early retirement pension benefit (Note 12)	**194,535**	222,351
	51,428,790	49,116,591
Net Debt	**(12,935,992)**	(11,668,374)
Non-Financial Assets		
Tangible capital assets (Schedule A)	**221,213,490**	214,062,267
Inventories	**2,149,708**	2,070,095
Prepaid expenses	**215,532**	229,838
	223,578,729	216,362,200
Accumulated Surplus	**$ 210,642,738**	$ 204,693,826

Approved on behalf of Council:

Signed by:
Dave Aker
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2026-07-08 | 08:05:15 PDT
Dave Aker, Mayor

Signed by:
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2026-07-02 | 05:30:07 PDT
Cassie Rideout, CAO

City of Mount Pearl
Consolidated Statement of Changes in Net Debt
December 31, 2025

	2025 Budget (Note 16)	**2025 Actual**	2024 Actual
Annual surplus	$ (62,522)	**$ 5,948,912**	$ 6,704,749
Acquisition of tangible capital assets	(8,312,047)	**(17,903,288)**	(11,789,912)
Amortization of tangible capital assets	9,677,451	**9,677,453**	9,578,217
Accretion expense of asset retirement obligations	-	**154,709**	-
Proceeds on disposal of tangible capital assets	-	**83,978**	545,286
Loss (gain) on disposal of tangible capital assets	-	**835,925**	(307,924)
	1,365,404	**(7,151,223)**	(1,974,333)
Use of (additions to) supplies inventories	-	**(79,613)**	(158,657)
Use of (additions to) prepaid expenses	-	**14,306**	161,894
		(65,307)	3,237
Decrease (Increase) in Net Debt	1,302,882	**(1,267,618)**	4,733,653
Net Debt, Beginning of Year	(11,668,374)	**(11,668,374)**	(16,402,027)
Net Debt, End of Year	$ (10,365,492)	**$ (12,935,992)**	$ (11,668,374)

The accompanying notes are an integral part of these consolidated financial statements.

City of Mount Pearl
Consolidated Statement of Operations and Accumulated Surplus
December 31, 2025

	2025 Budget (Note 16)	**2025 Actual**	2024 Actual
Revenues (Schedule B)			
Taxation and utility fees	$ 50,298,171	**$ 51,811,700**	$ 49,665,441
Grants from other governments	5,058,264	**9,901,226**	8,608,558
Sales of goods and services	2,345,148	**2,481,365**	2,324,038
Other revenue from own sources	1,157,000	**3,169,977**	2,446,052
	58,858,583	**67,364,268**	63,044,089
Expenses (Schedule C)			
General government services	10,874,295	**14,901,348**	11,732,211
Transportation services	17,470,113	**14,977,736**	14,093,242
Protective services	6,504,874	**5,873,197**	6,830,505
Community services	12,538,486	**13,946,603**	13,512,776
Environmental health services	7,863,413	**8,667,941**	8,487,476
Planning and development	2,526,424	**1,162,907**	896,585
Fiscal services	1,143,501	**1,885,624**	786,545
	58,921,105	**61,415,356**	56,339,340
Annual Surplus	(62,522)	**5,948,912**	6,704,749
Accumulated Surplus, Beginning of Year	204,693,826	**204,693,826**	197,989,077
Accumulated Surplus, End of Year	$ 204,631,304	**$ 210,642,738**	$ 204,693,826

The accompanying notes are an integral part of these consolidated financial statements.

City of Mount Pearl
Consolidated Statement of Cash Flows
December 31, 2025

	2025	2024 (Note 18)
Operating Activities		
Annual surplus	**$ 5,948,912**	$ 6,704,749
Items not affecting cash:		
Amortization of tangible capital assets	**9,677,453**	9,578,217
Increase in asset retirement obligations	**154,708**	195,845
Accretion expense of asset retirement obligations	**154,709**	148,729
(Gain) loss on disposal of tangible capital assets	**835,925**	(307,924)
Changes in non-cash items:		
Unfunded pension liability	**-**	-
Accrued post-retirement benefits	**344,891**	309,651
Accrued employee benefits	**239,614**	(85,486)
Accrued early retirement pension benefit	**(27,816)**	29,731
	17,328,395	16,573,512
Changes in non-cash working capital:		
Accounts receivable	**(3,610,652)**	(353,445)
Inventories	**(79,613)**	(158,657)
Long-term receivables	**(60,884)**	(257,523)
Prepaid expenses	**14,306**	161,894
Accounts payable and accrued liabilities	**2,310,474**	1,151,820
Deferred revenue	**593,209**	265,508
Cash provided by operating activities	**16,495,235**	17,383,109
Financing activities		
Repayment of long-term debt	**(1,302,881)**	(1,252,388)
Cash used by financing activities	**(1,302,881)**	(1,252,388)
Capital activities		
Extinguishment of asset retirement obligation	**-**	(418,652)
Acquisition of tangible capital assets	**(17,903,288)**	(11,789,912)
Proceeds on disposal of tangible capital assets	**83,978**	545,286
Cash used by capital activities	**(17,819,310)**	(11,663,278)
Increase (Decrease) in Cash and Cash Equivalents	**(2,626,955)**	4,467,443
Cash and Cash Equivalents, Beginning of Year	**23,575,670**	19,108,227
Cash and Cash Equivalents, End of Year	**$ 20,948,715**	$ 23,575,670

The accompanying notes are an integral part of these consolidated financial statements.

