

RURAL COMMUNITY OF UPPER MIRAMICHI

Consolidated Financial Statements

December 31, 2022

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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 (the Rural Community), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of changes in net assets, operations and accumulated surplus, and cash flows for the year 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, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit 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 consolidated 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 Consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 27, 2023

RURAL COMMUNITY OF UPPER MIRAMICHI
Consolidated Statement of Financial Position

December 31	2022	2021
FINANCIAL ASSETS		
Cash (Note 3)	\$1,306,035	\$1,411,520
Investments (Note 17)	30,000	30,000
Receivables		
General	7,364	11,462
Federal government and its agencies (Note 4)	74,045	34,276
Province of New Brunswick and its agencies (Note 5)	5,863	470
Pension asset (Note 6)	1,400	2,500
	<u>1,424,707</u>	<u>1,490,228</u>
LIABILITIES		
Payables and accruals	73,267	73,439
Deferred revenue (Note 7)	791,986	787,741
Accrued sick leave obligation (Note 8)	32,188	24,083
Post employment benefits payable (Note 9)	13,646	9,475
Long-term debt (Note 10)	210,000	249,000
	<u>1,121,087</u>	<u>1,143,738</u>
NET ASSETS	<u>303,620</u>	<u>346,490</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 14)	3,523,713	3,229,827
Accumulated amortization	1,107,570	(925,642)
	<u>2,416,143</u>	<u>2,304,185</u>
Prepaid expenses	34,777	18,871
	<u>2,450,920</u>	<u>2,323,056</u>
ACCUMULATED SURPLUS	<u>\$2,754,540</u>	<u>\$2,669,546</u>

APPROVED BY

_____ Mayor

_____ Clerk

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

For the Year Ended December 31	2022	2021
Annual Surplus	\$ 84,994	\$ 152,930
Acquisition of tangible capital assets (Note 14)	(293,886)	(192,321)
Amortization of tangible capital assets (Note 14)	<u>181,928</u>	<u>160,056</u>
	(26,964)	120,665
Acquisition of prepaid assets	<u>(15,906)</u>	<u>(1,923)</u>
Increase (decrease) in net assets	(42,870)	118,742
Net Assets - beginning of year	<u>346,490</u>	<u>227,748</u>
Net Assets - end of year	\$ 303,620	\$ 346,490

RURAL COMMUNITY OF UPPER MIRAMICHI

Consolidated Statement of Operations

For the Year Ended December 31	2022	2022	2021
	Budget (Note 18)	Actual	Actual
REVENUE			
Property tax warrant	\$ 520,642	\$ 520,642	\$ 487,352
Revenue from own sources	12,000	123,258	55,445
Services provided to other governments	270,330	292,754	269,405
Community funding and equalization	193,035	193,035	122,218
Gas tax contributions	-	61,029	122,372
Other government transfers	-	10,863	138,909
	<u>996,007</u>	<u>1,201,581</u>	<u>1,195,701</u>
EXPENDITURES			
General government services	366,984	400,286	392,982
Protective services	142,375	198,907	186,838
Environmental health services	292,945	296,934	288,922
Environmental development services	94,340	77,021	42,747
Recreation and cultural services	65,000	142,090	129,739
Public health	1,500	1,349	1,543
	<u>963,144</u>	<u>1,116,587</u>	<u>1,042,771</u>
ANNUAL SURPLUS	<u>\$ 32,863</u>	84,994	152,930
ACCUMULATED SURPLUS - BEGINNING OF YEAR		<u>2,669,546</u>	<u>2,516,616</u>
ACCUMULATED SURPLUS - END OF YEAR		\$2,754,540	\$2,669,546

