

CITY OF MIRAMICHI
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
DECEMBER 31, 2019



CITY OF MIRAMICHI

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For the year ended December 31, 2019

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CITY OF MIRAMICHI
Consolidated Financial Statements
Year ended December 31, 2019

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the City of Miramichi (the "City") are the responsibility of the City's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 2 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The City's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The mayor and council meet with management to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval.

The consolidated financial statements have been audited by Allen, Paquet & Arseneau, LLP, independent external auditors appointed by the City. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the City's consolidated financial statements.

Clerk-Treasurer

INDEPENDENT AUDITORS' REPORT

To His Worship the Mayor
and Members of Council of the City of Miramichi

Opinion

We have audited the consolidated financial statements of the City of Miramichi, which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of operations and accumulated surplus, change in net debt and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the City of Miramichi as at December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for Public Sector Accounting.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the City 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 those 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 PSAB, 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 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 either intends to liquidate the City or 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.

INDEPENDENT AUDITORS' REPORT (cont'd)*Auditors' 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 auditors' 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 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 auditors' 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 auditors' report. However, future events or conditions may cause the City 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.

Miramichi, NB

July 23, 2020

Handwritten signature of Allan Paquet in black ink.

Chartered Professional Accountants

CITY OF MIRAMICHI**Consolidated Statement of Operations and Accumulated Surplus**

For the year ended December 31


	2019	2019	2018
	(Unaudited) Budget Note 24	Actual	Actual
REVENUE (Note 25)			
Warrant of Assessment	\$ 26,336,310	\$ 26,336,310	\$ 25,565,693
Community Funding and Equalization Grant from Provincial Government	6,041,476	6,198,624	5,908,193
Services Provided to Other Governments	913,240	915,714	921,405
Other Contributions and Government Transfers	4,825,443	4,725,443	5,437,306
Other Revenue from Own Sources	1,153,229	1,245,050	1,274,199
Water and Sewer Revenue	5,119,691	5,053,784	5,016,806
Interest	105,000	541,242	404,714
	44,494,389	45,016,167	44,528,316
EXPENDITURES (Note 26)			
General Government Services - Page 27	4,158,415	3,412,409	3,201,966
Protection Services - Page 28	11,748,429	10,173,565	10,035,413
Transportation Services - Page 29	10,994,891	9,976,840	9,704,158
Environmental Health and Development- Page 30	2,992,503	2,523,110	2,536,044
Recreation and Cultural Services- Page 31	5,651,114	5,023,811	4,694,936
Water and Sewer Utilities - Page 32	5,639,711	5,210,620	5,159,196
	41,185,063	36,320,355	35,331,713
ANNUAL SURPLUS (Note 21)	\$ 3,309,326	\$ 8,695,812	\$ 9,196,603
ACCUMULATED SURPLUS, Beginning of Year		126,583,454	117,386,851
ACCUMULATED SURPLUS, End of Year		\$ 135,279,266	\$ 126,583,454


CITY OF MIRAMICHI
Consolidated Statement of Financial Position
As at December 31

	2019	2018
FINANCIAL ASSETS		
Cash and Short Term Investments (Note 3)	\$ 27,908,372	\$ 26,895,688
Trust deposits	17,235	17,235
Accounts Receivable (Note 4)	4,675,204	4,364,231
Accrued Pension Asset (Note 9)	4,209,600	3,035,500
	\$ 36,810,411	\$ 34,312,654
LIABILITIES		
Bank Loans (Note 5)	\$ 7,003,000	\$ 8,653,000
Trust Deposits Payable	17,235	17,235
Accounts Payable and Accrued Liabilities (Note 6)	4,441,736	5,273,340
Deferred Government Funding (Note 7)	1,364,944	1,331,651
Long Term Debt (Note 8)	25,012,000	23,666,000
Funds Held in Trust - Covey Estate - David Sadler Scholarship	466,930	470,900
Other Post Employment Liabilities (Note 10)	3,259,800	3,264,500
	41,565,645	42,676,626
NET DEBT (Page 6)	\$(4,755,234)	\$(8,363,972)
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 19)	272,268,812	261,924,219
Accumulated Amortization	(132,469,469)	(127,049,732)
	139,799,343	134,874,487
Inventory of Supplies	61,905	59,696
Prepaid Expenses	173,252	13,243
	140,034,500	134,947,426
ACCUMULATED SURPLUS	\$ 135,279,266	\$ 126,583,454

CONTINGENCIES (Note 15)

On Behalf of the Council


 _____ Mayor


 _____ Clerk-Treasurer

CITY OF MIRAMICHI
Consolidated Statement of Change in Net Debt
For the year ended December 31

	2019	2018
Annual Surplus	\$ 8,695,812	\$ 9,196,603
Acquisition of Tangible Capital Assets	(11,123,465)	(14,199,777)
Proceeds on Disposal of Tangible Capital Assets	39,573	371,544
Amortization of Tangible Capital Assets	5,901,206	6,016,903
Write-down of Tangible Capital Assets	215,496	129,767
Gain on Sale of Tangible Capital Assets	42,334	(311,116)
	3,770,956	1,203,924
Change in Inventory	(2,209)	7,859
Change in Prepaid Expenses	(160,009)	(19,350)
	(162,218)	(11,491)
DECREASE IN NET DEBT	3,608,738	1,192,433
NET DEBT, Beginning of Year	(8,363,972)	(9,556,405)
NET DEBT, End of Year	\$(4,755,234)	\$(8,363,972)

CITY OF MIRAMICHI
Consolidated Statement of Cash Flow
For the year ended December 31