1. Status of the City

The incorporated City of Mount Pearl is a municipal government that was incorporated in 1955 pursuant to the Province of Newfoundland and Labrador's Municipalities Act. The municipality was granted city status in 1988 pursuant to the passing of The City of Mount Pearl Act in the provincial legislature. The City provides or funds municipal services such as fire, public transportation, public works, community services programming, library services, and recreation and general government operations.

2. Significant Accounting Policies

The consolidated financial statements are prepared using Canadian public sector accounting standards (PSAS).

(a) Basis of consolidation

The reporting entity includes the accounts and financial activities of organizations, which are controlled by the City. These organizations are accountable to Council for the administration of their financial affairs.

The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the City. Inter-fund and inter-entity balances and transactions have been eliminated. Included in the consolidated financial statements is the Admiralty House Museum & Archives.

(b) Purchased services

The City has agreements in place for the purchase of certain municipal services provided on a regional basis including; public transit services, regional fire services, landfill services, the supply of potable water and wastewater treatment services. There services are billed to the City on a cost of supply or consumption basis and are provided by the following organizations:

St. John's Regional Fire Department
St. John's Regional Water Authority
St. John's Transportation Commission
Robin Hood Bay Solid Waste Treatment Facility
Riverhead Wastewater Treatment Facility

(c) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, cash on deposit and short-term liquid investments that are readily convertible to cash and are not subject to significant risk of changes in value. Short-term liquid investments have a maturity date of ninety days or less from the date of acquisition.

(d) Inventories

Inventories are supplies held for consumption and are recorded at the lower of estimated cost and replacement value. Allowances have been made for unusable and obsolete parts.

(e) Non-financial assets

Non-financial assets are used to provide the City's services in future periods. These assets do not normally provide resources to discharge the liabilities of the City unless they are sold. The City's non-financial assets include all assets of a fixed or permanent nature, claims to goods and services and consumable goods.

2. Significant Accounting Policies (continued)

(f) Post-retirement benefits

The City provides defined post-retirement benefits for certain employee groups. These benefits include life insurance, Accidental Death and Dismemberment (AD&D) coverage, health care and dental benefits. The costs of post-retirement future benefits are actuarially determined using management's best estimate of health care costs, disability recovery rates and discount rates. Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the employee groups.

(g) Pension plan

The City participates in a multi-employer defined benefit pension plan, however, sufficient information is not available to use defined benefit accounting. Therefore, the City accounts for the plan as if it were a defined contribution plan. As such, no pension liability is included in the City's consolidated financial statements and contributions are recognized as an expense in the year to which they relate. All full-time employees are eligible to participate in the plan. Contributions are a defined amount based upon a set percentage of salary.

(h) Employee benefits

The City provides severance benefits to employees upon the cessation of employment. Severance payments are calculated based upon unused sick leave or years of service. Entitlement to severance payments is earned after 5 years of service for management employees and 10 years of service for unionized employees. Management employees hired after January 1, 2016 are not eligible for severance payments upon retirement.

The City also provides a vacation benefit for both unionized and management employees. Staff may carry-forward a maximum of 15 days of vacation time from one year to the next; however, exceptions can be made from time-to-time based on individual circumstances. The vacation bank is paid out upon termination or retirement.

The costs of these employee benefits are actuarially determined using management's best estimate of average service years and average vacation hours banked. Actuarial gains and losses are amortized on a straight-line basis over the expected service life of the employee group for severance pay, and the expected utilization of excess hours for vacation benefit.

(i) Financial instruments

Cash, accounts receivable, accounts payable, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. All financial assets are tested annually for impairment and impairment losses are recorded in the statement of operations. Transaction costs are added to the carrying value for financial instruments.

(j) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates include amortization of tangible assets, taxation revenue and valuation of unfunded pension liability, accrued post-retirement benefits, accrued employee taxes and benefits, and accrued early retirement pension benefits. Actual results could differ from these estimates.

2. Significant Accounting Policies (continued)

(k) Asset retirement obligations

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to require a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

(l) 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.

Tangible capital assets under construction, development or that have been removed from service are not amortized until they are available to be put into service.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the City's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

Contributed capital assets are recorded at their fair value on the date of contribution, except in unusual circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value.

The cost of tangible capital assets is amortized on a straight line basis over the estimated useful lives as follows:

General tangible capital assets	
Buildings	40 years
Vehicles and equipment	5-15 years
Playing surfaces and trails	10-30 years
Computer hardware and software	4-10 years
Recreation equipment	5-20 years
Office furniture and equipment	5-10 years
Infrastructure assets	
Transportation	
Roads, curbs and sidewalks	12-20 years
Traffic lights	20 years
Tools and equipment	30 years
Water and Sewer	
Water and wastewater networks	35-75 years
Pumping and lift stations	35-50 years

2. Significant Accounting Policies (continued)

(m) Revenue recognition

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts.

Other revenue mainly consists of sales of goods and services which are recognized when significant risks and rewards of ownership have been transferred and there are no significant obligations remaining, sales price is fixed and determinable, persuasive evidence of an arrangement exists and collection is reasonably assured. This usually coincides with the provision of the goods and services.

Government transfers are recognized as revenue in the financial statements when transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

(n) Bonding

As required by Section 89 of The City of Mount Pearl Act, we report that all employees whose duties include collecting, receiving and depositing of cash are bonded.

