

RURAL COMMUNITY OF UPPER MIRAMICHI INC.

Consolidated Financial Statements

December 31, 2018

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INDEPENDENT AUDITORS' REPORT

TO HIS WORSHIP THE MAYOR
AND MEMBERS OF THE COUNCIL

Opinion

We have audited the accompanying consolidated financial statements of RURAL COMMUNITY OF UPPER MIRAMICHI INC. (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2018 and 2017, and the consolidated statements of changes in net assets, operations and accumulated surplus, and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Municipality as at December 31, 2018 and 2017, and its results of operations and its cash flows for the years then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Municipality's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management intends to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Daye Kelly & Associates
CHARTERED PROFESSIONAL ACCOUNTANTS

Fredericton, New Brunswick
February 25, 2019

RURAL COMMUNITY OF UPPER MIRAMICHI INC.
Consolidated Statement of Financial Position

December 31	2018	2017
FINANCIAL ASSETS		
Cash (Note 3)	\$ 542,423	\$ 758,048
Accounts Receivable (Note 4)	<u>57,241</u>	<u>38,696</u>
	<u>599,664</u>	<u>796,744</u>
LIABILITIES		
Accounts payable and accruals (Note 5)	42,985	33,017
Deferred revenue (Note 6)	436	436
Temporary financing (Note 7)	-	29,103
Long-term debt (Note 8)	<u>506,000</u>	<u>551,000</u>
	<u>549,421</u>	<u>613,556</u>
NET ASSETS	<u>50,243</u>	<u>183,188</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule C)	2,464,435	2,120,185
Prepaid	<u>15,997</u>	<u>15,589</u>
	<u>2,480,432</u>	<u>2,135,774</u>
ACCUMULATED SURPLUS	<u>\$2,530,675</u>	<u>\$2,318,962</u>

APPROVED BY

_____ Mayor

_____ Clerk

RURAL COMMUNITY OF UPPER MIRAMICHI INC.**Consolidated Statement of Changes in Net Assets**

For the Years Ended December 31	2018	2017
Annual Surplus	\$ 211,713	\$ 218,196
Acquisition of tangible capital assets (Schedule C)	(457,981)	(441,365)
Amortization of tangible capital assets	<u>113,731</u>	<u>112,507</u>
	(132,537)	(110,662)
Acquisition (disposition) of prepaid assets	<u>(408)</u>	<u>1,323</u>
Decrease in net assets	(132,945)	(109,339)
Net Assets - beginning of year	<u>183,188</u>	<u>292,527</u>
Net Assets - end of year	\$ 50,243	\$ 183,188

RURAL COMMUNITY OF UPPER MIRAMICHI INC.

Consolidated Statement of Operations

For the Years Ended December 31	2018	2018	2017
	Budget (Schedule G)	Actual	Actual
REVENUE			
Warrant of assessment	\$ 503,459	\$ 503,459	\$ 487,754
Revenue from own sources	6,000	25,176	19,556
LSD transfer for fire protection	37,310	37,308	29,985
Community funding and equalization	257,620	263,434	271,878
Contribution from other government entities	175,000	174,993	169,065
	<u>979,389</u>	<u>1,004,370</u>	<u>978,238</u>
EXPENDITURES			
General government services	371,493	329,674	401,486
Protective services	184,211	162,822	110,953
Environmental health services	180,000	176,551	165,282
Environmental development services	64,369	59,931	41,769
Recreation and cultural services	70,500	62,785	39,928
Public health	1,000	894	624
	<u>871,573</u>	<u>792,657</u>	<u>760,042</u>
ANNUAL SURPLUS	<u>\$ 107,816</u>	211,713	218,196
ACCUMULATED SURPLUS - BEGINNING OF YEAR		<u>2,318,962</u>	<u>2,100,766</u>
ACCUMULATED SURPLUS - END OF YEAR		\$2,530,675	\$2,318,962