	2019	2018
OPERATING TRANSACTIONS		
Annual Surplus	\$ 8,695,812	\$ 9,196,603
Items not affecting cash:		
Amortization of Tangible Capital Assets	5,901,206	6,016,903
Gain on Sale of Tangible Capital Assets	42,334	(311,116)
Write-down of Capital Assets	215,496	129,767
Change in Accrued Pension Asset	(1,174,100)	(1,253,300)
Change in Other Post Employment Benefits	(4,700)	54,600
Changes in non-cash working capital:		
Changes in Accounts Receivable	(310,973)	506,003
Changes in Accounts Payable and Accrued Liabilities	(831,604)	(664,745)
Changes in Deferred Revenue	33,293	1,251,631
Changes in Trust Deposits	(3,970)	(718)
Changes in Prepaid Expenses	(160,009)	(19,350)
Changes in Inventory of Supplies	(2,209)	7,859
	12,400,576	14,914,137
CAPITAL TRANSACTIONS		
Acquisition of Tangible Capital Assets	(11,123,465)	(14,199,777)
Proceeds on Sale of Tangible Capital Assets	39,573	371,544
	(11,083,892)	(13,828,233)
FINANCING TRANSACTIONS		
Changes in Bank Loans	(1,650,000)	121,000
Issuance of Long Term Debt	4,545,000	3,542,000
Repayment of Long Term Debt	(3,199,000)	(2,635,000)
	(304,000)	1,028,000
NET DECREASE IN CASH AND CASH EQUIVALENTS	1,012,684	2,113,904
CASH AND CASH EQUIVALENTS, Beginning of Year	26,895,688	24,781,784
CASH AND CASH EQUIVALENTS, End of Year	\$ 27,908,372	\$ 26,895,688
CASH AND CASH EQUIVALENTS CONSIST OF:		
Cash	\$ 27,354,590	\$ 26,339,842
Restricted Cash	553,782	555,846
CASH AND CASH EQUIVALENTS, End of Year	\$ 27,908,372	\$ 26,895,688

1. PURPOSE OF THE ORGANIZATION

The City was incorporated under the provisions of the Province of New Brunswick Municipalities Act on January 1, 1995. As a municipality, the City is exempt from income tax under section 149(1)(c) of the Canadian Income Tax act.

The City provides municipal services such as police, fire, public works, engineering, parks and recreation, community development and other general government operations.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the City 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 the Canadian Institute of Chartered Professional Accountants. The consolidated financial statements include the additional disclosure requirements by the Department of Environment and Local Government of New Brunswick. The City has added Notes 11, 13, 14, 21 and 24 to comply with these requirements.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

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

(a) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in fund balances and change in financial position of the reporting entity. The City of Miramichi is comprised of all organizations, local boards and commissions that are owned or controlled by the City and are, therefore, accountable to the Council for the administration of their financial affairs and resources. In addition to the City's municipal government operations, they include the operations of French Fort Cove Eco-Center Inc.

Interdepartmental and organizational transactions and balances are eliminated.

(b) Budget

The budget figures contained in these consolidated financial statements were approved by Council on December 13, 2018 and the Minister of Environment and Local Government approved the General Operating budget on January 3, 2019, Capital Budget on January 3, 2019 and Utility Operating budget on January 3, 2019.

(c) Cash and Short Term Investments

Cash and cash equivalents include cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash and which are subject to and insignificant risk of change in value.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Inventories of Supplies

Inventories of supplies consist mainly of parts and road maintenance materials and are valued at the lower of cost and net realizable value.

(e) 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, less residual value, of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

	<u>Years</u>
Land:	
All land owned by the City	N/A
Land Improvements:	
Includes major landscaping projects, sports fields, courts, trail culverts, paved trails, parking lots, play grounds and similar assets	10 - 30 years
Buildings and leasehold improvements:	
All buildings owned by the City, with the exception of treatment plants, as single assets or broken into components: structural, interior, exterior, mechanical, electrical, specialty items, equipment and site work	10 - 60 years
Machinery and Equipment:	
Includes information technology assets, large signage, transit fare boxes, motorized fleet equipment, parking meters, leasehold improvements and similar assets	10 - 20 years
Linear Assets:	
All public works infrastructure including roads, sidewalks, street lights, traffic signals, storm sewers, water and sewer main	15 - 60 years
Vehicles:	
All vehicles including cars, trucks, buses and similar assets	2 - 20 years
Water and Wastewater Facilities:	
Includes water and wastewater treatment plants broken into components: process piping and equipment, electrical and instrumentation, structural, architectural, mechanical and site work	20 - 80 years

Assets under construction

Assets under construction are not amortized until the asset is available for productive use.

Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

All grants, donations from subdivision developers and other third party contributions are recorded as income in the year the expenditure for the capital asset is incurred. The full cost of the asset is capitalized during the year the asset is substantially complete and put into use.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Revenue Recognition

Taxation Revenue represents annual levy administered and collected by the Province of New Brunswick on behalf of all New Brunswick Municipalities for municipal services. They are recorded as warrant of assessment as the funds are received by the City.

Government Transfers are recognized as revenue in the period that the transfer is authorized, eligibility criteria, if any, have been met by the City, and a reasonable estimate of the amount to be received can be made.

Fee and charge revenue for building permits; water and wastewater and transportation are recorded on the accrual basis and recognized as earned which is usually when services are provided or facilities are utilized.

Other revenues are recorded when it is earned and collection is reasonably assured.

(g) Government transfers

Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Transfers received for which expenses are not yet incurred are included in deferred revenue.

(h) Deferred revenue

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired. In addition, all funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenues until used for the purpose specified.

(i) Expense recognition

Expenses are recognized in the period that the goods and services were acquired and a liability was incurred. Expenses are recorded on an accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the balance sheet date.

(j) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year end are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenditures, provides the consolidated change in net financial debt for the year.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Employee future benefits

The City and its employees contribute to the City of Miramichi Municipal Pension Plan, a jointly trusteed pension plan. The Plan provides for service pensions based on length of service and rate of pay (a defined benefit plan).

In addition to the Municipal Pension Plan, post-retirement benefits, and severance benefits also accrue to the City's employees. The costs of these benefits are actuarially determined based on service and best estimate of retirement ages and expected future salary increases. The obligation under these benefits plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits. The City also provides continuation of unused sick banks which do not vest to be used during the employees' period of employment.

(l) Trust funds

The City maintains trust funds for the Sadler Scholarship. The funds are restricted for this use only.

(m) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the City:
 - is directly responsible; or
 - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are integral part of the remediation strategy for a contaminated site.

(n) Use of Estimates

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting principles 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. Areas requiring the greatest degree of estimation include provision for future employee benefits, valuation of donated capital assets, assessment of contingency liabilities and allowance for doubtful accounts receivable.

(o) Reserves and funds

Certain amounts as approved by City Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and from reserves and reserve funds are recorded as an adjustment within accumulated surplus. Note 22, "Statement of Reserve Funds" to the consolidated financial statements, is included to show the reserve fund balances as supplementary information.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Reserves and funds (continued)

Operating funds

Operating funds are established for general, and water and sewer operations of the City. Operating funds are used to record the costs associated with providing City services.

Capital funds

Capital funds are established for general and water and sewer capital. Capital funds track the acquisition cost of various capital assets and the financing of those assets, including related debt.

