

**RURAL COMMUNITY OF UPPER MIRAMICHI**

**Consolidated Financial Statements**

**December 31, 2019**

**RURAL COMMUNITY OF UPPER MIRAMICHI**

**Consolidated Financial Statements**

**December 31, 2019**

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## INDEPENDENT AUDITORS' REPORT

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**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 (the Rural Community), which comprise the consolidated statement of financial position as at December 31, 2019 and 2018, 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 Rural Community as at December 31, 2019 and 2018, 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 Rural Community 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 Rural Community'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 Rural Community'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 Rural Community'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 Rural Community'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 Rural Community 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.

  
**CHARTERED PROFESSIONAL ACCOUNTANTS**

Fredericton, New Brunswick  
February 24, 2020

**RURAL COMMUNITY OF UPPER MIRAMICHI**  
**Consolidated Statement of Financial Position**

<b>December 31</b>	<b>2019</b>	<b>2018</b>
<b>FINANCIAL ASSETS</b>		
Cash (Note 3)	\$ 618,330	\$ 542,423
Receivables		
General (Note 4)	250	-
Federal government and its agencies (Note 5)	16,601	55,291
Province of New Brunswick (Note 6)	1,415	1,950
Pension asset (Note 7)	<u>3,700</u>	<u>5,000</u>
	<b><u>640,296</u></b>	<b><u>604,664</u></b>
<b>LIABILITIES</b>		
Accounts payable and accruals (Note 8)	30,672	28,199
Deferred revenue (Note 9)	27,017	39,431
Accrued sick leave obligation (Note 10)	11,948	10,666
Post employment benefits payable (Note 11)	4,459	4,122
Long-term debt (Note 12)	<u>460,000</u>	<u>506,000</u>
	<b><u>534,096</u></b>	<b><u>588,418</u></b>
<b>NET ASSETS</b>	<b><u>106,200</u></b>	<b><u>16,246</u></b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 17)	2,383,539	2,467,690
Prepaid expenses	<u>15,129</u>	<u>15,990</u>
	<b><u>2,398,668</u></b>	<b><u>2,483,680</u></b>
<b>ACCUMULATED SURPLUS</b>	<b>\$2,504,868</b>	<b>\$2,499,926</b>

APPROVED BY

\_\_\_\_\_ Mayor

\_\_\_\_\_ Clerk

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

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<b>For the Years Ended December 31</b>	<b>2019</b>	<b>2018</b>
Annual Surplus	\$ 4,942	\$ 211,713
Prior period adjustment (pension asset) (Note 14)	-	5,000
Prior period adjustment (deferred revenue) (Note 14)	-	(39,431)
Prior period adjustment (proceeds on disposal of tangible assets) (Note 14)	-	<u>3,688</u>
Annual surplus, as restated	<u>4,942</u>	180,970
Acquisition of tangible capital assets (Note 17)	<u>(56,384)</u>	(461,235)
Amortization of tangible capital assets	<u>140,535</u>	<u>113,731</u>
	<b>89,093</b>	(166,534)
Acquisition (disposition) of prepaid assets	<u>861</u>	<u>(408)</u>
Increase (decrease) in net assets	<b>89,954</b>	(166,942)
Net Assets - beginning of year	<u>16,246</u>	<u>183,188</u>
Net Assets - end of year	<b>\$ 106,200</b>	\$ 16,246

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## RURAL COMMUNITY OF UPPER MIRAMICHI

### Consolidated Statement of Operations

For the Years Ended December 31	2019	2019	2018
	Budget (Note 21)	Actual	Actual
<b>REVENUE</b>			
Property tax warrant	\$ 610,941	\$ 610,941	\$ 503,459
Revenue from own sources	6,000	20,166	25,177
Services provided to other governments	180,970	180,968	37,308
Community funding and equalization	-	7,952	263,434
Gas tax contributions	-	12,541	174,993
	<u>797,911</u>	<u>832,568</u>	<u>1,004,371</u>
<b>EXPENDITURES</b>			
General government services	331,773	357,089	329,675
Protective services	141,574	158,881	162,822
Public health services	1,000	979	894
Environmental health services	186,000	176,014	176,551
Environmental development services	64,191	46,393	59,931
Recreation and cultural services	49,000	88,270	62,785
	<u>773,538</u>	<u>827,626</u>	<u>792,658</u>
<b>ANNUAL SURPLUS</b>	<u>\$ 24,373</u>	<b>4,942</b>	211,713
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>		<u><b>2,499,926</b></u>	<u>2,288,213</u>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>		<u><b>\$2,504,868</b></u>	<u>\$2,499,926</u>

