

Financial Statements of

**NOVA SCOTIA MUNICIPAL  
FINANCE CORPORATION**

Year ended March 31, 2019



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## INDEPENDENT AUDITORS' REPORT

To the Directors of Nova Scotia Municipal Finance Corporation  
Opinion

We have audited the financial statements of Nova Scotia Municipal Finance Corporation (the Corporation), which comprise:

- the statement of financial position as at end of March 31, 2019
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at end of March 31, 2019, and its results of operations, its changes in net assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the 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 Financial Statements***

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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 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 Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants  
Halifax, Canada  
June 20, 2019

# NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

## Financial Statements

Year ended March 31, 2019

### Financial Statements

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# NOVA SCOTIA MUNICIPAL FINANCE CORPORATION


## Statement of Financial Position

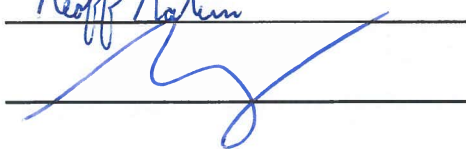
March 31, 2019, with comparative information for 2018

	2019	2018
<b>Financial assets:</b>		
Cash and cash equivalents (note 5(a))	\$ 8,135,457	\$ 13,385,471
Accrued interest receivable	8,753,125	8,640,518
HST receivable	3,043	647
Accounts receivable	106	85
Loans (note 2)	782,144,831	774,879,967
	<u>799,036,562</u>	<u>796,906,688</u>
<b>Financial liabilities:</b>		
Accounts payable	50,667	47,015
Employee obligation (note 4)	70,957	86,347
Accrued interest payable	8,737,272	8,626,691
Short-term loan due to Province of Nova Scotia (note 7)	1,128,250	6,671,750
Deposits	45,854	-
Due to municipal units	125,051	-
Debentures (note 3)	782,113,851	774,869,339
	<u>792,271,902</u>	<u>790,301,142</u>
Net financial assets	6,764,660	6,605,546
<b>Accumulated surplus</b>	<b>\$ 6,764,660</b>	<b>\$ 6,605,546</b>

See accompanying notes to audited financial statements.

On behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

# NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

## Statement of Operations and Accumulated Surplus

Year ended March 31, 2019, with comparative information for 2018

	Budget 2019	Actual 2019	Actual 2018
<b>Revenue:</b>			
Interest on loans	25,936,953	\$ 26,233,771	\$ 26,942,114
Interest on short-term investments	107,714	175,978	108,524
Recovery of issue costs	341,666	358,783	280,577
Administration fee	400,000	450,386	333,678
	<u>26,786,333</u>	<u>27,218,918</u>	<u>27,664,893</u>
<b>Expenses:</b>			
Interest on debenture debt and short-term loans	25,934,901	26,254,007	26,948,274
Debenture issue expenses	341,676	360,953	281,950
Administrative expenses (schedule)	492,298	444,844	419,907
	<u>26,768,875</u>	<u>27,059,804</u>	<u>27,650,131</u>
Annual operating surplus	17,458	159,114	14,762
Accumulated surplus, beginning of year	6,605,546	6,605,546	6,590,784
Accumulated surplus, end of year	<u>\$ 6,623,004</u>	<u>\$ 6,764,660</u>	<u>\$ 6,605,546</u>

See accompanying notes to financial statements.

# NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

## Statement of Changes in Net Financial Assets

Year ended March 31, 2019, with comparative information for 2018

	Budget 2019	Actual 2019	Actual 2018
Annual operating surplus	\$ 17,458	\$ 159,114	\$ 14,762
Increase in net financial assets	17,458	159,114	14,762
Net financial assets, beginning of year	6,605,546	6,605,546	6,590,784
Net financial assets, end of year	\$ 6,623,004	\$ 6,764,660	\$ 6,605,546

