



Grant Thornton LLP  
Chartered Accountants  
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Grant Thornton 

**Municipality of Quispamsis  
Financial Statements  
With Additional Information**  
December 31, 1999

## Contents

|  | <u>Page</u> |
|--|-------------|
| <b>Auditors' Report</b>  | 1           |
| <b>General Fund</b>  |             |
| General Capital Fund Balance Sheet                               | 2           |
| Statement of Investment in Capital Assets                        | 3           |
| Statement of Source and Application of Capital Financing         | 4           |
| General Revenue Fund Balance Sheet                               | 5           |
| Statements of General Revenue and Expenditures and Surplus       | 6           |
| <b>Utility Fund</b>  |             |
| Utility Capital Fund Balance Sheet                               | 7           |
| Statement of Investment in Utility Capital Assets                | 8           |
| Statement of Source and Application of Utility Capital Financing | 9           |
| Utility Revenue Fund Balance Sheet                               | 10          |
| Statements of Utility Revenue and Expenditures and Surplus       | 11          |
| <b>Land Trust Fund</b>   |             |
| Balance sheet  | 12          |
| Statement of Fund Balance  | 13          |
| <b>Notes to the Financial Statements</b>                         | 14-19       |
| <b>Additional Information</b>                                    | 20-26       |

## Auditors' Report

The Mayor and Councillors,  
Municipality of Quispamsis,  
New Brunswick

We have audited the balance sheets of the general, sewerage utility, and land trust funds of the Municipality of Quispamsis as at December 31, 1999, and the statements of investment in general capital assets and investment in utility capital assets, the statements of revenue and expenditures and surplus and the source and application of capital financing for the general and utility funds and the statement of land trust fund balance for the year then ended. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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, 1999 and the results of its operations and changes in its financial position for the year then ended in accordance with generally accepted accounting principles adopted for New Brunswick municipalities.



Chartered Accountants

Saint John, New Brunswick  
February 18, 2000

**Municipality of Quispamsis  
General Capital Fund  
Balance Sheet**

December 31

1999

1998

**Assets**

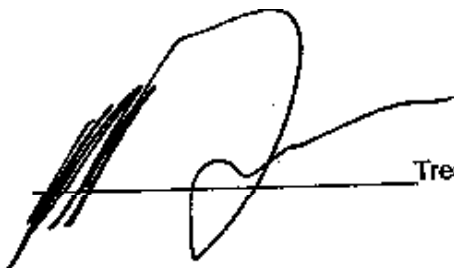
|                             |                             |                             |
|-----------------------------|-----------------------------|-----------------------------|
| Due from own funds (Note 3) | \$ -                        | \$ 46,405                   |
| Capital assets (Note 5)     | <u>17,203,102</u>           | <u>15,185,817</u>           |
|                             | <b>\$ <u>17,203,102</u></b> | <b>\$ <u>15,232,222</u></b> |

**Liabilities**

|                              |                             |                             |
|------------------------------|-----------------------------|-----------------------------|
| Due to own funds (Note 3)    | \$ 592,880                  | \$ -                        |
| Long term debt (Note 6)      | 5,292,000                   | 4,580,000                   |
| Investment in capital assets | <u>11,318,222</u>           | <u>10,652,222</u>           |
|                              | <b>\$ <u>17,203,102</u></b> | <b>\$ <u>15,232,222</u></b> |

Commitments, Contingency & Uncertainty (Notes 10, 11 & 12)

On behalf of the Town

  
\_\_\_\_\_  
Treasurer

  
\_\_\_\_\_  
Mayor

See accompanying notes to the financial statements.

**Municipality of Qulspamsis**  
**General Capital Fund**  
**Statement of Investment in Capital Assets**  
Year Ended December 31

|   | 1999                 | 1998                 |
|---|----------------------|----------------------|
| Balance, beginning of year              | \$ 10,652,222        | \$ 9,956,161         |
| Add:                                    |                      |                      |
| Contributions from general revenue fund | -                    | 1,500                |
| Transfer of funds                       | <u>666,000</u>       | <u>805,000</u>       |
| Debt payments                           | -                    | -                    |
|   | 11,318,222           | 10,762,661           |
| Deduct:                                 |                      |                      |
| Cost of capital assets disposed of      | <u>-</u>             | <u>(110,439)</u>     |
| Balance, end of year                    | \$ <u>11,318,222</u> | \$ <u>10,652,222</u> |

See accompanying notes to the financial statements.

**Municipality of Quispamsis**  
**General Capital Fund**  
**Statement of Source and Application of Capital Financing**

Year ended December 31 1999 1998

|  |                     |                     |
|--|---------------------|---------------------|
| <b>Sources</b>                             |                     |                     |
| Debtures                                   | \$ 1,378,000        | \$ 1,300,000        |
| Contributions from general revenue fund    |                     | 1,500               |
| Transfer of funds                          | <u>666,000</u>      | <u>805,000</u>      |
| Debt payments                              |                     |                     |
|  | 2,044,000           | 2,106,500           |
| <br>                                       |                     |                     |
| Temporary advances at beginning of period  |                     |                     |
| Advances to own funds                      | 46,405              | 2,045               |
| <br>                                       |                     |                     |
| Temporary advances at end of period        |                     |                     |
| Advances from own funds                    | <u>592,880</u>      | <u>-</u>            |
|  | <u>\$ 2,683,285</u> | <u>\$ 2,108,545</u> |
| <br>                                       |                     |                     |
| <b>Applications</b>                        |                     |                     |
| Temporary financing at beginning of period |                     |                     |
| Bank loans                                 | \$ -                | \$ 200,000          |
| <br>                                       |                     |                     |
| Temporary advances at end of period        |                     |                     |
| Advances to own funds                      | -                   | 46,405              |
| Debt payments                              | <u>666,000</u>      | <u>805,000</u>      |
|  | 666,000             | 1,051,405           |
| <br>                                       |                     |                     |
| Expenditures                               |                     |                     |
| Capital (net of grants)                    | <u>2,017,285</u>    | <u>1,057,140</u>    |
|  | <u>\$ 2,683,285</u> | <u>\$ 2,108,545</u> |