## RURAL COMMUNITY OF UPPER MIRAMICHI

### Consolidated Statement of Cash Flow

For the Years Ended December 31	2019	2018
<b>OPERATING TRANSACTIONS</b>		
Operating annual surplus	\$ 4,942	\$ 211,713
Amortization of tangible capital assets	140,535	113,731
Changes in receivables - General	(250)	-
Changes in receivables - Federal Government and its agencies	38,690	(16,595)
Changes in receivables - Province of New Brunswick	535	(1,950)
Changes in payables and accruals	2,473	7,735
Changes in deferred revenue	(12,414)	-
Changes in accrued sick leave	1,282	242
Changes in post employment benefits payable	1,637	1,986
Change in prepaid expenses	861	(408)
	<b>178,291</b>	<b>316,454</b>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	(56,384)	(461,235)
Proceeds on disposal of tangible capital assets	-	3,259
	<b>(56,384)</b>	<b>(457,976)</b>
<b>FINANCING ACTIVITIES</b>		
Payment of long-term debt	(46,000)	(45,000)
Payment of temporary financing	-	(29,103)
	<b>(46,000)</b>	<b>(74,103)</b>
<b>INCREASE (DECREASE) IN CASH</b>	<b>75,907</b>	<b>(215,625)</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>542,423</b>	<b>758,048</b>
<b>CASH - END OF YEAR</b>	<b>\$ 618,330</b>	<b>\$ 542,423</b>
<b>REPRESENTED BY:</b>		
General Operating Fund	\$ 5,859	\$ 34,298
Restricted:		
General Capital Fund (Gas Tax Fund)	39,356	5,010
General Capital Reserve	534,125	464,125
General Operating Reserve	38,990	38,990
	<b>\$ 618,330</b>	<b>\$ 542,423</b>



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## RURAL COMMUNITY OF UPPER MIRAMICHI

### Notes to Consolidated Financial Statements

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December 31, 2019

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#### 1. PURPOSE OF THE ORGANIZATION

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

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 Services, and Fiscal Services.

Significant aspects of the accounting policies adopted by the Rural Community 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 Rural Community and which are owned or controlled by the Rural Community.

Interdepartmental and organizational transactions and balances are eliminated.

##### Budget

The budget figures contained in these consolidated financial statements were approved by Council on December 17, 2018 and the Minister of Environment and Local Government on January 16, 2019.

##### 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, 2019**

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**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. Significant estimates include amortization, pension asset, accrued payables, accrued sick leave, and post-employment benefits. Actual results may differ from those estimates.

**Financial Instruments**

The Rural Community's financial instruments consist of cash, accounts receivable, accounts payable and accruals, deferred revenue, 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 twelve months or less.

**Tangible capital assets**

The Rural Community has 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:

<b>Asset type</b>	<b>Years</b>
Land improvements	10-50 years
Buildings	10-60 years
Machinery and equipment	5-50 years
Vehicles	3-15 years
Computer equipment	3-5 years
Furniture & fixtures	3-5 years
Pavement and parking lots	5-15 years
Signs	10-15 years
Recycling	10 years
Assets under construction	N/A

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

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**December 31, 2019**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Segmented information**

The Rural Community is a diversified entity that provides a wide range of services to its residents. For management reporting purposes, the Rural Community'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. Community services are provided by departments as follows:

General government services

This department is responsible for the overall governance and financial administration of the Rural Community. 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, 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 Community 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.

**Post Employment Benefits**

The Rural Community has a long-term service award and sick leave benefit as documented in Note 10 and a pension plan as documented in Note 7.