RURAL COMMUNITY OF UPPER MIRAMICHI INC.**Consolidated Statement of Cash Flow**

For the Years Ended December 31	2018	2017
OPERATING TRANSACTIONS		
Operating annual surplus	\$ 211,713	\$ 218,196
Amortization of tangible capital assets	113,731	112,507
Changes in receivables	(18,545)	(18,687)
Changes in payables and accruals	9,968	6,987
Change in prepaid expenses	(408)	1,323
	<u>316,459</u>	<u>320,326</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	<u>(457,981)</u>	<u>(441,365)</u>
FINANCING ACTIVITIES		
Proceeds from long-term debt	-	398,000
Payment of long-term debt	(45,000)	(8,000)
Proceeds (payments) from temporary financing	<u>(29,103)</u>	<u>29,103</u>
	<u>(74,103)</u>	<u>419,103</u>
INCREASE (DECREASE) IN CASH	(215,625)	298,064
CASH - BEGINNING OF YEAR	<u>758,048</u>	<u>459,984</u>
CASH - END OF YEAR	<u>\$ 542,423</u>	<u>\$ 758,048</u>
REPRESENTED BY:		
General Operating Fund	\$ 34,298	\$ 30,483
General Capital Fund	5,010	329,450
General Capital Reserve	464,125	359,125
General Operating Reserve	<u>38,990</u>	<u>38,990</u>
	<u>\$ 542,423</u>	<u>\$ 758,048</u>

December 31, 2018

1. PURPOSE OF THE ORGANIZATION

The Municipality was incorporated as a rural community by the Province of New Brunswick Municipalities Act on March 17, 2008 and was approved for status as a Municipality effective March 17, 2008 by an amendment of New Brunswick Regulation 85-6 under the Municipalities Act. As a municipality, it is exempt from income tax under section 146(1)(c) of the Canadian Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipality are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of CPA Canada.

The Municipality has adopted PSA as of January 1, 2011.

The focus of PSA financial statements is on the financial position of the Municipality and the changes thereto. The Consolidated Statement of Financial Position includes all of the assets and liabilities of the Municipality.

The entities included in the consolidated financial statements are as follows: General Government Services, Protective Services, Environmental Health Services, Environmental Development Services, Recreational and Cultural Services, Public Health, and Fiscal Services.

Significant aspects of the accounting policies adopted by the Municipality are as follows:

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net assets and cash flows of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Municipality and which are owned or controlled by the Municipality.

Interdepartmental and organizational transactions and balances are eliminated.

Budget

The budget figures contained in these consolidated financial statements were approved by Council on January 10, 2018 and the Minister of Local Government on January 16, 2018.

Revenue recognition

(a) Unrestricted revenue is recorded on an accrual basis and is recognized when collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

(b) Other revenue is recorded when it is earned.

December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Use of estimates**

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting principles for local governments requires management to make estimates that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated 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. Actual results may differ from those estimates.

Financial Instruments

The Municipality's financial instruments consist of cash, accounts receivable, accounts payable and accruals, temporary financing, and long-term debt. Unless otherwise noted, it is management's opinion that the Rural Community is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of the instruments approximate their carrying value, unless otherwise noted.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

Tangible capital assets

Effective January 1, 2011, The Municipality adopted the provisions of PSA section 3150 Tangible Capital Assets. Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

Asset type	Years
Parks and Walking Trails	10-50 years
Buildings	10-60 years
Machinery and Equipment	5-50 years
Motor Vehicles	3-15 years
Recycling Equipment	5-15 years

Segmented information

The Municipality is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the Municipality's operations and activities are organized and reported by function. This presentation was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments as follows:

RURAL COMMUNITY OF UPPER MIRAMICHI INC.

Notes to Consolidated Financial Statements

December 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General government services

This department is responsible for the overall governance and financial administration of the Municipality. This includes council functions, general and financial management, legal matters, civic relations, and compliance with legislation.

Protective services

This department is responsible for the provision of fire protection, emergency measures, animal control and other protective measures.

Environmental health services

This department is responsible for the provision of waste collection and disposal.