See accompanying notes to the financial statements.

# Municipality of Qulspamsis General Revenue Fund Balance Sheet

December 31

1999

1998

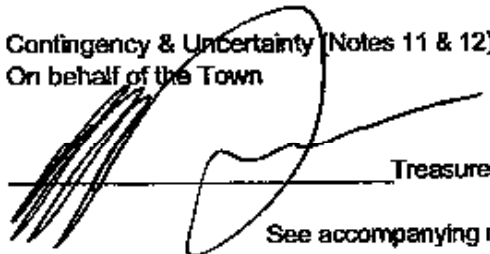
## Assets

|   |                     |                   |
|---|---------------------|-------------------|
| Cash  | \$ 475              | \$ 746            |
| Accounts receivable                           | 287,554             | 86,873            |
| Advances to employee/council members (Note 2) | 18,000              | 17,100            |
| Harmonized Sales Tax recoverable              | 73,447              | 55,934            |
| Inventories                                   | 90,058              | 61,079            |
| Prepaid expenses                              | <u>8,466</u>        | <u>7,404</u>      |
|   | 468,000             | 209,136           |
| Due from own funds (Note 3)                   | <u>840,265</u>      | <u>72,674</u>     |
|   | 1,298,265           | 281,810           |
| Unamortized bond discount                     | <u>45,481</u>       | <u>41,597</u>     |
|   | <u>\$ 1,343,746</u> | <u>\$ 323,407</u> |

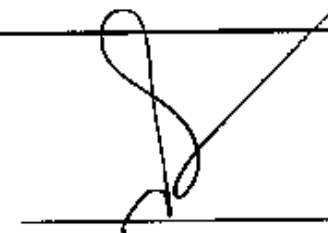
## Liabilities

|  |                     |                   |
|--|---------------------|-------------------|
| Bank indebtedness                        | \$ 190,537          | \$ 28,592         |
| Accounts payable and accrued liabilities | <u>1,151,959</u>    | <u>627,035</u>    |
|  | 1,342,496           | 655,627           |
| Surplus (deficit)                        | <u>1,250</u>        | <u>(332,220)</u>  |
|  | <u>\$ 1,343,746</u> | <u>\$ 323,407</u> |

Contingency & Uncertainty (Notes 11 & 12)  
On behalf of the Town



Treasurer



Mayor

See accompanying notes to the financial statements.

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**Municipality of Quispamsis****General Revenue Fund****Statements of General Revenue and Expenditures and Surplus**Year Ended December 31

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|  | 1999             |                  | 1998                |
|--|------------------|------------------|---------------------|
|  | <u>Budget</u>    | <u>Actual</u>    |                     |
| Revenue  |                  |                  |                     |
| Warrant of assessment  | \$ 5,180,612     | \$ 5,160,612     | \$ 5,075,160        |
| Services provided to<br>other governments                              | 65,562           | 67,244           | 65,562              |
| Sales of services  | 340,061          | 346,048          | 295,357             |
| Other revenue from own sources   | 108,300          | 121,984          | 146,948             |
| Recreation grants  | 45,000           | 43,158           | 47,657              |
| Unconditional transfers  |                  |                  |                     |
| Provincial   | 944,715          | 944,715          | 890,059             |
| Federal  | -                | -                | 3,312               |
|  | <u>6,664,250</u> | <u>6,683,761</u> | <u>6,524,055</u>    |
| Expenditures   |                  |                  |                     |
| General government   | 540,200          | 526,341          | 695,784             |
| Protective   | 2,200,872        | 2,214,818        | 2,176,677           |
| Transportation   | 1,251,534        | 1,290,858        | 1,208,633           |
| Environmental health   | 30,000           | 42,315           | 119,742             |
| Environmental development  | 142,028          | 132,617          | 62,992              |
| Recreation and culture   | 1,176,181        | 1,152,418        | 1,108,281           |
| Fiscal   | 990,982          | 990,924          | 1,114,488           |
| Deficit of second previous year  | <u>332,453</u>   | <u>332,453</u>   | <u>37,226</u>       |
|  | <u>6,664,250</u> | <u>6,682,744</u> | <u>6,523,823</u>    |
| Operating surplus  | \$ -             | \$ 1,017         | \$ 232              |
| Deficit, beginning of year   |                  | \$ (332,220)     | \$ (369,678)        |
| Current year operating surplus   |                  | 1,017            | 232                 |
| Deficit of second previous year<br>included in current year operations |                  | <u>332,453</u>   | <u>37,226</u>       |
| Surplus (deficit), end of year   |                  | \$ <u>1,250</u>  | \$ <u>(332,220)</u> |

See accompanying notes to the financial statements.