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

For the Year Ended December 31	2022	2021
OPERATING TRANSACTIONS		
Operating annual surplus	\$ 84,994	\$ 152,930
Amortization of tangible capital assets	181,928	160,056
Changes in receivables - General	4,098	(7,102)
Changes in receivables - Federal Government and its agencies	(39,769)	(20,718)
Changes in receivables - Province of New Brunswick and its agencies	(5,393)	1,399
Changes in payables and accruals	(172)	43,137
Changes in deferred revenue	4,245	276,333
Change in accrued sick leave	8,105	4,606
Change in post employment benefits payable	4,171	2,115
Change in pension asset	1,100	1,000
Change in prepaid expenses	<u>(15,906)</u>	<u>(1,923)</u>
	<u>227,401</u>	<u>611,833</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	<u>(293,886)</u>	<u>(192,321)</u>
FINANCING TRANSACTIONS		
Payment of long-term debt	<u>(39,000)</u>	<u>(163,000)</u>
INCREASE (DECREASE) IN CASH	(105,485)	256,512
CASH - BEGINNING OF YEAR	<u>1,411,520</u>	<u>1,155,008</u>
CASH - END OF YEAR	<u>\$1,306,035</u>	<u>\$1,411,520</u>
REPRESENTED BY:		
General Operating Fund	\$ 23,355	\$ 109,377
Restricted:		
General Capital Fund (Gas Tax Fund)	785,475	734,963
General Capital Reserve	487,513	557,639
General Operating Reserve	<u>9,692</u>	<u>9,541</u>
	<u>\$1,306,035</u>	<u>\$1,411,520</u>

RURAL COMMUNITY OF UPPER MIRAMICHI

Notes to Consolidated Financial Statements

December 31, 2022

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, Public Health Services, Environmental Health Services, Environmental Development Services, Recreational and Cultural 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 6, 2021 and the Minister of Environment and Local Government on December 14, 2021.

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.

RURAL COMMUNITY OF UPPER MIRAMICHI

Notes to Consolidated Financial Statements

December 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Uncertainty

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting principles for local governments requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these 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 three 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:

Asset type	Years
Land improvements	10-50 years
Buildings	10-60 years
Machinery and equipment	5-50 years
Recycling	10 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

RURAL COMMUNITY OF UPPER MIRAMICHI

Notes to Consolidated Financial Statements

December 31, 2022

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.

Public health services

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

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.

Post Employment Benefits

The Rural Community has a long-term service award as documented in Note 9, sick leave benefit as documented in Note 8 and a pension plan as documented in Note 6.

3. CASH

	<u>2022</u>	<u>2021</u>
Restricted cash	\$1,282,680	\$1,302,143
Unrestricted cash	<u>23,355</u>	<u>109,377</u>
	<u>\$1,306,035</u>	<u>\$1,411,520</u>

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

December 31, 2022

4. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES

	<u>2022</u>	<u>2021</u>
Canada Revenue Agency (HST refund)	\$ 74,045	\$ 34,276

5. DUE FROM PROVINCIAL GOVERNMENT AND ITS AGENCIES

	<u>2022</u>	<u>2021</u>
Regional Service Commission	\$ -	\$ 470
Department of Environment and Local Government	<u>5,863</u>	<u>-</u>
	<u>\$ 5,863</u>	<u>\$ 470</u>

6. 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, 2020 and resulted in an overall NB MEPP accrued benefit obligation of \$135,126,100 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, 2021:

- the expected inflation rate of 2.10% per annum
- the discount rate used to determine the accrued benefit obligation is 5.70% per annum
- the expected rate of return on assets is 5.70% per annum
- retirement age varies by age and employment category
- estimated average remaining service life (EARSL) is 14.0 years

The actuarial valuation prepared as at December 31, 2020 indicated that the market value of net assets available for the accumulated plan benefits were less 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 deficit of \$833,500, a change of \$191,700 from the December 31, 2019 deficit of \$641,800. Based on the assumptions as at December 31, 2020, 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.

RURAL COMMUNITY OF UPPER MIRAMICHI

Notes to Consolidated Financial Statements

December 31, 2022

6. PENSION ASSET (continued)

As at December 31, 2020, the NB MEPP provides benefits for 294 retirees. Total benefit payments to retirees and terminating employees during 2022 are estimated to be approximately \$4,995,200 (actual 2021, \$6,360,300) 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 8.00%. Each participating body 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 participating bodies' contributions for 2022 are estimated to be approximately \$7,421,400 (actual 2021 \$7,235,200 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 employee covered by the NB MEPP is 60.4 (as at December 31, 2020)
- Benefit Payments were \$0 in 2021 and were estimated to be \$0 in 2022
- Combined Contributions were \$5,800 in 2021 and were estimated to be \$6,000 in 2022

In addition to determining the position of the NB MEPP as it relates to the Rural Community as at December 31 2020, and December 31, 2021, NB MEPP's actuary performed an extrapolation of the December 31, 2021 accounting valuation to determine the estimated position as at December 31, 2022. The extrapolation assumes assumptions used as at December 31, 2022 remain unchanged from December 31, 2021. The extrapolation also assumes assets return 5.70% 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:

	<i>Estimated</i>	
	<u>2022</u>	<u>2021</u>
Accrued benefit liability / (asset)		
Accrued benefit liability / (asset) at beginning of period	\$ (2,500)	\$ (3,500)
Pension expense for the year	4,100	3,900
Less: Employer contributions	<u>(3,000)</u>	<u>(2,900)</u>
Accrued benefit liability / (asset) at end of period	<u>\$ (1,400)</u>	<u>\$ (2,500)</u>

7. DEFERRED REVENUE

	Gas Tax Fund	Other deposits received	<u>Total</u>
2021 - Balance beginning of year	\$ 687,368	\$ 100,373	\$ 787,741
Funds received during the year	165,625	-	165,625
Funds used during the year	<u>(61,029)</u>	<u>(100,351)</u>	<u>(161,380)</u>
2022 - Balance end of year	\$ 791,964	\$ 22	\$ 791,986

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

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

December 31, 2022

8. 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.

	<u>2022</u>	<u>2021</u>
Accrued employee benefit obligation:		
Opening balance	\$ 24,083	\$ 19,477
Current period service cost	10,751	6,793
Benefit payments	<u>(2,646)</u>	<u>(2,187)</u>
	<u>\$ 32,188</u>	<u>\$ 24,083</u>

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.

9. 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 \$4,171 (2021 - \$2,115) accrued in long time service awards and \$0 (2021 - \$0) paid out during the year.

10. LONG-TERM DEBT

	<u>2022</u>	<u>2021</u>
Certificate of indebtedness - Province of New Brunswick 1.65% to 2.90% - due 2027 - OIC #16-0073	<u>\$ 210,000</u>	<u>\$ 249,000</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:

2023	\$ 40,000
2024	41,000
2025	42,000
2026	43,000
2027	<u>44,000</u>
	<u>\$ 210,000</u>

RURAL COMMUNITY OF UPPER MIRAMICHI

Notes to Consolidated Financial Statements

December 31, 2022

11. 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, 2022 represent current year transactions and are in compliance with the policy established by the Department of Local Government.

Interim borrowing for capital

The Rural Community does not have any interim borrowing for capital.

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

12. 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.

13. 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 Year Ended December 31

2022 2021

14. TANGIBLE CAPITAL ASSETS

COST

Balance - beginning of year
Add: Net additions during the year

BALANCE - END OF YEAR

ACCUMULATED AMORTIZATION

Balance - beginning of year
Add: Amortization during the year

BALANCE - END OF YEAR

NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS

	Land	Buildings	Machinery and Equipment	Parks and Playgrounds	Motor Vehicles	Total	Total
	\$ 34,380	\$1,298,222	\$ 222,492	\$1,158,623	\$ 516,111	\$3,229,827	\$3,037,506
	-	61,266	40,753	104,286	87,581	293,886	192,321
	<u>34,380</u>	<u>1,359,488</u>	<u>263,245</u>	<u>1,262,909</u>	<u>603,692</u>	<u>3,523,713</u>	<u>3,229,827</u>
	-	416,477	78,103	248,427	182,635	925,642	765,586
	-	52,257	17,236	72,621	39,814	181,928	160,056
	<u>-</u>	<u>468,734</u>	<u>95,339</u>	<u>321,048</u>	<u>222,449</u>	<u>1,107,570</u>	<u>925,642</u>
	\$ 34,380	\$ 890,754	\$ 167,906	\$ 941,861	\$ 381,243	\$2,416,143	\$2,304,185

RURAL COMMUNITY OF UPPER MIRAMICHI

Notes to Consolidated Financial Statements

For the Year Ended December 31

2022 2021

15. SEGMENT DISCLOSURE

REVENUES

	General	Protective Services	Public Health Services	Environmental Health	Environmental Development	Recreation and Culture	Consolidated	Consolidated
Property tax warrant	\$ 232,790	\$ -	\$ 952	\$ 185,825	\$ 59,843	\$ 41,232	\$ 520,642	\$ 487,352
Sale of service, fines, and other fees	15,487	225	400	-	-	107,146	123,258	55,445
Services provided to other governments	-	183,515	-	89,650	-	-	273,165	-
Community funding and equalization	152,179	16,742	-	24,114	-	-	193,035	122,218
Gas tax contributions	-	-	-	-	-	61,029	61,029	-
Other government transfers	<u>10,863</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,863</u>	<u>530,686</u>
	<u>411,319</u>	<u>200,482</u>	<u>1,352</u>	<u>299,589</u>	<u>59,843</u>	<u>209,407</u>	<u>1,181,992</u>	<u>1,195,701</u>