Reserve funds

Under the Municipalities Act of New Brunswick, Council may establish discretionary reserves for each fund listed above.

(p) Segmented Information

The City is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the City'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:

General Government Services

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

Protective Services

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

Transportation Services

This department is responsible for common services, roads and streets maintenance, street lighting, traffic services, parking and other transportation related functions.

Environmental Health Services and Development Services

This department is responsible for the provision of waste collection and disposal 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 swimming pool, arena, parks and playgrounds and other recreational and cultural facilities.

Water and Sewer Systems

This department is responsible for the provision of water and sewer services including the maintenance and operation of the underground networks, treatment plants, reservoirs and lagoons.

CITY OF MIRAMICHI
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

3. CASH AND SHORT TERM INVESTMENTS

	2019	2018
Cash - Unrestricted	\$ 7,956,591	\$ 6,818,387
Cash - Reserve Funds	18,536,308	17,909,544
Cash - Gas Tax - Restricted	889,896	1,611,911
French Fort Cove capital fund bank account - Restricted	86,852	84,946
GIC held for Sadler Scholarship fund - Restricted - 1.35%	438,725	470,900
	\$ 27,908,372	\$ 26,895,688

4. ACCOUNTS RECEIVABLE

	2019	2018
Water and sewer receivables	\$ 1,527,770	\$ 1,551,748
Receivable from Province of New Brunswick	1,248,058	1,315,204
Other receivables	287,760	407,840
Sales tax receivable	1,611,616	1,089,439
	\$ 4,675,204	\$ 4,364,231

5. BANK LOANS

Interim borrowing for capital

Bank loans represent temporary financing of capital expenditures for the General Capital Fund and for the Water and Sewerage Capital Fund and will be replaced by debenture issues as well as a working capital component. The interest rates on these loans are at prime rate. The City has ministerial authority for short term borrowing.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Accounts payable and accrued liabilities	\$ 4,144,190	\$ 4,985,287
Accrued interest on long-term debt	90,390	85,441
Holdbacks payable	207,156	202,612
	\$ 4,441,736	\$ 5,273,340

CITY OF MIRAMICHI
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

7. DEFERRED GOVERNMENT FUNDING

	2019	2018
Deferred Government Transfers - Gas Tax Fund (GTF)	\$ 1,261,285	\$ 1,184,399
Other Government Transfers	103,659	147,252
	\$ 1,364,944	\$ 1,331,651

8. LONG TERM DEBT

	2019	2018
<u>New Brunswick Municipal Financing Corporation</u>		
Debentures:		
Repaid during the year	\$ -	\$ 102,000
4.55% series renewable in 2020, due in 2020 (OIC 07-27, 07-68, 08-32, 09-28, 09-96, 99-18)	1,419,000	1,645,000
4.10%-4.25% series due 2021 (OIC 00-58, 99-18)	273,000	403,000
3.30%-3.45% series renewable in 2021, due in 2031 (OIC 06-32, 09-28, 09-96, 09-23, 09-26, 10-33)	615,000	822,000
3.10%-3.80% series renewable in 2027, due in 2032 (OIC 09-0028, 09-0096, 10-0011)	1,096,000	1,175,000
2.75%-3.80% series due 2032 (OIC 09-0096, 09-0126, 10-0011, 10-0033, 12-0026)	373,000	482,000
2.70%-4.00% series due 2033 (OIC 01-77, 10-0011, 12-0026)	795,000	866,000
3.05%-4.40% series due 2033 (OIC 10-0011, 10-0033, 11-0084)	1,111,000	1,171,000
2.60%-4.15% series due 2034 (OIC 01-0077, 02-0032, 11-0084, 12-0002, 12-0026)	693,000	770,000
1.80%-3.50% series due 2035 (OIC 12-0002, 13-0018, 13-0018, 14-001, 01-0013)	942,000	1,055,000
1.80%-2.90% series due 2026 (OIC 14-001)	463,000	524,000
1.45%-2.70% series due 2027 (OIC 15-0014, 16-0014, 16-0037)	1,104,000	1,231,000
2.45%-3.70% series due 2028 (OIC 15-0014, 16-0014, 16-0037, 17-0032, 17-0045)	2,344,000	2,570,000
2.05%-2.85% series due 2029 (OIC 14-0011, 15-0014, 16-0014, 17-0032, 18-0006)	2,096,000	-
5.15%-5.55% series renewable in 2023, due in 2028 (OIC 06-40, 07-27, 07-68)	652,000	711,000
Repaid during the year	-	466,000
Carried forward	\$ 13,976,000	\$ 13,993,000

CITY OF MIRAMICHI
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

8. LONG TERM DEBT (continued)

	2019	2018
Carried Forward	\$ 13,976,000	\$ 13,993,000
3.30%-3.45% series renewable in 2021, due in 2031 (OIC 07-0027, 09-0028, 09-0096, 09-0110, 09-0126)	738,000	791,000
3.10%-3.80% series renewable in 2027, due in 2032 (OIC 07-0027, 09-0028, 10-0033, 99-0018)	401,000	426,000
2.75%-3.80% series due 2032 (OIC 09-0028, 10-0033, 11-0060)	218,000	231,000
2.70%-4.00% series due 2033 (OIC 02-0032, 10-0033, 12-0026, 99-0018)	1,151,000	1,379,000
3.05%-4.40% series due 2033 (OIC 11-0060, 12-0026)	364,000	384,000
2.60%-3.45% series due 2024 (OIC 02-0032, 03-0043, 99-0018)	1,241,000	1,476,000
2.10%-3.90% series due 2025 (OIC 02-0032, 03-0043, 04-0035, 04-0054, 99-0018)	1,909,000	2,205,000
1.80%-3.50% series due 2035 (OIC 13-0018, 14-0011)	914,000	961,000
1.80%-3.75% series due 2036 (OIC 13-0018, 14-0011, 15-0014)	297,000	333,000
1.75%-2.95% series due 2036 (OIC 02-0032, 03-0043, 04-0035, 05-0053, 99-0018)	250,000	307,000
2.05%-3.30% series due 2027 (OIC 05-0053, 05-0088, 06-0040)	168,000	208,000
2.45%-3.70% series due 2038 (OIC 13-0018, 15-0014, 16-0014, 17-0032)	936,000	972,000
2.05%-3.35% series due 2039 (OIC 13-0018, 14-0011, 15-0014, 16-0014, 17-0032, 18-0006)	2,023,000	-
1.95%-2.45% series due 2029 (OIC 07-0027, 08-0032)	426,000	-
	\$ 25,012,000	\$ 23,666,000

Principal payments of long term debt are due as follows:

2020	\$ 4,186,000
2021	3,633,000
2022	2,422,000
2023	2,710,000
2024	2,038,000
Subsequent years	10,023,000
	\$ 25,012,000

Approval of the Municipal Capital Borrowing Board has been obtained for the above debenture debt reported and all the long-term debt has been approved by an Order-in-Council of the Provincial Legislature.