**Municipality of Quispamsis  
Utility Capital Fund  
Balance Sheet**

December 31

1999

1998

**Assets**


Capital assets (Note 5) \$ 10,592,826 \$ 9,923,089

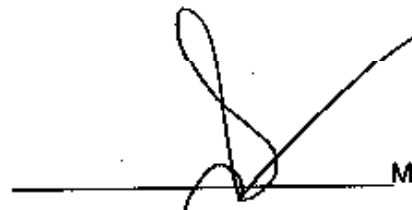
**Liabilities**

|                              |                             |                            |
|------------------------------|-----------------------------|----------------------------|
| Due to own funds (Note 3)    | \$ 87,737                   | \$ -                       |
| Long term debt (Note 6)      | 1,522,000                   | 1,062,000                  |
| Investment in capital assets | <u>8,983,089</u>            | <u>8,861,089</u>           |
|                              | <b>\$ <u>10,592,826</u></b> | <b>\$ <u>9,923,089</u></b> |

Commitments, Contingency & Uncertainty (Notes 10, 11 & 12)

On behalf of the Town

  
\_\_\_\_\_  
Treasurer

  
\_\_\_\_\_  
Mayor

See accompanying notes to the financial statements.

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**Municipality of Quispamsis  
Utility Capital Fund  
Statement of Investment in Utility Capital Assets**

Year Ended December 31 1999 1998

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|  |                     |                     |
|--|---------------------|---------------------|
| Balance, beginning of year             | \$ 8,861,089        | \$ 8,614,348        |
| Add:                                   |                     |                     |
| Contribution from utility revenue fund |                     |                     |
| Debt payments                          | 122,000             | 125,000             |
| Transfer of funds                      | <u>          </u>   | <u>121,741</u>      |
| Balance, end of year                   | \$ <u>8,983,089</u> | \$ <u>8,861,089</u> |

See accompanying notes to the financial statements.

**Municipality of Quispamsis  
 Utility Capital Fund  
 Statement of Source and Application of Utility Capital  
 Financing**

Year Ended December 31 1999 1998

**Sources**

|   |                    |                    |
|---|--------------------|--------------------|
| Debentures                              | \$ <u>582,000</u>  | \$ _____ -         |
| Contributions from utility revenue fund |                    |                    |
| Debt payments                           | 122,000            | 125,000            |
| Transfer of funds                       | <u>          -</u> | <u>121,741</u>     |
|   | <u>122,000</u>     | <u>246,741</u>     |
| Temporary advances at end of period     |                    |                    |
| Advances from own funds                 | <u>87,737</u>      | <u>          -</u> |
|   | \$ <u>791,737</u>  | \$ <u>246,741</u>  |

**Applications**

|                      |                   |                   |
|----------------------|-------------------|-------------------|
| Debentures payments  | \$ 122,000        | \$ 125,000        |
| Capital expenditures | <u>669,737</u>    | <u>121,741</u>    |
|                      | \$ <u>791,737</u> | \$ <u>246,741</u> |

See accompanying notes to the financial statements.

**Municipality of Quispamsis  
Utility Revenue Fund  
Balance Sheet**

December 31

1999

1998

**Assets**

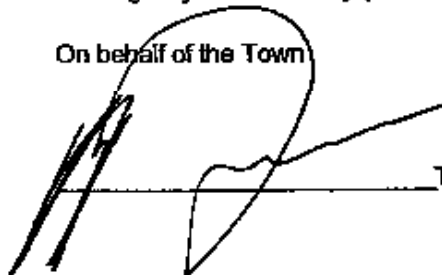
|                           |                   |                   |
|---------------------------|-------------------|-------------------|
| Cash                      | \$ 3,903          | \$ 2,536          |
| User fees receivable      | 153,137           | 149,468           |
| Property held for resale  | <u>70,000</u>     | <u>-</u>          |
|                           | 227,040           | 152,004           |
| Unamortized bond discount | <u>12,889</u>     | <u>8,893</u>      |
|                           | \$ <u>239,929</u> | \$ <u>160,897</u> |

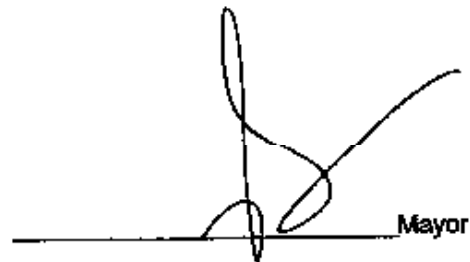
**Liabilities**

|  |                   |                   |
|--|-------------------|-------------------|
| Accounts payable and accrued liabilities | \$ 26,078         | \$ 28,752         |
| Due to own funds (Note 3)                | <u>151,505</u>    | <u>119,079</u>    |
|  | 177,583           | 147,831           |
| Surplus                                  | <u>62,346</u>     | <u>13,066</u>     |
|  | \$ <u>239,929</u> | \$ <u>160,897</u> |

Contingency & Uncertainty (Notes 11 & 12)

On behalf of the Town

  
Treasurer

  
Mayor

See accompanying notes to the financial statements.