EXPENSES

Salaries and benefits	145,790	-	-	-	50,308	14,851	210,949	152,116
Goods and services	205,005	136,372	1,349	291,777	26,713	54,618	715,834	719,871
Amortization	41,615	62,535	-	5,157	-	72,621	181,928	160,056
Interest	<u>7,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,876</u>	<u>10,728</u>
	<u>400,286</u>	<u>198,907</u>	<u>1,349</u>	<u>296,934</u>	<u>77,021</u>	<u>142,090</u>	<u>1,116,587</u>	<u>1,042,771</u>

SURPLUS (DEFICIT) FOR THE YEAR

	\$ 11,033	\$ 1,575	\$ 3	\$ 2,655	\$ (17,178)	\$ 67,317	\$ 65,405	\$ 152,930
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RURAL COMMUNITY OF UPPER MIRAMICHI

Notes to Consolidated Financial Statements

For the Year Ended December 31

2022 2021

16. RECONCILIATION OF ANNUAL SURPLUS

	General Operating Fund	General Capital Fund	Gen. Operating Reserve Fund	Gen. Capital Reserve Fund	2022	2021
Consolidated annual surplus (deficit)	\$ 102,808	\$ (20,899)	\$ 151	\$ 2,934	\$ 84,994	\$ 152,930
Adjustments to annual surplus (deficit) for funding requirements:						
Second previous year's surplus	6,137	-	-	-	6,137	-
Transfer from General Operating Fund to General Capital Fund	(9,798)	9,798	-	-	-	-
Transfer from General Operating Fund to General Capital Reserve Fund	(50,000)	-	-	50,000	-	-
Transfer from General Capital Reserve Fund to General Capital Fund	-	123,060	-	(123,060)	-	-
Long-term debt principal payment	(39,000)	39,000	-	-	-	-
Amortization expense	-	181,928	-	-	181,928	160,056
Change in amount recorded under PSA for defined benefit liability	1,100	-	-	-	1,100	1,000
Second previous year's deficit	-	-	-	-	-	(4,210)
Total adjustments to annual surplus (deficit)	<u>(91,561)</u>	<u>353,786</u>	<u>-</u>	<u>(73,060)</u>	<u>189,165</u>	<u>156,846</u>
FUND SURPLUS (DEFICIT) FOR THE YEAR	\$ 11,247	\$ 332,887	\$ 151	\$ (70,126)	\$ 274,159	\$ 309,776

RURAL COMMUNITY OF UPPER MIRAMICHI

Notes to Consolidated Financial Statements

For the Year Ended December 31

2022

2021

17. STATEMENT OF RESERVES

	General Operating Reserve	General Capital Reserve	Total	Total
ASSETS				
Cash	\$ 9,692	\$ 487,513	\$ 497,205	\$ 567,180
Investments	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>30,000</u>
	<u>\$ 39,692</u>	<u>\$ 487,513</u>	<u>\$ 527,205</u>	<u>\$ 597,180</u>
ACCUMULATED SURPLUS - BEGINNING OF YEAR	\$ 39,541	\$ 557,639	\$ 597,180	\$ 640,295
SURPLUS (DEFICIT) - FOR THE YEAR	<u>151</u>	<u>(70,126)</u>	<u>(69,975)</u>	<u>(43,115)</u>
ACCUMULATED SURPLUS - END OF YEAR	\$ 39,692	\$ 487,513	\$ 527,205	\$ 597,180
REVENUE				
Transfer from General Operating Funds	\$ -	\$ 50,000	\$ 50,000	\$ 6,500
Interest	<u>151</u>	<u>2,934</u>	<u>3,085</u>	<u>996</u>
	<u>151</u>	<u>52,934</u>	<u>53,085</u>	<u>7,496</u>
EXPENDITURES				
Transfer to General Capital Fund	<u>-</u>	<u>123,060</u>	<u>123,060</u>	<u>50,611</u>
SURPLUS (DEFICIT) - FOR THE YEAR	\$ 151	\$ (70,126)	\$ (69,975)	\$ (43,115)

Name of Investment	Maturity	Interest Rate	Balance
Treasury Account 100 - *** - 7		1.7%	\$ 9,692
RBC Cashable GIC	18-Dec-2022	0.55%	\$ 30,000
Treasury Account 101 - *** - 2		0%	\$ 64,935
Treasury Account 102 - *** - 5		1.7%	\$ 422,578

Moved by Councillor Ross, seconded by Councillor Fowler that \$50,000 be transferred from the General Operating Fund to the General Capital Reserve Fund.

