



*Service New Brunswick*  
*Services Nouveau-Brunswick*

**Financial Statements**

**March 31, 2000**

# **Service New Brunswick**

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## Service New Brunswick

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### MANAGEMENT REPORT

The preparation of financial information is an integral part of management's responsibilities, and the accompanying financial statements are the responsibility of the management of the Corporation.

The Corporation maintains an accounting system and related controls to provide management and the Board with reasonable assurance that transactions are executed and recorded as authorized, that assets are properly safeguarded and accounted for, and that financial records are reliable for the preparation of financial statements in accordance with generally accepted accounting principles.

It is the responsibility of the Board to oversee management's performance of its financial reporting responsibilities and to review and approve the financial statements. Upon the recommendation of the Audit Committee, these financial statements are approved by the Board of the Corporation.

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Robert W. Gamble, CMA, FCMA  
President

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Carol Macdonald, CA  
Vice President Corporate Services

Fredericton, N B Canada  
June 5, 2000

## Service New Brunswick

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### AUDITORS' REPORT

To the Members of the Board:

We have audited the balance sheet of Service New Brunswick as at March 31, 2000 and the statements of income and changes in equity and cash flows for the year then ended. These financial statements are the responsibility of the corporation's management. 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 corporation as at March 31, 2000 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fredericton, N B Canada  
June 5, 2000

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KPMG LLP  
Chartered Accountants

## Service New Brunswick

### BALANCE SHEET As at March 31, 2000

	1999/00	1998/99
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and investments	\$ 6,233,822	\$ 8,166,813
Accounts receivable (Note 3)	1,784,714	1,371,531
Prepaid expenses	85,035	977,885
	<u>8,103,571</u>	<u>10,516,229</u>
<b>LONG TERM ASSETS</b>		
Accounts receivable (Note 3)	738,677	610,895
Equipment and leasehold improvements (Note 4)	5,431,474	4,100,176
Intangible assets (Note 4)	9,608,602	7,158,427
	<u>15,778,753</u>	<u>11,869,498</u>
	<b>\$23,882,324</b>	<b>\$22,385,727</b>
<b>LIABILITIES &amp; EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 4,869,473	\$ 4,944,607
Deferred revenue	124,962	222,790
Deferred liability (Note 5)	1,198,970	283,353
	<u>6,193,405</u>	<u>5,450,750</u>
<b>LONG TERM LIABILITIES</b>		
Deferred liability (Note 5)	-	1,288,564
	-	<u>1,288,564</u>
<b>EQUITY</b>	17,688,919	15,646,413
	<b>\$23,882,324</b>	<b>\$22,385,727</b>

Commitments Note 6

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J. Raymond Frenette  
Chairman

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Robert W. Gamble  
President

## Service New Brunswick

### STATEMENT OF INCOME AND CHANGES IN EQUITY For the year ended March 31, 2000

	1999/00	1998/99
<b>REVENUES</b>		
Provincial services	\$ 24,572,600	\$ 23,835,248
Municipal services	5,771,034	5,650,463
Regional Development Corporation (Note 7)	500,000	500,000
Registry and mapping	7,566,481	7,575,314
Service transactions	201,878	32,095
Software sales	521,850	177,588
Other	246,896	162,066
Interest	620,863	647,916
	<b>40,001,599</b>	<b>38,580,690</b>
<b>EXPENSES</b>		
Personnel services	\$ 23,222,965	\$ 21,897,177
Professional services	4,155,450	2,978,329
Space and equipment services	3,293,816	2,962,827
Amortization	2,982,289	2,548,695
Communications and computer services	2,151,002	1,957,513
Travel and meetings	924,675	917,111
Materials and supplies	779,306	724,263
Other	449,590	411,344
(Note 7)	<b>37,959,093</b>	<b>34,397,259</b>
<b>NET INCOME</b>	<b>\$ 2,042,506</b>	<b>\$ 4,183,431</b>
<b>OPENING EQUITY</b>	<b>15,646,413</b>	<b>11,462,982</b>
<b>ENDING EQUITY</b>	<b>\$17,688,919</b>	<b>\$15,646,413</b>