CITY OF MIRAMICHI
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

9. ACCRUED PENSION ASSET

Pension benefits are provided to employees of The City of Miramichi under the Pension Plan for the Employees of the City of Miramichi ascended to on July 1, 1996. Employees contribute to the plan, which provides for service pensions based on length of service and rate of pay (a defined benefit plan).

Employees make contributions equal to 9% of earnings, and the City contributes an equal amount. The contribution by the City in 2019 was \$2,312,200 (2018 - \$2,391,900) including special payments of \$1,395,700 (2018 - \$1,502,600). Total benefit payments to retirees during the year were \$2,222,400 (2018 - \$2,006,300). A separate pension fund is maintained.

The City is in a net asset position as at December 31, 2019, as follows:

	2019	2018
Smoothed market value of plan assets	\$ 64,024,500	\$ 59,413,600
Accrued benefit obligation	(62,034,100)	(56,841,700)
Funded surplus	1,990,400	2,571,900
Unamortized actuarial losses	2,219,200	463,600
Accrued pension asset	\$ 4,209,600	\$ 3,035,500

The actuarial valuation 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 the city's best estimates:

	2019	2018
Discount rate	5.50%	5.50%
Rate of compensation increases	3.25%	3.25%
Rate of inflation	3.00%	3.00%

Mortality CPM 2014 mortality table after retirement only, in combination with the MI-2017 improvement scale.

Retirement age Police and fire at age 61;
 Other members at age 62;
 Members older than the assumed retirement ages are assumed to retire one year after the valuation date.

	2019	2018
Current period benefit cost	\$ 1,932,600	\$ 1,875,800
Amortization of actuarial losses	245,900	218,000
Less: employee contributions	2,178,500 (916,500)	2,093,800 (882,100)
Pension expense	1,262,000	1,211,700
Interest (benefit) cost on the average accrued benefit obligation	(123,900)	(67,500)
Total expenses related to pension	\$ 1,138,100	\$ 1,144,200

9. ACCRUED PENSION ASSET (continued)

The employer contribution expense of \$2,312,200 is included in the statement of operations as a component of department expenses. The change in accrued pension asset of \$1,174,100 is included in post-retirement liabilities expense in the segment to which it relates.

Benefit plan assets consist of (percentage of plan assets):

	2019	2018
Bonds	38.64%	30.51%
Canadian equities	25.33%	27.64%
International equities	26.02%	28.72%
Real estate	10.01%	13.13%

10. OTHER POST-EMPLOYMENT LIABILITIES

The City of Miramichi provides various groups of employees in accordance with applicable collective agreements severance, post-retirement benefits, and non-vesting sick time.

	2019	2018
Employee benefit obligations:		
Vested benefits	\$ 2,486,400	\$ 2,320,100
Unamortized actuary gains (losses)	(44,500)	120,500
Non-vested benefits	821,400	788,600
Unamortized actuary gains (losses)	(3,500)	35,300
Accrued employee benefit obligation	3,259,800	3,264,500
Less funded amount	-	-
Unfunded employee benefit obligation	\$ 3,259,800	\$ 3,264,500
Non-vested benefits	\$ 817,900	\$ 823,900
Total expenses related to other post-employment liabilities	\$ 285,200	\$ 278,400

Vested benefits represent the City's liability for future employee lump sum retirement payments in the year of retirement or resignation which are contractually required to be paid to an employee independent of his or her further employment. It also includes non-pension post retirement benefit to retirees to age 65 related to healthcare benefits including medical, dental, drugs, vision and hospital. Non-vested benefits represent the City's estimated liability of future costs related to sick leave benefits that are conditional on his or her future employment.

The other post-employment liabilities were valued based on an actuarial calculation as of December 31, 2019. The actuarial method used was the projected benefit method prorated on service to calculate the accrued benefit obligation. The valuation was based on a number of assumptions about future event, such as interest rates, wage and salary increases and employee turnover and retirement. The assumptions used reflect the City's best estimates.

10. OTHER POST-EMPLOYMENT LIABILITIES (continued)

The following summarizes the major assumptions in the valuation for:

- Annual salary increase of 3.25%;
- the discount rate used to determine the accrued benefit obligation of 3.60%;
- retirement age is 61 for fire and police, members older than the assumed retirement ages are assumed to retire one year after the valuation date;
- Estimated net excess utilization of rate of sick leave by employee group.

11. SHORT-TERM BORROWINGS COMPLIANCE

Operating borrowing

As prescribed in the Local Governance Act, borrowing to finance General Fund operations is limited to 4% of the Municipality's operating budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2019, the City has complied with these restrictions.

Inter-fund borrowing

The Municipal Financial Reporting Manual requires that short-term inter-fund borrowings be repaid in the next year unless the borrowing is for a capital project. The amounts payable between Funds are in compliance with the requirements.

12. REPORTING TO THE PROVINCE OF NEW BRUNSWICK

The City complies with PSAB accounting standards. The City is also required to comply with the Municipal Financial Reporting Manual prescribed by the Province of New Brunswick. Differences in accounting policies include the methodology for accounting for Tangible Capital Assets, and government transfers. PSAB also requires full consolidation of funds.

13. WATER AND SEWER FUND SURPLUS/DEFICIT

The Municipalities Act requires Water and Sewer Fund surplus/deficit amounts to be absorbed into one or more of the four Operating Budgets commencing with the second next ensuing year. The balance of the surplus/deficit at the end of the year consists of the following:

	2019	2018
2019 Surplus	\$ 35,829	\$ -
2018 Surplus	29,758	29,785
2017 Surplus	-	5,634
	\$ 65,587	\$ 35,419

14. WATER COST TRANSFER

The City's water cost transfer for fire protection is within the maximum allowable under the *Local Governance Act* based upon the applicable percentage of water system expenditures for the population.

