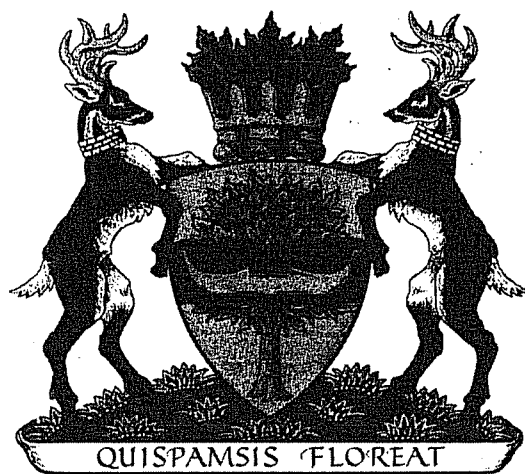


MUNICIPALITY OF QUISPAMISIS

FINANCIAL STATEMENTS

DECEMBER 31, 2008



MUNICIPALITY OF QUISPAMISIS

DECEMBER 31, 2008

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**TEED
SAUNDERS
DOYLE & CO.**
Chartered Accountants

Member of DFK Canada and DFK International

AUDITORS' REPORT

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

We have audited the balance sheets of the general, utility, land trust, general reserve funds and utility reserve funds of the Municipality of Quispamsis as at December 31, 2008 and the statements of revenue and expenditure, investment in capital assets, capital financing and changes in net assets for the year then ended. The financial statements are the responsibility of the Municipality's Council. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2008 and the results of its operations and changes in its sources and applications of capital financing for the year then ended in accordance with the basis of accounting described in Note 1 to the financial statements.

These financial statements have been prepared to comply with the accounting principles prescribed for New Brunswick municipalities by the Department of Local Government, and have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles. These financial statements are solely for the information and use of the Municipality of Quispamsis, and the Minister of the Department of Local Government of the Province of New Brunswick, and are not intended to be and should not be used for any other purpose.

Teed Saunders Doyle & Co.

CHARTERED ACCOUNTANTS

Saint John, NB
February 27, 2009

Saint John Partners
John H Teed Andrew P. Logan
Peter L. Logan James K. Whittaker

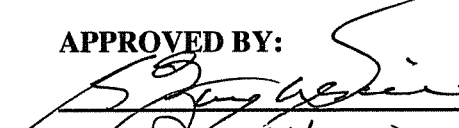
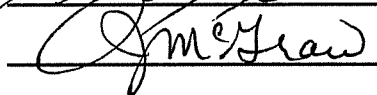


Fredericton Partners
Brian J. Saunders Ralph D Gorman
David H. Bradley John H. Landry
T.J. Smith Jeff E. Saunders

MUNICIPALITY OF QUISPAMISIS

GENERAL CAPITAL FUND BALANCE SHEET

AS AT DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
ASSETS		
CAPITAL		
Capital assets (Notes 1 and 7)	\$ <u>34,282,913</u>	\$ <u>31,371,052</u>
LIABILITIES AND INVESTMENT IN CAPITAL ASSETS		
CURRENT		
Due to own funds (Notes 2 and 4)	\$ <u>783,150</u>	\$ <u>381,028</u>
LONG-TERM (Notes 1, 2 and 6)	<u>7,011,195</u>	<u>7,508,612</u>
INVESTMENT IN CAPITAL ASSETS	<u>26,488,568</u>	<u>23,481,412</u>
	\$ <u>34,282,913</u>	\$ <u>31,371,052</u>
GUARANTEES (Note 10)		
COMMITMENTS (Note 13)		
APPROVED BY:		
 _____ Mayor		
 _____ Treasurer		

MUNICIPALITY OF QUISPAMISIS

GENERAL CAPITAL FUND STATEMENT OF INVESTMENT IN CAPITAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2008

	2008	2007
BALANCE AT BEGINNING OF YEAR	<u>\$ 23,481,412</u>	<u>\$ 20,657,021</u>
ADD:		
Grant from the Government of Canada		
Machinery and equipment (Note 7)	2,000	-
Grants from the Province of New Brunswick		
Engineering structures (Note 7)	-	61,946
Contributions from local improvement levy	93,200	58,699
Contributions from public donations	-	200,000
Contributions from own funds		
General Revenue Fund		
Capital expenditures	1,959,706	1,555,272
Long-term debt payments	<u>1,084,817</u>	<u>1,049,323</u>
	<u>3,139,723</u>	<u>2,925,240</u>
LESS:		
Cost of capital assets disposed of during the year	<u>132,567</u>	<u>100,849</u>
BALANCE AT END OF YEAR	<u>\$ 26,488,568</u>	<u>\$ 23,481,412</u>

MUNICIPALITY OF QUISPAMISIS

GENERAL CAPITAL FUND STATEMENT OF CAPITAL FINANCING

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
SOURCES		
Transfers from		
Government of Canada		
Machinery and equipment	\$ 2,000	\$ -
Province of New Brunswick		
Engineering structures	-	61,946
Local improvement levy	93,200	58,699
Public donations	-	200,000
Own funds		
General Revenue Fund		
Capital expenditures	1,959,706	1,555,272
Long-term debt payments	<u>1,084,817</u>	<u>1,049,323</u>
	<u>3,139,723</u>	<u>2,925,240</u>
Proceeds from debenture issue (Note 6)	<u>500,000</u>	<u>700,000</u>
Proceeds from capital lease (Note 6)	<u>87,400</u>	<u>-</u>
Temporary financing at end of year		
Temporary advances from own funds (Note 4)	<u>783,150</u>	<u>381,028</u>
	<u>\$ 4,510,273</u>	<u>\$ 4,006,268</u>
APPLICATION		
Temporary financing at end of previous year		
Temporary advances from own funds	\$ 381,028	\$ 567,703
Capital expenditures	3,044,428	2,389,242
Long-term debt payments	<u>1,084,817</u>	<u>1,049,323</u>
	<u>\$ 4,510,273</u>	<u>\$ 4,006,268</u>