## Service New Brunswick

### STATEMENT OF CASH FLOWS For the year ended March 31, 2000

	1999/00	1998/99
<b>Cash provided by (used in):</b>		
<b>Operations:</b>		
Net income	\$ 2,042,506	\$ 4,183,431
Items not involving cash:		
Amortization	2,982,289	2,548,695
Change in non-cash working capital	306,705	281,709
	<u>5,331,500</u>	<u>7,013,835</u>
<b>Financing:</b>		
Decrease in deferred liability	(372,947)	(310,379)
Decrease (increase) in long term accounts receivable	(127,782)	320
	<u>(500,729)</u>	<u>(310,059)</u>
<b>Investments:</b>		
Additions to equipment and leasehold improvements	(2,888,376)	(1,830,032)
Additions to intangible assets	(3,875,386)	(2,752,226)
Proceeds from disposal of capital assets	-	3,182
	<u>(6,763,762)</u>	<u>(4,579,076)</u>
<b>Increase (decrease) in cash</b>	<b>(1,932,991)</b>	<b>2,124,700</b>
<b>Cash, beginning of year</b>	<b>8,166,813</b>	<b>6,042,113</b>
<b>Cash, end of year</b>	<b>\$ 6,233,822</b>	<b>\$ 8,166,813</b>

# Service New Brunswick

## NOTES TO FINANCIAL STATEMENTS

For the year ended March 31, 2000

### 1. SERVICE NEW BRUNSWICK

Service New Brunswick is a Crown Corporation established under the *Service New Brunswick Act*. Its mandate is:

- to provide and coordinate geographic information services to the Province of New Brunswick and the public, including an assessment base for real property taxation and registration systems for real and personal property;
- to promote the development of the private sector geomatics industry in New Brunswick, and
- to provide one-stop multi-channel delivery of government services.

### 2. ACCOUNTING POLICIES

#### General

The Corporation follows generally accepted accounting principles (GAAP).

#### Temporary Investments

Temporary investments are recorded at the lower of cost and market value.

#### Capital Assets

Amortization is computed on a straight-line basis on original cost with rates as follows:

Databases and system development	10 years
Furniture and equipment	10 years
Leasehold improvements	10 years
Computers and software	4 years

No valuation has been made for assets transferred into the Corporation at inception or on the transfer of responsibility for Service New Brunswick.

### 3. ACCOUNTS RECEIVABLE

	Year Ended 2000	Year Ended 1999
<b>Current:</b> Receivables from non-related entities		
• Trade	\$ 591,590	\$ 594,623
• Software sales	323,359	148,575
Receivables from related entities	869,765	628,333
	<u>\$ 1,784,714</u>	<u>\$ 1,371,531</u>
<b>Long Term:</b> Receivables from non-related entities		
• Software sales	\$ 738,677	\$ 610,895



## Service New Brunswick

### 4. CAPITAL ASSETS

	Year Ended 2000			Year Ended 1999
	Cost	Accumulated Amortization	Net	Net
<b>Equipment and Leasehold Improvements</b>				
Computers and software	\$ 6,902,526	\$ 2,949,690	\$ 3,952,836	\$ 2,857,731
Furniture and equipment	1,621,912	679,354	942,558	791,742
Leasehold improvements	1,025,560	503,177	522,383	433,415
Vehicles	18,604	4,907	13,697	17,288
	\$ 9,568,602	\$ 4,137,128	\$ 5,431,474	\$ 4,100,176
<b>Intangible Assets</b>				
System development	\$ 12,964,947	\$ 3,590,625	\$ 9,374,322	\$ 6,822,343
Databases	1,018,040	783,760	234,280	336,084
	\$ 13,982,987	\$ 4,374,385	\$ 9,608,602	\$ 7,158,427

### 5. DEFERRED LIABILITY

The Corporation entered into an agreement in 1995 to pay \$2,300,000 to the developer of one of its major systems over a five-year period ending November 2000. Payments are made based on transaction volumes with all outstanding amounts payable by the ending date.

### 6. LEASE COMMITMENTS

The following are future minimum payments for leased premises and equipment for the years ended:

2001	\$ 2,108,111
2002	1,634,069
2003	1,525,699
2004	1,164,812
2005	1,107,336
	\$ 7,540,027

### 7. ASSISTANCE FROM THE REGIONAL DEVELOPMENT CORPORATION

The Corporation received \$500,000 in the year ended March 31, 2000 and the year ended

## **Service New Brunswick**

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March 31, 1999 from the Regional Development Corporation for development projects. Both related revenue and expenses are included in these statements.

### **8. COMPARATIVE FIGURES**

Certain 1999 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2000.