15. CONTINGENCIES

In the normal course of the City's activities, the City is subject to a number of claims and litigation. The City intends to defend and negotiate such claims and litigation. The eventual outcome of these claims and litigation is not determinable at year end. As a result, there are no accruals in the consolidated financial statements related to legal contingencies.

16. CAPITAL FUNDS

The water utility Capital Fund is in compliance with the regulation of the Minister of Environment and Local Government since the current assets are not exceeding the current liabilities. The General Capital Fund is also in compliance as the current assets are not exceeding the current liabilities.

17. COMPARATIVE FIGURES

The financial statements for the year ended December 31, 2018, were reported on by another firm of Chartered Professional Accountants who issued an unqualified opinion in their Independent Auditor's Report dated June 27, 2019.

Certain comparative figures have been reclassified to conform to the current year's financial statement presentation.

18. PRIOR PERIOD ADJUSTMENT

The comparative figures have been retroactively restated to reflect the recording of deferred government funding relating to the Gas Tax Fund. The resulting changes are as follows:

	2018
Accumulated Surplus, Beginning of Year	\$ 118,494,174
Deferred Government Funding	(1,107,323)
Accumulated Surplus, Beginning of Year (Restated)	117,386,851
Annual Surplus	9,154,887
Other Contributions and Government Transfers - Gas Tax Program	41,716
Annual Surplus (Restated)	9,196,603
Accumulated Surplus, End of Year (Restated)	126,583,454

CITY OF MIRAMICHI
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19. SCHEDULE OF TANGIBLE CAPITAL ASSETS

	General Capital Assets					Water and Sewer Assets					2018 Total	
	Land	Land Improvements	Buildings and Leasehold Improvements	Machinery and Equipment	Asset Under Construction	Roads, Streets Sidewalks, Culverts	Buildings and Leasehold Improvements	Water and Sewer System	Asset Under Construction	2019 Total		
COST												
Balance, Beginning of Year	\$ 1,272,302	\$ 5,625,701	\$ 20,875,373	\$ 2,862,776	\$ 2,765,214	\$ 9,858,697	\$ 120,116,084	\$ 19,914,791	\$ 72,134,575	\$ 6,498,706	\$ 261,924,219	\$ 250,674,680
Net Additions and transfers	99,567	6,915,706	866,263	493,603	723,176	247,705	2,954,668	4,657,357	2,236,778	417,623	19,612,446	13,385,606
Disposals and transfers	63,573	11,451	265,239	-	2,714,219	49,360	126,501	110,638	152,110	5,774,762	9,267,853	2,136,067
BALANCE, END OF YEAR	1,308,296	12,529,956	21,476,397	3,356,379	774,171	10,057,042	122,944,251	24,461,510	74,219,243	1,141,567	272,268,812	261,924,219
ACCUMULATED AMORTIZATION												
Balance, Beginning of Year	-	2,896,411	10,290,205	1,515,385	-	4,737,191	73,320,140	13,050,026	21,240,374	-	127,049,732	122,685,549
Amortization	-	250,842	622,496	262,217	-	686,305	2,651,306	423,713	1,004,327	-	5,901,206	6,016,903
Disposals	-	11,450	128,903	-	-	49,360	125,925	110,638	55,193	-	481,469	1,652,720
BALANCE, END OF YEAR	-	3,135,803	10,783,798	1,777,602	-	5,374,136	75,845,521	13,363,101	22,189,508	-	132,469,469	127,049,732
NET BOOK VALUE OF CAPITAL ASSETS	\$ 1,308,296	\$ 9,394,153	\$ 10,692,599	\$ 1,578,777	\$ 774,171	\$ 4,682,906	\$ 47,098,730	\$ 11,098,409	\$ 52,029,735	\$ 1,141,567	\$ 139,799,343	\$ 134,874,487

CITY OF MIRAMICHI
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

20. SCHEDULE OF SEGMENT DISCLOSURE

	General Government	Protective Services	Transportation Services	Environmental Health & Development	Recreation and Cultural	Water and Sewer	2019 Consolidated	2018 Consolidated
REVENUES								
Property Tax Warrant	\$ 2,888,814	\$ 8,612,550	\$ 8,446,010	\$ 2,135,970	\$ 4,252,966	\$ -	\$ 26,336,310	\$ 25,565,693
Other Revenue from Own Sources	199,444	55,603	16,600	206,637	609,750	157,016	1,245,050	1,274,199
Community Funding and Equalization Grant from Provincial Government	679,923	2,027,086	1,987,888	502,731	1,000,996	-	6,198,624	5,908,193
Services to other government	-	656,595	259,119	-	-	-	915,714	921,405
Other Contributions and Government Transfers	-	-	123,110	-	2,926,150	1,676,183	4,725,443	5,437,306
Water and Sewer User Fees	-	-	-	-	-	5,053,784	5,053,784	5,016,806
Interest	-	36,090	302,514	-	-	202,638	541,242	404,714
	3,768,181	11,387,924	11,135,241	2,845,338	8,789,862	7,089,621	45,016,167	44,528,316
EXPENDITURES								
Salaries and Benefits	1,688,738	8,150,411	2,558,873	311,534	2,452,441	1,146,162	16,308,159	16,031,740
Goods and Services	1,337,008	1,249,524	3,848,903	2,205,096	1,773,337	2,037,500	12,451,368	11,897,476
Amortization and Disposal, post-retirement benefits & other **	368,522	616,567	3,198,575	1,471	759,092	1,532,375	6,476,602	6,372,283
Interest and Bank Charges	18,141	157,063	370,489	5,009	38,941	494,583	1,084,226	1,030,214
	3,412,409	10,173,565	9,976,840	2,523,110	5,023,811	5,210,620	36,320,355	35,331,713
SURPLUS (DEFICIT) FOR THE YEAR	\$ 355,772	\$ 1,214,359	\$ 1,158,401	\$ 322,228	\$ 3,766,051	\$ 1,879,001	\$ 8,695,812	\$ 9,196,603

* Post-retirement liabilities include special payments for severance and pension as well as PSAB adjustments for pension, severance, post-retirement benefits and non-vesting sick time.

