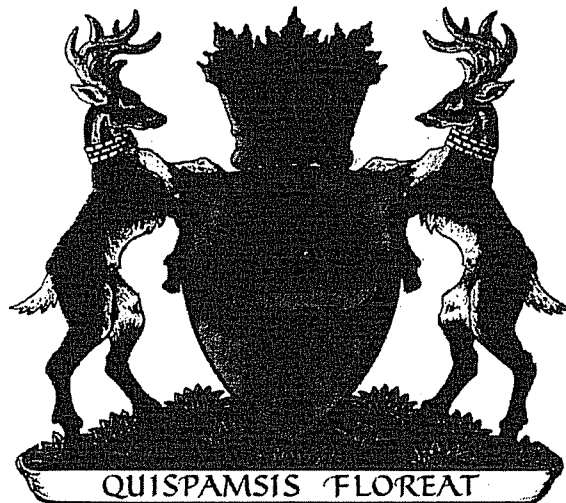


MUNICIPALITY OF QUISPAMISIS

FINANCIAL STATEMENTS

DECEMBER 31, 2009



MUNICIPALITY OF QUISPAMISIS

DECEMBER 31, 2009

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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, 2009 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, 2009 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

April 8, 2010
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**

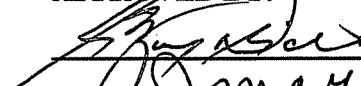
AS AT DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u>
ASSETS		
CAPITAL		
Capital assets (Notes 1 and 7)	\$ <u>43,796,326</u>	\$ <u>34,282,913</u>
LIABILITIES AND INVESTMENT IN CAPITAL ASSETS		
CURRENT		
Due to own funds (Notes 2 and 4)	\$ <u>4,505,110</u>	\$ <u>783,150</u>
LONG-TERM (Notes 1, 2 and 6)	<u>5,993,223</u>	<u>7,011,195</u>
INVESTMENT IN CAPITAL ASSETS	<u>33,297,993</u>	<u>26,488,568</u>
	\$ <u>43,796,326</u>	\$ <u>34,282,913</u>

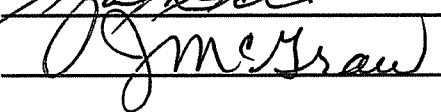
GUARANTEES (Note 10)

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, 2009

	2009	2008
BALANCE AT BEGINNING OF YEAR	<u>\$ 26,488,568</u>	<u>\$ 23,481,412</u>
ADD:		
Grant from the Government of Canada		
Land and Recreation facilities (Note 7)	2,700,000	-
Machinery and equipment (Note 7)	-	2,000
Grants from the Province of New Brunswick		
Land and Recreation facilities (Note 7)	25,000	-
Contributions from local improvement levy	45,691	93,200
Contributions from own funds		
General Capital Reserve Fund	620,762	-
General Revenue Fund		
Capital expenditures	2,465,000	1,959,706
Long-term debt payments	<u>1,017,972</u>	<u>1,084,817</u>
	<u>6,874,425</u>	<u>3,139,723</u>
LESS:		
Cost of capital assets disposed of during the year	<u>65,000</u>	<u>132,567</u>
BALANCE AT END OF YEAR	<u>\$ 33,297,993</u>	<u>\$ 26,488,568</u>

MUNICIPALITY OF QUISPAMISIS

GENERAL CAPITAL FUND STATEMENT OF CAPITAL FINANCING

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u>
SOURCES		
Transfers from		
Government of Canada		
Land and Recreation facilities	\$ 2,700,000	\$ -
Machinery and equipment	-	2,000
Province of New Brunswick		
Land and Recreation facilities	25,000	-
Local improvement levy	45,691	93,200
Own funds		
General Capital Reserve Fund	620,762	-
General Revenue Fund		
Capital expenditures	2,465,000	1,959,706
Long-term debt payments	<u>1,017,972</u>	<u>1,084,817</u>
	<u>6,874,425</u>	<u>3,139,723</u>
Proceeds from debenture issue (Note 6)	<u>305,000</u>	<u>500,000</u>
Proceeds from capital lease (Note 6)	<u>-</u>	<u>87,400</u>
Temporary financing at end of year		
Temporary advances from own funds (Note 4)	<u>4,505,110</u>	<u>783,150</u>
	<u>\$ 11,684,535</u>	<u>\$ 4,510,273</u>
APPLICATION		
Temporary financing at end of previous year		
Temporary advances from own funds	\$ 783,150	\$ 381,028
Capital expenditures	9,578,413	3,044,428
Long-term debt payments	<u>1,322,972</u>	<u>1,084,817</u>
	<u>\$ 11,684,535</u>	<u>\$ 4,510,273</u>