**3. CASH**

	<u>2019</u>	<u>2018</u>
Restricted cash	\$ 612,471	\$ 508,125
Unrestricted cash	<u>5,859</u>	<u>34,298</u>
	<u>\$ 618,330</u>	<u>\$ 542,423</u>

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

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**December 31, 2019**

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**4. ACCOUNTS RECEIVABLE**

	<u>2019</u>	<u>2018</u>
Other accounts receivable	\$ 250	\$ -

**5. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES**

	<u>2019</u>	<u>2018</u>
Canada Revenue Agency (HST)	\$ 16,601	\$ 55,291

**6. DUE FROM PROVINCIAL GOVERNMENT AND ITS AGENCIES**

	<u>2019</u>	<u>2018</u>
Greater Miramichi Regional Service Commission	\$ 1,415	\$ 1,950

**7. PENSION ASSET**

The Rural Community and its employees participate in the New Brunswick Municipal Employees Pension Plan (NB MEPP). The NB MEPP is a multiple-employer defined benefit pension plan administered by a board elected by the members under the provisions of the Municipalities Act of New Brunswick. The NB MEPP provides pensions based on length of service and best average earnings.

Actuarial valuations for funding purposes are performed either annually or triennially depending on the financial position of the NB MEPP (currently annually). In turn, the actuarial valuations for accounting purposes are based on these figures (with adjustments). The most recent actuarial valuation was prepared as at December 31, 2017 and resulted in an overall NB MEPP accrued benefit obligation of \$122,959,100 based on the accounting basis.

The actuarial valuation for accounting purposes was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect management's best estimates. The following summarizes the major assumptions in the valuation as at December 31, 2018:

- the expected inflation rate of 2.25% per annum
- the discount rate used to determine the accrued benefit obligation is 5.50% per annum
- the expected rate of return on assets is 5.50% per annum
- retirement age varies by age and employment category
- estimated average remaining service life (EARSL) is 13.0 years

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

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**December 31, 2019**

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**7. PENSION ASSET (continued)**

The actuarial valuation prepared as at December 31, 2017 indicated that the market value of net assets available for the accumulated plan benefits were greater than the present value of 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 surplus of \$43,100, a change of \$297,900 from the December 31, 2016 deficit of \$254,800. Based on the assumptions as at December 31, 2017, the actuary expects the level of employer and employee contributions to be sufficient to fund the current service cost and going concern special payments, as required by the Pension Benefits Act.

As at December 31, 2017, the NB MEPP provides benefits for 236 retirees. Total benefit payments to retirees and terminating employees during 2019 are estimated to be approximately \$3,932,100 (actual 2018, \$5,502,500) in totality for the NB MEPP.

Employees make contributions using rates that vary by earnings level and employment category, with an overall average contribution rate of approximately 7.99%. Each municipality contributes an amount that equals their employees contribution amounts. Pension Fund Assets are invested in Short Term Securities, Bonds, Canadian Equities and Foreign Equities. Combined employees and municipalities contributions for 2019 are estimated to be approximately \$6,713,200 (actual 2018 \$6,532,500 in totality for the NB MEPP).

The following summarizes the NB MEPP data as it relates to the Rural Community.

- The average age of the 1 active employees covered by the NB MEPP is 57.4 (as at December 31, 2017)
- Benefit Payments were \$1,000 in 2018 and were estimated to be \$0 in 2019
- Combined Contributions were \$5,400 in 2018 and were estimated to be \$5,600 in 2019

In addition to determining the position of the NB MEPP as it relates to the Rural Community as at December 31, 2017 and December 31, 2018, NB MEPP's actuary performed an extrapolation of the December 31, 2018 accounting valuation to determine the estimated position as at December 31, 2019. The extrapolation assumes assumptions used as at December 31, 2019 remain unchanged from December 31, 2018. The extrapolation also assumes assets return 5.50% net of all fees and expenses. If experience is different than assumed, amounts will be adjusted to reflect actual experience. Results of the extrapolation are as follows:

	<u>2019</u>	<u>2018</u>
<b>Accrued benefit liability / (asset)</b>		
Accrued benefit liability / (asset) at beginning of period	\$ (5,000)	\$ (5,900)
Pension expense for the year	4,100	3,600
Less: Employer contributions	<u>(2,800)</u>	<u>(2,700)</u>
Accrued benefit liability / (asset) at end of period	<u>\$ (3,700)</u>	<u>\$ (5,000)</u>

**RURAL COMMUNITY OF UPPER MIRAMICHI**

**Notes to Consolidated Financial Statements**

**December 31, 2019**

**8. ACCOUNTS PAYABLE AND ACCRUALS**

	2019	2018
Accounts payables and accruals	\$ 26,616	\$ 28,199
Payroll liabilities	4,056	-
	\$ 30,672	\$ 28,199

**9. DEFERRED REVENUE**

	Gas Tax Fund	Memorial Park	Total
2018 - Balance beginning of year	\$ 38,995	\$ 436	\$ 39,431
Funds received during the year	250	-	250
Funds used during the year	(12,541)	(123)	(12,664)
<b>2019 - Balance end of year</b>	<b>\$ 26,704</b>	<b>\$ 313</b>	<b>\$ 27,017</b>

The balance at the end of the year represents the excess of funds received over the expenses incurred during the life of the project.