** Other expense includes special projects and capital grants.

CITY OF MIRAMICHI
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

21. RECONCILIATION OF ANNUAL SURPLUS

	General Operating Fund	General Capital Fund	General Operating Reserve Fund	General Capital Reserve Fund	Water and Sewer Operating Fund	Water and Sewer Capital Reserve Fund	Water and Sewer Reserve Fund	Water and Sewer Capital Reserve Fund	Total
2019 ANNUAL SURPLUS PER PSAB	\$ 8,028,357	\$(1,520,266)	\$ 36,090	\$ 302,514	\$ 1,703,860	\$ 86,655	\$ 12,333	\$ 46,269	\$ 8,695,812
Adjustments to Annual Surplus (Deficit) for Funding Requirements	728								6,362
Second Previous Year's Surplus									
Transfers Between Funds:									
Transfer Elimination	20,000		(20,000)						
Transfer Elimination	(2,343,437)			2,343,437					
Transfer Elimination		2,408,872		(2,408,872)					
Transfer Elimination					11,750		(11,750)		
Transfer Elimination					(600,000)			600,000	
Transfer Elimination						273,257		(273,257)	
Transfer Elimination	537,307								
Transfer Elimination	(1,799,556)				(537,307)				
Capital Expenditures Paid Out of Operating		1,799,556			(100,114)	100,114			
Proceeds on sale of assets	9,573	30,000							
Water supply for Fire Protection	(671,000)								
Storm Sewer Transfer	(170,500)				671,000				39,573
Amortization					170,500				
Long Term Debt Principal Repayment		4,438,473							
Provision for post retirement benefits	(1,588,000)	1,588,000			(1,185,000)	1,462,733			5,901,206
	(1,371,244)				(104,494)				(1,475,738)
Total Adjustments to 2019 Annual Surplus (Deficit)	(7,376,129)	10,264,901	(20,000)	(65,435)	(1,668,031)	3,021,104	(11,750)	326,743	4,471,403
2019 ANNUAL FUND SURPLUS FOR FUNDING PURPOSES	\$ 652,228	\$ 8,744,635	\$ 16,090	\$ 237,079	\$ 35,829	\$ 3,107,759	\$ 583	\$ 373,012	\$ 13,167,215

CITY OF MIRAMICHI
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

22. STATEMENT OF RESERVE FUNDS

	General Operating Reserve	General Capital Reserve	Water and Sewer Operating Reserve	Water and Sewer Capital Reserve	2019 Total	2018 Total
ASSETS						
Cash	\$ 1,697,212	\$ 13,972,129	\$ 295,247	\$ 2,571,720	\$ 18,536,308	\$ 17,909,544
ACCUMULATED SURPLUS	\$ 1,697,212	\$ 13,972,129	\$ 295,247	\$ 2,571,720	\$ 18,536,308	\$ 17,909,544
REVENUE						
Transfers to/from Water and Sewer and General Operating Funds:						
Allocation from General Operating Fund	\$ -	\$ 2,343,437	\$ -	\$ -	\$ 2,343,437	\$ 3,441,817
Allocation from Water and Sewer Operating Fund	-	-	-	600,000	600,000	680,000
Interest	36,090	302,514	12,333	46,269	397,206	277,191
	36,090	2,645,951	12,333	646,269	3,340,643	4,399,008
EXPENSES						
Transfer to Water and Sewer Capital Fund	-	-	-	273,257	273,257	-
Transfer to General Capital Fund	-	2,408,872	-	-	2,408,872	2,007,321
Transfer to Water and Sewer Operating Fund	-	-	11,750	-	11,750	-
Transfer to General Operating Fund	20,000	-	-	-	20,000	-
	20,000	2,408,872	11,750	273,257	2,713,879	2,007,321
ANNUAL SURPLUS (DEFICIT)	\$ 16,090	\$ 237,079	\$ 583	\$ 373,012	\$ 626,764	\$ 2,391,687

Council Motions regarding transfers to and from reserves:

Resolution adopted February 28, 2019:
 Moved by Councillor Somers and seconded by Deputy Mayor King that council authorizes \$256,000 be transferred from General Operating Fund to the General Capital Reserve Fund.
 Moved by Councillor Somers and seconded by Councillor Williams that council authorizes \$275,000 be transferred from Water and Sewer Operating Fund to the Water and Sewer Capital Reserve Fund.
 Moved by Councillor Somers and seconded by Councillor Williams that council authorizes \$100,000 be transferred from General Operating Reserve Fund to the General Operating Fund.

Resolution adopted September 24, 2019:
 Moved by Councillor Somers and seconded by Councillor Williams that council authorizes \$1,644,907 be transferred from General Capital Reserve Fund to the General Capital Fund.
 Moved by Councillor Somers and seconded by Councillor Duplessie that council authorizes \$250,000 be transferred from Water and Sewer Capital Reserve Fund to the Water and Sewer Capital Fund.

Resolution adopted November 28, 2019:
 Moved by Councillor Somers and seconded by Councillor Fleiger that council authorizes \$905,000 be transferred from General Capital Reserve to the General Capital Fund.

Resolution adopted December 18, 2019:
 Moved by Councillor Duplessie seconded by Deputy Mayor King that council authorizes \$2,127,437 be transferred from General Operating Fund to the General Capital Reserve Fund.
 Moved by Councillor King and seconded by Deputy Mayor King that council authorizes \$141,035 be transferred from General Capital Fund to the General Capital Reserve Fund.
 Moved by Councillor Walsh and seconded by Councillor Fleiger that council authorizes \$80,000 be transferred from General Operating Reserve Fund to the General Operating Reserve Fund.
 Moved by Councillor Fleiger seconded by Deputy Mayor King that council authorizes \$325,000 be transferred from Water and Sewer Operating Fund to the Water and Sewer Capital Reserve Fund.
 Moved by Councillor Duplessie and seconded by Councillor King that council authorizes \$23,257 be transferred from Water and Sewer Capital Reserve Fund to the Water and Sewer Capital Fund.
 Moved by Councillor King and seconded by Councillor Walsh that council authorizes \$40,000 be transferred from General Capital Reserve Fund to the General Operating Fund.
 Moved by Councillor Walsh and seconded by Councillor Fleiger that council authorizes \$11,750 be transferred from Water and Sewer Operating Reserve Fund to the Water and Sewer Operating Fund.