**Municipality of Quispamsis  
Utility Revenue Fund  
Statements of Utility Revenue and Expenditures and  
Surplus**

Year Ended December 31

|  | <u>1999</u>    |                  | <u>1998</u>      |
|--|----------------|------------------|------------------|
|  | <u>Budget</u>  | <u>Actual</u>    |                  |
| <b>Revenue</b>   |                |                  |                  |
| Sales of services  | \$ 824,250     | \$ 814,725       | \$ 811,826       |
| Other revenue from own sources   | <u>28,800</u>  | <u>43,661</u>    | <u>42,720</u>    |
|  | <u>853,050</u> | <u>858,386</u>   | <u>854,546</u>   |
| <b>Expenditures</b>  |                |                  |                  |
| Sewerage collection and disposal   | 507,095        | 586,022          | 619,521          |
| Water system   | 26,348         | 23,838           | 5,772            |
| Fiscal   | 272,275        | 199,246          | 334,086          |
| Deficit (surplus) of second previous year  | <u>47,332</u>  | <u>47,334</u>    | <u>(165,230)</u> |
|  | <u>853,050</u> | <u>856,440</u>   | <u>794,149</u>   |
| Operating surplus  | \$ <u>-</u>    | \$ <u>1,946</u>  | \$ <u>60,397</u> |
| <hr/>  |                |                  |                  |
| Surplus, beginning of year   |                | \$ 13,066        | \$ 117,899       |
| Current year operating surplus   |                | 1,946            | 60,397           |
| Deficit (surplus) of second previous year<br>included in current year operations |                | <u>47,334</u>    | <u>(165,230)</u> |
| Surplus, end of year   |                | \$ <u>62,346</u> | \$ <u>13,066</u> |

See accompanying notes to the financial statements.

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**Municipality of Quispamsis  
Land Trust Fund  
Balance Sheet**

December 31

1999

1998

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**Assets**

Cash

\$ 9,719

\$ 1,544

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**Liabilities**

Due to own funds (Note 3)

\$ 8,143

\$ -

Surplus

1,576

1,544

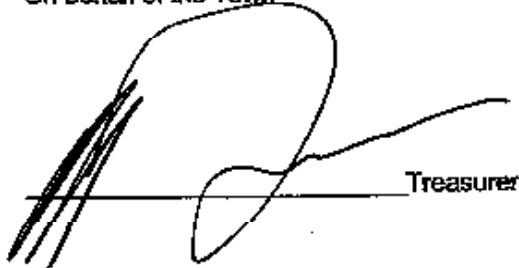
\$ 9,719

\$ 1,544

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Contingency & Uncertainty (Notes 11 & 12)

On behalf of the Town

  
\_\_\_\_\_  
Treasurer

  
\_\_\_\_\_  
Mayor

See accompanying notes to the financial statements.

**Municipality of Quispamsis  
Land Trust Fund  
Statement of Fund Balance**

Year Ended December 31

1999

1998

|   |                 |                 |
|---|-----------------|-----------------|
| Surplus, beginning of year  | \$ <u>1,544</u> | \$ <u>1,121</u> |
| Add:  |                 |                 |
| Lot fees  | 20,100          | 12,300          |
| Interest  | <u>432</u>      | <u>123</u>      |
|   | <u>20,532</u>   | <u>12,423</u>   |
|   | <u>22,076</u>   | <u>13,544</u>   |
| Less:   |                 |                 |
| Transfer to<br>General Revenue Fund for developing of<br>public land (Note 1) | <u>20,500</u>   | <u>12,000</u>   |
| Surplus, end of year  | \$ <u>1,576</u> | \$ <u>1,544</u> |

See accompanying notes to the financial statements.

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# Municipality of Quispamsis

## Notes to the Financial Statements

December 31, 1999

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### 1. Summary of significant accounting policies

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 Finance, including the recording of revenues and expenditures on an accrual basis.

#### General Revenue Fund

##### Inventories

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

##### Annual surplus/deficit

The second previous year's surpluses or deficits of the former Town of Quispamsis, and the former Village of Gondola Point and a portion of the former Rothesay parish are included in operations of the current year.

#### Sewerage Utility Revenue Fund

##### Annual surplus/deficit

The second previous year's surpluses or deficits of the former Town of Quispamsis, the former Village of Gondola Point and a portion of the former Rothesay parish are included in operations of the current year.

#### Credit Risk

The municipality is subject to credit risk through accounts receivable. General Revenue Fund accounts receivable are due from the provincial government and have minimal credit risk. The municipality has the right to submit Utility Revenue Fund user fees receivable to judgement, which minimizes credit risk. Risk is further minimized by ongoing management or subsequent collections. The municipality maintains provisions for potential credit losses and such losses to date have been within management expectations.

#### Capital assets

Capital assets are recorded at cost. No depreciation is charged. Grants received from other levels of government are netted against the cost of the related capital asset.

#### Unamortized bond discounts

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

#### Land Trust Fund

The use of land trust fund assets is restricted to the acquiring or developing of land for public purposes.



## Municipality of Quispamsis Notes to the Financial Statements

December 31, 1999

| 2. Advances to employee/council members | 1999             | 1998             |
|---|------------------|------------------|
| Advance to employee                     | \$ 2,700         | \$ 5,000         |
| Advances to council members             | <u>15,300</u>    | <u>12,100</u>    |
|   | \$ <u>18,000</u> | \$ <u>17,100</u> |

The advance to employee bears interest at 6% and is repayable under set terms. The advances to council members are non-interest bearing with no set terms of repayment.