See accompanying notes to audited financial statements



# NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

## Statement of Cash Flows

Year ended March 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating activities:		
Annual operating surplus	\$ 159,114	\$ 14,762
Item not involving cash:		
Amortization of fair value adjustment on loans	(489)	(3,406)
Amortization of fair value adjustment on debenture debt	489	3,406
Increase in employee obligations	(15,390)	152
<u>Change in non-cash operating working capital (note 5(b))</u>	<u>124,260</u>	<u>(12,520)</u>
	267,984	2,394
Investing activities:		
Issuance of loans to units	(112,466,692)	(83,419,431)
Payments received on loans to units	105,370,206	105,958,442
<u>Due to municipal unit</u>	<u>(122,034)</u>	<u>-</u>
	(7,218,520)	22,539,011
Financing activities:		
Proceeds of debentures	112,596,000	83,420,000
Principal payments on debenture	(105,351,978)	(105,950,856)
<u>Change in short-term loan due to Province of Nova Scotia</u>	<u>(5,543,500)</u>	<u>6,339,050</u>
	1,700,522	(16,191,806)
<u>Change in cash and cash equivalents</u>	<u>(5,250,014)</u>	<u>6,349,599</u>
Cash and cash equivalents, beginning of year	13,385,471	7,035,872
<u>Cash and cash equivalents, end of year</u>	<u>\$ 8,135,457</u>	<u>\$ 13,385,471</u>

Supplemental cash flow information (note 5 (c))

See accompanying notes to audited financial statements.

# NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Notes to Financial Statements

Year ended March 31, 2019

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Nova Scotia Municipal Finance Corporation (the "Corporation") was created by the Municipal Finance Corporation Act which was proclaimed on July 31, 1979. The Corporation began operations on January 1, 1980 and has a March 31 fiscal year-end. The objective of the Corporation is to provide financing of approved capital projects for municipalities, municipal enterprises, regional school boards, and hospitals through a central borrowing authority. The Corporation is not subject to provincial or federal taxes.

## 1. Significant accounting policies:

### (a) Basis of accounting:

The financial statements of the Corporation have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA").

The Corporation follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

### (b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, balances with banks, short-term deposits with the Province of Nova Scotia with maturities of three months or less and short-term loans. Cash and cash equivalents are recorded at amortized cost.

### (c) Loans:

Loans are recorded at amortized cost less valuation allowances and writeoffs. Periodically loans are assessed for collectibility and risk of loss. To the extent required, a valuation allowance based on past events, current circumstance and all available information at the date of the preparation of the financial statements is recorded to reduce the loans to their expected net realizable value. Losses as a result of a valuation allowance are recorded in the statement of operations.

### (d) Employee future benefits:

The Corporation provides certain employee benefits which will require funding in future periods.

# NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2019

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## 1. Significant accounting policies (continued):

### Public service awards:

Upon retirement, employees are eligible for a public service award equal to one week's salary per year of service to a maximum of twenty-six years. Management recognizes compensation expense on an accrual basis based on management's best estimate.

### Employee pension plan:

Permanent employees participate in the Nova Scotia Public Service Superannuation Plan (the "Plan"), a contributory defined benefit pension plan, which provides pension benefits based on length of service and earnings. Contributions to the Plan are required by both the employees and the employer. The Corporation is not responsible for any under-funded liability, nor does the Corporation have any access to any surplus that may arise in this Plan. The cost of the Plan is the Corporation's required contributions due to the plan during the period.

### (e) Debentures:

Debentures are recorded at amortized cost.

### (f) Accumulated surplus:

The accumulated surplus was created from annual accumulated surpluses and interest on funds which had been advanced by the Province of Nova Scotia and interest on other surplus monies. Included in the accumulated surplus is the reserve fund which provides a capital base for the Corporation, as well as funds which may be required for administrative purposes and timing differences. At the February 7, 2019 board meeting, the board amended the reserve fund policy by removing the upper CAP of \$7 million and to have the Audit Committee review the Reserve Fund Fee annually and provide recommendations on its level to the Board.

### (g) Revenue recognition:

Interest revenue on loans is recognized on an accrual basis and reported as revenue in the period earned.

# NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2019

## 1. Significant accounting policies (continued):

### (h) Use of estimates:

The preparation of financial statements 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 financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

## 2. Loans:

- (a) Loans are made on the security of debentures and are due in annual instalments for periods up to a maximum of twenty years. Interest rates on the loans range from 1.323% to 5.940%. Repayment terms are negotiated on specific loans and would normally not exceed twenty years.

	2019	2018
Loans	\$782,144,831	\$774,879,967
Less amounts due within 12 months	106,186,922	105,332,093
<b>Remaining balance</b>	<b>\$675,957,909</b>	<b>\$669,547,874</b>

- (b) Principal payments receivable and due on debentures payable in each of the next five years are as follows:

	Loans	Debentures payable
2020	\$106,186,922	\$106,233,438
2021	104,289,894	104,334,639
2022	89,345,818	89,385,612
2023	117,465,567	117,503,252
2024	91,889,733	91,921,197

## 3. Debentures:

The debenture debt outstanding at March 31, 2019 totaling \$782,113,851 (2018 - \$774,869,339) is in Canadian funds and are placed with the Province of Nova Scotia, with the exception of the "FCM" loans which are private placements. Interest is payable semi-annually.

At year-end, the total debentures due to the Province of Nova Scotia was \$774,592,334 (2018 - \$767,587,716).

# NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2019

## 3. Debentures (continued):

Series	Date issued	Maturity date Calendar Year	Interest rate	2019
				Amortized cost of debt outstanding
BB	Jan. 9/03	2019 to 2023	5.913	\$ 3,368,335
BE	June 10/04	2019	5.750	175,000
BF	Sept. 1/04	2019 to 2024	5.720-5.940	33,000,000
BG	Nov. 25/04	2019	5.325	657,000
BH	June 1/05	2019 to 2020	4.825-4.880	7,090,000
BI	Nov. 22/05	2019 to 2020	4.780-4.830	10,109,000
BJ	June 1/06	2019 to 2021	5.000-5.080	2,095,000
BK	Oct. 24/06	2019 to 2021	4.530-4.590	15,054,000
BL	June 1/07	2019 to 2022	4.700-4.770	14,135,000
BM	Oct. 17/07	2019 to 2022	5.105-5.210	2,846,000
BN	July 7/08	2019 to 2023	4.914-5.088	8,960,000
BP	Oct. 24/08	2019 to 2023	5.160-5.480	5,935,000
BQ	June 1/09	2019 to 2024	4.889-5.644	19,567,000
BR	Oct. 27/09	2019 to 2024	4.329-4.939	12,750,000
BS	June 29/10	2019 to 2025	4.360-4.875	23,318,000
BT	Nov. 9/10	2019 to 2025	3.690-4.410	12,950,000
BU	May 30/11	2019 to 2026	3.874-4.597	11,034,000
BV	Nov. 9/11	2019 to 2026	3.256-4.026	15,148,000
FCM-D*	Nov 15/11	2019 to 2021	1.750	381,818
FCM-E*	Mar. 26/12	2020 to 2032	2.000	287,831
BW	May 15/12	2019 to 2027	2.992-3.856	19,679,000
FCM-F*	July 3/12	2019 to 2032	2.000	1,272,911
BX	July 6/12	2019 to 2022	2.646-3.156	22,400,000
FCM-G*	Aug. 22/12	2019 to 2032	2.000	2,800,000
BY	Nov. 9/12	2019 to 2027	2.650-3.580	33,714,000
BZ	May 15/13	2019 to 2028	2.266-3.489	46,044,000
CA	Nov. 15/13	2019 to 2028	2.744-4.114	30,558,000
CB	June 5/14	2019 to 2029	2.244-3.792	29,849,000
CC	Nov. 17/14	2019 to 2029	2.221-3.559	49,090,000
CD	June 1/15	2019 to 2030	1.626-3.205	28,952,000
FCM-H*	Oct. 30/15	2019 to 2025	1.750	1,778,956
CE	Nov. 20/15	2019 to 2030	1.632-3.449	55,292,000
CF	May 16/16	2019 to 2031	1.599-3.475	55,049,000
CG	Nov. 15/16	2019 to 2031	1.323-3.108	16,771,000
CH	May 9/17	2019 to 2032	1.350-3.209	32,893,000
CI	Nov. 9/17	2019 to 2032	1.930-3.382	44,514,000
CJ	May 30/18	2019 to 2033	2.060-3.501	52,032,000
FCM-I*	Oct. 31/18	2019 to 2028	2.250	1,000,000
CK	Nov. 9/18	2019 to 2033	2.490-3.551	59,564,000
				\$ 782,113,851

All debt directly placed with the Province of Nova Scotia except:

\* Placed with Federation of Canadian Municipalities

Amounts repayable over the next five years are presented in note 2(b).

# NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2019

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## 4. Employee obligations:

### (a) Public Service Awards:

As at March 31, 2019, the Corporation has recorded a liability in the amount of \$70,957 (2018 - \$86,347) in respect of the provincial public service award (PSA) for the employees of the Corporation.

On April 7, 2015, the Province announced that the PSA would be discontinued on a go-forward basis for excluded (non-union) employees accrued to August 11, 2015.

On January 19, 2018, the Province announced that there would be a one-time Service Payout initiative concerning the PSA. Provincial employees can take their accrued PSA now, versus waiting until retirement. Those employees who do not take their PSA until they retire, would continue to accrue PSA. The PSA is calculated as "service time x salary at retirement date". Service time is frozen as of April 1, 2015, but salary at retirement date is used in the PSA calculation upon retirement.

### (b) Employee pension plan:

Permanent employees of the Corporation participate in the Nova Scotia Public Service Superannuation Plan (the "Plan"), a contributory defined benefit pension plan administered by the Province, which provides pension benefits based on length of service and earnings.

Contributions to the Plan are required by both the employees and the employer. The Corporation's contributions range from 8.4% to 10.9% of employee salary. Total employer contributions for 2019 were \$24,082 (2018 - \$23,943) and are recognized in administrative expenses in the financial statements.

Actuarial valuations of the Province of Nova Scotia's Plan, of which the Corporation's employees are members, are conducted annually, and provide an estimate of the accrued pension obligation (Plan liabilities) calculated using various economic and demographic assumptions, based on membership data as at the valuation date. The Province of Nova Scotia's consulting actuaries, Mercer, performed a valuation as at December 31, 2016 and issued their report in June 2017. The report indicated that the Province of Nova Scotia's Plan had a funding excess of \$160,833,000 (December 31, 2015 – funding excess of \$44,869,000).

# NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2019

## 5. Supplemental cash flow information:

(a) Cash and cash equivalents include:

	2019	2018
Cash	\$ 7,007,207	\$ 6,713,721
Short-term investments	1,128,250	6,671,750
	<u>\$ 8,135,457</u>	<u>\$ 13,385,471</u>

(b) Change in non-cash working capital:

	2019	2018
Accrued interest receivable	\$ (112,607)	\$ 332,032
Other receivables	(2,416)	(89)
Accounts payable	3,651	(3,566)
Accrued interest payable	235,632	(340,897)
	<u>\$ 124,260</u>	<u>\$ (12,520)</u>

(c) Supplemental cash flow information:

	2019	2018
Interest paid	<u>\$ 26,142,936</u>	<u>\$ 27,285,765</u>
Interest received	<u>\$ 26,119,399</u>	<u>\$ 27,287,241</u>

## 6. Financial instruments:

Risk management relates to the understanding and active management of risks associated with all areas of the business and the associated operating environment. The Corporation's financial instruments are primarily exposed to interest rate volatility, credit and liquidity risk.

# NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2019

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## 6. Financial instruments (continued):

### (i) Interest rate risk

Interest rate risk is the risk that future earnings or the market value of the Corporation's investments and debt will fluctuate due to changes in market interest rates. Interest rate risk is mitigated due to the fact that the Corporation's mandated rate of interest charged on loans is directly matched to its cost of borrowing, thereby mitigating the risk of equity erosion. Also, interest rates are fixed for longer term loans and borrowings reducing the fluctuation in future cash flows and earnings. As a result, it is management's opinion that the Corporation is not exposed to significant interest rate risk arising from financial instruments.