3. Accounts Receivable

	2025	2024 (Note 18)
Taxes and rates receivable	**$ 7,610,512**	$ 6,280,558
Interest on arrears	**789,748**	561,955
Accounts receivable	**1,352,836**	991,085
Capital works funding receivable	**2,265,030**	727,711
HST receivable	**4,151,077**	3,355,886
	16,169,202	11,917,195
Less: Allowance for doubtful accounts	**(1,003,818)**	(362,463)
	$ 15,165,384	$ 11,554,732

4. Long-Term Receivables

Long-term receivables are comprised of interest-free loans due from the Mount Pearl Soccer Association, Campia Gymnastics and the Mount Pearl Men's Softball Association for the construction of recreation facilities.

	2025	2024
Mount Pearl Soccer Association Repayable in 15 annual installments of $60,459 due on December 31, 2040.	**$ 950,077**	$ 786,390
Campia Gymnastics Repayable in 25 annual installments of $82,840, due on June 30, 2042.	**1,325,440**	1,408,280
Mount Pearl Men's Softball Association Repayable in 15 annual installments of $18,067 due on February 28, 2030.	**103,182**	123,145
	$ 2,378,699	$ 2,317,815

5. Credit Facility

The City has a borrowing facility with an authorized operating line of credit available of $3,000,000 bearing interest at prime minus 1.0% per annum. At December 31, 2025, the borrowing facility was not drawn upon (2024 - $nil).

6. Accounts Payable and Accrued Liabilities

	2025	2024 (Note 18)
Trade accounts payable	**$ 2,855,151**	$ 3,300,827
Accruals	**4,397,997**	2,303,510
Refundable deposits	**2,898,736**	2,912,173
Holdbacks payable	**1,620,355**	945,255
	$ 11,772,239	$ 9,461,765

7. Long-Term Debt

Royal Bank		**2025**		2024
5.16% bank loan, repayable in monthly principal and interest instalments of $89,100, maturing in and amortized to June 2034		**10,155,975**		10,686,190
0.39% banker's acceptance loan combined with a 2.48%, 25 year interest rate swap, repayable in monthly principal and interest instalments of $70,000, maturing in and amortized to April 2040		**9,844,000**		10,394,000
TD Bank				
3.83% bank loan, repayable in monthly principal and interest instalments of $31,046, maturing in and amortized to November 2038		**3,799,838**		4,022,504
Total long-term debt	**$**	**23,799,813**	$	25,102,694

Principal payments required in each of the next five years are as follows:

2026	$	1,355,576
2027	$	1,411,090
2028	$	1,468,156
2029	$	1,528,929
2030	$	1,590,465

8. Asset Retirement Obligation

Asset retirement obligations are recognized related to the remediation required for asbestos present in two buildings and in concrete sewer piping. An obligation of $4,003,153 (2024 - $3,848,445) has been accrued on the balance sheet. This amount was determined based on total undiscounted expenditures of $5,319,859 (2024 - $5,215,548) present valued at a discount rate of 4.02% as follows:

Buildings with asbestos	2 - 10 years
Concrete piping	18 years

Payment to settle the asset retirement obligations will occur at the end of their life in full. During the year, the City settled asset retirement obligations of $nil (2024 - $222,807).

Significant estimates and assumptions are made in determining the asset retirement costs as there are numerous factors that will affect the amount ultimately payable. Those uncertainties may result in future actual expenditures that are different than the amounts currently recorded. At each reporting date, as more information and experience is obtained as it relates to these asset retirement obligations, the estimates of the timing, the undiscounted cash flows and the discount rates may change. Adjustments to these factors are accounted for as an adjustment to the asset retirement obligation and the related tangible capital asset in the current period on a prospective basis.

9. Pension Plan

The City maintains a defined benefit pension plan ("the Plan") which provides pension benefits to both management and unionized employees. The Plan is a multi-employer plan administered by Newfoundland and Labrador Municipal Employee Benefits Inc. The Plan is equally funded by participating employers and members.

For years of service prior to December 31, 2012, on retirement, on or after the normal retirement age, the retiree will receive a lifetime benefit representing 2% of the average earnings of the best five consecutive years prior to retirement, multiplied by the number of years of Plan membership up to December 31, 2012. This pension benefit was frozen as of December 31, 2012.

Commencing January 1, 2013 the pension plan benefit calculation has been modified such that, for years of service after January 1, 2013, participants over the age of 50 at January 1, 2013 could enroll in a retirement plan in which the retirement benefit will be calculated on a career average basis or a new best five years plan. Participants under the age of 50 at January 1, 2013 were enrolled in the new best five years plan.

Under the new best five years plan, for years of service commencing on January 1, 2013, on retirement, on or after the normal retirement age, the retiree will receive a lifetime benefit representing 2% of the average earnings of the best five consecutive years prior to retirement, multiplied by the number of years of Plan membership subsequent to January 1, 2013.

Normal retirement age under both Plans is 60 years of age. Early retirement is permitted at any time after age 50 on a reduced pension. The pension reduction is calculated at 1/2 of 1% for each month that early retirement proceeds normal retirement age. On January 1 of each year after retirement, retirement benefits in the career average plan are adjusted by the percentage change in the Consumer Price Index up to a maximum increase of 6% per year. On January 1 of each year after retirement, retirement benefits in the best five years plan are adjusted by 85% of the percentage change in the Consumer Price Index up to a maximum increase of 6% per year.