MUNICIPALITY OF QUISPAMISIS

GENERAL REVENUE FUND BALANCE SHEET

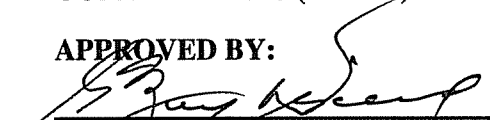
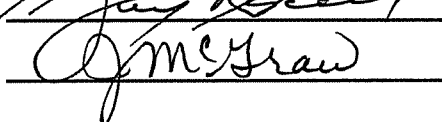
AS AT DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
ASSETS		
CURRENT		
Cash (Note 2)	\$ 129,835	\$ 225,311
Accounts receivable (Note 2)	90,093	129,202
HST recoverable (Note 2)	142,927	351,855
Due from own funds (Notes 2 and 4)	775,197	476,450
Current portion of local improvement levy receivable	35,711	16,171
Inventories (Note 1)	80,118	53,619
Prepaid expenses	<u>12,089</u>	<u>11,476</u>
	<u>1,265,970</u>	<u>1,264,084</u>
LOCAL IMPROVEMENT LEVY RECEIVABLE (Notes 2 and 14)	<u>177,829</u>	<u>142,959</u>
UNAMORTIZED BOND DISCOUNT (Note 1)	<u>72,937</u>	<u>79,777</u>
	<u>\$ 1,516,736</u>	<u>\$ 1,486,820</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 2)	\$ 1,509,888	\$ 1,476,990
Deferred revenue (Note 12)	<u>3,500</u>	<u>4,030</u>
	<u>1,513,388</u>	<u>1,481,020</u>
SURPLUS		
SURPLUS AT BEGINNING OF YEAR	5,800	15,554
SURPLUS FOR THE YEAR	389	2,958
TRANSFER OF SECOND PREVIOUS YEAR'S SURPLUS (Note 1)	<u>(2,841)</u>	<u>(12,712)</u>
SURPLUS AT END OF YEAR	<u>3,348</u>	<u>5,800</u>
	<u>\$ 1,516,736</u>	<u>\$ 1,486,820</u>

GUARANTEES (Note 10)

COMMITMENTS (Note 13)

APPROVED BY:

 Mayor
 Treasurer

MUNICIPALITY OF QUISPAMISIS

GENERAL REVENUE FUND STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 2008

		2008 Budget	2008 Actual	2007 Actual
REVENUE (Note 1)	<u>Page</u>			
Warrant of assessment		\$ 12,701,741	\$ 12,701,742	\$ 11,266,024
Sale of services	7	324,082	348,485	330,041
Services to other governments				
Province of New Brunswick	7	44,705	44,705	44,094
Other revenue from own sources	7	277,541	729,079	393,353
Conditional transfers	7	55,000	83,336	70,949
Unconditional transfers, Provincial		<u>839,880</u>	<u>839,880</u>	<u>823,412</u>
		<u>14,242,949</u>	<u>14,747,227</u>	<u>12,927,873</u>
EXPENDITURE (Note 1)				
General government services	8	1,363,039	1,361,290	1,155,995
Protective services	9	3,991,429	4,006,039	3,596,183
Transportation services	10	2,725,844	2,921,276	2,533,523
Environmental health services	10	133,250	126,742	123,061
Environmental development services	10	290,423	275,055	223,385
Recreation and cultural services	11	2,381,896	1,971,503	1,886,644
Fiscal services	11	3,359,909	4,087,774	3,418,836
Surplus of second previous year (Note 1)		<u>(2,841)</u>	<u>(2,841)</u>	<u>(12,712)</u>
		<u>14,242,949</u>	<u>14,746,838</u>	<u>12,924,915</u>
SURPLUS FOR THE YEAR		<u>\$ -</u>	<u>\$ 389</u>	<u>\$ 2,958</u>

MUNICIPALITY OF QUISPAMSI

GENERAL REVENUE FUND SUPPLEMENTARY SCHEDULE OF REVENUE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2008

	2008 Budget	2008 Actual	2007 Actual
SALE OF SERVICES			
Arena, building and other rentals	\$ 302,002	\$ 323,054	\$ 304,685
Recreational programs	<u>22,080</u>	<u>25,431</u>	<u>25,356</u>
	\$ <u>324,082</u>	\$ <u>348,485</u>	\$ <u>330,041</u>
SERVICES TO OTHER GOVERNMENTS			
Provincial highways	\$ <u>44,705</u>	\$ <u>44,705</u>	\$ <u>44,094</u>
OTHER REVENUE FROM OWN SOURCES			
Licenses, permits, and fines	\$ 226,424	\$ 274,653	\$ 254,526
Return on investments	20,000	61,605	31,089
Other	<u>31,117</u>	<u>392,821</u>	<u>107,738</u>
	\$ <u>277,541</u>	\$ <u>729,079</u>	\$ <u>393,353</u>
CONDITIONAL TRANSFERS			
Recreation grants	\$ <u>55,000</u>	\$ <u>83,336</u>	\$ <u>70,949</u>

MUNICIPALITY OF QUISPAMSIS

GENERAL REVENUE FUND SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2008

	2008 Budget	2008 Actual	2007 Actual
GENERAL GOVERNMENT SERVICES			
Legislative			
Mayor's office	\$ 37,636	\$ 33,375	\$ 27,901
Councillors' office	151,458	131,641	112,714
Other	<u>21,000</u>	<u>21,298</u>	<u>19,383</u>
	<u>210,094</u>	<u>186,314</u>	<u>159,998</u>
Administrative			
Manager's office	157,631	159,167	85,050
Clerk's office	92,698	87,690	84,737
Office building	95,748	113,265	78,015
Solicitor	85,260	87,139	84,522
Other	<u>36,500</u>	<u>36,706</u>	<u>61,557</u>
	<u>467,837</u>	<u>483,967</u>	<u>393,881</u>
Financial management			
Administration	218,662	226,205	186,532
External audit	<u>14,993</u>	<u>15,213</u>	<u>14,377</u>
	<u>233,655</u>	<u>241,418</u>	<u>200,909</u>
Other government services			
Civic relations	80,800	81,759	44,487
Public liability insurance	149,428	146,753	153,074
Scholarships and grants	2,500	1,700	1,700
Cost of assessment	200,725	200,725	178,028
Other	<u>18,000</u>	<u>18,654</u>	<u>23,918</u>
	<u>451,453</u>	<u>449,591</u>	<u>401,207</u>
	<u>\$ 1,363,039</u>	<u>\$ 1,361,290</u>	<u>\$ 1,155,995</u>