**10. ACCRUED SICK LEAVE OBLIGATION**

The Rural Community provides sick leave that accumulates at 1.25 days per month for full-time or permanent part-time employees. This leave accumulates but does not vest.

	2019	2018
<b>Accrued employee benefit obligation:</b>		
Opening balance	\$ 10,666	\$ 10,424
Current period service cost	4,900	4,750
Benefit payments	(3,618)	(4,508)
	\$ 11,948	\$ 10,666

As in accordance with PSA 3255.15-.20 accumulating non-vesting sick leave that is paid only upon illness-related absences is accounted for using accrual accounting and is a funded benefit and does not require an actuarial valuation.

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

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**December 31, 2019**

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**11. POST EMPLOYMENT BENEFITS PAYABLE**

Employees of the Rural Community become eligible for a long time service award after five years of consecutive service. Qualifying employees are entitled to five days of regular pay for each full year of continuous employment to a maximum of 125 days. The accrued benefit becomes payable in the year an employee ceases working for the Rural Community, either by retirement or leaving in good standing. There was \$4,459 (2018 - \$4,122) accrued in long time service awards and \$0 (2018 - \$0) paid out during the year.

**12. LONG-TERM DEBT**

	<u>2019</u>	<u>2018</u>
Certificate of indebtedness - Province of New Brunswick 1.65% to 4.25% - due 2021 - OIC #09-0140	\$ 135,000	\$ 144,000
Certificate of indebtedness - Province of New Brunswick 1.65% to 2.90% - due 2027 - OIC #16-0073	<u>325,000</u>	<u>362,000</u>
	<u>\$ 460,000</u>	<u>\$ 506,000</u>

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

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

2020	\$ 4,800
2021	163,000
2022	39,000
2023	40,000
2024	41,000
Later	<u>172,200</u>
	<u>\$ 460,000</u>

**13. SHORT-TERM BORROWINGS COMPLIANCE****Operating borrowing**

The Local Governance 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, 2019 represent current year transactions and are in compliance with the policy established by the Department of Local Government.

**Capital borrowing**

The Rural Community did not have any new capital borrowings in the current or previous year.

December 31, 2019

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**14. PRIOR PERIOD ADJUSTMENT**

As a result of a review of the 2018 consolidated financial statements for content and form by the Department of Environment and Local Government during 2019, it was found that there were three areas that required restatements in the prior period of these financial statements.

An accrued Pension Asset (Note 7) was not booked for accounting purposes as it was not a material balance. The effect of this adjustment was \$5,000 on the prior period's annual surplus figure.

Gas Tax Revenue was recognized as it was received, rather than matching it to the project's expenses in the year the expenses were incurred and the balance recorded as Deferred Revenue (Note 9). The effect of this adjustment was (\$39,431) on the prior period's annual surplus figure.

Proceeds on disposal of tangible capital assets were incorrectly recorded in prior years. The error has been corrected in the current year. The effect of this adjustment was \$3,688 on the prior period's annual surplus figure.

**15. 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.

**16. COMPARATIVE FIGURES**

Prior year figures have been reclassified where applicable to conform to current presentation.