### 3. Inter-fund transfers

Inter-fund transfers outstanding at year end, other than those for approved capital projects, must be repaid in the next year or be included in the second next ensuing year's budget for the respective operating funds.

There were no inter-fund loans at December 31 other than those for approved capital projects that were outstanding for more than one year.

### 4. Operating borrowing compliance

As prescribed in the Municipalities Act, borrowing to finance general fund operations is limited to 4% of the municipality's budget and borrowing to finance utility fund operations is limited to 50% of the budgeted revenue for the year. In 1999, Quispamsis has complied with this restriction.

| 5. Capital assets           | 1999                 | 1998                 |
|-----------------------------|----------------------|----------------------|
| <u>General Capital Fund</u> |                      |                      |
| Land                        | \$ 528,012           | \$ 528,212           |
| Buildings                   | 2,666,675            | 2,666,675            |
| Engineering structures      | 11,701,527           | 10,350,106           |
| Machinery and equipment     | 1,672,604            | 1,062,032            |
| Recreation facilities       | <u>634,284</u>       | <u>557,792</u>       |
|                             | \$ <u>17,203,102</u> | \$ <u>15,185,817</u> |

During the year grants received from the Province of New Brunswick in the amount of \$258,000 were netted against engineering structures (1998: \$16,302 – recreation facilities; \$26,688 – buildings; \$26,412 – engineering structures).

# Municipality of Quispamsis

## Notes to the Financial Statements

December 31, 1999

| 5. Capital assets (continued)   | <u>1999</u>          | <u>1998</u>         |
|---|----------------------|---------------------|
| <u>Sewerage Utility Capital Fund</u>  |                      |                     |
|   | <u>1999</u>          | <u>1998</u>         |
| Land  | \$ 239,571           | \$ 55,017           |
| Engineering structures  | 6,445,294            | 5,962,061           |
| Machinery and equipment   | <u>3,907,961</u>     | <u>3,905,191</u>    |
|   | <u>\$ 10,592,826</u> | <u>\$ 9,923,089</u> |
| <br>  |                      |                     |
| 6. Long term debt   | <u>1999</u>          | <u>1998</u>         |
| <br><b>General Capital Fund</b>   |                      |                     |
| Serial debentures maturing through to November 23, 1999<br>at rates ranging from 10 1/2% to 10 1/4%, OIC #88-433                    | \$ -                 | \$ 40,000           |
| Serial debentures maturing through to December 30, 1999<br>at rates ranging from 7 1/2% to 8 1/2%, OIC #92-876                      | -                    | 62,000              |
| Serial debentures maturing through to December 18, 2000<br>at rates ranging from 4 1/4% to 5%, OIC #97-42 and 97-82                 | 35,000               | 68,000              |
| Serial debentures maturing through to June 27, 2001<br>at rates ranging from 9 1/4% to 10 5/8%, OIC #90-254                         | 143,000              | 204,000             |
| Serial debentures maturing through to December 16, 2001<br>at rates ranging from 7 3/8% to 9 3/8%, OIC #90-254                      | 67,000               | 97,000              |
| Serial debentures maturing through to December 23, 2003<br>at rates ranging from 4 3/4% to 7 1/2%, OIC #93-22                       | 91,000               | 110,000             |
| Serial debentures maturing through to December 21, 2004<br>at rates ranging from 7 1/4% to 9 1/2%, OIC #93-22 and #94-13            | 423,000              | 488,000             |
| Serial debentures maturing through to December 20, 2005<br>at rates ranging from 6 1/4% to 7 7/8%, OIC #94-13,<br>#94-63 and #95-08 | 775,000              | 892,000             |
| Serial debentures maturing through to December 2, 2006<br>at rates ranging from 3.625% to 6.625%, OIC #95-08 and 96-04              | <u>554,000</u>       | <u>629,000</u>      |
| Carried forward   | <u>\$ 2,088,000</u>  | <u>\$ 2,590,000</u> |

## Municipality of Quispamsis Notes to the Financial Statements

December 31, 1999

| 6. Long term debt (continued)   | <u>1999</u>         | <u>1998</u>         |
|---|---------------------|---------------------|
| Brought forward   | \$ 2,088,000        | \$ 2,590,000        |
| Serial debentures maturing through to December 18, 2007<br>at rates ranging from 4.25% to 5.75%, OIC #96-13, 96-54,<br>96-57, 97-10 and 97-79 | 628,000             | 690,000             |
| Serial debentures maturing through to December 15, 2008<br>at rates ranging from 5 1/8% to 5 1/2%, OIC #96-54 and #98-29                      | 1,198,000           | 1,300,000           |
| Serial debentures maturing through to December 14, 2009<br>at rates ranging from 5.7% to 6.5%, OIC #98-29 and 99-25                           | <u>1,378,000</u>    | -                   |
|   | <u>\$ 5,292,000</u> | <u>\$ 4,580,000</u> |
| <b>Utility Capital Fund</b>   |                     |                     |
| Serial debentures maturing through to July 29, 2003<br>at rates ranging from 5 1/2% to 7 7/8, OIC #92-441                                     | \$ 147,000          | \$ 177,000          |
| Serial debentures maturing through to December 23, 2003<br>at rates ranging from 4 3/4% to 7 1/2%, OIC #93-22<br>and #92-441                  | 263,000             | 293,000             |
| Serial debentures maturing through to December 21, 2004<br>at rates ranging from 7 1/4% to 9 1/2%, OIC #93-22                                 | 141,000             | 150,000             |
| Serial debentures maturing through to December 20, 2005<br>at rates ranging from 6 1/4% to 7 7/8%, OIC #94-13 and #93-22                      | 190,000             | 220,000             |
| Serial debenture maturing through to December 2, 2006<br>at rates ranging from 3.625% to 6.625%, OIC #94-13                                   | 199,000             | 222,000             |
| Serial debentures maturing through to December 14, 2009<br>at rates ranging from 5.7% to 6.5%, OIC #99-25                                     | <u>582,000</u>      | -                   |
|   | <u>\$ 1,522,000</u> | <u>\$ 1,062,000</u> |