MUNICIPALITY OF QUISPAM SIS

GENERAL REVENUE FUND SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2008

	2008 Budget	2008 Actual	2007 Actual
PROTECTIVE SERVICES			
Police			
Police department	\$ 2,130,351	\$ 2,130,795	\$ 1,925,342
Crimestoppers/Block parents	<u>2,800</u>	<u>2,800</u>	<u>2,800</u>
	<u>2,133,151</u>	<u>2,133,595</u>	<u>1,928,142</u>
Fire			
Fire department	1,468,980	1,486,469	1,342,371
Water transfer costs	<u>6,000</u>	<u>6,000</u>	<u>5,760</u>
	<u>1,474,980</u>	<u>1,492,469</u>	<u>1,348,131</u>
Emergency measures			
Telephone 911	163,192	163,192	151,228
Emergency measures organization	<u>5,290</u>	<u>6,310</u>	<u>4,154</u>
	<u>168,482</u>	<u>169,502</u>	<u>155,382</u>
Other			
Animal and pest control	43,603	53,946	45,320
Building inspection	164,244	149,702	112,109
Crosswalk guards	<u>6,969</u>	<u>6,825</u>	<u>7,099</u>
	<u>214,816</u>	<u>210,473</u>	<u>164,528</u>
	<u>\$ 3,991,429</u>	<u>\$ 4,006,039</u>	<u>\$ 3,596,183</u>

MUNICIPALITY OF QUISPAMISIS

GENERAL REVENUE FUND SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008</u> Budget	<u>2008</u> Actual	<u>2007</u> Actual
TRANSPORTATION SERVICES			
Common services			
Works office	\$ 55,039	\$ 63,662	\$ 28,863
Engineering	<u>295,759</u>	<u>265,201</u>	<u>208,465</u>
	<u>350,798</u>	<u>328,863</u>	<u>237,328</u>
Roads and Streets			
Winter maintenance	1,313,378	1,454,445	1,323,070
Summer maintenance	837,937	935,807	741,400
Culverts and drainage ditches	<u>44,500</u>	<u>19,691</u>	<u>58,262</u>
	<u>2,195,815</u>	<u>2,409,943</u>	<u>2,122,732</u>
Street lighting	<u>110,431</u>	<u>102,105</u>	<u>101,228</u>
Traffic services			
Street signs	16,500	17,703	24,897
Traffic lane marking	32,500	23,478	26,682
Traffic signals	12,000	27,996	11,734
Railway crossings	<u>7,800</u>	<u>11,188</u>	<u>8,922</u>
	<u>68,800</u>	<u>80,365</u>	<u>72,235</u>
	<u>\$ 2,725,844</u>	<u>\$ 2,921,276</u>	<u>\$ 2,533,523</u>
ENVIRONMENTAL HEALTH SERVICES			
Clean up campaign	<u>\$ 133,250</u>	<u>\$ 126,742</u>	<u>\$ 123,061</u>
ENVIRONMENTAL DEVELOPMENT SERVICES			
Planning Advisory Committee	\$ 121,343	\$ 115,663	\$ 86,463
Enterprise Saint John	87,080	87,080	80,274
Town Beautification	45,400	26,955	29,008
Other	<u>36,600</u>	<u>45,357</u>	<u>27,640</u>
	<u>\$ 290,423</u>	<u>\$ 275,055</u>	<u>\$ 223,385</u>

MUNICIPALITY OF QUISPAMSI

GENERAL REVENUE FUND SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2008

	2008 Budget	2008 Actual	2007 Actual
RECREATIONAL AND CULTURAL SERVICES			
Administration	\$ 186,270	\$ 174,484	\$ 184,909
Facilities maintenance	73,046	79,066	74,356
Beaches	88,313	80,925	68,295
Arena	404,036	366,637	297,878
Parks and playgrounds	824,861	625,237	594,165
Recreation Centre	70,499	62,334	63,224
Civic Centre	47,550	41,847	46,837
Recreation programs	78,143	74,546	79,014
Regional Facilities Commission	299,196	299,193	337,530
Library	110,258	111,190	80,259
Warehouse	10,141	11,333	10,449
KV Fields Project (Note 13)	135,000	-	-
Food bank building	7,796	6,001	7,613
225 Hampton Road	4,793	1,826	2,161
Beach House	<u>41,994</u>	<u>36,884</u>	<u>39,954</u>
	\$ <u>2,381,896</u>	\$ <u>1,971,503</u>	\$ <u>1,886,644</u>
FISCAL SERVICES			
Debt charges			
Interest on long-term debt	\$ 385,834	\$ 395,772	\$ 425,074
Long-term debt repayments	1,062,000	1,084,817	1,049,323
Interest on short-term borrowings	18,701	11,915	17,571
Amortization of long-term discounts	<u>10,730</u>	<u>9,511</u>	<u>9,786</u>
	<u>1,477,265</u>	<u>1,502,015</u>	<u>1,501,754</u>
Transfers to (from)			
General Capital Fund	1,891,591	1,959,706	1,555,272
General Capital Reserve Fund	-	500,000	370,762
General Operating Reserve Fund	-	135,000	-
Utility Revenue Fund	<u>(8,947)</u>	<u>(8,947)</u>	<u>(8,952)</u>
	<u>1,882,644</u>	<u>2,585,759</u>	<u>1,917,082</u>
	\$ <u>3,359,909</u>	\$ <u>4,087,774</u>	\$ <u>3,418,836</u>

MUNICIPALITY OF QUISPAMISIS

UTILITY CAPITAL FUND BALANCE SHEET

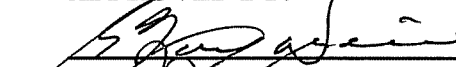
AS AT DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
ASSETS		
CURRENT		
Due from Province of New Brunswick (Note 2)	\$ -	\$ 10,801
Due from own funds (Notes 2 and 4)	<u>-</u>	<u>88,916</u>
	<u>-</u>	<u>99,717</u>
CAPITAL ASSETS (Notes 1, 5 and 7)	<u>22,634,537</u>	<u>22,483,798</u>
	<u>\$ 22,634,537</u>	<u>\$ 22,583,515</u>
LIABILITIES AND INVESTMENT IN CAPITAL ASSETS		
CURRENT		
Bank loan (Notes 2 and 3)	\$ -	\$ 1,300,000
Due to own funds (Notes 2 and 4)	<u>671,167</u>	<u>-</u>
	<u>671,167</u>	<u>1,300,000</u>
LONG-TERM (Notes 1, 2 and 6)	<u>4,409,000</u>	<u>4,697,000</u>
INVESTMENT IN CAPITAL ASSETS	<u>17,554,370</u>	<u>16,586,515</u>
	<u>\$ 22,634,537</u>	<u>\$ 22,583,515</u>

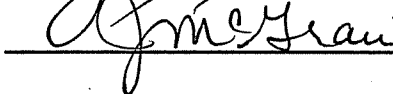
GUARANTEES (Note 10)

COMMITMENTS (Note 13)

APPROVED BY:



Mayor



Treasurer

MUNICIPALITY OF QUISPAMISIS

UTILITY CAPITAL FUND STATEMENT OF INVESTMENT IN CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
BALANCE AT BEGINNING OF YEAR	\$ <u>16,586,515</u>	\$ <u>15,358,665</u>
ADD:		
Grant from the Canada/New Brunswick Infrastructure Program for Engineering structures (Note 7)	-	226,122
Grant from the Canada/New Brunswick Gas Tax Transfer Program for Engineering structures (Notes 5 and 7)	560,656	616,728
Developer's infrastructure contribution	-	65,000
Contribution from Utility Revenue Fund: Long-term debt repayments	<u>418,000</u>	<u>320,000</u>
	<u>978,656</u>	<u>1,227,850</u>
LESS:		
Prior year accrued grant not received	<u>10,801</u>	<u>-</u>
BALANCE AT END OF YEAR	\$ <u>17,554,370</u>	\$ <u>16,586,515</u>

MUNICIPALITY OF QUISPAMISIS

UTILITY CAPITAL FUND STATEMENT OF CAPITAL FINANCING

FOR THE YEAR ENDED DECEMBER 31, 2008

	2008	2007
SOURCES		
Unapplied from previous year		
Due from own funds	\$ 88,916	\$ -
Province of New Brunswick	<u>10,801</u>	<u>98,563</u>
	<u>99,717</u>	<u>98,563</u>
Transfer from		
Canada/New Brunswick Infrastructure Program		
for Engineering Structures	-	226,122
Less: Account receivable from Canada/New Brunswick		
Infrastructure Program for Engineering Structures	-	(10,801)
Canada/New Brunswick Gas Tax Transfer Program		
for Engineering structures (Note 5)	560,656	616,728
Developer's infrastructure contribution	-	65,000
Utility Revenue Fund		
Long-term debt payments	<u>418,000</u>	<u>320,000</u>
	<u>978,656</u>	<u>1,217,049</u>
Proceeds from debenture issue (Note 6)	<u>130,000</u>	<u>960,000</u>
Temporary financing at end of year		
Proceeds from short-term bank loan	-	1,300,000
Temporary advances from own funds (Note 4)	<u>671,167</u>	<u>-</u>
	<u>671,167</u>	<u>1,300,000</u>
	<u>\$ 1,879,540</u>	<u>\$ 3,575,612</u>
APPLICATION		
Temporary financing at end of previous year		
Bank loan	\$ 1,300,000	\$ 1,420,000
Temporary advances from own funds (Note 4)	<u>-</u>	<u>1,059,876</u>
	1,300,000	2,479,876
Capital expenditures	150,739	686,820
Long-term debt repayments		
Utility revenue fund	418,000	320,000
Prior year accrued grant not received	10,801	-
Unapplied funds at end of year		
Temporary advances from own funds (Note 4)	<u>-</u>	<u>88,916</u>
	<u>\$ 1,879,540</u>	<u>\$ 3,575,612</u>

MUNICIPALITY OF QUISPAMSI

UTILITY REVENUE FUND BALANCE SHEET

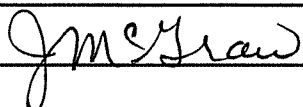
AS AT DECEMBER 31, 2008

	2008	2007
ASSETS		
CURRENT		
Cash (Note 2)	\$ 216,534	\$ 402,607
Accounts receivable (Note 2)	<u>260,680</u>	<u>265,050</u>
	<u>477,214</u>	<u>667,657</u>
UNAMORTIZED BOND DISCOUNT (Note 1)	<u>33,991</u>	<u>37,526</u>
	<u>\$ 511,205</u>	<u>\$ 705,183</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 2)	\$ 51,626	\$ 53,615
Due to own funds (Notes 2 and 4)	<u>25,497</u>	<u>253,997</u>
	<u>77,123</u>	<u>307,612</u>
SURPLUS		
SURPLUS AT BEGINNING OF YEAR	397,571	296,321
SURPLUS FOR THE YEAR	230,121	203,961
TRANSFER OF SECOND PREVIOUS YEAR'S SURPLUS (Note 1)	<u>(193,610)</u>	<u>(102,711)</u>
SURPLUS AT END OF YEAR	<u>434,082</u>	<u>397,571</u>
	<u>\$ 511,205</u>	<u>\$ 705,183</u>

GUARANTEE (Note 10)

COMMITMENTS (Note 13)

APPROVED BY:

_____	Mayor
	Treasurer

MUNICIPALITY OF QUISPAMISIS

UTILITY REVENUE FUND STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 2008

		2008 Budget	2008 Actual	2007 Actual
REVENUE (Note 1)	<u>Page</u>			
Sales of services	17	\$ 1,595,610	\$ 1,621,874	\$ 1,609,039
Other own sources	17	<u>40,100</u>	<u>61,114</u>	<u>96,055</u>
		<u>1,635,710</u>	<u>1,682,988</u>	<u>1,705,094</u>
EXPENDITURE (Note 1)				
Environmental health services				
Sewer collection and disposal	18	443,381	371,057	366,030
Water supply	18	278,247	163,731	177,353
Administration	18	334,203	332,440	320,394
Fiscal services	18	773,489	779,249	740,067
Surplus of second previous year (Note 1)		<u>(193,610)</u>	<u>(193,610)</u>	<u>(102,711)</u>
		<u>1,635,710</u>	<u>1,452,867</u>	<u>1,501,133</u>
SURPLUS FOR THE YEAR		<u>\$ -</u>	<u>\$ 230,121</u>	<u>\$ 203,961</u>

MUNICIPALITY OF QUISPAMISIS

UTILITY REVENUE FUND SUPPLEMENTARY SCHEDULE OF REVENUE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2008

	2008 Budget	2008 Actual	2007 Actual
SALES OF SERVICES			
User Fees			
Residential	\$ 1,307,980	\$ 1,308,928	\$ 1,258,794
Commercial	36,040	38,484	32,347
Institutional	93,840	100,320	87,040
Residential water sales	65,000	74,403	64,619
Commercial water sales	15,000	14,984	11,808
Institutional water sales	-	1,055	-
Water transfer costs	6,000	6,000	5,760
User fee discounts	<u>(10,000)</u>	<u>(8,550)</u>	<u>(8,960)</u>
	<u>1,513,860</u>	<u>1,535,624</u>	<u>1,451,408</u>
Connection fees			
Water	20,750	9,750	63,341
Sewer	<u>61,000</u>	<u>76,500</u>	<u>94,290</u>
	<u>81,750</u>	<u>86,250</u>	<u>157,631</u>
	<u>\$ 1,595,610</u>	<u>\$ 1,621,874</u>	<u>\$ 1,609,039</u>
OTHER OWN SOURCES			
Interest on user fees	\$ 35,700	\$ 40,049	\$ 44,579
Interest on current account	4,400	11,186	6,289
Miscellaneous	<u>-</u>	<u>9,879</u>	<u>45,187</u>
	<u>\$ 40,100</u>	<u>\$ 61,114</u>	<u>\$ 96,055</u>