Regular meeting of Council, December 19, 2022.

Moved by Councillor Fowler, seconded by Councillor Munn that \$39,078 be transferred from the General Capital Reserve Fund to the General Capital Fund for fire fighting equipment.

Regular meeting of Council, December 20, 2021.

Moved by Councillor Ross, seconded by Councillor Munn that \$83,982 be transferred from the General Capital Reserve Fund to the General Capital Fund for the purchase of a tractor.

Regular meeting of Council, October 24, 2022.

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

Municipal Seal

Mary Hunter, Clerk

February 27, 2023

Date

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

December 31, 2022

18. OPERATING BUDGET TO PSA BUDGET

	Operating Budget General	Transfers	Total
REVENUE			
Property tax warrant	\$ 520,642	\$ -	\$ 520,642
Revenue from own sources	12,000	-	12,000
Services provided to other governments	270,330	-	270,330
Community funding and equalization	193,035	-	193,035
Other government transfers	-	-	-
Surplus (Deficit) of second previous year	6,137	(6,137)	-
Transfer from General Operating Reserve	-	-	-
	<u>1,002,144</u>	<u>(6,137)</u>	<u>996,007</u>
EXPENDITURES			
General government services	359,687	7,297	366,984
Protective services	142,375	-	142,375
Public health services	1,500	-	1,500
Environmental health services	292,945	-	292,945
Environmental development services	94,340	-	94,340
Recreational and cultural services	65,000	-	65,000
Fiscal services			
Long-term debt repayments	39,000	(39,000)	-
Interest	7,297	(7,297)	-
	<u>1,002,144</u>	<u>(39,000)</u>	<u>963,144</u>
SURPLUS	\$ -	\$ 32,863	\$ 32,863

RURAL COMMUNITY OF UPPER MIRAMICHI

Notes to Consolidated Financial Statements

For the Year Ended December 31	2022	2022	2021
	Budget	Actual	Actual
19. PSA REVENUE AND EXPENSE SUPPORT			
REVENUE			
Services to other governments			
Fire protection	\$ 180,972	\$ 183,515	\$ 180,972
Planning and development	\$ -	\$ 19,589	\$ -
Environmental health	<u>89,358</u>	<u>89,650</u>	<u>88,433</u>
	<u>270,330</u>	<u>292,754</u>	<u>269,405</u>
Other own source			
Provincial grants received	-	100,000	31,486
Federal grants received	-	7,146	9,867
Building permits and other licenses	8,000	6,274	7,318
Interest	-	3,085	996
Other	<u>4,000</u>	<u>6,753</u>	<u>5,778</u>
	<u>\$ 12,000</u>	<u>\$ 123,258</u>	<u>\$ 55,445</u>
General Government Services			
Legislative			
Mayor	\$ 12,179	\$ 13,167	\$ 10,886
Councillors	30,267	26,386	25,304
Professional development	3,000	1,560	185
Other legislative expenses	<u>15,610</u>	<u>16,677</u>	<u>12,999</u>
	<u>61,056</u>	<u>57,790</u>	<u>49,374</u>
Administrative			
Salaries and wages	159,500	156,888	138,290
Pension adjustment	-	1,100	1,000
Office building	30,400	28,451	27,743
Other	33,880	31,830	38,368
Solicitor	<u>3,000</u>	<u>991</u>	<u>1,643</u>
	<u>226,780</u>	<u>219,260</u>	<u>207,044</u>
Financial management and common services			
External audit	9,500	10,250	9,650
Civic relations	-	-	17,484
Regional and collaborative services	2,906	2,906	2,612
Cost of assessment	<u>23,445</u>	<u>23,445</u>	<u>22,542</u>
	<u>35,851</u>	<u>36,601</u>	<u>52,288</u>
Other general government services			
Interest and bank charges	7,297	7,876	10,728
Public liability insurance	18,000	19,144	15,933
Grants to organizations	18,000	18,000	16,000
Amortization	<u>-</u>	<u>41,615</u>	<u>41,615</u>
	<u>43,297</u>	<u>86,635</u>	<u>84,276</u>
	<u>\$ 366,984</u>	<u>\$ 400,286</u>	<u>\$ 392,982</u>