**RURAL COMMUNITY OF UPPER MIRAMICHI**

**Notes to Consolidated Financial Statements**

For the Years Ended December 31

2019 2018

**17. TANGIBLE CAPITAL ASSETS**

	Land	Parks and Playgrounds	Buildings	Machinery and Equipment	Recycling	Motor Vehicles	Total	Total
<b>COST</b>								
Balance - beginning of year	\$ 30,880	\$ 971,497	\$ 1,227,338	\$ 153,188	\$ 50,367	\$ 516,111	\$ 2,949,381	\$ 2,488,146
Add: Net additions during the year	-	21,644	17,004	17,736	-	-	56,384	461,235
<b>BALANCE - END OF YEAR</b>	<u>30,880</u>	<u>993,141</u>	<u>1,244,342</u>	<u>170,924</u>	<u>50,367</u>	<u>516,111</u>	<u>3,005,765</u>	<u>2,949,381</u>
<b>ACCUMULATED AMORTIZATION</b>								
Balance - beginning of year	-	92,637	272,198	23,629	15,111	78,116	481,691	367,960
Add: Amortization during the year	-	45,643	46,580	8,004	5,037	35,271	140,535	113,731
<b>BALANCE - END OF YEAR</b>	<u>-</u>	<u>138,280</u>	<u>318,778</u>	<u>31,633</u>	<u>20,148</u>	<u>113,387</u>	<u>622,226</u>	<u>481,691</u>
<b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b>	\$ 30,880	\$ 854,861	\$ 925,564	\$ 139,291	\$ 30,219	\$ 402,724	\$ 2,383,539	\$ 2,467,690

**RURAL COMMUNITY OF UPPER MIRAMICHI**

**Notes to Consolidated Financial Statements**

For the Years Ended December 31

2019

2018

**18. SEGMENT DISCLOSURE**

**REVENUES**

	General	Protective Services	Public Health Services	Environmental Health	Environmental Development	Recreation and Culture	Consolidated	Consolidated
Property tax warrant	\$ 320,736	\$ -	\$ 967	\$ 179,812	\$ 62,056	\$ 47,370	\$ 610,941	\$ 503,459
Sale of service, fines and other fees	14,821	-	-	-	-	5,345	20,166	25,177
Community funding and equalization	4,174	-	13	2,340	808	617	7,952	263,434
Other government transfers	-	180,968	-	-	-	12,541	193,509	212,301
	<u>339,731</u>	<u>180,968</u>	<u>980</u>	<u>182,152</u>	<u>62,864</u>	<u>65,873</u>	<u>832,568</u>	<u>1,004,371</u>

**EXPENSES**

Salaries and benefits	128,986	-	-	-	-	-	128,986	153,851
Goods and services	175,073	106,644	979	176,014	46,393	42,626	547,729	525,076
Amortization	37,618	52,237	-	-	-	45,644	135,499	113,731
Interest	15,412	-	-	-	-	-	15,412	-
	<u>357,089</u>	<u>158,881</u>	<u>979</u>	<u>176,014</u>	<u>46,393</u>	<u>88,270</u>	<u>827,626</u>	<u>792,658</u>

**SURPLUS (DEFICIT) FOR THE YEAR**

	\$ (17,358)	\$ 22,087	\$ 1	\$ 6,138	\$ 16,471	\$ (22,397)	\$ 4,942	\$ 211,713
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**RURAL COMMUNITY OF UPPER MIRAMICHI**

**Notes to Consolidated Financial Statements**

For the Years Ended December 31

2019

2018

**19. RECONCILIATION OF ANNUAL SURPLUS**

	General Operating Fund	General Capital Fund	Gen. Operating Reserve Fund	Gen. Capital Reserve Fund	
Consolidated annual surplus (deficit)	\$ 132,937	\$ (127,995)	\$ -	\$ -	\$ 4,942
<b>Adjustments to annual surplus (deficit) for funding requirements:</b>					
Second previous year's surplus	21,646	-	-	-	21,646
Transfer from General Operating Fund to General Capital Fund	(44,093)	44,093	-	-	-
Transfer from General Operating Fund to General Capital Reserve Fund	(70,000)	-	-	70,000	-
Long-term debt principal payment	(46,000)	46,000	-	-	-
Amortization expense	-	140,535	-	-	140,535
Change in amount recorded under PSA for defined benefit liability	1,300	-	-	-	1,300
Total adjustments to annual surplus (deficit)	(137,147)	230,628	-	70,000	163,481
					113,731
					900
					119,748

**FUND SURPLUS (DEFICIT) FOR THE YEAR**

	\$ (4,210)	\$ 102,633	\$ -	\$ 70,000	\$ 168,423	\$ 331,461
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**RURAL COMMUNITY OF UPPER MIRAMICHI**