MUNICIPALITY OF QUISPAMSIS

UTILITY REVENUE FUND SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2008

	2008 Budget	2008 Actual	2007 Actual
ENVIRONMENTAL HEALTH SERVICES			
Sewer collection and disposal			
Sewer collection system	\$ 112,831	\$ 86,404	\$ 112,617
Sewer lift stations	201,417	187,330	155,336
Treatment and disposal	<u>129,133</u>	<u>97,323</u>	<u>98,077</u>
	<u>\$ 443,381</u>	<u>\$ 371,057</u>	<u>\$ 366,030</u>
Water supply			
Treatment	\$ 42,697	\$ 31,503	\$ 42,745
Wellfields	55,400	18,729	34,405
Pump	20,500	3,742	18,153
Infrastructure	<u>159,650</u>	<u>109,757</u>	<u>82,050</u>
	<u>\$ 278,247</u>	<u>\$ 163,731</u>	<u>\$ 177,353</u>
Administration	<u>\$ 334,203</u>	<u>\$ 332,440</u>	<u>\$ 320,394</u>
FISCAL SERVICES			
Debt charges			
Long-term debt repayments	\$ 418,000	\$ 418,000	\$ 320,000
Interest on long-term debt	231,328	225,386	223,430
Interest on short-term debt	68,400	50,687	39,828
Amortization of long-term debt discounts	<u>3,520</u>	<u>4,229</u>	<u>3,857</u>
	<u>721,248</u>	<u>698,302</u>	<u>587,115</u>
Transfers to:			
General Revenue Fund	8,947	8,947	8,952
Utility Capital Reserve Fund	43,294	72,000	67,000
Utility Operating Reserve Fund	<u>-</u>	<u>-</u>	<u>77,000</u>
	<u>52,241</u>	<u>80,947</u>	<u>152,952</u>
	<u>\$ 773,489</u>	<u>\$ 779,249</u>	<u>\$ 740,067</u>

MUNICIPALITY OF QUISPAMISIS

LAND TRUST FUND BALANCE SHEET

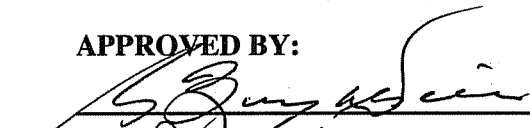
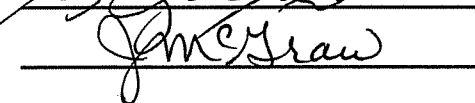
AS AT DECEMBER 31, 2008

	2008	2007
ASSETS		
CURRENT		
Cash (Note 2)	\$ 149,273	\$ 102,701
Due from own funds (Notes 2 and 4)	<u>1,850</u>	<u>-</u>
	<u>\$ 151,123</u>	<u>\$ 102,701</u>
LIABILITIES		
CURRENT		
Due to own funds (Notes 2 and 4)	\$ -	\$ 292
NET ASSETS		
NET ASSETS	<u>151,123</u>	<u>102,409</u>
	<u>\$ 151,123</u>	<u>\$ 102,701</u>

GUARANTEES (Note 10)

COMMITMENTS (Note 13)

APPROVED BY:

 Mayor
 Treasurer

MUNICIPALITY OF QUISPAMSIS

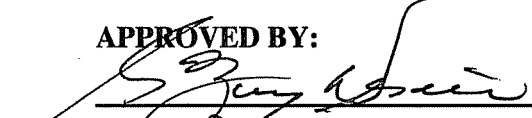
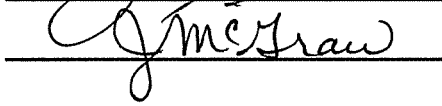
LAND TRUST FUND STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
NET ASSETS AT BEGINNING OF YEAR	\$ <u>102,409</u>	\$ <u>63,430</u>
ADD:		
Lot fees	45,100	35,550
Interest	<u>3,614</u>	<u>3,429</u>
	<u>48,714</u>	<u>38,979</u>
NET ASSETS AT END OF YEAR	\$ <u><u>151,123</u></u>	\$ <u><u>102,409</u></u>

MUNICIPALITY OF QUISPAMISIS

GENERAL RESERVE FUNDS BALANCE SHEET

AS AT DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
ASSETS		
CURRENT		
Cash (Note 2)	\$ 1,335,115	\$ 1,361,185
Due from own funds (Notes 2 and 4)	<u>700,238</u>	<u>-</u>
	<u>\$ 2,035,353</u>	<u>\$ 1,361,185</u>
NET ASSETS		
GENERAL CAPITAL (Note 1)	\$ 1,900,353	\$ 1,361,185
GENERAL OPERATING (Note 1)	<u>135,000</u>	<u>-</u>
	<u>\$ 2,035,353</u>	<u>\$ 1,361,185</u>
GUARANTEES (Note 10)		
COMMITMENTS (Note 13)		
APPROVED BY:		
 _____	Mayor	
 _____	Treasurer	

MUNICIPALITY OF QUISPAMISIS

GENERAL RESERVE FUNDS STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
<u>GENERAL CAPITAL RESERVE</u>		
NET ASSETS AT BEGINNING OF YEAR	\$1,361,185	\$ 949,691
ADD:		
Contributions from General Revenue Fund	500,000	370,762
Interest	<u>39,168</u>	<u>40,732</u>
	<u>539,168</u>	<u>411,494</u>
NET ASSETS AT END OF YEAR	\$ <u>1,900,353</u>	\$ <u>1,361,185</u>
<u>GENERAL OPERATING RESERVE</u>		
NET ASSETS AT BEGINNING OF YEAR	\$ -	\$ -
ADD:		
Contributions from General Revenue Fund	<u>135,000</u>	-
NET ASSETS AT END OF YEAR	\$ <u>135,000</u>	\$ -

MUNICIPALITY OF QUISPAM SIS

UTILITY RESERVE FUNDS BALANCE SHEET

AS AT DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
ASSETS		
CURRENT		
Cash (Note 2)	\$ 332,746	\$ 186,000
Due from own funds (Notes 2 and 4)	<u>2,529</u>	<u>69,951</u>
	<u>\$ 335,275</u>	<u>\$ 255,951</u>
NET ASSETS		
UTILITY CAPITAL (Note 1)	\$ 256,161	\$ 178,951
UTILITY OPERATING (Note 1)	<u>79,114</u>	<u>77,000</u>
	<u>\$ 335,275</u>	<u>\$ 255,951</u>
GUARANTEES (Note 10)		
COMMITMENTS (Note 13)		
APPROVED BY:		
_____ Mayor		
_____ Treasurer		