RURAL COMMUNITY OF UPPER MIRAMICHI

Notes to Consolidated Financial Statements

For the Year Ended December 31	2022	2022	2021
	Budget	Actual	Actual
19. PSA REVENUE AND EXPENSE SUPPORT (continued)			
<i>Protective Services</i>			
Fire			
Administration	\$ 3,400	\$ 1,967	\$ 2,436
Alarm	9,000	9,296	9,100
Training	3,000	2,941	1,681
Station and building	37,800	38,529	40,492
Equipment	39,305	41,356	38,622
Force	42,870	40,290	41,155
Amortization	-	62,535	51,090
	<u>135,375</u>	<u>196,914</u>	<u>184,576</u>
Emergency measures			
Other expenses	5,000	95	359
Other			
Animal and pest control	<u>2,000</u>	<u>1,898</u>	<u>1,903</u>
	<u>\$ 142,375</u>	<u>\$ 198,907</u>	<u>\$ 186,838</u>
<i>Public Health Services</i>			
Vault fees	\$ 1,500	\$ 1,349	\$ 1,543
<i>Environmental Health Services</i>			
Solid waste collection	\$ 205,735	\$ 203,333	\$ 195,315
Solid waste disposal	87,210	88,444	88,450
Amortization	-	5,157	5,157
	<u>\$ 292,945</u>	<u>\$ 296,934</u>	<u>\$ 288,922</u>
<i>Environmental Development Services</i>			
Planning (Other local government)	\$ -	\$ -	\$ 32,539
Administration: Personnel	50,000	50,308	-
Other environmental planning	-	8,078	-
Industrial parks and commissions	10,000	1,659	3,412
Tourism	12,000	5,704	4,326
Other community development	<u>22,340</u>	<u>11,272</u>	<u>2,470</u>
	<u>\$ 94,340</u>	<u>\$ 77,021</u>	<u>\$ 42,747</u>
<i>Recreation and Cultural Services</i>			
Salaries and wages	\$ -	\$ 14,851	\$ 13,686
Parks and playgrounds	45,000	38,057	31,889
Exhibitions and fairs	10,000	6,561	2,970
Libraries	10,000	10,000	19,000
Amortization	-	72,621	62,194
	<u>\$ 65,000</u>	<u>\$ 142,090</u>	<u>\$ 129,739</u>

RURAL COMMUNITY OF UPPER MIRAMICHI

General Operating Fund

Comparison of Revenue and Expenditures to Budget and Previous Year

For the Year Ended December 31	2022	2022	2021
	Budget	Actual	Actual
REVENUE			
Property tax warrant	\$ 520,642	\$ 520,642	\$ 487,352
Revenue from own sources	12,000	20,173	54,449
Services provided to other governments	270,330	292,754	269,405
Community funding and equalization	193,035	193,035	122,218
Other government transfers	-	10,863	138,909
Surplus of second previous year	6,137	6,137	-
	<u>1,002,144</u>	<u>1,043,604</u>	<u>1,072,333</u>
EXPENDITURES			
General government services	359,687	349,695	339,639
Protective services	142,375	136,372	135,748
Public health services	1,500	1,349	1,543
Environmental health services	292,945	291,777	283,765
Environmental development services	94,340	77,021	42,747
Recreation and cultural services	65,000	69,469	67,545
Fiscal services	46,297	106,674	194,513
Deficit of second previous year	-	-	4,210
	<u>1,002,144</u>	<u>1,032,357</u>	<u>1,069,710</u>
SURPLUS FOR THE YEAR	\$ -	\$ (11,247)	\$ 2,623