During the year ended December 31, 2025 the City contributed $994,894 (2024 - $898,319) to the Plans. Since January 1, 2013 the City and the members are each contributing 10.25% of regular earnings to the best five years plan or 9.25% of regular earnings to the career average plan. The City is also contributing special payments in an effort to retire the current unfunded liability. During the year ended December 31, 2025 the City contributed special payments of $242,793 (2024 - $250,357) to the Plans. The plan surplus as of December 31, 2025 was $16,050,000 (2024 - $8,300,000), and the unfunded pension balance was $95,337 (2024 - $95,337).

Current figures are based on valuation data to December 31, 2023, and are reviewed annually by the TRIO Board of Directors, who are responsible for the overall management of the Plan.

10. Post-Retirement Benefits

The City provides an extension of AD&D, life insurance benefits and health and dental benefits to employees and elected officials who retire from the municipality. Life insurance and AD&D coverage is provided to a maximum of $30,000. Health and dental benefits provided to retirees are similar to those of active employees. The City engaged Eckler Ltd. to complete an actuarial valuation of the City's Post-Retirement Benefit Plan. The actuarial valuation was performed as of December 31, 2023. The accrued liability recorded in the City's financial statements was adjusted to reflect the actuarially calculated liability in 2024. The liability amounts recorded are as follows:

	2025	2024
Life and AD&D benefits	**$ 51,216**	$ 48,894
Health and dental benefits	**7,554,525**	7,211,957
	$ 7,605,742	$ 7,260,851

The City recognized $294 in Life and AD&D benefits expense and $309,357 in health and dental benefits expense in the year.

Significant assumptions used in benefit calculations:

Retirement age	60
Discount rate	4.75%
Annual rate of increase in Retiree health care costs	6.00%
Annual rate of increase in Retiree dental costs	4.00%

11. Employee Benefits

The City provides severance benefits to employees upon the cessation of employment. Severance payments are calculated based upon unused sick leave or years of service. Entitlement to severance payments is earned after 5 years of service for management employees and 10 years of service for unionized employees. Management employees hired after January 1, 2016 are not eligible for severance payments upon retirement.

The City provides severance benefits based on the number of completed years of service or remaining unused sick leave credits, up to the equivalent of a maximum of 24 weeks of pay. Johnson Inc. was engaged to complete an actuarial valuation of the City's employee benefits. The accrued liability recorded in the City's financial statements was adjusted to reflect the actuarially calculated liability. The liability amounts are as follows:

	2025	2024
Accrued severance benefit	**$ 1,978,030**	$ 1,793,791
Accrued vacation benefit	**396,866**	341,491
	$ 2,374,896	$ 2,135,282

Significant assumptions used in benefit calculations:

Retirement age	$ 60
Discount rate	4.75%
Salary projection	2.50%
Average vacation bank (hours)	80.8
Average service (years)	10.5

12. Early Retirement Pension Benefit

Prior to July 1, 1999, the City's pension plan ("the Old Plan") established a normal retirement age of 65. Subsequent to July 1st, 1999 the City's pension plan ("the New Plan") established a normal retirement age of 60. Pursuant to an agreement dated November 19th, 2003, the City agreed to reimburse retirees for any penalties calculated on the Old Plan benefits arising from retirement prior to attaining age 65 but subsequent to attaining age 60. To be eligible to receive the early retirement benefit an employee must continue to be employed by the City up until the attainment of age 60. Retirement prior to age 60 or resignation from employment with the City will result in the forfeiture of this benefit. This benefit liability has not been actuarially determined.

13. Contingent Liabilities

The City has received multiple statements of claim on employment and council member related matters. The amount of the claims have not been specified and settlement, if any, is indeterminable at this time. A provision has not been made in these consolidated financial statements with respect of the claims. Any settlement will be recorded in the consolidated statement of operations and accumulated surplus when judgement is rendered or more information becomes available.

The City has also received a statement of claim from a supplier in the amount of $452,518 plus interest and punitive damages of an unspecified amount, relating to a previously completed public works project. The City has filed a counterclaim and believes that no liability will result from the claim.

No provision has been made in these consolidated financial statements with respect to the claims. Any settlement will be recorded in the consolidated statement of operations and accumulated surplus more information becomes available or when judgement is rendered .

14. Schedule of Expenses by Object

	2025 Budget	**2025 Actual**	2024 Actual
Amortization of tangible capital assets	$ 9,677,451	**$ 9,677,452**	$ 9,578,217
Accretion of asset retirement obligation	-	**154,708**	148,729
Debt and financing charges	1,143,501	**2,315,488**	1,691,305
Grants and subsidies	-	**1,433,706**	727,800
(Gain) Loss on disposal of tangible capital assets	-	**835,925**	(307,923)
Professional development	7,272,214	**271,902**	647,077
Purchased services	7,468,126	**20,032,070**	19,299,395
Professional services	1,933,161	**1,340,217**	1,305,301
Salaries and employee benefits	20,747,770	**22,703,791**	21,023,563
Supplies and parts	3,411,099	**2,650,097**	2,225,876
	$ 51,653,322	**$ 61,415,356**	$ 56,339,340

15. Financial Instruments

The City is exposed to credit risk and liquidity risk from its financial instruments. This note describes the City's objectives, policies, and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency, or other

Credit risk
Credit risk arises from the potential that a party will fail to fulfill its obligations. Primarily the City is exposed to credit risk through its cash and cash equivalents, investments and accounts receivable. Cash and cash equivalents are held with provincially and federally regulated chartered banks. Accounts receivable consist mainly of property taxes, an allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The City has a significant number of customers which minimizes concentration of credit risk. There have not been any changes from the prior year in the City's exposure to credit risks or the policies, procedures and methods it uses to manage and measure the risk.