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## Municipality of Quispamsis

### Notes to the Financial Statements

December 31, 1999

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#### 6. Long term debt (continued)

Approval of the Municipal Capital Borrowing Board has been obtained for the long term debt. The annual principal repayments of long term debt for the next five years and subsequent years are as follows:

| <u>Year</u>      | <u>General<br/>Capital Fund</u> | <u>Utility<br/>Capital Fund</u> | <u>Total</u>        |
|------------------|---------------------------------|---------------------------------|---------------------|
| 2000             | \$ 690,000                      | \$ 176,000                      | \$ 866,000          |
| 2001             | 679,000                         | 178,000                         | 857,000             |
| 2002             | 588,000                         | 191,000                         | 779,000             |
| 2003             | 626,000                         | 325,000                         | 951,000             |
| 2004             | 611,000                         | 214,000                         | 865,000             |
| Subsequent years | <u>2,068,000</u>                | <u>438,000</u>                  | <u>2,506,000</u>    |
|                  | <u>\$ 5,292,000</u>             | <u>\$ 1,522,000</u>             | <u>\$ 6,814,000</u> |

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#### 7 Short term borrowings

In 1999, the Municipality acquired several short term loans from banks to interim finance capital expenditures. These loans were supported by Orders in Council which authorized the Municipality to apply for financing with the Municipal Capital Borrowing Board and obtain long term financing.

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#### 8. Sick leave benefits

As sick leave benefits do not vest to employees, no liability exists at year end.

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#### 9. Employee pension plan

The Town 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 Municipal Employees Pension Plan Act of New Brunswick. Pensions are provided based on length of service and best average earnings.

An actuarial valuation prepared as at January 1, 1998 indicated the market value of the net assets available to provide for these benefits exceeded the present value of the accumulated plan benefits. 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 Town's contributions to the plan.

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# Municipality of Quispamsis

## Notes to the Financial Statements

December 31, 1999

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### 10. Commitments

During the year, The Town Council committed to the completion of capital projects and, in some cases, has entered into contractual arrangements. At December 31, 1999, the Municipality was committed for the following unpaid amounts:

| <u>Fund</u>          | <u>Project</u>        | Committed amount<br>unpaid at<br><u>Dec. 31, 1999</u> |
|----------------------|-----------------------|---|
| General Capital Fund | Transportation        | \$ 60,000   |
|                      | Construction projects | <u>2,037,879</u>                                      |
|                      |                       | 2,097,879   |
| Utility Capital Fund | Water sourcing        | 97,664  |
|                      | Sewer system upgrade  | <u>193,385</u>  |
|                      |                       | \$ <u>2,388,938</u>                                   |

In addition to the above, the Town has also committed to assist in funding the KV Arena by making annual payments in the amount of \$25,000 per year from 2000 to 2003 inclusive.

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### 11. Contingency

The Town of Quispamsis is defending a lawsuit from a former employee alleging wrongful dismissal. The outcome of this claim is not determinable.

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### 12. Uncertainty due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the Town, including those related to residents, suppliers, or other third parties, have been fully resolved.

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### 13. Comparative figures

Certain comparative figures have been reclassified to conform to the financial statement presentation adopted for the current year.

## Additional Information

### Auditors' Comments on Supplementary Financial Information

The Mayor and Councillors,  
Municipality of Quispamsis,  
New Brunswick

The supplementary financial information presented hereafter was derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the overall financial statements of The Municipality of Quispamsis for the year ended December 31, 1999. In our opinion, this supplementary financial information is fairly presented in all material respects in relation to the financial statements taken as a whole.



Chartered Accountants

Saint John, New Brunswick  
February 18, 2000

**Municipality of Quispamsis****Schedule I****General Revenue Fund - Service and Other Revenue**

Year Ended December 31, 1999

|  | <u>1999</u>       |                   | 1998              |
|--|-------------------|-------------------|-------------------|
|  | <u>Budget</u>     | <u>Actual</u>     |                   |
| <b>Service to other governments</b>      |                   |                   |                   |
| Provincial highways                      | \$ <u>65,562</u>  | \$ <u>67,244</u>  | \$ <u>65,562</u>  |
| <b>Sales of services</b>                 |                   |                   |                   |
| Arena, ice rentals                       | \$ <u>136,584</u> | \$ <u>134,012</u> | \$ <u>120,210</u> |
| Building rentals and recreation programs | <u>191,477</u>    | <u>191,536</u>    | <u>163,147</u>    |
| Transfer from Land Trust Fund            | <u>12,000</u>     | <u>20,500</u>     | <u>12,000</u>     |
|  | \$ <u>340,061</u> | \$ <u>346,048</u> | \$ <u>295,357</u> |
| <b>Other revenue from own sources</b>    |                   |                   |                   |
| Licenses and permits                     | \$ <u>79,200</u>  | \$ <u>100,371</u> | \$ <u>85,369</u>  |
| Return on Investments                    | <u>9,900</u>      | <u>7,841</u>      | <u>9,670</u>      |
| Other                                    | <u>19,200</u>     | <u>13,772</u>     | <u>51,909</u>     |
|  | \$ <u>108,300</u> | \$ <u>121,984</u> | \$ <u>146,948</u> |
| <b>Recreation grants</b>                 | \$ <u>45,000</u>  | \$ <u>43,158</u>  | \$ <u>47,857</u>  |