Surplus

RURAL COMMUNITY OF UPPER MIRAMICHI

General Operating Fund - Revenue and Expenditures Support

For the Year Ended December 31	2022	2022	2021
	Budget	Actual	Actual
REVENUE FROM OWN SOURCES			
Building permits	\$ 8,000	\$ 6,049	\$ 7,198
Licenses and permits	-	225	120
Provincial grants received	-	-	31,486
Federal grants received	-	7,146	9,867
Miscellaneous	<u>4,000</u>	<u>6,753</u>	<u>5,778</u>
	<u>\$ 12,000</u>	<u>\$ 20,173</u>	<u>\$ 54,449</u>
GENERAL GOVERNMENT SERVICES			
Legislative			
Mayor	\$ 12,179	\$ 13,167	\$ 10,886
Councillors	30,267	26,386	25,304
Professional development	3,000	1,560	185
Other legislative expenses	<u>15,610</u>	<u>16,677</u>	<u>12,999</u>
	<u>61,056</u>	<u>57,790</u>	<u>49,374</u>
Administrative			
Salaries and wages	159,500	156,888	138,290
Office building	30,400	28,451	27,743
Other	33,880	31,830	38,368
Solicitor	<u>3,000</u>	<u>991</u>	<u>1,643</u>
	<u>226,780</u>	<u>218,160</u>	<u>206,044</u>
Financial management and common services			
External audit	9,500	10,250	9,650
Civic relations	-	-	17,484
Regional and collaborative services	2,906	2,906	2,612
Cost of assessment	<u>23,445</u>	<u>23,445</u>	<u>22,542</u>
	<u>35,851</u>	<u>36,601</u>	<u>52,288</u>
Other general administrative services			
Public liability insurance	18,000	19,144	15,933
Grants to organizations	<u>18,000</u>	<u>18,000</u>	<u>16,000</u>
	<u>36,000</u>	<u>37,144</u>	<u>31,933</u>
	<u>\$ 359,687</u>	<u>\$ 349,695</u>	<u>\$ 339,639</u>

RURAL COMMUNITY OF UPPER MIRAMICHI**General Operating Fund - Revenue and Expenditures Support**

For the Year Ended December 31	2022	2022	2021
	Budget	Actual	Actual
PROTECTIVE SERVICES			
Fire			
Administration	\$ 3,400	\$ 1,967	\$ 2,436
Alarm	9,000	9,296	9,100
Training	3,000	2,941	1,681
Station and building	37,800	38,529	40,492
Equipment	39,305	41,356	38,622
Force	<u>42,870</u>	<u>40,290</u>	<u>41,155</u>
	135,375	134,379	133,486
Emergency measures			
Other expenses	5,000	95	359
Other			
Animal and pest control	<u>2,000</u>	<u>1,898</u>	<u>1,903</u>
	\$ 142,375	\$ 136,372	\$ 135,748
<hr/>			
PUBLIC HEALTH SERVICES			
Vault fees	\$ 1,500	\$ 1,349	\$ 1,543
<hr/>			
ENVIRONMENTAL HEALTH SERVICES			
Solid waste collection	\$ 205,735	\$ 203,333	\$ 195,315
Solid waste disposal	<u>87,210</u>	<u>88,444</u>	<u>88,450</u>
	\$ 292,945	\$ 291,777	\$ 283,765
<hr/>			
ENVIRONMENTAL DEVELOPMENT SERVICES			
Planning (Other local government)	\$ -	\$ -	\$ 32,539
Administration: Personnel	50,000	50,308	-
Other planning	-	8,078	-
Industrial parks and commissions	10,000	1,659	3,412
Tourism	12,000	5,704	4,326
Other community development	<u>22,340</u>	<u>11,272</u>	<u>2,470</u>
	\$ 94,340	\$ 77,021	\$ 42,747
<hr/>			
RECREATION AND CULTURAL SERVICES			
Salaries and wages	\$ -	\$ 14,851	\$ 13,686
Parks and playgrounds	45,000	38,057	31,889
Libraries	10,000	10,000	19,000
Exhibitions and fairs	<u>10,000</u>	<u>6,561</u>	<u>2,970</u>
	\$ 65,000	\$ 69,469	\$ 67,545

RURAL COMMUNITY OF UPPER MIRAMICHI

General Operating Fund - Revenue and Expenditures Support

For the Year Ended December 31	2022	2022	2021
	Budget	Actual	Actual
FISCAL SERVICES			
Debt charges			
Interest on long-term debt	\$ 6,597	\$ 6,597	\$ 10,089
Principal	39,000	39,000	163,000
Bank service charges	<u>700</u>	<u>1,279</u>	<u>639</u>
	<u>46,297</u>	<u>46,876</u>	<u>173,728</u>
Transfer to own funds			
Capital expenditures	-	9,798	14,285
General Capital Reserve Fund	<u>-</u>	<u>50,000</u>	<u>6,500</u>
	<u>-</u>	<u>59,798</u>	<u>20,785</u>
	\$ 46,297	\$ 106,674	\$ 194,513