**Notes to Consolidated Financial Statements**

**For the Years Ended December 31**

**2019**

**2018**

**20. STATEMENT OF RESERVES**

	General Operating Reserve	General Capital Reserve	Total	Total
<b>ASSETS</b>				
Cash	\$ 8,990	\$ 34,125	\$ 43,115	\$ 503,115
Investments	<u>30,000</u>	<u>500,000</u>	<u>530,000</u>	<u>-</u>
	<b>\$ 38,990</b>	<b>\$ 534,125</b>	<b>\$ 573,115</b>	<b>\$ 503,115</b>
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>				
	\$ 38,990	\$ 464,125	\$ 503,115	\$ 398,115
<b>SURPLUS - FOR THE YEAR</b>				
	<u>-</u>	<u>70,000</u>	<u>70,000</u>	<u>105,000</u>
<b>ACCUMULATED SURPLUS - END OF YEAR</b>				
	\$ 38,990	\$ 534,125	\$ 573,115	\$ 503,115
<b>REVENUE</b>				
Transfer from General Operating Funds	\$ -	\$ 70,000	\$ 70,000	\$ 105,000
<b>EXPENDITURES</b>				
Transfer to General Capital Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>SURPLUS - FOR THE YEAR</b>				
	\$ -	\$ 70,000	\$ 70,000	\$ 105,000

Name of Investment	Maturity	Interest Rate	Balance
Treasury Account 101 - *** - 2		0%	\$34,125
Treasury Account 102 - *** - 5		1.7%	* \$500,000
Treasury Account 100 - *** - 7		0%	\$8,990
RBC Cashable GIC	18-Dec-2020	1.6%	* \$30,000

*\*Note these funds were invested December 18, 2019, therefore no interest was earned during the current or previous year.*

Moved by Councillor Fowler, seconded by Councillor Ross that \$70,000 be transferred from the General Operating Fund to the General Capital Reserve Fund. *Regular meeting of Council, December 16, 2019.*

I hereby certify that the above are true and exact copies of resolutions adopted by council.

Municipal Seal

\_\_\_\_\_  
Mary Hunter, Clerk

\_\_\_\_\_  
Date

**RURAL COMMUNITY OF UPPER MIRAMICHI**

**Notes to Consolidated Financial Statements**

**December 31, 2019**

**21. OPERATING BUDGET TO PSA BUDGET**

	Operating Budget		Total
	General	Transfers	
<b>REVENUE</b>			
Property tax warrant	\$ 610,941	\$ -	\$ 610,941
Revenue from own sources	6,000	-	6,000
Services provided to other governments	180,970	-	180,970
Surplus of second previous year	<u>21,646</u>	<u>(21,646)</u>	<u>-</u>
	<u>819,557</u>	<u>(21,646)</u>	<u>797,911</u>
<b>EXPENDITURES</b>			
General government services	316,279	15,494	331,773
Protective services	141,574	-	141,574
Public health services	1,000	-	1,000
Environmental health services	186,000	-	186,000
Environmental development services	64,191	-	64,191
Recreational and cultural services	49,000	-	49,000
Fiscal services			
Long-term debt repayments	46,000	(46,000)	-
Interest	15,494	(15,494)	-
Transfer from Gen. Operating Fund to Gen. Capital Fund	-	-	-
	<u>819,538</u>	<u>(46,000)</u>	<u>773,538</u>
<b>SURPLUS</b>	\$ 19	\$ 24,354	\$ 24,373

RURAL COMMUNITY OF UPPER MIRAMICHI

Notes to Consolidated Financial Statements

For the Years Ended December 31	2019	2019	2018
	Budget	Actual	Actual
<b>22. PSA REVENUE AND EXPENSE SUPPORT</b>			
<b>REVENUE</b>			
Services to other governments			
Fire protection	\$ 180,970	\$ 180,968	\$ 37,308
Other own source			
Community newsletter and rentals	1,000	5,345	6,663
Building permits	5,000	9,591	11,201
Other	-	5,230	7,313
	<u>6,000</u>	<u>20,166</u>	<u>25,177</u>
<b>General Government Services</b>			
Legislative			
Mayor	\$ 9,000	\$ 11,676	\$ 7,460
Councillors	24,130	27,609	19,774
Professional development	3,000	1,217	2,229
	<u>36,130</u>	<u>40,502</u>	<u>29,463</u>
Administrative			
Salaries and wages	123,650	128,986	126,617
Pension adjustment	-	1,300	900
Office building	63,660	48,099	32,784
Legal services	1,500	2,029	-
Other	25,950	21,867	21,704
	<u>214,760</u>	<u>202,281</u>	<u>182,005</u>
Financial management			
External audit	8,500	8,600	8,250
Donations and grants	20,000	14,650	20,000
Cost of assessment	21,889	21,889	21,813
	<u>50,389</u>	<u>45,139</u>	<u>50,063</u>
Other general government services			
Interest and bank charges	15,494	15,412	16,524
Public liability insurance	15,000	16,137	12,659
Amortization	-	37,618	36,606
	<u>30,494</u>	<u>69,167</u>	<u>65,789</u>
	<u>\$ 331,773</u>	<u>\$ 357,089</u>	<u>\$ 327,320</u>