MUNICIPALITY OF QUISPAMISIS

UTILITY RESERVE FUNDS STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>2008</u>	<u>2007</u>
<u>UTILITY CAPITAL RESERVE</u>		
NET ASSETS AT BEGINNING OF YEAR	\$ <u>178,951</u>	\$ <u>107,412</u>
ADD:		
Contributions from Utility Revenue Fund - Wastewater System Upgrade Project (Note 1)	22,000	22,000
Contributions from Utility Revenue Fund	50,000	45,000
Interest	<u>5,210</u>	<u>4,539</u>
	<u>77,210</u>	<u>71,539</u>
NET ASSETS AT END OF YEAR	\$ <u>256,161</u>	\$ <u>178,951</u>
<u>UTILITY OPERATING RESERVE</u>		
NET ASSETS AT BEGINNING OF YEAR	\$ <u>77,000</u>	\$ <u>-</u>
ADD:		
Contributions from Utility Revenue Fund	-	77,000
Interest	<u>2,114</u>	<u>-</u>
	<u>2,114</u>	<u>77,000</u>
NET ASSETS AT END OF YEAR	\$ <u>79,114</u>	\$ <u>77,000</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

These financial statements have been prepared to conform in all material respects to the accounting principles prescribed for New Brunswick Municipalities by the Department of Local Government.

General Revenue Fund

Inventories

Inventories are valued at the lower of average cost and net realizable value.

Annual Surplus/Deficit

The second previous year's surpluses or deficits of the Municipality are included in the operations of the current year.

Utility Revenue Fund

Annual Surplus/Deficit

The second previous year's surpluses or deficits of the Municipality are included in the operations of the current year.

Land Trust Fund

In accordance with the Community Planning Act, the Municipality is required to set aside up to 10% of any land subdivided, or up to 8% of the monetary value of such land, as a reserve. In addition, any proceeds on the sale of public lands acquired through public dedication must be reserved. These funds can only be used for the purchase or development of public lands.

General Capital Reserve Fund

The use of the General Capital Reserve Fund is restricted to capital expenditures of the General Fund. The intention is to use these funds for future expenditures and reduce future borrowing requirements. As at December 31, 2008, \$313,762 (2007 - \$120,762) of this reserve has been committed to purchase equipment for the Kennebecasis Valley Fire Department Inc. in 2009.

Utility Capital Reserve Fund

The use of the Utility Capital Reserve Fund is restricted to capital expenditures of the Utility Fund. The intention is to use these funds for future expenditures and reduce future borrowing requirements.

A portion of this reserve relates to a funding agreement with the Province of New Brunswick for the Wastewater System Upgrade Project. Under the terms of the agreement, the Municipality is required to contribute \$22,000 plus interest annually to this reserve to cover the future replacement costs of short life items relating to this project. As at December 31, 2008 a total of \$93,349 (2007 - \$69,331) has been accumulated under this agreement. Disbursement of these funds are subject to approval from the Province of New Brunswick.

MUNICIPALITY OF QUISPAMSI

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd).

General Operating Reserve Fund

The use of the General Operating Reserve Fund is restricted to expenditures of the General Revenue Fund.

Utility Operating Reserve Fund

The use of the Utility Operating Reserve Fund is restricted to expenditures of the Utility Revenue Fund.

Capital Assets

Capital assets are stated at cost in the Capital Funds. The Municipality does not record amortization on its capital assets. Capital expenditures financed through the Operating Funds are recorded as capital expenditures out of revenue in the Operating Funds and as an addition to equity in the Capital Funds.

The cost of disposed assets is recorded as a reduction of equity in the Capital Funds.

Unamortized Bond Discounts

Bond discounts are amortized over the life of the respective serial debenture.

Revenue Recognition

Unrestricted revenue is recorded on an accrual basis and is recognized when the service has been completed and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Expenditure Recognition

Expenditures are recorded on an accrual basis.

Principal payments on long-term debt are recorded as an expense of the Operating Funds and as an increase in equity in the Capital Funds when paid. Interest on long-term debt is recorded on the accrual basis.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and 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.

Examples of significant estimates include:

- allowance for doubtful accounts; and
- the recoverability of tangible assets.

MUNICIPALITY OF QUISPAMISIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

2. FINANCIAL INSTRUMENTS

The Municipality's financial instruments consist of cash, accounts receivable, HST recoverable, due from own funds, due from Province of New Brunswick, local improvement levy receivable, bank loans, accounts payable and accrued liabilities, due to own funds and long-term debt. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

3. SHORT-TERM BORROWING

The Municipality has arranged a revolving operating facility to provide interim financing for capital expenditures. In 2007, the short-term borrowing was supported by an Order in Council which authorized the Municipality to apply for long-term financing from the Municipal Capital Borrowing Board. The short-term borrowing was repaid in the current year with proceeds from a long-term debenture.

The Municipality has remaining outstanding authority for short-term borrowings as follows:

Utility Capital Fund, OIC #06-71	\$ 1,121,311
Utility Capital Fund, OIC #07-12	290,000
Utility Capital Fund, OIC #07-12	<u>300,000</u>
	<u>\$ 1,711,311</u>

OIC #06-71 relates to interim financing for a term not to exceed five years.

4. INTERFUND BORROWING

The Municipalities Act of New Brunswick requires that short-term interfund borrowings, other than those for approved capital projects, be repaid within the next year or be included in the next ensuing year's budget for the respective operating funds. The short-term interfund borrowings for other than approved capital projects at December 31, 2007 were repaid prior to December 31, 2008.

5. CANADA/NEW BRUNSWICK GAS TAX TRANSFER PROGRAM

The Municipality has been granted \$2,803,280 over five years (2006-2010) under this program. The funds will be spent on capital projects meeting the criteria established by the Federal and Provincial Governments. During the year, the Municipality spent \$123,845 (2007 - \$325,886) on the water reservoir and watermain project, a qualifying capital project, and \$560,656 (2007 - \$616,728) was received through this program towards the overall cost of the project. The additional costs associated with this project are being funded with interim financing and will be repaid as additional funds are received under this program.

