



Grant Thornton

Consolidated Financial Statements

City of Miramichi

December 31, 2022

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Independent auditor's report

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

Opinion

We have audited the consolidated financial statements of the City of Miramichi ("the City"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated results of operations and accumulated surplus, changes in net debt, and cash flow for the year then ended, and notes to the consolidated 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, 2022, and the results of its operations, changes in net debt, and 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 consolidated Financial Statements* section of our report. We are independent of the Entity 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.

Other Matter

Our audit was conducted for the purposes of forming an opinion on the consolidated financial statements taken as a whole. Schedules 5, 6, and 7 on pages 27, 28, 29, and 30 are presented for purposes of additional information and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.

The consolidated financial statements of the City for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on July 19, 2022.

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

Management is responsible for the preparation and fair presentation of these 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 City's ability to continue as a going concern, disclosing, as applicable, matters related to a 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 City'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 City'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 City'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 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, New Brunswick
August 29, 2023

Grant Thornton LLP
Chartered Professional Accountants

City of Miramichi

Consolidated Statement of Operations and Accumulated Surplus

Year Ended December 31

2022

2021

	PSAB (Budget)	Actual	Actual
Revenue			
Warrant of assessment	\$ 27,883,638	\$ 27,883,638	\$ 27,222,494
Unconditional transfers from			
Provincial Government	6,994,375	7,200,865	6,362,332
Services to other governments (Page 19)	1,048,594	1,076,487	1,089,864
Other contributions and government			
transfers (Page 19)	3,621,504	4,676,487	2,039,068
Other revenue from own sources (Page 19)	1,282,617	1,404,987	1,099,723
Water and sewerage revenue (Page 19)	5,134,691	5,096,436	4,985,278
Interest	75,000	831,047	249,019
Loss on disposal of tangible capital assets	-	(543,174)	-
	<u>46,040,419</u>	<u>47,626,773</u>	<u>43,047,778</u>
Expenditures (Pages 20 - 24)			
General government services	3,916,368	3,330,960	3,987,759
Protection services	12,315,977	11,759,248	10,727,184
Transportation services	12,132,938	11,548,559	10,162,057
Environmental health and development	3,269,564	3,134,870	2,621,203
Recreation and cultural services	6,178,083	5,869,582	5,041,430
Water sewerage services	5,923,166	5,622,902	5,441,023
	<u>43,736,096</u>	<u>41,266,121</u>	<u>37,980,656</u>
Annual surplus	2,304,323	6,360,652	5,067,122
Accumulated surplus, beginning of year	-	146,270,089	141,202,967
Accumulated surplus, end of year	\$ -	\$ 152,630,741	\$ 146,270,089

See accompanying notes to the consolidated financial statements.

City of Miramichi

Consolidated Statement of Financial Position

Year Ended December 31

2022

2021

Financial assets

Cash and cash equivalents	\$ 36,769,630	\$ 36,108,532
Restricted cash (Note 3)	554,135	551,680
Trust deposits	17,235	17,235
Receivables (Note 4)	4,645,213	3,964,982
Accrued pension asset (Note 9)	5,794,200	5,375,100
	<u>47,780,413</u>	<u>46,017,529</u>

Liabilities

Bank loans (Note 5)	8,003,000	7,003,000
Trust deposits payable	17,235	17,235
Payables and accruals (Note 6)	4,383,551	3,858,098
Deferred government funding (Note 7)	793,025	3,233,649
Long-term debt (Note 8)	27,429,000	26,358,000
Funds held in trust – Covey Estate - David Sadler Scholarship	463,777	463,177
Other post employment liabilities (Note 10)	3,203,300	3,078,500
	<u>44,292,888</u>	<u>44,011,659</u>

Net assets

3,487,525 2,005,870

Non-financial assets

Tangible capital assets (Schedule 1)	148,710,518	143,891,115
Prepaid expenses	341,253	281,659
Inventory of supplies	91,445	91,445
	<u>149,143,216</u>	<u>144,264,219</u>

Accumulated surplus

\$ 152,630,741 \$ 146,270,089

Contingency (Note 14)

On behalf of the Council




See accompanying notes to the consolidated financial statements.

City of Miramichi**Consolidated Statement of Changes in Net Asset**

Year Ended December 31

2022**2021**

	PSAB (Budget)	<u>Actual</u>	<u>Actual</u>
Annual surplus	\$ 2,304,323	\$ 6,360,652	\$ 5,067,122
Acquisition of tangible capital assets	(7,373,537)	(12,295,957)	(8,829,583)
Proceeds on disposal of tangible capital assets	-	75,083	42,674
Amortization of tangible capital assets	6,858,297	6,858,297	6,587,568
Write-down of tangible capital assets	-	543,174	324,221
Loss on sale of tangible capital assets	-	-	5,683
	<u>1,789,083</u>	<u>(4,819,403)</u>	<u>3,197,685</u>
 Change in prepaid expenses	-	(59,594)	(57,035)
Change in inventory	-	-	(20,142)
	<u>-</u>	<u>(59,594)</u>	<u>(77,177)</u>
 Increase in net assets	1,789,083	1,481,655	3,120,508
 Net assets (debt), beginning of year	<u>2,005,870</u>	<u>2,005,870</u>	<u>(1,114,638)</u>
 Net assets, end of year	<u>\$ 3,794,953</u>	<u>\$ 3,487,525</u>	<u>\$ 2,005,870</u>

See accompanying notes to the consolidated financial statements.