MUNICIPALITY OF QUISPAMISIS

GENERAL REVENUE FUND BALANCE SHEET


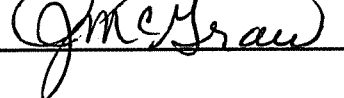
AS AT DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u>
ASSETS		
CURRENT		
Cash (Note 2)	\$ 141,668	\$ 129,835
Accounts receivable (Note 2)	138,837	90,094
HST recoverable	723,208	142,927
Due from own funds (Notes 2 and 4)	2,620,976	775,197
Current portion of local improvement levy receivable	27,452	35,711
Inventories (Note 1)	105,770	80,118
Prepaid expenses	<u>9,490</u>	<u>12,089</u>
	<u>3,767,401</u>	<u>1,265,971</u>
LOCAL IMPROVEMENT LEVY RECEIVABLE (Notes 2 and 14)	<u>185,869</u>	<u>177,829</u>
UNAMORTIZED BOND DISCOUNT (Note 1)	<u>66,764</u>	<u>72,937</u>
	<u>\$ 4,020,034</u>	<u>\$ 1,516,737</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 2)	\$ 3,958,514	\$ 1,509,888
Deferred revenue (Note 12)	<u>59,685</u>	<u>3,500</u>
	<u>4,018,199</u>	<u>1,513,388</u>
SURPLUS		
SURPLUS AT BEGINNING OF YEAR	3,349	5,800
SURPLUS FOR THE YEAR	1,445	390
TRANSFER OF SECOND PREVIOUS YEAR'S SURPLUS (Note 1)	<u>(2,959)</u>	<u>(2,841)</u>
SURPLUS AT END OF YEAR	<u>1,835</u>	<u>3,349</u>
	<u>\$ 4,020,034</u>	<u>\$ 1,516,737</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, 2009

		2009 Budget	2009 Actual	2008 Actual
REVENUE (Note 1)	<u>Page</u>			
Warrant of assessment		\$ 14,475,638	\$ 14,475,638	\$ 12,701,742
Sale of services	7	343,255	350,446	348,485
Services to other governments				
Province of New Brunswick	7	45,701	45,700	44,705
Other revenue from own sources	7	282,624	354,218	729,079
Conditional transfers	7	55,000	63,453	83,336
Unconditional transfers, Provincial		839,880	839,880	839,880
Other transfers	7	<u> -</u>	<u> 135,000</u>	<u> -</u>
		<u>16,042,098</u>	<u>16,264,335</u>	<u>14,747,227</u>
 EXPENDITURE (Note 1)				
General government services	8	1,531,551	1,493,141	1,361,291
Protective services	9	4,511,013	4,491,771	4,006,037
Transportation services	10	3,050,552	3,251,760	2,921,276
Environmental health services	10	137,247	139,755	126,742
Environmental development services	10	358,629	276,355	275,056
Recreation and cultural services	11	2,391,913	2,224,586	1,971,501
Fiscal services	11	4,064,151	4,388,481	4,087,775
Surplus of second previous year (Note 1)		<u> (2,958)</u>	<u> (2,959)</u>	<u> (2,841)</u>
		<u>16,042,098</u>	<u>16,262,890</u>	<u>14,746,837</u>
 SURPLUS FOR THE YEAR		<u>\$ -</u>	<u>\$ 1,445</u>	<u>\$ 390</u>

MUNICIPALITY OF QUISPAMISIS

GENERAL REVENUE FUND SUPPLEMENTARY SCHEDULE OF REVENUE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2009

	2009 Budget	2009 Actual	2008 Actual
SALE OF SERVICES			
Arena, building and other rentals	\$ 320,645	\$ 325,305	\$ 323,054
Recreational programs	<u>22,610</u>	<u>25,141</u>	<u>25,431</u>
	<u>\$ 343,255</u>	<u>\$ 350,446</u>	<u>\$ 348,485</u>
SERVICES TO OTHER GOVERNMENTS			
Provincial highways	<u>\$ 45,701</u>	<u>\$ 45,700</u>	<u>\$ 44,705</u>
OTHER REVENUE FROM OWN SOURCES			
Licenses, permits, and fines	\$ 230,269	\$ 255,308	\$ 274,653
Return on investments	20,340	14,384	61,605
Other	<u>32,015</u>	<u>84,526</u>	<u>392,821</u>
	<u>\$ 282,624</u>	<u>\$ 354,218</u>	<u>\$ 729,079</u>
CONDITIONAL TRANSFERS			
Recreation grants	<u>\$ 55,000</u>	<u>\$ 63,453</u>	<u>\$ 83,336</u>
TRANSFERS FROM			
General Operating Reserve Fund	<u>\$ -</u>	<u>\$ 135,000</u>	<u>\$ -</u>

MUNICIPALITY OF QUISPAMISIS

GENERAL REVENUE FUND SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2009

	2009 Budget	2009 Actual	2008 Actual
GENERAL GOVERNMENT SERVICES			
Legislative			
Mayor's office	\$ 40,855	\$ 36,118	\$ 33,376
Councillors' office	167,592	142,287	131,641
Other	<u>21,600</u>	<u>23,353</u>	<u>21,298</u>
	<u>230,047</u>	<u>201,758</u>	<u>186,315</u>
Administrative			
Manager's office	249,031	227,733	159,167
Clerk's office	109,495	99,815	87,690
Office building	86,890	80,468	113,265
Solicitor	89,116	84,702	87,139
Other	<u>32,000</u>	<u>31,746</u>	<u>36,706</u>
	<u>566,532</u>	<u>524,464</u>	<u>483,967</u>
Financial management			
Administration	238,660	232,630	226,205
External audit	<u>15,750</u>	<u>15,778</u>	<u>15,213</u>
	<u>254,410</u>	<u>248,408</u>	<u>241,418</u>
Other government services			
Civic relations	139,600	166,221	81,759
Public liability insurance	87,894	93,909	146,753
Scholarships and grants	2,500	1,600	1,700
Cost of assessment	235,568	235,568	200,725
Other	<u>15,000</u>	<u>21,213</u>	<u>18,654</u>
	<u>480,562</u>	<u>518,511</u>	<u>449,591</u>
	<u>\$ 1,531,551</u>	<u>\$ 1,493,141</u>	<u>\$ 1,361,291</u>