RURAL COMMUNITY OF UPPER MIRAMICHI

Notes to Consolidated Financial Statements

For the Years Ended December 31	2019	2019	2018
	Budget	Actual	Actual
<b>22. PSA REVENUE AND EXPENSE SUPPORT (continued)</b>			
<i>Protective Services</i>			
Fire			
Administration	\$ 1,200	\$ 581	\$ 2,343
Force	38,810	35,651	41,549
Training	3,000	1,326	714
Station and building	44,600	43,638	27,638
Fighting equipment	38,464	14,707	27,013
Alarms	9,000	8,753	8,453
Amortization	-	52,237	50,644
	<u>135,074</u>	<u>156,893</u>	<u>158,354</u>
Emergency measures			
EMO expenses	<u>3,500</u>	<u>66</u>	<u>2,040</u>
Other			
Animal and pest control	<u>3,000</u>	<u>1,922</u>	<u>2,428</u>
	<u>\$ 141,574</u>	<u>\$ 158,881</u>	<u>\$ 162,822</u>
<i>Public Health Services</i>			
Community vault	\$ 1,000	\$ 979	\$ 894
<i>Environmental Health Services</i>			
Solid waste collection	\$ 123,000	\$ 118,701	\$ 115,243
Tipping fees	63,000	52,276	56,271
Amortization	-	5,037	5,037
	<u>\$ 186,000</u>	<u>\$ 176,014</u>	<u>\$ 176,551</u>
<i>Environmental Development Services</i>			
Planning (Other local government)	\$ 34,872	\$ 34,872	\$ 36,315
Other community development	16,327	8,348	20,097
Research studies	2,992	2,992	3,364
Business Park	<u>10,000</u>	<u>181</u>	<u>155</u>
	<u>\$ 64,191</u>	<u>\$ 46,393</u>	<u>\$ 59,931</u>
<i>Recreation and Cultural Services</i>			
Exhibitions and fairs	\$ 10,000	\$ 9,401	\$ 8,749
Parks and playgrounds	30,000	24,225	23,592
Library	9,000	9,000	9,000
Amortization	-	45,644	21,444
	<u>\$ 49,000</u>	<u>\$ 88,270</u>	<u>\$ 62,785</u>

## RURAL COMMUNITY OF UPPER MIRAMICHI

## General Operating Fund

## Comparison of Revenue and Expenditures to Budget and Previous Year

For the Years Ended December 31	2019	2019	2018
	Budget	Actual	Actual
<b>REVENUE</b>			
Property tax warrant	\$ 610,941	\$ 610,941	\$ 503,459
Other revenue from own sources	6,000	20,166	25,177
Services provided to other governments	180,970	180,968	37,308
Community funding and equalization	-	7,952	263,434
Surplus of second previous year	<u>21,646</u>	<u>21,646</u>	<u>5,117</u>
	<u>819,557</u>	<u>841,673</u>	<u>834,495</u>
<b>EXPENDITURES</b>			
General government services	316,279	302,759	273,290
Protective services	141,574	106,644	112,178
Public health services	1,000	979	894
Environmental health services	186,000	170,977	171,514
Environmental development services	64,191	46,393	59,931
Recreation and cultural services	49,000	42,626	41,341
Fiscal services	<u>61,513</u>	<u>175,505</u>	<u>177,594</u>
	<u>819,557</u>	<u>845,883</u>	<u>836,742</u>
<b>DEFICIT FOR THE YEAR</b>	\$ -	\$ (4,210)	\$ (2,247)