Clerk-Treasurer _____ Date _____ Municipal Seal

CITY OF MIRAMICHI
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

23. STATEMENT OF CONTROLLED ENTITIES OPERATIONS - FRENCH FORT COVE ECO-CENTER INC.

	2019 Total	2018 Total
ASSETS		
Cash	\$ 139,204	\$ 133,824
Accounts Receivable	35,548	36,432
	<u>174,752</u>	<u>170,256</u>
LIABILITIES		
Due to City of Miramichi	121,226	117,728
ACCUMULATED SURPLUS	<u>53,526</u>	<u>52,528</u>
TOTAL LIABILITIES AND ACCUMULATED SURPLUS	<u>174,752</u>	<u>170,256</u>
REVENUE	122,233	146,115
EXPENSES	121,235	131,757
ANNUAL SURPLUS (DEFICIT)	<u>\$ 998</u>	<u>\$ 14,358</u>

CITY OF MIRAMICHI

**Notes to the Consolidated Financial Statements
For the year ended December 31, 2019**

24. OPERATING BUDGET TO PSA BUDGET

	Operating Budget General	Operating Budget Water & Sewer	Capital Budget	Amortization Pension & Post Employment Adjustments	Interest Reconciliation	Transfers	Total
REVENUE							
Province of New Brunswick:							
Warrant Assessment	\$ 26,336,310	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,336,310
Community Funding and Equalization Grant from Provincial Government	6,041,476	-	-	-	-	-	6,041,476
Services Provided to Other Governments	913,240	-	-	-	-	-	913,240
Other Government Contributions and Transfers	637,326	-	4,725,424	-	(537,307)	(170,500)	4,825,443
Other Revenue from Own Sources	1,047,687	276,042	-	-	-	-	1,153,229
Water and Sewer Rates	-	5,119,691	-	-	-	(671,000)	5,119,691
Water and Supply for the Protection	-	671,000	-	-	-	-	671,000
Interest	-	105,000	-	-	-	-	105,000
Surplus - Second Previous Year	728	5,634	-	-	-	(6,362)	-
	34,976,767	6,177,367	4,725,424	-	(1,385,169)	(1,385,169)	44,494,389
EXPENDITURES							
General Government Services	3,731,697	-	-	263,094	163,624	-	4,158,415
Protective Services	10,826,273	-	-	1,105,337	487,819	(671,000)	11,748,429
Transportation Services	6,982,853	-	-	3,704,152	478,386	(170,500)	10,994,891
Environmental Health & Development Services	2,740,815	-	-	130,706	120,982	-	2,992,503
Recreation and Cultural Services	4,402,541	-	-	1,007,683	240,890	-	5,651,114
Water and Sewer	-	3,908,191	-	1,559,651	709,176	(537,307)	5,639,711
Fiscal Services							
- Long-term Debt Repayments	1,588,000	1,185,000	-	-	-	(2,773,000)	-
- Interest	1,491,701	709,176	-	-	(2,200,877)	-	-
- Severance	170,448	-	-	(170,448)	-	-	-
- Post-retirement Benefits	1,441,139	-	-	(1,441,139)	-	-	-
- Transfer from the General Operating Fund to the General Capital Reserve Fund	256,000	-	-	-	-	(256,000)	-
- Funding Current Year's Capital Projects - General	1,345,300	-	-	-	-	(1,345,300)	-
- Funding Current Year's Capital Projects - Water & Sewer	-	100,000	-	-	-	(100,000)	-
- Transfer from the Water & Sewer Operating Fund to the Water & Sewer Capital Reserve Fund	-	275,000	-	-	-	(275,000)	-
	34,976,767	6,177,367	4,725,424	6,159,036	(6,128,107)	4,742,938	41,185,063
SURPLUS (DEFICIT) FOR THE YEAR	\$ -	\$ -	\$ 4,725,424	\$ (6,159,036)	\$ -	\$ 4,742,938	\$ 3,309,326

CITY OF MIRAMICHI
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

25. REVENUE SUPPORT

	(Unaudited) 2019 Budget	2019 Actual	2018 Actual
Warrant of Assessment	\$ 26,336,310	\$ 26,336,310	\$ 25,565,693
Community Funding and Equalization Grant from Provincial Government	\$ 6,041,476	\$ 6,198,624	\$ 5,908,193
Services Provided to Other Governments			
Province of New Brunswick			
Fire, including dispatch	\$ 481,695	\$ 482,391	\$ 489,830
Roads and streets	259,089	259,119	259,119
PSAP dispatching	172,456	174,204	172,456
	\$ 913,240	\$ 915,714	\$ 921,405
Other Contributions and Government transfers			
Gas Tax Program	\$ 1,166,327	\$ 1,166,327	\$ 1,355,162
Regional Development Corporation	1,335,261	1,335,261	1,265,228
Clean Water and Wastewater Fund	479,856	479,856	2,292,598
Other	1,843,980	1,743,980	355,759
Payment in lieu of taxes	19	19	988
Donations and recoveries	-	-	167,571
	\$ 4,825,443	\$ 4,725,443	\$ 5,437,306
Other Revenue from Own Sources			
Licenses and Permits	\$ 124,500	\$ 213,243	\$ 123,039
Interest on investment	75,000	171,444	144,809
Miscellaneous	22,200	27,240	173,248
Police	42,000	55,603	53,220
Building Rental - Miratech	26,600	16,600	54,391
Recreation	757,387	603,914	628,733
Water and Sewer Other Revenue	105,542	157,006	96,759
	\$ 1,153,229	\$ 1,245,050	\$ 1,274,199
Water and Sewerage Revenue			
Sale of Water	\$ 2,099,740	\$ 2,036,399	\$ 1,999,545
Sale of Sewerage Services	2,984,951	2,936,885	2,968,261
Connections	35,000	80,500	49,000
	\$ 5,119,691	\$ 5,053,784	\$ 5,016,806

CITY OF MIRAMICHI
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

26. EXPENDITURES SUPPORT

	(Unaudited) 2019 Budget	2019 Actual	2018 Actual
General Government Services			
<i>Legislative</i>			
Mayor	\$ 81,982	\$ 68,537	\$ 60,346
Councillors	289,636	198,556	189,248
	371,618	267,093	249,594
<i>Administrative</i>			
Manager	316,126	312,672	317,070
Clerk	476,074	346,003	313,093
City Hall	227,316	251,626	242,988
Solicitor	50,000	23,198	36,174
Finance	536,107	517,675	513,450
Human resources	515,140	458,620	380,765
System administration	397,414	380,615	364,122
Cost of assessment	293,652	293,652	285,058
	2,811,829	2,584,061	2,452,720
<i>Civic relations</i>	234,634	160,236	162,585
<i>Other general government services</i>			
Special projects	303,616	274,703	237,143
Bank charges	10,000	14,356	11,572
	313,616	289,059	248,715
<i>Interest</i>	163,624	18,141	17,470
<i>Amortization and disposal, post-retirement liabilities and other</i>	263,094	93,819	70,882
	\$ 4,158,415	\$ 3,412,409	\$ 3,201,966