MUNICIPALITY OF QUISPAMISIS

GENERAL REVENUE FUND SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2009

	2009 Budget	2009 Actual	2008 Actual
PROTECTIVE SERVICES			
Police			
Police department	\$ 2,365,613	\$ 2,365,099	\$ 2,130,795
Fire			
Fire department	1,717,950	1,716,303	1,486,469
Water transfer costs	<u>6,240</u>	<u>6,240</u>	<u>6,000</u>
	<u>1,724,190</u>	<u>1,722,543</u>	<u>1,492,469</u>
Emergency measures			
Telephone 911	179,568	179,568	163,192
Emergency measures organization	<u>5,595</u>	<u>6,686</u>	<u>6,310</u>
	<u>185,163</u>	<u>186,254</u>	<u>169,502</u>
Other			
Animal and pest control	54,498	45,973	53,946
Building inspection	172,342	163,184	149,700
Crimestoppers/Block parents	3,000	3,000	2,800
Crosswalk guards	<u>6,207</u>	<u>5,718</u>	<u>6,825</u>
	<u>236,047</u>	<u>217,875</u>	<u>213,271</u>
	<u>\$ 4,511,013</u>	<u>\$ 4,491,771</u>	<u>\$ 4,006,037</u>

MUNICIPALITY OF QUISPAMISIS

GENERAL REVENUE FUND SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>2009</u> Budget	<u>2009</u> Actual	<u>2008</u> Actual
TRANSPORTATION SERVICES			
Common services			
Works office	\$ 27,270	\$ 40,325	\$ 63,662
Engineering	<u>322,018</u>	<u>326,044</u>	<u>265,201</u>
	<u>349,288</u>	<u>366,369</u>	<u>328,863</u>
Roads and Streets			
Winter maintenance	1,425,197	1,559,578	1,454,445
Summer maintenance	952,165	1,002,987	935,807
Culverts and drainage ditches	<u>47,000</u>	<u>72,946</u>	<u>19,691</u>
	<u>2,424,362</u>	<u>2,635,511</u>	<u>2,409,943</u>
Street lighting	<u>119,652</u>	<u>112,339</u>	<u>102,105</u>
Traffic services			
Street signs	16,250	17,146	17,703
Traffic lane marking	33,000	21,938	23,478
Traffic signals	19,000	13,079	27,996
Railway crossings	9,000	8,829	11,188
Public transit	<u>80,000</u>	<u>76,549</u>	<u>-</u>
	<u>157,250</u>	<u>137,541</u>	<u>80,365</u>
	<u>\$ 3,050,552</u>	<u>\$ 3,251,760</u>	<u>\$ 2,921,276</u>
ENVIRONMENTAL HEALTH SERVICES			
Clean up campaign	<u>\$ 137,247</u>	<u>\$ 139,755</u>	<u>\$ 126,742</u>
ENVIRONMENTAL DEVELOPMENT SERVICES			
Planning Advisory Committee	\$ 204,082	\$ 119,079	\$ 115,664
Enterprise Saint John	88,947	94,281	87,080
Town Beautification	43,400	39,922	26,955
Other	<u>22,200</u>	<u>23,073</u>	<u>45,357</u>
	<u>\$ 358,629</u>	<u>\$ 276,355</u>	<u>\$ 275,056</u>

MUNICIPALITY OF QUISPAMISIS

GENERAL REVENUE FUND SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2009

	2009 Budget	2009 Actual	2008 Actual
RECREATIONAL AND CULTURAL SERVICES			
Administration	\$ 202,792	\$ 189,295	\$ 174,483
Facilities maintenance	172,517	179,925	79,066
Beaches	81,161	75,981	80,925
Arena	421,572	336,130	366,637
Parks and playgrounds	714,624	563,963	625,237
Recreation Centre	67,563	55,424	62,334
Civic Centre	43,939	34,326	41,847
Recreation programs	89,697	68,825	74,546
Regional Facilities Commission	297,387	297,387	299,193
Library	73,804	73,933	111,190
Warehouse	11,562	10,419	11,332
KV Fields Project	165,000	300,000	-
Food bank building	7,537	5,959	6,001
225 Hampton Road	3,008	5,902	1,826
Beach House	<u>39,750</u>	<u>27,117</u>	<u>36,884</u>
	<u>\$ 2,391,913</u>	<u>\$ 2,224,586</u>	<u>\$ 1,971,501</u>
FISCAL SERVICES			
Debt charges			
Interest on long-term debt	\$ 349,105	\$ 349,124	\$ 395,772
Long-term debt repayments	989,215	1,017,972	1,084,817
Interest on short-term borrowings	196,888	2,447	11,916
Amortization of long-term discounts	<u>7,890</u>	<u>7,890</u>	<u>9,511</u>
	<u>1,543,098</u>	<u>1,377,433</u>	<u>1,502,016</u>
Transfers to (from)			
General Capital Fund	2,255,000	2,465,000	1,959,706
General Capital Reserve Fund	50,000	380,000	500,000
General Operating Reserve Fund	225,000	225,000	135,000
Utility Revenue Fund	<u>(8,947)</u>	<u>(58,952)</u>	<u>(8,947)</u>
	<u>2,521,053</u>	<u>3,011,048</u>	<u>2,585,759</u>
	<u>\$ 4,064,151</u>	<u>\$ 4,388,481</u>	<u>\$ 4,087,775</u>