Environmental development services

This department is responsible for planning and zoning, community development, tourism and other municipal development and promotion services.

Recreation and cultural services

This department is responsible for the maintenance and operation of recreational and cultural facilities, including the parks and playgrounds and other recreational and cultural facilities.

Public health

This department is responsible for the provision of services relating to the maintenance and operation of cemeteries, public memorials, and medical clinics.

3. CASH

	<u>2018</u>	<u>2017</u>
Restricted cash (Reserves - Schedule F)	\$ 503,115	\$ 398,115
Unrestricted cash	<u>39,308</u>	<u>359,933</u>
	<u>\$ 542,423</u>	<u>\$ 758,048</u>

4. ACCOUNTS RECEIVABLE

	<u>2018</u>	<u>2017</u>
HST receivable	\$ 55,291	\$ 38,696
Other	<u>1,950</u>	<u>-</u>
	<u>\$ 57,241</u>	<u>\$ 38,696</u>

RURAL COMMUNITY OF UPPER MIRAMICHI INC.**Notes to Consolidated Financial Statements**

December 31, 2018

5. ACCOUNTS PAYABLE AND ACCRUALS

	<u>2018</u>	<u>2017</u>
Trade payables and accruals	\$ 28,197	\$ 17,744
Accrued benefits (Note 11)	14,788	13,460
Payroll liabilities	<u>-</u>	<u>1,813</u>
	<u>\$ 42,985</u>	<u>\$ 33,017</u>

6. DEFERRED REVENUE

The balance at the end of the year represents the excess of funds received for the Memorial Park Garden over the expenses incurred.

7. TEMPORARY FINANCING

The Rural Community of Upper Miramichi obtained temporary financing at prime plus 2.70% for the purchase of a new fire truck by way of an overdraft allowance in the amount of \$520,000 on its current account in 2017. This temporary financing was approved by the province.

8. LONG-TERM DEBT

	<u>2018</u>	<u>2017</u>
Certificate of indebtedness - Province of New Brunswick 1.65% to 4.25% - due 2021 - OIC #09-0140	\$ 144,000	\$ 153,000
Certificate of indebtedness - Province of New Brunswick 1.65% to 2.90% - due 2027 - OIC #16-0073	<u>362,000</u>	<u>398,000</u>
	<u>\$ 506,000</u>	<u>\$ 551,000</u>

Principal repayments required during the next five years are as follows:

2019	\$ 46,000
2020	48,000
2021	163,000
2022	39,000
2023	40,000

December 31, 2018

9. SHORT-TERM BORROWINGS COMPLIANCE

Operating borrowing

The Municipalities Act prescribes a limit to bank indebtedness of 4% of the current year's budget for the General Operating Fund. The Rural Community is within this limit.

Interfund borrowing

All interfund accounts at December 31, 2018 represent current year transactions and are in compliance with the policy established by the Department of Local Government.

10. RESERVE FUNDS

All transfers of funds into and disbursed from Reserve Funds require a resolution of Council and the amount held in the Operating Reserve Funds shall not exceed 5% of the total expenditures that were budgeted for the previous fiscal year. The Rural Community is in compliance with these requirements.

11. ACCRUED BENEFITS

The Municipality provides sick leave benefits for all permanent employees that accumulates at 1.25 days per month for full-time employees (permanent part-time employees are pro-rated) for each calendar month of continuous employment up to a maximum of 125 days. An employee may take a leave with pay for an amount of time equal to the accumulated sick leave.

The liability will be accrued each year. The liability as of December 31, 2018 is \$11,246 (2017 - \$10,424).

Once a permanent part-time or full-time employee has reached 5 years or more of consecutive employment, a retirement allowance is calculated at an amount equal to 5 days pay for each full year of seniority is accrued, but is not to exceed 125 days pay at the employee's regular rate of pay.

The liability will be accrued each year. The liability as of December 31, 2018 is \$3,542 (2017 - \$3,036).

RURAL COMMUNITY OF UPPER MIRAMICHI INC.