## RURAL COMMUNITY OF UPPER MIRAMICHI

## General Operating Fund - Revenue and Expenditures Support

For the Years Ended December 31	2019	2019	2018
	Budget	Actual	Actual
<b>OTHER REVENUE FROM OWN SOURCES</b>			
Building permits	\$ 5,000	\$ 9,591	\$ 11,201
Community newsletter and rentals	1,000	5,345	6,663
Licenses and permits	-	702	274
Summer job grants	<u>-</u>	<u>4,528</u>	<u>7,039</u>
	<u>\$ 6,000</u>	<u>\$ 20,166</u>	<u>\$ 25,177</u>
<b>GENERAL GOVERNMENT SERVICES</b>			
Legislative			
Mayor	\$ 9,000	\$ 11,676	\$ 7,460
Councillors	24,130	27,609	19,774
Professional development	<u>3,000</u>	<u>1,217</u>	<u>2,229</u>
	<u>36,130</u>	<u>40,502</u>	<u>29,463</u>
Administrative			
Salaries and wages	123,650	128,986	126,617
Office building	63,660	48,099	32,784
Legal services	1,500	2,029	-
Other	<u>25,950</u>	<u>21,867</u>	<u>21,704</u>
	<u>214,760</u>	<u>200,981</u>	<u>181,105</u>
Financial management			
External audit	8,500	8,600	8,250
Donations and grants	20,000	14,650	20,000
Cost of assessment	<u>21,889</u>	<u>21,889</u>	<u>21,813</u>
	<u>50,389</u>	<u>45,139</u>	<u>50,063</u>
Other general government services			
Public liability insurance	<u>15,000</u>	<u>16,137</u>	<u>12,659</u>
	<u>\$ 316,279</u>	<u>\$ 302,759</u>	<u>\$ 273,290</u>
<b>PROTECTIVE SERVICES</b>			
Fire			
Administration	\$ 1,200	\$ 581	\$ 2,343
Force	38,810	35,651	41,549
Training	3,000	1,326	714
Station and building	44,600	43,638	27,638
Fighting equipment	38,464	14,707	27,013
Alarms	<u>9,000</u>	<u>8,753</u>	<u>8,453</u>
	<u>135,074</u>	<u>104,656</u>	<u>107,710</u>

## RURAL COMMUNITY OF UPPER MIRAMICHI

## General Operating Fund - Revenue and Expenditures Support

For the Years Ended December 31	2019	2019	2018
	Budget	Actual	Actual
<b>PROTECTIVE SERVICES (continued)</b>			
Emergency measures			
EMO expenses	<u>3,500</u>	<u>66</u>	<u>2,040</u>
Other			
Animal and pest control	<u>3,000</u>	<u>1,922</u>	<u>2,428</u>
	<u>\$ 141,574</u>	<u>\$ 106,644</u>	<u>\$ 112,178</u>
<b>PUBLIC HEALTH SERVICES</b>			
Community vault	\$ 1,000	\$ 979	\$ 894
<b>ENVIRONMENTAL HEALTH SERVICES</b>			
Solid waste collection	\$ 123,000	\$ 118,701	\$ 115,243
Tipping fees	<u>63,000</u>	<u>52,276</u>	<u>56,271</u>
	<u>\$ 186,000</u>	<u>\$ 170,977</u>	<u>\$ 171,514</u>
<b>ENVIRONMENTAL DEVELOPMENT SERVICES</b>			
Planning (Other local government)	\$ 34,872	\$ 34,872	\$ 36,315
Administration (Other local government)	2,992	2,992	3,364
Other community development	16,327	8,348	20,097
Business Park	<u>10,000</u>	<u>181</u>	<u>155</u>
	<u>\$ 64,191</u>	<u>\$ 46,393</u>	<u>\$ 59,931</u>
<b>RECREATION AND CULTURAL SERVICES</b>			
Exhibition and fairs	\$ 10,000	\$ 9,401	\$ 8,749
Parks and playgrounds	30,000	24,225	23,592
Library	<u>9,000</u>	<u>9,000</u>	<u>9,000</u>
	<u>\$ 49,000</u>	<u>\$ 42,626</u>	<u>\$ 41,341</u>

## RURAL COMMUNITY OF UPPER MIRAMICHI

## General Operating Fund - Revenue and Expenditures Support

For the Years Ended December 31	2019	2019	2018
	Budget	Actual	Actual
<b>FISCAL SERVICES</b>			
Debt charges			
Interest on long-term debt	\$ 14,794	\$ 14,794	\$ 15,909
Principal	46,000	46,000	45,000
Bank service charges	700	599	615
	61,494	61,393	61,524
Payment in lieu of taxes	19	19	-
Transfer to own funds			
Capital expenditures	-	44,093	11,070
General Capital Reserve Fund	-	70,000	105,000
	-	114,093	116,070
	\$ 61,513	\$ 175,505	\$ 177,594