MUNICIPALITY OF QUISPAMISIS

UTILITY CAPITAL FUND BALANCE SHEET

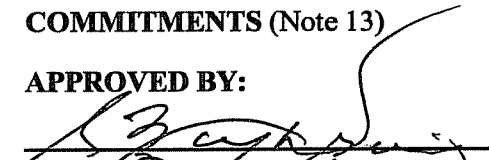
AS AT DECEMBER 31, 2009

	2009	2008
ASSETS		
CAPITAL ASSETS (Notes 1, 5 and 7)	<u>\$ 23,530,262</u>	<u>\$ 22,634,537</u>
LIABILITIES AND INVESTMENT IN CAPITAL ASSETS		
CURRENT		
Due to own funds (Notes 2 and 4)	\$ <u>105,581</u>	\$ <u>671,167</u>
LONG-TERM (Notes 1, 2 and 6)	<u>4,265,000</u>	<u>4,409,000</u>
INVESTMENT IN CAPITAL ASSETS	<u>19,159,681</u>	<u>17,554,370</u>
	<u>\$ 23,530,262</u>	<u>\$ 22,634,537</u>

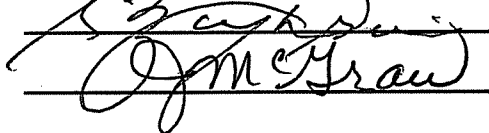
GUARANTEES (Note 10)

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, 2009

	<u>2009</u>	<u>2008</u>
BALANCE AT BEGINNING OF YEAR	\$ <u>17,554,370</u>	\$ <u>16,586,515</u>
ADD:		
Grant from the Canada/New Brunswick Gas Tax Transfer Program for Engineering structures (Notes 5 and 7)	1,121,311	560,656
Contribution from Utility Revenue Fund:		
Capital expenditures	50,000	-
Long-term debt repayments	<u>434,000</u>	<u>418,000</u>
	<u>1,605,311</u>	<u>978,656</u>
LESS:		
Prior year accrued grant not received	<u>-</u>	<u>10,801</u>
BALANCE AT END OF YEAR	\$ <u>19,159,681</u>	\$ <u>17,554,370</u>

MUNICIPALITY OF QUISPAMISIS

UTILITY CAPITAL FUND STATEMENT OF CAPITAL FINANCING

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u>
SOURCES		
Unapplied from previous year		
Due from own funds	\$ -	\$ 88,916
Province of New Brunswick	<u>-</u>	<u>10,801</u>
	<u>-</u>	<u>99,717</u>
Transfer from		
Canada/New Brunswick Gas Tax Transfer Program for Engineering structures (Notes 5 and 7)	1,121,311	560,656
Utility Revenue Fund		
Capital expenditures	50,000	-
Long-term debt payments	<u>434,000</u>	<u>418,000</u>
	<u>1,605,311</u>	<u>978,656</u>
Proceeds from debenture issue (Note 6)	<u>290,000</u>	<u>130,000</u>
Temporary financing at end of year		
Temporary advances from own funds (Note 4)	<u>105,581</u>	<u>671,167</u>
	<u>\$ 2,000,892</u>	<u>\$ 1,879,540</u>
APPLICATION		
Temporary financing at end of previous year		
Bank loan	\$ -	\$ 1,300,000
Temporary advances from own funds (Note 4)	<u>671,167</u>	<u>-</u>
	671,167	1,300,000
Capital expenditures	895,725	150,739
Long-term debt repayments		
Utility revenue fund	434,000	418,000
Prior year accrued grant not received	<u>-</u>	<u>10,801</u>
	<u>\$ 2,000,892</u>	<u>\$ 1,879,540</u>

MUNICIPALITY OF QUISPAMISIS

**UTILITY REVENUE FUND
BALANCE SHEET**

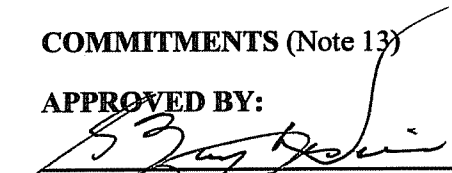
AS AT DECEMBER 31, 2009

	2009	2008
ASSETS		
CURRENT		
Cash (Note 2)	\$ 14,702	\$ 216,534
Accounts receivable (Note 2)	225,951	260,680
Due from own funds (Notes 2 and 4)	<u>98,729</u>	<u>-</u>
	<u>339,382</u>	<u>477,214</u>
UNAMORTIZED BOND DISCOUNT (Note 1)	<u>32,583</u>	<u>33,991</u>
	<u>\$ 371,965</u>	<u>\$ 511,205</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 2)	\$ 50,167	\$ 51,626
Due to own funds (Notes 2 and 4)	<u>-</u>	<u>25,497</u>
	<u>50,167</u>	<u>77,123</u>
SURPLUS		
SURPLUS AT BEGINNING OF YEAR	434,082	397,571
SURPLUS FOR THE YEAR	91,677	230,121
TRANSFER OF SECOND PREVIOUS YEAR'S SURPLUS (Note 1)	<u>(203,961)</u>	<u>(193,610)</u>
SURPLUS AT END OF YEAR	<u>321,798</u>	<u>434,082</u>
	<u>\$ 371,965</u>	<u>\$ 511,205</u>

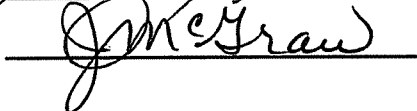
GUARANTEE (Note 10)

COMMITMENTS (Note 13)

APPROVED BY:



Mayor



Treasurer

MUNICIPALITY OF QUISPAMISIS

UTILITY REVENUE FUND STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 2009