General Operating Fund

Comparison of Revenue and Expenditure to Budget and Previous Year

For the Years Ended December 31	2018	2018	2017
	Budget	Actual	Actual
REVENUE			
Warrant of assessment	\$ 503,459	\$ 503,459	\$ 487,754
Other revenue from own sources	6,000	25,176	19,556
LSD transfer for fire protection	37,310	37,308	29,985
Community funding and equalization	257,620	263,434	271,878
Surplus of second previous year	5,117	5,117	3,316
	<u>809,506</u>	<u>834,494</u>	<u>812,489</u>
EXPENDITURE			
General government services	309,563	273,290	263,945
Protective services	143,211	112,178	110,953
Environmental health services	175,000	171,514	165,283
Environmental development services	64,369	59,931	41,769
Recreation and cultural services	49,000	41,341	39,929
Public health	1,000	894	624
Fiscal services	61,430	61,524	33,033
Transfer to General Capital Fund	5,933	11,070	38,807
Transfer to General Capital Reserve	-	105,000	96,500
	<u>809,506</u>	<u>836,742</u>	<u>790,843</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ (2,248)	\$ 21,646

RURAL COMMUNITY OF UPPER MIRAMICHI INC.

General Operating Fund - Revenue and Expense Support

For the Years Ended December 31	2018 Budget	2018 Actual	2017 Actual
OTHER REVENUE FROM OWN SOURCES			
Animal enforcement	\$ -	\$ 274	\$ 150
Building licenses and permits	5,000	11,200	9,136
Other	<u>1,000</u>	<u>13,702</u>	<u>10,270</u>
	<u>\$ 6,000</u>	<u>\$ 25,176</u>	<u>\$ 19,556</u>
EXPENSES			
GENERAL GOVERNMENT SERVICES			
Legislative			
Mayor	\$ 9,000	\$ 7,460	\$ 8,581
Councillors	<u>21,600</u>	<u>19,774</u>	<u>19,734</u>
	<u>30,600</u>	<u>27,234</u>	<u>28,315</u>
Administrative			
Clerk and manager	73,750	71,933	69,300
Development Officer	50,830	54,684	51,245
Office expenses	59,600	32,784	35,586
Other	28,470	23,933	21,128
Solicitor	<u>1,500</u>	<u>-</u>	<u>400</u>
	<u>214,150</u>	<u>183,334</u>	<u>177,659</u>
Financial management			
External audit	<u>8,000</u>	<u>8,250</u>	<u>8,500</u>
Cost of assessment	<u>21,813</u>	<u>21,813</u>	<u>21,885</u>
Other general government services			
Public liability insurance	15,000	12,659	11,586
Grants, dues and fees	<u>20,000</u>	<u>20,000</u>	<u>16,000</u>
	<u>35,000</u>	<u>32,659</u>	<u>27,586</u>
	<u>\$ 309,563</u>	<u>\$ 273,290</u>	<u>\$ 263,945</u>
PROTECTIVE SERVICES			
Fire			
Administration	\$ 2,600	\$ 2,343	\$ 2,108
Fire alarm	9,000	8,453	8,522
Training	6,950	714	1,899
Fire hall and equipment	76,800	54,651	51,754
Fire force	<u>41,361</u>	<u>41,549</u>	<u>42,434</u>
	<u>136,711</u>	<u>107,710</u>	<u>106,717</u>
Emergency measures			
EMO expenses	<u>3,500</u>	<u>2,040</u>	<u>2,353</u>
Other			
Animal and pest control	<u>3,000</u>	<u>2,428</u>	<u>1,883</u>
	<u>\$ 143,211</u>	<u>\$ 112,178</u>	<u>\$ 110,953</u>

RURAL COMMUNITY OF UPPER MIRAMICHI INC.**General Operating Fund - Revenue and Expense Support**