At year end, the amounts outstanding for the City's accounts receivable are as follows:

	2025	2024 (Note 18)
Less than 1 year	**$ 10,495,200**	$ 8,560,581
1 to 3 years	**5,035,881**	2,721,643
Over 3 years	**638,121**	634,971
Less: impairment allowance	**(1,003,818)**	(362,463)
	$ 15,165,384	11,554,732

Liquidity risk
Liquidity risk is the risks that the City will encounter difficulty in meeting obligation associated with financial liabilities. The City is exposed to this risk mainly in respect of receipt of government funding, long-term debt and accounts payable. The City manages this risk through continuous monitoring of cash flows from operations and anticipated investing and financing activities to ensure it has sufficient liquidity to meet liabilities when due. There have not been any changes from the prior year in the City's exposure to liquidity risk or the policies, procedures and methods it uses to manage and measure the risk.

The following table sets out the contractual maturities of the financial liabilities:

	2025		
	Less than 1 year	**1 to 5 years**	**Over 5 years**
Accounts payable and accrued liabilities	**$ 11,772,239**	**$ -**	**$ -**
Long-term debt	**1,355,576**	**5,998,640**	**16,445,597**
	$ 13,127,815	**$ 5,998,640**	**$ 16,445,597**

	2024		
	Less than 1 year	1 to 5 years	Over 5 years
Accounts payable and accrued liabilities	$ 9,270,691	$ -	$ -
Long-term debt	1,304,309	5,770,038	18,028,347
	$ 10,575,000	$ 5,770,038	$ 18,028,347

16. Budget

In accordance with The City of Mount Pearl Act, council must adopt a financial plan for each fiscal year in a form approved by the Minister. The financial plan is prepared on a revenue and expenditure basis that does not meet the recommendations of PSAS. For comparative purposes the City of Mount Pearl has modified its financial plan to present a budget that is consistent with the scope and accounting principles used to report actual results. The budget figures reported in these consolidated financial statements have been approved by council.

The reconciliation of the City's cash based financial plan to the PSAS accrual based budget figures reported in these consolidated financial statements is disclosed in Schedule D.

17. Segmented Information

The Consolidated Statement of Operations and Accumulated Surplus has been prepared in accordance with PSAS Handbook Section 2700 (PS 2700) Segment Disclosures. The segments selected enhance the ability to understand the City's major revenue and expense activities.

The City provides a wide range of services to its citizens, including waste removal and recycling, recreation and cultural, snow clearing and infrastructure maintenance, water and wastewater service. Segmented information is presented by major functional activities consistent with the Consolidated Statement of Operations.

General Government Services includes activities relating to the overall governance and financial administration of the City. This includes council functions and the following administrative activities: human resources, legal, finance, information technology, records management, occupational health and safety, engineering services, and City building maintenance.

Transportation Services include activities related to vehicle fleet upkeep and maintenance, fuel expense, roadway surfaces and sidewalk maintenance, traffic operations, snow and ice removal, public transit services, parking and street lighting.

Protective Services include activities related to fire protection, emergency preparedness, municipal law enforcement and animal control.

Community Services includes activities related to the operation and maintenance of the City's recreation facilities including community centres, parks, swimming pool, arena, cultural and other community services, programs and

Environmental Health Services include activities related to the environmentally regulated services including household waste and wastewater collection and disposal as well as the supply of water.

Planning and Development includes inspection services, city planning and economic development planning and initiatives, including marketing and promotional activities.

Fiscal Services includes activities related to the City's loan repayment and interest, banking services and bad debt expenses.

18. Comparative Figures

Certain comparative balances have been restated in order to conform with current year's presentation. This includes the change in cash flows resulting from the demolition of the pool and resulting the settlement of the related asset retirement obligation and a reclassification of accrued purchases account from cash to accounts payable and accrued liabilities.

City of Mount Pearl **Schedule A**

Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2025

	General Capital Assets						
	Land	**Buildings**	**Vehicles & equipment**	**Playing surfaces & trails**	**Computer hardware & software**	**Recreation equipment**	**Office furniture**
Cost							
Opening costs	$ 12,063,690	$ 89,137,681	$ 20,061,536	$ 11,147,721	$ 2,417,118	$ 7,596,135	$ 358,284
Additions during the year	-	86,164	456,664	947,606	84,820	866,777	126,956
Disposals and write downs	-	(207,427)	(254,401)	(1,646,075)	-	(75,908)	-
Transfers	-	569,795	-	613,164	4,269	8,913	-
Closing cost	**12,063,690**	**89,586,213**	**20,263,799**	**11,062,416**	**2,506,207**	**8,395,917**	**485,240**
Accumulated Amortization					-		
Opening accumulated amortization	-	33,642,595	9,982,445	4,778,807	2,083,811	5,056,166	285,559
Amortization	-	2,556,622	1,486,237	138,292	59,939	404,983	21,907
Disposals and write downs	-		(217,860)	(1,158,843)	-	(72,305)	-
Closing accumulated amortization	**-**	**36,199,217**	**11,250,821**	**3,758,257**	**2,143,750**	**5,388,844**	**307,466**
Net Book Value of Tangible Capital Assets	**$ 12,063,690**	**$ 53,386,996**	**$ 9,012,978**	**$ 7,304,159**	**$ 362,457**	**$ 3,007,073**	**$ 177,774**