		<u>2009</u> Budget	<u>2009</u> Actual	<u>2008</u> Actual
REVENUE (Note 1)	<u>Page</u>			
Sales of services	17	\$ 1,697,789	\$ 1,812,460	\$ 1,621,874
Other own sources	17	<u>43,100</u>	<u>44,934</u>	<u>61,115</u>
		<u>1,740,889</u>	<u>1,857,394</u>	<u>1,682,989</u>
 EXPENDITURE (Note 1)				
Environmental health services				
Sewer collection and disposal	18	479,056	419,363	371,058
Water supply	18	216,917	181,044	163,731
Administration	18	345,034	345,844	332,440
Fiscal services	18	903,843	1,023,427	779,249
Surplus of second previous year (Note 1)		<u>(203,961)</u>	<u>(203,961)</u>	<u>(193,610)</u>
		<u>1,740,889</u>	<u>1,765,717</u>	<u>1,452,868</u>
 SURPLUS FOR THE YEAR		 <u>\$ -</u>	 <u>\$ 91,677</u>	 <u>\$ 230,121</u>

MUNICIPALITY OF QUISPAMIS

UTILITY REVENUE FUND SUPPLEMENTARY SCHEDULE OF REVENUE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2009

	2009 Budget	2009 Actual	2008 Actual
SALES OF SERVICES			
User Fees			
Residential	\$ 1,386,700	\$ 1,395,479	\$ 1,308,928
Commercial	38,850	44,777	38,484
Institutional	107,800	113,641	100,320
Residential water sales	77,645	79,939	74,403
Commercial water sales	15,368	19,753	14,984
Institutional water sales	2,186	1,111	1,055
Water transfer costs	6,240	6,240	6,000
User fee discounts	<u>(10,000)</u>	<u>(8,130)</u>	<u>(8,550)</u>
	<u>1,624,789</u>	<u>1,652,810</u>	<u>1,535,624</u>
Connection fees			
Water	12,000	61,650	9,750
Sewer	<u>61,000</u>	<u>98,000</u>	<u>76,500</u>
	<u>73,000</u>	<u>159,650</u>	<u>86,250</u>
	<u>\$ 1,697,789</u>	<u>\$ 1,812,460</u>	<u>\$ 1,621,874</u>
OTHER OWN SOURCES			
Interest on user fees	\$ 38,100	\$ 38,798	\$ 40,050
Interest on current account	5,000	1,683	11,186
Miscellaneous	<u>-</u>	<u>4,453</u>	<u>9,879</u>
	<u>\$ 43,100</u>	<u>\$ 44,934</u>	<u>\$ 61,115</u>

MUNICIPALITY OF QUISPAMISIS

UTILITY REVENUE FUND SUPPLEMENTARY SCHEDULE OF EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED DECEMBER 31, 2009

	2009 Budget	2009 Actual	2008 Actual
ENVIRONMENTAL HEALTH SERVICES			
Sewer collection and disposal			
Sewer collection system	\$ 121,319	\$ 103,712	\$ 86,405
Sewer lift stations	219,736	211,698	187,331
Treatment and disposal	<u>138,001</u>	<u>103,953</u>	<u>97,322</u>
	<u>\$ 479,056</u>	<u>\$ 419,363</u>	<u>\$ 371,058</u>
Water supply			
Treatment	\$ 40,926	\$ 38,919	\$ 31,502
Wellfields	2,500	9,725	18,729
Pump	18,600	13,267	3,742
Infrastructure	<u>154,891</u>	<u>119,133</u>	<u>109,758</u>
	<u>\$ 216,917</u>	<u>\$ 181,044</u>	<u>\$ 163,731</u>
Administration	<u>\$ 345,034</u>	<u>\$ 345,844</u>	<u>\$ 332,440</u>
FISCAL SERVICES			
Debt charges			
Long-term debt repayments	\$ 434,000	\$ 434,000	\$ 418,000
Interest on long-term debt	210,146	207,605	225,386
Interest on short-term debt	48,400	26,364	50,687
Amortization of long-term debt discounts	<u>3,594</u>	<u>3,750</u>	<u>4,229</u>
	<u>696,140</u>	<u>671,719</u>	<u>698,302</u>
Transfers to:			
General Revenue Fund	8,947	58,952	8,947
Utility Capital Fund	50,000	50,000	-
Utility Capital Reserve Fund	148,756	230,756	72,000
Utility Operating Reserve Fund	<u>-</u>	<u>12,000</u>	<u>-</u>
	<u>207,703</u>	<u>351,708</u>	<u>80,947</u>
	<u>\$ 903,843</u>	<u>\$ 1,023,427</u>	<u>\$ 779,249</u>

MUNICIPALITY OF QUISPAMISIS

**LAND TRUST FUND
BALANCE SHEET**

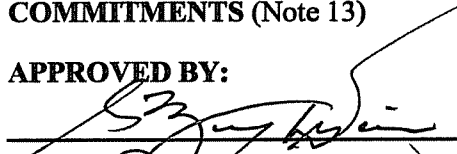
AS AT DECEMBER 31, 2009

	2009	2008
ASSETS		
CURRENT		
Cash (Note 2)	\$ 169,873	\$ 149,273
Due from own funds (Notes 2 and 4)	<u>1,515</u>	<u>1,850</u>
	<u>\$ 171,388</u>	<u>\$ 151,123</u>
NET ASSETS		
NET ASSETS (Note 1)	<u>\$ 171,388</u>	<u>\$ 151,123</u>

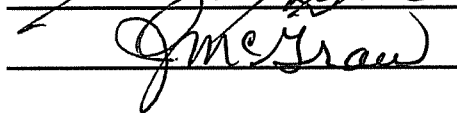
GUARANTEES (Note 10)

COMMITMENTS (Note 13)

APPROVED BY:



Mayor



Treasurer

MUNICIPALITY OF QUISPAMISIS

**LAND TRUST FUND
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	2009	2008
NET ASSETS AT BEGINNING OF YEAR	\$ <u>151,123</u>	\$ <u>102,409</u>
ADD:		
Lot fees	19,500	45,100
Interest	<u>765</u>	<u>3,614</u>
	<u>20,265</u>	<u>48,714</u>
NET ASSETS AT END OF YEAR	\$ <u><u>171,388</u></u>	\$ <u><u>151,123</u></u>

MUNICIPALITY OF QUISPAMISIS

**GENERAL RESERVE FUNDS
BALANCE SHEET**

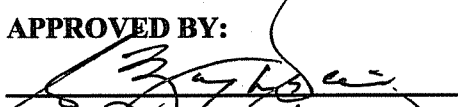
AS AT DECEMBER 31, 2009

	2009	2008
ASSETS		
CURRENT		
Cash (Note 2)	\$ 3,685	\$ 1,335,115
Due from own funds (Notes 2 and 4)	<u>1,890,684</u>	<u>700,238</u>
	<u>\$ 1,894,369</u>	<u>\$ 2,035,353</u>
NET ASSETS		
GENERAL CAPITAL (Note 1)	\$ 1,669,369	\$ 1,900,353
GENERAL OPERATING (Note 1)	<u>225,000</u>	<u>135,000</u>
	<u>\$ 1,894,369</u>	<u>\$ 2,035,353</u>

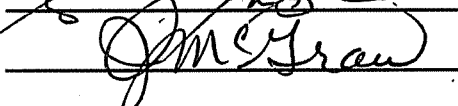
GUARANTEES (Note 10)

COMMITMENTS (Note 13)

APPROVED BY:



Mayor



Treasurer

MUNICIPALITY OF QUISPAMISIS

**GENERAL RESERVE FUNDS
STATEMENT OF CHANGES IN NET ASSETS**

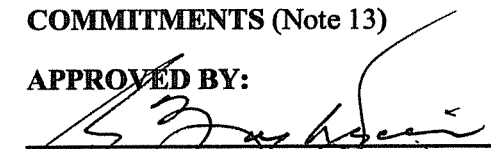
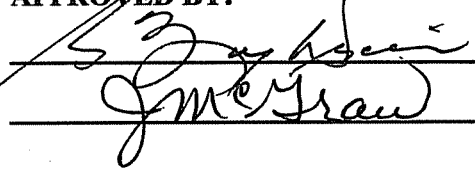
FOR THE YEAR ENDED DECEMBER 31, 2009

	2009	2008
<u>GENERAL CAPITAL RESERVE</u>		
NET ASSETS AT BEGINNING OF YEAR	\$1,900,353	\$1,361,185
ADD:		
Contributions from General Revenue Fund	380,000	500,000
Interest	<u>9,778</u>	<u>39,168</u>
	<u>389,778</u>	<u>539,168</u>
LESS:		
Contributions to General Capital Fund	<u>620,762</u>	<u>-</u>
NET ASSETS AT END OF YEAR	\$1,669,369	\$1,900,353
<u>GENERAL OPERATING RESERVE</u>		
NET ASSETS AT BEGINNING OF YEAR	\$ 135,000	\$ -
ADD:		
Contributions from General Revenue Fund	<u>225,000</u>	<u>135,000</u>
LESS:		
Contributions to General Revenue Fund	<u>135,000</u>	<u>-</u>
NET ASSETS AT END OF YEAR	\$ 225,000	\$ 135,000

MUNICIPALITY OF QUISPAMISIS

UTILITY RESERVE FUNDS BALANCE SHEET

AS AT DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u>
ASSETS		
CURRENT		
Cash (Note 2)	\$ 580,889	\$ 332,746
Due from own funds (Notes 2 and 4)	<u>-</u>	<u>2,529</u>
	<u>\$ 580,889</u>	<u>\$ 335,275</u>
LIABILITIES		
CURRENT		
Due to own funds (Notes 2 and 4)	\$ <u>1,213</u>	\$ <u>-</u>
NET ASSETS		
UTILITY CAPITAL (Note 1)	488,174	256,161
UTILITY OPERATING (Note 1)	<u>91,502</u>	<u>79,114</u>
	<u>579,676</u>	<u>335,275</u>
	<u>\$ 580,889</u>	<u>\$ 335,275</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, 2009

	2009	2008
<u>UTILITY CAPITAL RESERVE</u>		
NET ASSETS AT BEGINNING OF YEAR	\$ <u>256,161</u>	\$ <u>178,951</u>
ADD:		
Contributions from Utility Revenue Fund - Wastewater System Upgrade Project (Note 1)	22,000	22,000
Contributions from Utility Revenue Fund	208,756	50,000
Interest	<u>1,257</u>	<u>5,210</u>
	<u>232,013</u>	<u>77,210</u>
NET ASSETS AT END OF YEAR	\$ <u>488,174</u>	\$ <u>256,161</u>
<u>UTILITY OPERATING RESERVE</u>		
NET ASSETS AT BEGINNING OF YEAR	\$ <u>79,114</u>	\$ <u>77,000</u>
ADD:		
Contributions from Utility Revenue Fund	12,000	-
Interest	<u>388</u>	<u>2,114</u>
	<u>12,388</u>	<u>2,114</u>
NET ASSETS AT END OF YEAR	\$ <u>91,502</u>	\$ <u>79,114</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

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.

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, 2009 a total of \$115,808 (2008 - \$93,349) has been accumulated under this agreement. Disbursement of these funds are subject to approval from the Province of New Brunswick.