### (ii) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Corporation. Due to the existing statutory provision for the recovery of any defaults by municipalities an allowance for doubtful accounts is not required. Cash deposits are held with tier one Canadian financial institutions to reduce the credit risk. It is management's opinion that the Corporation is not exposed to significant credit risk arising from financial instruments. The maximum exposure to credit risk is equal to the carrying amount of the loans and cash and cash equivalents.

During the year and at year-end, there are no loans which are past due or considered impaired and therefore no allowance for loan losses.

### (iii) Liquidity risk:

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity requirements are managed through the receipt of payments on the loans and short-term investments and interest earned on the loans and short-term investments. These sources of funds are used to satisfy debt service requirements on the debentures and short-term loans and to pay expenses. In the normal course of business, the Corporation enters into contracts that give rise to commitments for future payments which may also impact the Corporation's liquidity. The Corporation also maintains cash on hand for liquidity purposes and to pay accounts payable and accrued liabilities. It is management's opinion that the Corporation is not exposed to significant liquidity risk arising from financial instruments.

The following table summarizes the contractual maturities for all financial liabilities as at March 31, 2019:



# NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

Notes to Financial Statements (continued)

Year ended March 31, 2019

## 6. Financial instruments (continued):

	Within 1 year	2 to 5 years	6 to 10 years	Over 10 years	March 31, 2019 total
Accounts payable	\$ 50,667	\$ -	\$ -	\$ -	\$ 50,667
Accrued interest payable	8,737,272	-	-	-	8,737,272
Employee obligations	26,766	-	44,191	-	70,957
Short-term loan	1,128,250	-	-	-	1,128,250
Debentures (principal)	106,233,438	403,144,700	216,518,581	56,217,132	782,113,851
Debentures (interest)	25,245,784	66,439,708	25,620,683	5,239,556	122,545,731
	\$ 141,422,177	\$ 469,584,408	\$ 242,183,455	\$ 61,456,688	\$ 914,646,728

## 7. Short-term loan due to PNS:

The Corporation entered into a Line of Credit Agreement with the Province of Nova Scotia as represented by the Minister of Finance and Treasury Board. The Province has extended a revolving unsecured credit facility of \$50 million. The purpose of this line of credit is to provide short-term financing to municipalities for completed capital projects until long-term financing can be arranged. The current amount outstanding on the Line of Credit is \$1,128,250 (2018 - \$6,671,750). The balance bears interest at the Canadian Bankers acceptance rate (2019 - 2.06% and 2.14%; 2018 - 1.54% to 1.66%) and will be paid off through the bi-annual debenture issuance.

## 8. Related party transactions:

The Corporation is related to the Province of Nova Scotia as it was created by the Municipal Finance Corporation Act of Nova Scotia and is primarily financed by debentures from the Province of Nova Scotia (note 3). The amount of interest charged in debentures is measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

# NOVA SCOTIA MUNICIPAL FINANCE CORPORATION

## Schedule of Administrative Expenses

Year ended March 31, 2019, with comparative information for 2018

	2019 Budget	2019 Actual	2018 Actual
Salaries and benefits	\$ 322,928	\$ 302,832	\$ 299,194
Travel	5,000	305	1,822
Equipment and maintenance	8,500	6,337	3,192
Printing	5,000	4,291	4,598
Postage	1,900	973	1,198
Telecommunications	1,750	1,678	1,623
Stationary and supplies	900	1,222	314
Professional services	49,750	48,770	33,600
Bank charges	675	1,179	1,094
Directors' fees and expenses	13,400	7,066	5,974
Audit Committee fees and expenses	2,200	1,022	803
Professional development	11,200	6,900	5,378
Dues and subscriptions	3,500	3,065	3,251
Insurance	900	910	875
Rent	36,220	36,219	36,219
Other	500	65	89
Advertising	2,200	2,294	1,755
Special projects	6,775	3,837	2,893
Sponsorship projects	14,000	13,379	13,535
Municipal client training initiatives	5,000	2,500	2,500
	<b>\$ 492,298</b>	<b>\$ 444,844</b>	<b>\$ 419,907</b>