City of Mount Pearl **Schedule A Cont…**

Consolidated Schedule of Tangible Capital Assets

For the Year Ended December 31, 2025

	Infrastructure						**Totals**	
	Roads, curbs & sidewalks	**Traffic lights**	**Work in progress**	**Water & wastewater networks**	**Pumping & lift stations**	**Tools & equipment**	**2025**	2024
Cost								
Opening costs	$ 88,700,864	$ 4,235,205	$ 14,890,885	$ 113,245,299	$ 783,026	$ 3,947,578	**$ 368,585,022**	$ 358,927,231
Additions during the year	-	7,300	15,295,043	-	31,958	-	**17,903,288**	11,789,912
Disposals and write downs	(959,735)	(13,265)	(11,472)	(326,427)	-	-	**(3,494,711)**	(2,132,124)
Transfers	3,504,987	-	(10,814,368)	6,113,240	-	-	-	-
Closing cost	**91,246,116**	**4,229,240**	**19,360,088**	**119,032,112**	**814,984**	**3,947,578**	**382,993,599**	368,585,019
Accumulated Amortization								
Opening accumulated amortization	55,162,496	2,367,507	-	37,938,677	679,695	2,544,994	**154,522,752**	146,839,298
Amortization	2,931,993	167,645	-	1,791,763	19,673	98,399	**9,677,453**	9,578,217
Disposals and write downs	(701,954)	(13,264)	-	(255,870)	-	-	**(2,420,095)**	(1,894,763)
Closing accumulated amortization	**57,392,534**	**2,521,888**	**-**	**39,474,571**	**699,368**	**2,643,393**	**161,780,109**	154,522,752
Net Book Value of Tangible Capital Assets	**$ 33,853,582**	**$ 1,707,352**	**$ 19,360,088**	**$ 79,557,541**	**$ 115,616**	**$ 1,304,185**	**$ 221,213,490**	$ 214,062,267

City of Mount Pearl **Schedule B**

Consolidated Schedule of Revenues
For the Year Ended December 31, 2025

	2025	2024
Taxation and utility fees		
Residential property tax	**$ 19,270,945**	$ 18,433,056
Residential water and wastewater fees	**6,629,285**	6,588,785
Commercial property tax	**9,541,124**	9,129,274
Commercial business tax	**12,236,674**	11,541,761
Commercial water and wastewater fees	**2,418,383**	2,271,761
Cable and utility tax	**1,489,412**	1,477,739
Waste management fees	**207,550**	204,562
Grants in lieu of taxes	**18,327**	18,503
	51,811,700	49,665,441
Grants from other governments		
Government of Canada		
Canada Community Building Fund	**679,920**	1,805,999
Investigating in Canada Infrastructure Program	**1,243,056**	2,764,900
ACOA	**-**	276,099
Climate Change Initiative	**31,876**	-
Housing Accelerator Fund	**1,535,519**	1,535,519
Government of Newfoundland and Labrador		
Multi-Year Capital Works	**6,020,997**	2,033,530
Cost shared grants	**89,934**	92,534
CSP funding	**299,924**	99,977
	9,901,226	8,608,558
Sales of goods and services		
Rental income	**177,208**	182,533
Recreation fees	**2,273,974**	2,109,095
Planning and development fees	**10,325**	6,425
Engineering fees	**3,025**	4,265
Waste management fees	**16,833**	21,720
	2,481,365	2,324,038
Other revenues from own sources		
Investment income	**1,058,583**	1,336,792
Interest on taxes	**561,855**	442,678
Recreation contribution	**684,928**	400,000
Compliance letter and tax certificate fees	**166,130**	172,875
Business permits	**132,208**	143,924
Local improvement assessments	**17,729**	10,417
Residential occupancy permits	**71,352**	87,790
Contractor's permits and licensing	**26,220**	14,325
Traffic fines	**58,279**	69,873
Other revenues (expenses)	**390,423**	(236,510)
Fees	**2,270**	3,888
	3,169,977	2,446,052
Total revenues	**$ 67,364,268**	$ 63,044,089