MUNICIPALITY OF QUISPAMISIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

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, 2009

2. FINANCIAL INSTRUMENTS

The Municipality's financial instruments consist of cash, accounts receivable, due from own funds, local improvement levy receivable, 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.

The Municipality is subject to credit risk through accounts receivable. The Municipality maintains a provision for potential credit losses, and minimizes credit risk through ongoing credit management.

3. SHORT-TERM BORROWING

The Municipality has arranged a revolving operating facility to provide interim financing for capital expenditures. Funds borrowed must be supported by an Order in Council which is authorization for the Municipality to apply for long-term financing from the Municipal Capital Borrowing Board. During 2009, the Municipality did not use short-term borrowing.

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

General Capital Fund, OIC # 09-0040	\$ 12,000,000
General Capital Fund, OIC # 09-0075	<u>2,000,000</u>
	<u>\$ 14,000,000</u>
Utility Capital Fund, OIC #08-42	\$ 300,000
Utility Capital Fund, OIC #09-68	200,000
Utility Capital Fund, OIC #09-93	<u>1,733,000</u>
	<u>\$ 2,233,000</u>

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, 2008 were repaid prior to December 31, 2009.

5. CANADA/NEW BRUNSWICK GAS TAX TRANSFER PROGRAM

The Municipality has been granted \$2,803,280 over four years (2006-2009) under this program. The funds have been spent on capital projects meeting the criteria established by the Federal and Provincial Governments. During the year, the Municipality spent \$602,875 (2008 - \$123,845) on the watermain extension project, a qualifying capital project, and \$1,121,311 (2008 - \$560,656) was received through this program towards the overall cost of the project.

MUNICIPALITY OF QUISPAMISIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

6. LONG-TERM DEBT

General Capital Fund

	Balance January 1, 2009	Issued during year	Redeemed during year	Balance December 31, 2009
New Brunswick Municipal Financing Corporation Debentures:				
AH19 5.7 - 6.5%, due December 2009, OIC # 98-29, 99-25	\$ 434,000	\$ -	\$ 434,000	\$ -
AJ20 6.0 - 6.125%, due December 2020, OIC # 99-72, 99-25	1,347,000	-	190,000	1,157,000
AK12 4.45 - 6.2%, due July 2021, OIC # 99-72, 00-43	575,000	-	105,000	470,000
AL20 2.45 - 5.5%, due November 2011, OIC # 00-43,1-11	341,000	-	108,000	233,000
AO13 3.05 - 5.0%, due July 2013, OIC# 1-11, 2-15, 2-51	1,022,000	-	84,000	938,000
AQ06 2.75 - 5.5% due July 2014, OIC# 2-51, 3-34	663,000	-	82,000	581,000
AS07 2.85 - 4.35%, due July 2015, OIC # 03-34, 04-08	630,000	-	94,000	536,000
AU09 4.25 - 4.7%, due June 2016, OIC # 05-55	709,000	-	76,000	633,000
AW06 4.3 - 4.55%, due May 2017, OIC # 06-71	624,000	-	79,000	545,000
AY14 3.3 - 4.85%, due May 2018, OIC # 07-12	500,000	-	42,000	458,000
BB23 1.0 - 3.35%, due May 2014, OIC # 99-25	<u>-</u>	<u>305,000</u>	<u>-</u>	<u>305,000</u>
	<u>6,845,000</u>	<u>305,000</u>	<u>1,294,000</u>	<u>5,856,000</u>
Capital leases:				
HSBC Bank Canada, 5.875%, due March 2013, secured by equipment	84,303	-	18,353	65,950
HSBC Bank Canada, 5.925%, due July 2015, secured by equipment	<u>81,892</u>	<u>-</u>	<u>10,619</u>	<u>71,273</u>
	<u>166,195</u>	<u>-</u>	<u>28,972</u>	<u>137,223</u>
	<u>\$ 7,011,195</u>	<u>\$ 305,000</u>	<u>\$ 1,322,972</u>	<u>\$ 5,993,223</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

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:

2010	\$ 1,945,726
2011	1,045,587
2012	593,560
2013	1,119,423
2014	581,270

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. In 2014, debenture AQ06 will mature with a final payment of \$213,000, however \$109,000 of this payment is expected to be refinanced during that year.

Utility Capital Fund

	Balance January 1, 2009	Issued during year	Redeemed during year	Balance December 31, 2009
New Brunswick Municipal Financing Corporation Debentures:				
AH20 5.7 - 6.5%, due December 2009, OIC # 99-25	\$ 76,000	\$ -	\$ 76,000	\$ -
AJ21 6% - 6.125%, due December 2010, OIC # 99-25	76,000	-	37,000	39,000
AK13 4.45 - 6.2%, due July 2021, OIC # 00-43	449,000	-	27,000	422,000
AL21 2.45 - 5.5%, due November 2021, OIC # 00-43, 01-11	309,000	-	26,000	283,000
AQ07 2.75 - 5.5%, due July 2014, OIC # 01-11, 02-15	228,000	-	34,000	194,000
AR22 2.75 - 4.0%, due December 2009, OIC # 93-22	17,000	-	17,000	-
AS08 2.85 - 4.35%, due July 2015, OIC # 02-15	125,000	-	16,000	109,000
AU10 4.25 - 4.7%, due June 2016, OIC # 94-13, 93-22	2,122,000	-	95,000	2,027,000
AW07 4.3 - 4.55%, due November 2017, OIC # 05-55, 05-105, 05-91	877,000	-	87,000	790,000
AY15 3.5 - 4.85%, due May 2018, OIC # 06-71, 07-12	130,000	-	19,000	111,000
BB24 1.0 - 4.50%, due November 2019, OIC # 07-12	-	290,000	-	290,000
	<u>\$ 4,409,000</u>	<u>\$ 290,000</u>	<u>\$ 434,000</u>	<u>\$ 4,265,000</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