**Municipality of Quispamsis**  
**General Revenue Fund - Expenditures**

**Schedule II**

Year Ended December 31, 1999

|                                   | <u>1999</u>         |                     | 1998                |
|-----------------------------------|---------------------|---------------------|---------------------|
|                                   | <u>Budget</u>       | <u>Actual</u>       |                     |
| <b>General Government</b>         |                     |                     |                     |
| Administrative                    | \$ 256,025          | \$ 220,153          | \$ 231,256          |
| Mayor and Councillor remuneration | 71,500              | 64,772              | 63,283              |
| Legal and audit                   | 54,687              | 62,663              | 99,131              |
| Office building                   | 23,476              | 33,679              | 40,095              |
| Liability insurance               | 16,104              | 17,148              | 17,984              |
| Cost of assessment                | 92,104              | 92,104              | 90,580              |
| Transition costs                  | -                   | -                   | 117,134             |
| Other                             | <u>26,304</u>       | <u>35,822</u>       | <u>36,321</u>       |
|                                   | <b>\$ 540,200</b>   | <b>\$ 526,341</b>   | <b>\$ 695,784</b>   |
| <b>Protective</b>                 |                     |                     |                     |
| Police                            | \$ 1,227,315        | \$ 1,228,942        | 1,240,140           |
| Fire                              | 785,638             | 777,033             | 756,316             |
| Ambulance                         | 6,035               | 5,367               | 7,719               |
| 911 service                       | 112,252             | 112,252             | 103,997             |
| Building inspection               | 30,372              | 30,146              | 28,254              |
| Animal                            | 26,520              | 28,357              | 27,932              |
| Emergency Measure Organization    | 348                 | 22,335              | 47                  |
| Other                             | <u>12,392</u>       | <u>10,386</u>       | <u>12,272</u>       |
|                                   | <b>\$ 2,200,872</b> | <b>\$ 2,214,818</b> | <b>\$ 2,176,677</b> |
| <b>Transportation</b>             |                     |                     |                     |
| Winter maintenance                | \$ 677,950          | \$ 709,943          | \$ 618,632          |
| Summer maintenance                | 368,401             | 375,806             | 388,520             |
| Charged to other departments      | (5,000)             | (5,253)             | (5,727)             |
| Engineering                       | 114,647             | 115,500             | 123,652             |
| Street lighting                   | 67,136              | 73,056              | 64,022              |
| Signs                             | 9,000               | 7,273               | 6,601               |
| Lane marking                      | 12,000              | 9,068               | 7,395               |
| Other                             | <u>7,200</u>        | <u>5,466</u>        | <u>5,538</u>        |
|                                   | <b>\$ 1,251,534</b> | <b>\$ 1,290,858</b> | <b>\$ 1,208,633</b> |



**Municipality of Quispamsis**

**Schedule II**

**General Revenue Fund - Expenditures (Continued)**

Year Ended December 31, 1999

|   | <u>1999</u>         |                     | <u>1998</u>         |
|---|---------------------|---------------------|---------------------|
|   | <u>Budget</u>       | <u>Actual</u>       |                     |
| <b>Environmental Health</b>   |                     |                     |                     |
| Waste disposal  | \$ -                | \$ -                | \$ 93,524           |
| Spring clean-up   | <u>30,000</u>       | <u>42,315</u>       | <u>26,218</u>       |
|   | \$ <u>30,000</u>    | \$ <u>42,315</u>    | <u>119,742</u>      |
| <b>Environmental Development</b>  | \$ <u>142,028</u>   | \$ <u>132,617</u>   | \$ <u>62,992</u>    |
| Includes Development Officer, Planning Advisory Committee, Regional Economic Development Commission and Municipal Planning Costs. |                     |                     |                     |
| <b>Recreation and Culture</b>   |                     |                     |                     |
| Regional Facilities Commission  | \$ 169,405          | \$ 169,405          | \$ 161,188          |
| Library   | 61,716              | 61,907              | 38,424              |
| Arenas  | 250,496             | 257,710             | 263,548             |
| Civic centre  | 45,697              | 44,662              | 40,391              |
| Swim programs   | 44,994              | 48,647              | 49,832              |
| Parks/playgrounds   | 188,763             | 171,072             | 175,301             |
| Recreational administration   | 148,800             | 156,318             | 158,975             |
| Gondola Point Recreational Centre   | 59,224              | 58,040              | 57,726              |
| Warehouse   | 8,645               | 5,934               | 6,792               |
| Beach house   | 36,519              | 36,735              | 33,473              |
| Programming   | <u>161,922</u>      | <u>141,988</u>      | <u>122,631</u>      |
|   | \$ <u>1,176,181</u> | \$ <u>1,152,418</u> | \$ <u>1,108,281</u> |
| <b>Fiscal</b>   |                     |                     |                     |
| <b>Debt charges</b>   |                     |                     |                     |
| Principal repayments on long term debt  | \$ 666,000          | \$ 666,000          | \$ 805,000          |
| Interest on long term debt  | 306,863             | 302,848             | 292,193             |
| Interest on short term borrowings   | 13,319              | 16,498              | 10,642              |
| Amortization of debenture discounts   | <u>1,800</u>        | <u>5,579</u>        | <u>5,163</u>        |
|   | <u>990,982</u>      | <u>990,924</u>      | <u>1,112,988</u>    |
| Transfer to   |                     |                     |                     |
| General Capital Fund  | -                   | -                   | <u>1,500</u>        |
|   | \$ <u>990,982</u>   | \$ <u>990,924</u>   | \$ <u>1,114,488</u> |