Consolidated Schedule of Expenses
For the Year Ended December 31, 2025

	2025	2024
General government services		
Council and administration	**$ 4,904,129**	$ 3,528,911
Engineering, infrastructure and public works	**4,586,778**	3,333,485
Finance	**1,204,739**	1,185,437
Human resources	**1,195,441**	1,253,287
Information technology	**1,279,247**	1,042,162
Roads and streets	**349,760**	364,187
Housing Accelerator Fund	**826,510**	199,006
Accretion expense - asset retirement obligation (Note 8)	**11,752**	11,298
Amortization of tangible capital assets	**85,462**	343,815
Other general government services	**457,530**	470,623
	14,901,348	11,732,211
Transportation services		
Snow removal	**3,431,477**	2,937,129
Fleet	**2,974,072**	3,081,360
Roads and streets	**1,175,161**	1,196,823
Public transit	**1,717,504**	1,553,611
Traffic and street lights	**1,148,926**	820,417
Amortization of tangible capital assets	**4,530,596**	4,503,902
	14,977,736	14,093,242
Protective services		
Fire protection	**4,904,554**	5,837,110
Municipal enforcement	**870,946**	888,536
Animal control	**97,697**	104,859
	5,873,197	6,830,505
Community services		
Recreation administration	**727,550**	729,994
Healthy living program	**484,721**	552,030
Glacier	**1,756,506**	1,643,040
Summit / Reid Centre	**4,918,372**	4,692,386
Gloria Pearson Community Centre	**73,841**	40,363
Admiralty House Museum & Archives	**321,003**	299,812
Legion	**57,638**	44,494
Library	**38,340**	41,633
Parks	**1,317,721**	1,416,428
Youth development	**333,871**	315,058
Community events	**670,313**	536,038
Demolition of Stapleton Road Pool	**-**	196,848
Amortization of tangible capital assets	**3,246,727**	3,004,652
	13,946,603	13,512,776

	2025	2024
Environment health services		
Water and wastewater	**5,377,340**	5,233,580
Garbage disposal	**1,227,325**	1,217,639
Amortization of tangible capital assets	**1,814,667**	1,725,848
Accretion expense - asset retirement obligation (Note 8)	**142,957**	137,431
Other environmental services	**105,653**	172,978
	8,667,941	8,487,476
Planning and development		
Planning and zoning	**449,481**	436,347
Inspections	**-**	-
Economic development	**713,426**	460,238
	1,162,907	896,585
Fiscal services		
Interest on long-term debt	**1,049,699**	1,094,469
(Gain) loss on disposal of tangible capital assets	**835,925**	(307,924)
	1,885,624	786,545
Total expenses	**$ 61,415,356**	$ 56,339,340

City of Mount Pearl **Schedule D**

Reconciliation of the Cash Based Financial Plan to PSAS Budget
Year ended December 31, 2025

	Cash Based Financial Plan	Admiralty House	Capital Fund Adjustments	Other Government Grants	Amortization	Debt Payments & Reserves	Consolidated PSAS Budget
REVENUES							
Taxation	$ 50,298,171	$ -	$ -	$ -	$ -	$ -	**$ 50,298,171**
Grants from other governments	4,724,554	333,710	-	-	-	-	**5,058,264**
Sales of goods and services	2,314,548	30,600	-	-	-	-	**2,345,148**
Own source revenues	1,157,000	-	-	-	-	-	**1,157,000**
Total revenues	58,494,273	364,310	-	-	-	-	**58,858,583**
Expenditures							
General government	10,788,833	-	-	-	85,462	-	**10,874,295**
Transportation	12,939,517	-	-	-	4,530,596	-	**17,470,113**
Protective services	6,504,874	-	-	-	-	-	**6,504,874**
Community services	8,907,449	384,310	-	-	3,246,727	-	**12,538,486**
Environmental health	6,048,746	-	-	-	1,814,667	-	**7,863,413**
Planning and development	2,526,424	-	-	-	-	-	**2,526,424**
Debt servicing	2,446,382	-	-	-	-	(1,302,881)	**1,143,501**
Transfers to capital fund	8,312,047	-	(8,312,047)	-	-	-	**-**
Total expenses	$ 58,474,272	$ 384,310	$ (8,312,047)	$ -	$ 9,677,451	$ (1,302,881)	**$ 58,921,105**

City of Mount Pearl **Schedule E**

Consolidated Reconciliation to Core Government Results

Year ended December 31, 2025

	Core Government		Controlled Entities		Total	
	2025	2024	**2025**	2024	**2025**	2024
Revenues						
Taxation	**$ 51,811,700**	$ 49,665,441	**$ -**	$ -	**$ 51,811,700**	$ 49,665,441
Grants and transfers	**9,567,516**	8,467,822	**333,710**	140,736	**9,901,226**	8,608,558
Sales of goods and services	**2,450,765**	2,304,438	**30,600**	19,600	**2,481,365**	2,324,038
Own source revenues	**3,169,977**	2,446,052	**-**	-	**3,169,977**	2,446,052
	66,999,958	62,883,753	**364,310**	160,336	**67,364,268**	63,044,089
Expenses						
Personnel services	**22,592,148**	20,911,920	111,643	111,643	**22,703,791**	21,023,563
Contract services	**17,432,175**	17,161,217	66,328	66,328	**17,498,503**	17,227,545
Utilities	**2,531,253**	2,069,536	2,314	2,314	**2,533,567**	2,071,850
Materials and supplies	**2,650,097**	2,225,876	-	-	**2,650,097**	2,225,876
Grants and contributions	**1,433,706**	727,800	-	-	**1,433,706**	727,800
Interest on long-term debt	**2,315,488**	1,691,305	-	-	**2,315,488**	1,691,305
Amortization of tangible capital assets	**9,677,452**	9,578,217	-	-	**9,677,452**	9,578,217
Accretion expense of asset retirement obligations	**154,708**	148,729	-	-	**154,708**	148,729
Professional services	**1,340,140**	1,305,224	77	77	**1,340,217**	1,305,301
Professional development	**271,902**	647,077	-	-	**271,902**	647,077
Loss (gain) on disposal of tangible capital assets	**835,925**	(307,923)	-	-	**835,925**	(307,923)
	61,234,994	56,158,978	**180,362**	180,362	**61,415,356**	56,339,340
Surplus (Deficit)	**$ 5,764,964**	$ 6,724,775	**$ 183,948**	$ (20,026)	**$ 5,948,912**	$ 6,704,749