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:

2010	\$ 383,000
2011	948,000
2012	300,000
2013	301,000
2014	295,000

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>2009</u>	<u>2008</u>
<u>General Capital Fund</u>		
Land	\$ 1,415,964	\$ 1,076,105
Buildings	5,351,807	5,286,089
Engineering structures	21,201,006	19,759,818
Machinery and equipment	3,472,020	3,141,875
Recreation facilities	10,312,718	3,289,479
Investment in fire department assets	<u>2,042,811</u>	<u>1,729,547</u>
	<u>\$ 43,796,326</u>	<u>\$ 34,282,913</u>

During the year, grants totaling \$2,725,000 (2008 - \$2,000) were recorded from the Government of Canada and the Province of New Brunswick for capital assets acquired in the General Capital Fund.

	<u>2009</u>	<u>2008</u>
<u>Utility Capital Fund</u>		
Land	\$ 321,817	\$ 321,817
Engineering structures	19,139,515	18,243,790
Machinery and equipment	<u>4,068,930</u>	<u>4,068,930</u>
	<u>\$ 23,530,262</u>	<u>\$ 22,634,537</u>

During the year, grants totaling \$1,121,311 (2008 - \$560,656) 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, 2009

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 2009, 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:

	2009	2008
Kennebecasis Public Library Inc.	\$ 73,933	\$ 111,190
Rothesay Regional Joint Board of Police Commissioners:		
Police Protection	2,365,099	2,130,795
911 Communications	<u>179,568</u>	<u>163,192</u>
	<u>2,544,667</u>	<u>2,293,987</u>
Kennebecasis Valley Fire Department Inc.		
Contribution for:		
Fire Protection	1,716,304	1,486,469
Received for:		
Fire station rentals	(41,761)	(40,942)
Fire administration fee	<u>(30,815)</u>	<u>(29,917)</u>
	<u>1,643,728</u>	<u>1,415,610</u>
	<u>\$ 4,262,328</u>	<u>\$ 3,820,787</u>

MUNICIPALITY OF QUISPAMISIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

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, 2009, the Town has guaranteed its proportional share (54.981%) of the \$2,234,000 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, 2009.

12. DEFERRED REVENUE

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

13. COMMITMENTS

Construction of Recreation Facility (qplex)

The Municipality has committed \$24.3 million for construction of the qplex recreation facility (\$20,727,900 is committed to Marco Maritimes Limited), of which \$7.8 million has been spent in the current year. During 2009, the Municipality received grants from the federal government totaling \$2.7 million towards this project, and an additional \$3.3 million in federal and provincial grants was received subsequent to yearend. It is anticipated that the project will be completed during 2010.

Snow clearing

The Municipality has committed to a contractor for snow clearing services. The future minimum payments over the following two years are as follows:

2010	\$ 195,600
2011	153,310

MUNICIPALITY OF QUISPAMISIS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

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 (2009 - 4.25%). All payments are due by May 31 each year. The balance consists of:

	2009	2008
Total assessments	\$ 213,321	\$ 213,540
Less: Minimum payments due within one year	<u>27,452</u>	<u>35,711</u>
	<u>\$ 185,869</u>	<u>\$ 177,829</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, 2009 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.

One of the more significant provisions of the new standards requires municipalities to capitalize tangible capital assets at historical costs and amortize these assets over their estimated useful lives. The Town is in the process of compiling a listing of all its roads, vehicles, sewer and water infrastructure, land, buildings, furniture and equipment.

Other key elements of the PSAB requirements include reporting entities, full accruals, employment benefits and financial reporting.

The Department has established an implementation date for these new standards for year ends commencing after January 1, 2012.

MUNICIPALITY OF QUISPAMSIS

SCHEDULE OF INTERFUND BALANCES

AS AT DECEMBER 31, 2009

	<u>2009</u>	<u>2008</u>
<u>General Capital Fund</u>		
Due to		
General Revenue Fund	\$ <u>(4,505,110)</u>	\$ <u>(783,150)</u>
<u>General Revenue Fund</u>		
Due from (to)		
General Capital Fund	\$ 4,505,110	\$ 783,150
Utility Revenue Fund	(98,729)	25,497
Utility Capital Fund	105,581	671,167
Land Trust Fund	(1,515)	(1,850)
General Capital Reserve Fund	(1,890,684)	(700,238)
Utility Capital Reserve Fund	<u>1,213</u>	<u>(2,529)</u>
	\$ <u>2,620,976</u>	\$ <u>775,197</u>
<u>Utility Capital Fund</u>		
Due from (to)		
General Revenue Fund	\$ <u>(105,581)</u>	\$ <u>(671,167)</u>
<u>Utility Revenue Fund</u>		
Due to		
General Revenue Fund	\$ <u>98,729</u>	\$ <u>(25,497)</u>
<u>Land Trust Fund</u>		
Due from (to)		
General Revenue Fund	\$ <u>1,515</u>	\$ <u>1,850</u>
<u>General Capital Reserve Fund</u>		
Due from		
General Revenue Fund	\$ <u>1,890,684</u>	\$ <u>700,238</u>
<u>Utility Reserve Funds</u>		
Utility Capital		
Due from (to)		
General Revenue Fund	\$ <u>(1,213)</u>	\$ <u>2,529</u>