**Municipality of Quispamsis  
Utility Fund - Revenue**

**Schedule III**

Year Ended December 31, 1999

|                                       | <u>1999</u>       |                   | <u>1998</u>       |
|---------------------------------------|-------------------|-------------------|-------------------|
|                                       | <u>Budget</u>     | <u>Actual</u>     |                   |
| <b>Sales of services</b>              |                   |                   |                   |
| User fees                             | \$ 821,250        | \$ 810,212        | \$ 808,352        |
| Connection charges                    | <u>3,000</u>      | <u>4,513</u>      | <u>3,474</u>      |
|                                       | \$ <u>824,250</u> | \$ <u>814,725</u> | \$ <u>811,826</u> |
| <b>Other revenue from own sources</b> |                   |                   |                   |
| Interest on user fees                 | \$ 24,000         | \$ 41,310         | \$ 40,635         |
| Interest on current account           | <u>4,800</u>      | <u>2,351</u>      | <u>2,085</u>      |
|                                       | \$ <u>28,800</u>  | \$ <u>43,661</u>  | \$ <u>42,720</u>  |

**Municipality of Quispamsis  
Utility Fund - Expenditures**

**Schedule IV**

Year Ended December 31

|   | 1999              |                   | 1998              |
|---|-------------------|-------------------|-------------------|
|   | <u>Budget</u>     | <u>Actual</u>     |                   |
| <b>Sewerage collection and disposal</b> |                   |                   |                   |
| Administrative                          | \$ 188,280        | \$ 238,992        | \$ 333,649        |
| Sewerage lift stations                  | 127,521           | 119,694           | 114,998           |
| Sewerage treatment disposal             | 129,501           | 99,422            | 99,721            |
| Collection                              | <u>61,793</u>     | <u>127,914</u>    | <u>71,153</u>     |
|   | <u>\$ 507,095</u> | <u>\$ 586,022</u> | <u>\$ 619,521</u> |
| <b>Water system</b>                     | <u>\$ 26,348</u>  | <u>\$ 23,838</u>  | <u>\$ 5,772</u>   |
| <b>Fiscal</b>                           |                   |                   |                   |
| <b>Debt charges</b>                     |                   |                   |                   |
| Principal repayments on debentures      | \$ 122,000        | \$ 122,000        | \$ 125,000        |
| Interest on long term debt              | 93,542            | 75,777            | 85,836            |
| Interest on short term debt             | (2,400)           | (90)              | (51)              |
| Amortization of debenture discounts     | <u>1,800</u>      | <u>1,559</u>      | <u>1,559</u>      |
|   | 214,942           | 199,246           | 212,344           |
| <b>Transfers to</b>                     |                   |                   |                   |
| Utility Capital Fund                    | <u>57,333</u>     | <u>-</u>          | <u>121,742</u>    |
|   | <u>\$ 272,275</u> | <u>\$ 199,246</u> | <u>\$ 334,086</u> |

**Municipality of Quispamsis  
Schedule of Inter-Fund Balances**

**Schedule V**

December 31

1999

1998

**General Capital Fund**

|  |                     |                  |
|--|---------------------|------------------|
| Receivable from (liability to)<br>General Revenue Fund | \$ <u>(592,880)</u> | \$ <u>46,405</u> |
|--|---------------------|------------------|

**General Revenue Fund**

|                                |                   |               |
|--------------------------------|-------------------|---------------|
| Receivable from (liability to) |                   |               |
| General Capital Fund           | \$ 592,880        | \$ (46,405)   |
| Utility Revenue Fund           | 151,505           | 119,079       |
| Utility Capital Fund           | 87,737            | -             |
| Land Trust fund                | <u>8,143</u>      | <u>-</u>      |
|                                | \$ <u>840,265</u> | <u>72,674</u> |

**Utility Capital Fund**

|                                      |                    |             |
|--------------------------------------|--------------------|-------------|
| Liability to<br>General Revenue Fund | \$ <u>(87,737)</u> | \$ <u>-</u> |
|--------------------------------------|--------------------|-------------|

**Utility Revenue Fund**

|                                      |                     |                     |
|--------------------------------------|---------------------|---------------------|
| Liability to<br>General Revenue Fund | \$ <u>(151,505)</u> | \$ <u>(119,079)</u> |
|--------------------------------------|---------------------|---------------------|

**Land Trust Fund**

|                                      |                   |             |
|--------------------------------------|-------------------|-------------|
| Liability to<br>General Revenue Fund | \$ <u>(8,143)</u> | \$ <u>-</u> |
|--------------------------------------|-------------------|-------------|