MUNICIPALITY OF QUISPAMSIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

6. LONG-TERM DEBT

General Capital Fund

	Balance January 1, 2008	Issued during year	Redeemed during year	Balance December 31, 2008
New Brunswick Municipal Financing Corporation Debentures:				
AF13 5.125 - 5.5%, due December 2008, OIC # 96-54, 98-29	\$ 163,000	\$ -	\$ 163,000	\$ -
AH19 5.7 - 6.5%, due December 2009, OIC # 98-29, 99-25	555,000	-	121,000	434,000
AJ20 6.0 - 6.125%, due December 2020, OIC # 99-72, 99-25	1,526,000	-	179,000	1,347,000
AK12 4.45 - 6.2%, due July 2021, OIC # 99-72, 00-43	674,000	-	99,000	575,000
AL20 2.45 - 5.5%, due November 2011, OIC # 00-43, 1-11	443,000	-	102,000	341,000
AO13 3.05 - 5.0%, due July 2013, OIC# 1-11, 2-15, 2-51	1,103,000	-	81,000	1,022,000
AQ06 2.75 - 5.5% due July 2014, OIC# 2-51, 3-34	741,000	-	78,000	663,000
AS07 2.85 - 4.35%, due July 2015, OIC # 03-34, 04-08	721,000	-	91,000	630,000
AU09 4.25 - 4.7%, due June 2016, OIC # 05-55	781,000	-	72,000	709,000
AW06 4.3 - 4.55%, due May 2017, OIC # 06-71	700,000	-	76,000	624,000
AY14 3.3 - 4.85%, due May 2018, OIC # 07-12	-	500,000	-	500,000
	<u>7,407,000</u>	<u>500,000</u>	<u>1,062,000</u>	<u>6,845,000</u>
Capital leases:				
HSBC Bank Canada, 5.875%, due March 2013, secured by equipment	101,612	-	17,309	84,303
HSBC Bank Canada, 5.925%, due July 2015, secured by equipment	-	87,400	5,508	81,892
	<u>101,612</u>	<u>87,400</u>	<u>22,817</u>	<u>166,195</u>
	<u>\$ 7,508,612</u>	<u>\$ 587,400</u>	<u>\$ 1,084,817</u>	<u>\$ 7,011,195</u>

MUNICIPALITY OF QUISPAMSIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

6. LONG-TERM DEBT (cont'd)

Approval of the Municipal Capital Borrowing Board has been obtained for the Corporate debentures and the capital leases.

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

2009	\$ 1,322,972
2010	1,886,726
2011	986,587
2012	532,560
2013	1,057,423

In 2009, debenture AH19 will mature with a final amount due of \$434,000, however \$305,000 of this payment is expected to be refinanced during that year. In 2010, debenture AJ20 will mature with a final amount due of \$1,157,000, however \$955,000 of this payment is expected to be refinanced during that year. In 2011, debenture AK21 will mature with a final amount due of \$358,000, however \$240,000 of this payment is expected to be refinanced during that year. In 2013, debenture AO13 will mature with a final amount due of \$664,000, however \$564,000 of this payment is expected to be refinanced during that year.

Utility Capital Fund

	Balance January 1, 2008	Issued during year	Redeemed during year	Balance December 31, 2008
New Brunswick Municipal Financing Corporation Debentures:				
AH20 5.7 - 6.5%, due December 2009, OIC # 99-25	\$ 147,000	\$ -	\$ 71,000	\$ 76,000
AJ21 6% - 6.125%, due December 2010, OIC # 99-25	110,000	-	34,000	76,000
AK13 4.45 - 6.2%, due July 2021, OIC # 00-43	474,000	-	25,000	449,000
AL21 2.45 - 5.5%, due November 2021, OIC # 00-43, 01-11	333,000	-	24,000	309,000
AP51 2.75 - 4.25%, due December 2008, OIC # 93-22	26,000	-	26,000	-
AQ07 2.75 - 5.5%, due July 2014, OIC # 01-11, 02-15	260,000	-	32,000	228,000
AR22 2.75 - 4.0%, due December 2009, OIC # 93-22	34,000	-	17,000	17,000
AS08 2.85 - 4.35%, due July 2015, OIC # 02-15	140,000	-	15,000	125,000
AU10 4.25 - 4.7%, due June 2016, OIC # 94-13, 93-22	2,213,000	-	91,000	2,122,000
AW07 4.3 - 4.55%, due November 2017, OIC # 05-55, 05-105, 05-91	960,000	-	83,000	877,000
AY15 3.5 - 4.85%, due May 2018, OIC # 06-71, 07-12	-	130,000	-	130,000
	<u>\$ 4,697,000</u>	<u>\$ 130,000</u>	<u>\$ 418,000</u>	<u>\$ 4,409,000</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

6. LONG-TERM DEBT (cont'd)

Approval of the Municipal Capital Borrowing Board has been obtained for the long-term debt.

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

2009	\$ 434,000
2010	357,000
2011	922,000
2012	273,000
2013	274,000

In 2011, debentures AK13 and AL21 will mature with final amounts due of \$393,000 and \$256,000 respectively. It is anticipated that \$363,000 (AK13) and \$228,000 (AL21) of these payments will be refinanced during that year.

7. CAPITAL ASSETS

	<u>2008</u>	<u>2007</u>
<u>General Capital Fund</u>		
Land	\$ 1,076,105	\$ 1,201,627
Buildings	5,286,089	5,196,546
Engineering structures	19,759,818	18,480,248
Machinery and equipment	3,141,875	2,710,540
Recreation facilities	3,289,479	2,395,250
Investment in fire department assets	<u>1,729,547</u>	<u>1,386,841</u>
	<u>\$ 34,282,913</u>	<u>\$ 31,371,052</u>

During the year, grants totaling \$2,000 (2007 - \$61,946) were recorded from the Government of Canada and the Province of New Brunswick for capital assets acquired in the General Capital Fund.

	<u>2008</u>	<u>2007</u>
<u>Utility Capital Fund</u>		
Land	\$ 321,817	\$ 317,680
Engineering structures	18,243,790	18,097,188
Machinery and equipment	<u>4,068,930</u>	<u>4,068,930</u>
	<u>\$ 22,634,537</u>	<u>\$ 22,483,798</u>

During the year, there were no grants (2007 - \$215,321) recorded from the Province of New Brunswick under the Canada/New Brunswick Infrastructure Program for capital assets acquired in the Utility Capital Fund. In addition, an accrued grant of \$10,801 from the prior year was not received, and has been subsequently reversed in the current year. Grants totaling \$560,656 (2007 - \$616,728) were recorded from the Canada/New Brunswick Gas Tax Transfer Program for capital assets acquired in the Utility Capital Fund.