CITY OF MIRAMICHI
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

26. EXPENDITURES SUPPORT (continued)

	(Unaudited) 2019 Budget	2019 Actual	2018 Actual
Protective Services			
<i>Police</i>			
Administration	\$ 832,114	\$ 791,364	\$ 775,964
Crime control	677,793	657,378	583,441
Traffic activities	3,436,797	3,214,513	3,216,642
Training and development	25,000	24,822	21,035
Building and jail	288,507	275,428	269,422
Automotive equipment	226,632	211,320	209,657
Communication	946,242	893,148	944,069
Community relations	136,363	10,340	71,502
CID - Dog services	8,320	7,364	3,609
Detention and custody	120,905	113,126	108,867
	6,698,673	6,198,803	6,204,208
<i>Fire Protection</i>			
Administration	357,574	326,095	323,953
Fighting force	2,603,310	2,490,000	2,365,897
Training and development	100,950	32,249	38,048
Station	155,736	124,613	125,750
Fire fighting equipment	197,222	187,312	186,298
	3,414,792	3,160,269	3,039,946
<i>Other protection services</i>			
Animal Control	41,808	40,863	38,801
<i>Interest</i>			
	487,819	157,063	142,916
<i>Amortization and disposal, post-retirement liabilities & other</i>			
	1,105,337	616,567	609,542
	\$ 11,748,429	\$ 10,173,565	\$ 10,035,413

CITY OF MIRAMICHI
Notes to the Consolidated Financial Statements
For the year ended December 31, 2019

26. EXPENDITURES SUPPORT (continued)

	(Unaudited) 2019 Budget	2019 Actual	2018 Actual
Transportation Services			
<i>Common services</i>			
Administration	\$ 486,833	\$ 465,163	\$ 416,423
Engineering	507,188	442,857	436,157
General equipment	933,351	902,794	917,935
Workshops, yards and buildings	525,796	491,249	503,651
	2,453,168	2,302,063	2,274,166
<i>Roads and streets</i>			
Summer Maintenance	1,397,986	1,281,908	1,367,079
Storm sewers	100,368	43,881	24,955
Snow and ice removal	1,847,334	1,806,026	1,686,417
	3,345,688	3,131,815	3,078,451
<i>Street Lighting</i>	570,343	561,775	548,635
<i>Traffic Services</i>			
Street Signs	20,000	14,407	17,091
Traffic lanemarking	30,900	34,211	30,653
Traffic signals	36,369	32,796	29,337
	87,269	81,414	77,081
<i>Off street parking</i>	18,000	18,194	17,826
<i>Transit commission</i>	337,885	312,515	332,582
<i>Interest</i>	478,386	370,489	356,794
<i>Amortization and disposal, post-retirement liabilities & other</i>	3,704,152	3,198,575	3,018,623
	\$ 10,994,891	\$ 9,976,840	\$ 9,704,158

CITY OF MIRAMICHI
Notes to the Consolidated Financial Statements
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26. EXPENDITURES SUPPORT (continued)

	(Unaudited) 2019 Budget	2019 Actual	2018 Actual
Environmental Health and Development Services			
<i>Environmental health services</i>			
Collection	705,000	\$ 707,716	\$ 687,545
Disposal	\$ 451,071	\$ 429,762	\$ 424,881
Other	61,152	61,150	68,350
	1,217,223	1,198,628	1,180,776
<i>Environmental development services</i>			
Development			
Community planning	455,724	455,724	469,067
Administration	360,217	341,102	329,140
Economic development	376,400	241,878	118,242
	1,192,341	1,038,704	916,449
Tourism			
Visitor information	72,938	48,782	78,945
Tourism promotion	258,313	230,516	281,544
	331,251	279,298	360,489
<i>Interest</i>	120,982	5,009	4,824
<i>Amortization, Post-retirement liabilities & other</i>	130,706	1,471	1,850
<i>Special projects</i>	-	-	71,656
	\$ 2,992,503	\$ 2,523,110	\$ 2,536,044

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Notes to the Consolidated Financial Statements
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26. EXPENDITURES SUPPORT (continued)

	(Unaudited) 2019 Budget	2019 Actual	2018 Actual
Recreation and cultural services			
<i>Recreation and Cultural Services</i>			
Administration	\$ 419,417	\$ 374,875	\$ 318,561
Community Centres	591,497	646,393	658,740
Swimming pools	549,233	507,621	411,677
Rinks and arenas	874,949	847,897	885,199
Parks and playground	1,534,993	1,442,132	1,296,983
Program administration	122,511	109,462	123,418
Seniors	3,000	7,204	4,460
Special population programs	10,381	5,461	5,977
Youth programs	83,693	80,787	60,591
Special events	9,000	7,879	8,968
Libraries	203,867	196,067	188,434
	4,402,541	4,225,778	3,963,008
<i>Interest</i>	240,890	38,941	37,502
<i>Amortization and disposal, post-retirement liabilities & other</i>	1,007,683	759,092	694,426
	\$ 5,651,114	\$ 5,023,811	\$ 4,694,936

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26. EXPENDITURES SUPPORT (continued)

	(Unaudited) 2019 Budget	2019 Actual	2018 Actual
Water and Sewer Utilities			
<i>Water supply</i>			
Administration	\$ 270,531	\$ 269,071	\$ 266,128
Interest	236,392	195,538	258,604
Treatment	480,453	482,640	502,737
Transmission and distribution	696,466	778,246	650,913
Power and pumping	369,660	350,264	367,395
Billing and collection	273,378	227,596	228,737
	2,326,880	2,303,355	2,274,514
<i>Sewer collection and disposal</i>			
Collection system	285,015	257,803	260,517
Interest	472,784	299,045	212,104
Lift stations	321,283	355,703	306,054
Treatment and disposal	465,955	423,474	438,282
	1,545,037	1,336,025	1,216,957
<i>Bad debts</i>	8,143	38,865	46,443
<i>Special projects</i>	200,000	77,218	90,648
<i>Amortization and disposals, post-retirement liabilities & other</i>	1,559,651	1,455,157	1,530,634
	\$ 5,639,711	\$ 5,210,620	\$ 5,159,196