For the Years Ended December 31	2018 Budget	2018 Actual	2017 Actual
ENVIRONMENTAL HEALTH SERVICES			
Garbage and waste collection	\$ 120,000	\$ 115,243	\$ 111,857
Tipping fees	<u>55,000</u>	<u>56,271</u>	<u>53,426</u>
	\$ 175,000	\$ 171,514	\$ 165,283
ENVIRONMENTAL DEVELOPMENT SERVICES			
Administration	\$ 3,364	\$ 3,364	\$ 1,347
Other community development	14,690	20,097	6,909
Planning	36,315	36,315	33,332
Business Park	<u>10,000</u>	<u>155</u>	<u>181</u>
	\$ 64,369	\$ 59,931	\$ 41,769
RECREATION AND CULTURAL SERVICES			
Library	\$ 9,000	\$ 9,000	\$ 9,000
Other community development	30,000	23,592	22,639
Parks and playgrounds	<u>10,000</u>	<u>8,749</u>	<u>8,290</u>
	\$ 49,000	\$ 41,341	\$ 39,929
PUBLIC HEALTH			
Community Vault	\$ 1,000	\$ 894	\$ 624
FISCAL SERVICES			
Debt charges			
Interest on long-term debt	\$ 15,730	\$ 15,909	\$ 23,845
Principal	45,000	45,000	8,000
Bank service charges	<u>700</u>	<u>615</u>	<u>1,188</u>
	\$ 61,430	\$ 61,524	\$ 33,033

Schedule C

RURAL COMMUNITY OF UPPER MIRAMICHI INC.

Tangible Capital Assets

	2018		2017					
	Land	Parks and Walking Trails	Buildings	Machinery and Equipment	Recycling	Motor Vehicles	Total	Total
COST								
Balance - beginning of year	\$ 30,880	\$ 521,332	\$ 1,223,840	\$ 145,616	\$ 50,367	\$ 516,111	\$ 2,488,146	\$ 2,046,781
Add: Net additions during the year	-	446,911	3,498	7,572	-	-	457,981	441,365
BALANCE - END OF YEAR	<u>30,880</u>	<u>968,243</u>	<u>1,227,338</u>	<u>153,188</u>	<u>50,367</u>	<u>516,111</u>	<u>2,946,127</u>	<u>2,488,146</u>
ACCUMULATED AMORTIZATION								
Balance - beginning of year	-	71,193	226,633	17,218	10,074	42,845	367,961	255,454
Add: Amortization during the year	-	21,444	45,565	6,411	5,037	35,274	113,731	112,507
BALANCE - END OF YEAR	<u>-</u>	<u>92,637</u>	<u>272,198</u>	<u>23,629</u>	<u>15,111</u>	<u>78,119</u>	<u>481,692</u>	<u>367,961</u>
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	\$ 30,880	\$ 875,606	\$ 955,140	\$ 129,559	\$ 35,256	\$ 437,992	\$ 2,464,435	\$ 2,120,185

Schedule D

RURAL COMMUNITY OF UPPER MIRAMICHI INC.

Schedule of Segment Disclosure

	2018						2017	
For the Years Ended December 31	General	Protective Services	Environmental Health	Environmental Development	Recreation and Culture	Public Health	Consolidated	Consolidated
REVENUES								
Property tax warrant	\$ 234,423	\$ 89,068	\$ 108,838	\$ 40,033	\$ 30,475	\$ 622	\$ 503,459	\$ 487,754
Sale of service, fines and other fees	25,176	37,308	-	-	-	-	62,484	49,541
Community funding and equalization	122,662	46,605	56,949	20,947	15,946	325	263,434	271,878
Gas tax contributions	-	-	-	-	174,993	-	174,993	169,065
	<u>382,261</u>	<u>172,981</u>	<u>165,787</u>	<u>60,980</u>	<u>221,414</u>	<u>947</u>	<u>1,004,370</u>	<u>978,238</u>
EXPENSES								
Salaries and benefits	143,105	-	-	-	-	-	143,105	138,326
Goods and services	112,241	112,178	171,514	59,931	41,341	894	498,099	463,479
Amortization	36,606	50,644	5,037	-	21,444	-	113,731	112,507
Interest	15,909	-	-	-	-	-	15,909	23,845
Cost of assessment	21,813	-	-	-	-	-	21,813	21,885
	<u>329,674</u>	<u>162,822</u>	<u>176,551</u>	<u>59,931</u>	<u>62,785</u>	<u>894</u>	<u>792,657</u>	<u>760,042</u>
SURPLUS (DEFICIT) FOR THE YEAR	\$ 52,587	\$ 10,159	\$ (10,764)	\$ 1,049	\$ 158,629	\$ 53	\$ 211,713	\$ 218,196

RURAL COMMUNITY OF UPPER MIRAMICHI INC.