MUNICIPALITY OF QUISPAMISIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

8. EMPLOYEE PENSION PLAN

The Municipality and its employees participate in a multi-employer defined benefit pension plan administered by a board elected by the members under the provisions of the Municipalities Act of New Brunswick. Pensions are provided based on length of service and best average earnings.

An actuarial valuation prepared as at December 31, 2006 indicated the present value of the accumulated plan benefits exceeded the market value of the net assets available for these benefits. The pension plan has been granted a solvency deficiency exemption by the Province of New Brunswick. On a going concern valuation basis, the actuarial valuation indicated a plan deficit of \$1,681,800, and based on the assumptions as at December 31, 2006, 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. The actuarial valuation report does not provide sufficient information to fully apply defined benefit plan accounting to individual employers and therefore, the pension plan expense is determined based on the Municipality's annual contributions to the plan.

9. OPERATING BORROWING COMPLIANCE

As prescribed in the Municipalities Act, borrowing to finance General Revenue Fund operations is limited to 4% of the Municipality's budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2008, the Municipality has complied with these restrictions.

10. RELATED PARTY TRANSACTIONS

The Municipality funds certain community organizations of which it has influence over their budgets and limited influence over their operations. The organizations and the amounts paid to (received from) these organizations include:

	<u>2008</u>	<u>2007</u>
Kennebecasis Public Library Inc.	\$ <u>111,190</u>	\$ <u>80,259</u>
Rothsay Regional Joint Board of Police Commissioners:		
Police Protection	2,130,795	1,925,342
911 Communications	<u>163,192</u>	<u>151,228</u>
	<u>2,293,987</u>	<u>2,076,570</u>
Kennebecasis Valley Fire Department Inc.		
Contribution for:		
Fire Protection	1,486,469	1,342,371
Received for:		
Fire station rentals	(40,942)	(40,942)
Fire administration fee	<u>(29,917)</u>	<u>-</u>
	<u>1,415,610</u>	<u>1,301,429</u>
	\$ <u>3,820,787</u>	\$ <u>3,458,258</u>

MUNICIPALITY OF QUISPAM SIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

10. RELATED PARTY TRANSACTIONS (cont'd)

The Municipality has agreed to pay its proportionate share of any operating deficit and to guarantee its proportionate share of any liabilities of the above organizations. In addition, the Municipality has guaranteed its proportionate share of any debt incurred for capital projects for the Rothesay Regional Joint Board of Police Commissioners and the Kennebecasis Public Library Inc.

At December 31, 2008, the Town has guaranteed its proportional share (54.981%) of the \$2,002,000 outstanding debt incurred by the Rothesay Joint Board of Police Commissioners on the construction of their police station.

11. SICK LEAVE BENEFITS

Sick leave benefits do not vest to employees and accordingly no liability for sick leave exists at December 31, 2008.

12. DEFERRED REVENUE

Deferred revenue represents contributions to projects that have yet to be started or completed.

13. COMMITMENTS

Kennebecasis Valley High School Fields Project

In 2008, the Municipality committed an additional \$165,000 to this project, bringing the total commitment to \$300,000. The funding is contingent upon the project proceeding with all other required funding having been secured.

Office equipment

The Municipality has entered into long-term lease agreements for certain office equipment which have been accounted for as operating leases. The future minimum payments over the next four years are as follows:

2009	\$ 13,080
2010	7,689
2011	5,892
2012	491

MUNICIPALITY OF QUISPAMISIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

14. LOCAL IMPROVEMENT LEVIES

The Municipality has passed six by-laws for separate special warrants of assessment to certain residents for local improvements made to municipally owned land which fronts their properties. The assessment can be paid in a lump sum, or by equal annual installments over ten years including interest equal to the rate paid by the Municipality for its most recent debenture sale (2008 - 4.18%). All payments are due by May 31 each year. The balance consists of:

	<u>2008</u>	<u>2007</u>
Total assessments	\$ 213,540	\$ 159,130
Less: Minimum payments due within one year	<u>35,711</u>	<u>16,171</u>
	<u>\$ 177,829</u>	<u>\$ 142,959</u>

15. CONTINGENT LIABILITY

In the normal course of operations, the Municipality becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at December 31, 2008 cannot be predicted with certainty, it is the opinion of management that resolution of these matters will not have a material adverse effect as the Municipality maintains insurance coverage in amounts considered appropriate.

16. CHANGE IN ACCOUNTING POLICY

The Municipality currently prepares its financial statements to comply with the accounting principles prescribed for New Brunswick municipalities by the Department of Local Government. The Department has indicated that municipalities will be required to adopt recommendations of the Canadian Institute of Chartered Accountants' Public Sector Accounting Board's new reporting model PS 1000, 1100, 1200 and 3150. The Department has yet to establish a policy or implementation date on this matter.

MUNICIPALITY OF QUISPAMISIS

SCHEDULE OF INTERFUND BALANCES

AS AT DECEMBER 31, 2008

	2008	2007
<u>General Capital Fund</u>		
Due to		
General Revenue Fund	\$ <u>(783,150)</u>	\$ <u>(381,028)</u>
<u>General Revenue Fund</u>		
Due from (to)		
General Capital Fund	\$ 783,150	\$ 381,028
Utility Revenue Fund	25,497	176,997
Utility Capital Fund	671,167	(88,916)
Land Trust Fund	(1,850)	292
General Capital Reserve Fund	(700,238)	-
Utility Capital Reserve Fund	<u>(2,529)</u>	<u>7,049</u>
	\$ <u>775,197</u>	\$ <u>476,450</u>
<u>Utility Capital Fund</u>		
Due from (to)		
General Revenue Fund	\$ <u>(671,167)</u>	\$ <u>88,916</u>
<u>Utility Revenue Fund</u>		
Due to		
General Revenue Fund	\$ (25,497)	\$ (176,997)
Utility Operating Reserve Fund	<u>-</u>	<u>(77,000)</u>
	\$ <u>(25,497)</u>	\$ <u>(253,997)</u>
<u>Land Trust Fund</u>		
Due from (to)		
General Revenue Fund	\$ <u>1,850</u>	\$ <u>(292)</u>
<u>General Capital Reserve Fund</u>		
Due from		
General Revenue Fund	\$ <u>700,238</u>	\$ <u>-</u>
<u>Utility Reserve Funds</u>		
Utility Capital		
Due from (to)		
General Revenue Fund	\$ 2,529	\$ (7,049)
Utility Operating		
Due from		
Utility Revenue Fund	<u>-</u>	<u>77,000</u>
	\$ <u>2,529</u>	\$ <u>69,951</u>