City of Mount Pearl **Schedule F**

Consolidated Statement of Operations by Program
Year Ended December 31, 2025

	General Government Services		Transportation Services		Protective Services		Community Services	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
REVENUES								
Taxation	**$ 51,811,700**	$ 49,665,441	**$ -**	$ -	**$ -**	$ -	**$ -**	$ -
Grants and transfers	**-**	-	**9,901,226**	8,608,558	**-**	-	**-**	-
Sales of goods and services	**177,208**	182,533	**19,858**	25,985	**-**	-	**2,273,974**	2,109,095
Own source revenues	**2,086,939**	1,624,878	**2,270**	3,888	**10,082**	10,719	**684,928**	400,000
Total revenues	**54,075,847**	51,472,852	**9,923,354**	8,638,431	**10,082**	10,719	**2,958,902**	2,509,095
EXPENSES								
Personnel services	**8,454,294**	6,615,253	**4,289,704**	4,221,287	**847,023**	836,098	**6,298,554**	6,614,905
Contract services	**2,496,329**	1,855,916	**3,650,324**	3,482,971	**5,026,174**	5,994,407	**1,620,973**	1,409,727
Utilities	**74,956**	73,675	**1,046,862**	779,810	**-**	-	**1,411,749**	1,218,365
Materials and supplies	**106,008**	117,219	**1,460,250**	1,105,272	**-**	-	**752,136**	726,347
Grants and contributions	**831,153**	205,993	**-**	-	**-**	-	**602,553**	521,807
Interest on long-term debt	**1,265,789**	596,836	**-**	-	**-**	-	**-**	-
Amortization of tangible capital assets	**85,462**	343,815	**4,530,596**	4,503,902	**-**	-	**3,246,727**	3,004,652
Accretion expense of asset retirement obligation	**11,752**	11,298	**-**	-	**-**	-	**-**	-
Professional services	**1,321,284**	1,286,497	**-**	-	**-**	-	**775**	177
Professional development	**254,321**	625,709	**-**	-	**-**	-	**13,136**	16,796
Loss on disposal of tangible capital assets	**-**	-	**-**	-	**-**	-	**-**	-
Total expenses	**14,901,348**	11,732,211	**14,977,736**	14,093,242	**5,873,197**	6,830,505	**13,946,603**	13,512,776
Annual Surplus (Deficit)	**$ 39,174,499**	$ 39,740,641	**$ (5,054,382)**	$ (5,454,811)	**$ (5,863,115)**	$ (6,819,786)	**$ (10,987,701)**	$ (11,003,681)

City of Mount Pearl **Schedule F Cont…**

Consolidated Statement of Operations by Program
Year Ended December 31, 2025

	Environmental Health Services		Planning and Development		Fiscal Services		Total	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024
REVENUES								
Taxation	**$ -**	$ -	**$ -**	$ -	**$ -**	$ -	**$ 51,811,700**	49,665,441
Grants and transfers	**-**	-	**-**	-	**-**	-	**9,901,226**	8,608,558
Sales of goods and services	**-**	-	**10,325**	6,425	**-**	-	**2,481,365**	2,324,038
Own source revenues	**-**	-	**308,058**	330,217	**77,700**	76,350	**3,169,977**	2,446,052
Total revenues	**-**	-	**318,383**	336,642	**77,700**	76,350	**67,364,268**	63,044,089
EXPENSES								
Personnel services	**2,048,095**	2,035,850	**766,121**	700,170	**-**	-	**22,703,791**	21,023,563
Contract services	**4,350,650**	4,327,500	**354,053**	157,024	**-**	-	**17,498,503**	17,227,545
Utilities	**-**	-	**-**	-	**-**	-	**2,533,567**	2,071,850
Materials and supplies	**311,573**	260,846	**20,130**	16,192	**-**	-	**2,650,097**	2,225,876
Grants and contributions	**-**	-	**-**	-	**-**	-	**1,433,706**	727,800
Interest on long-term debt	**-**	-	**-**	-	**1,049,699**	1,094,469	**2,315,488**	1,691,305
Amortization of tangible capital assets	**1,814,667**	1,725,848	**-**	-	**-**	-	**9,677,452**	9,578,217
Accretion expense of asset retirement obligation	**142,956**	137,431	**-**	-	**-**	-	**154,708**	148,729
Professional services	**-**	-	**18,158**	18,627	**-**	-	**1,340,217**	1,305,301
Professional development	**-**	-	**4,445**	4,572	**-**	-	**271,902**	647,077
(Gain) loss on disposal of tangible capital assets	**-**	-	**-**	-	**835,925**	(307,923)	**835,925**	(307,923)
Total expenses	**8,667,941**	8,487,475	**1,162,907**	896,585	**1,885,624**	786,546	**61,415,356**	56,339,340
Annual Surplus (Deficit)	**$ (8,667,941)**	$ (8,487,475)	**$ (844,524)**	$ (559,943)	**$ (1,807,924)**	$ (710,196)	**$ 5,948,912**	$ 6,704,749