Reconciliation of Annual Surplus

December 31, 2018

	General Operating Fund	General Capital Fund	Reserve Funds	Total
2018 Annual surplus	\$ 36,720	\$ 174,993	\$ -	\$ 211,713
Adjustments to annual surplus for funding requirements				
Second previous year's surplus	5,117	-	-	5,117
Transfer from general operating fund to the general capital fund	(11,070)	11,070	-	-
Transfer from general operating fund to the general capital reserve fund	(105,000)	-	105,000	-
Long-term debt principal repayment	(45,000)	45,000	-	-
Asset management plan	3,254	(3,254)	-	-
Amortization expense	113,731	(113,731)	-	-
Total adjustments to 2018 annual surplus	(38,968)	(60,915)	105,000	5,117
2018 Annual fund surplus (deficit)	\$ (2,248)	\$ 114,078	\$ 105,000	\$ 216,830

RURAL COMMUNITY OF UPPER MIRAMICHI INC.

Statement of Reserves

For the Years Ended December 31

2018

2017

	General Operating Reserve	General Capital Reserve	Total	Total
ASSETS				
Cash	\$ 38,990	\$ 464,125	\$ 503,115	\$ 398,115
ACCUMULATED SURPLUS - BEGINNING OF YEAR	\$ 38,990	\$ 359,125	\$ 398,115	\$ 301,615
SURPLUS - FOR THE YEAR	<u>-</u>	<u>105,000</u>	<u>105,000</u>	<u>96,500</u>
ACCUMULATED SURPLUS - END OF YEAR	\$ 38,990	\$ 464,125	\$ 503,115	\$ 398,115
REVENUE				
Transfer from General Operating Funds	\$ -	\$ 105,000	\$ 105,000	\$ 96,500
EXPENDITURES				
Transfer to General Capital Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
SURPLUS - FOR THE YEAR	\$ -	\$ 105,000	\$ 105,000	\$ 96,500

Resolution by Council dated December 17, 2018 for the transfer of \$105,000 from the General Operating Fund to the General Capital Reserve Fund.

RURAL COMMUNITY OF UPPER MIRAMICHI INC.

Operating Budget to PSA Budget

December 31, 2018

	Operating Budget General	Amortization TCA	Transfers	Total
REVENUE				
Warrant of assessment	\$ 503,459	\$ -	\$ -	\$ 503,459
Revenue from own sources	6,000	-	-	6,000
LSD Transfer for fire protection	37,310	-	-	37,310
Community and equalization	257,620	-	-	257,620
Contribution from other government entities	-	-	175,000	175,000
Surplus of second previous year	5,117	-	(5,117)	-
	<u>809,506</u>	<u>-</u>	<u>169,883</u>	<u>979,389</u>
EXPENDITURES				
General government services	309,563	45,500	16,430	371,493
Protective services	143,211	41,000	-	184,211
Environmental health services	175,000	5,000	-	180,000
Environmental development services	64,369	-	-	64,369
Recreational and cultural services	49,000	21,500	-	70,500
Public health	1,000	-	-	1,000
Fiscal services				
Long-term debt repayments	45,000	-	(45,000)	-
Interest	16,430	-	(16,430)	-
Transfer to General Capital Fund	5,933	-	(5,933)	-
	<u>809,506</u>	<u>113,000</u>	<u>(50,933)</u>	<u>871,573</u>
SURPLUS	\$ -	\$ (113,000)	\$ 220,816	\$ 107,816