City of Miramichi

Consolidated Statement of Cash Flows

Year Ended December 31

2022

2021

Net cash inflow (outflow) related to the following activities:

Operating activities

Annual surplus	\$ 6,360,652	\$ 5,067,122
Items not affecting cash:		
Amortization	6,858,297	6,587,568
Loss on sale of tangible capital assets	-	5,683
Write-down of capital assets	543,174	324,221
Change in accrued pension asset	(419,100)	(162,400)
Change in other post employment benefits	124,800	(2,700)
Changes in non-cash working capital:		
Change in receivables	(680,231)	197,229
Change in payables and accruals	525,453	(884,329)
Change in unearned revenue	(2,440,624)	1,434,252
Change in Trust Deposits	600	(2,897)
Change in supplies inventory	-	(20,142)
Change in prepaid expenses	(59,594)	(57,035)
Net cash provided by operating activities	<u>10,813,427</u>	<u>12,486,572</u>

Capital activities

Acquisition of tangible capital assets	(12,295,957)	(8,829,583)
Proceeds on sale of tangible capital assets	75,083	42,674
Net cash used for capital activities	<u>(12,220,874)</u>	<u>(8,786,909)</u>

Financing activities

Issuance of long-term debt	4,337,000	5,040,000
Proceeds of bank loans, net	1,000,000	-
Repayment of long-term debt	(3,266,000)	(4,016,000)
Net cash provided by financing activities	<u>2,071,000</u>	<u>1,024,000</u>

Increase in cash and cash equivalents 663,553 4,723,663

Cash and cash equivalents at beginning of year 36,660,212 31,936,549

Cash and cash equivalents at end of year \$ 37,323,765 \$ 36,660,212

Summary of cash and cash equivalents:

Cash	\$ 36,769,630	\$ 36,108,532
Restricted cash	<u>554,135</u>	<u>551,680</u>
Cash and cash equivalents at end of year	<u>\$ 37,323,765</u>	<u>\$ 36,660,212</u>

See accompanying notes to the consolidated financial statements.

City of Miramichi

Notes to the Consolidated Financial Statements

December 31, 2022

1. Purpose of the organization

The municipality was incorporated as a City by the Province of New Brunswick Municipalities Act in 1995 and was approved for status as a Municipality by an amendment of New Brunswick Regulation 85-6 under the Municipalities Act. As a municipality, the Municipality 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. Summary of significant accounting policies

The consolidated financial statements of the Corporation of the City of Miramichi are the representations of management prepared in accordance with local government accounting standards established 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, 12 and 13 and Schedules 5, 6, and 7 to comply with these requirements.

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

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 of Miramichi are as follows:

a) Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues, expenditures, 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.

Inter-departmental and organizational transactions and balances are eliminated.

b) Budget

The budget figures contained in these financial statements were approved by Council on November 16, 2021, and the Minister of Local Government on December 1, 2021.

c) Revenue recognition

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

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

City of Miramichi

Notes to the Consolidated Financial Statements

December 31, 2022

2. Summary of significant accounting policies (continued)

c) Revenue recognition (continued)

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.

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.

d) Deferred revenue

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulations and agreements 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.

e) 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.

f) 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 and 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.

g) 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 assets is amortized on a straight line basis over the estimated useful lives as follows:

i)	Asset type	Years
	Land improvements	10-30 years
	Buildings and leasehold improvements	10-60 years
	Machinery and equipment	10-20 years
	Fleet	2-20 years
	Roads, streets, sidewalks and culverts	15-60 years
	Water and sewer systems	20-80 years

ii) Assets under construction

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

iii) 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.

City of Miramichi

Notes to the Consolidated Financial Statements

December 31, 2022

2. Summary of significant accounting policies (continued)

h) Inventories of Materials and Supplies

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

i) Cash and cash equivalents

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

k) Employee future benefits

The City and its employees contribute to the City of Miramichi Municipal Pension Plan, a jointly trustee 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) Reserves and funds

Certain amounts, as approved by City Council, are set aside in reserves and reserves funds for future operating and capital purposes. Transfers to and from reserves and reserve funds are recorded as an adjustment within accumulated surplus. Schedule 5, "Schedule of Reserve Funds" to the consolidated financial statements, is included to show the reserve fund balances as supplementary information.

i. 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.

ii. 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.

iii. Reserve funds

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

m) Segmented information

The City of Miramichi 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.

City of Miramichi

Notes to the Consolidated Financial Statements

December 31, 2022

2. Summary of significant accounting policies (continued)

m) Segmented information (continued)

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.

n) Trust funds

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

o) 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 an integral part of the remediation strategy for a contaminated site.

City of Miramichi

Notes to the Consolidated Financial Statements

December 31, 2022

2. Summary of significant accounting policies (continued)

p) Use of estimates

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenditures during the reporting period. As such, actual results could differ from the 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.

3. Restricted cash	<u>2022</u>	<u>2021</u>
Restricted cash is comprised of the following:		
French Fort Cove capital fund bank account	90,358	88,503
Cash held for Sadler Scholarship fund	463,777	463,177
	<u>\$ 554,135</u>	<u>\$ 551,680</u>

4. Receivables	<u>2022</u>	<u>2021</u>
Water and sewer receivables	\$ 1,333,785	\$ 1,221,618
Receivable from Province of New Brunswick	1,972,942	1,421,113
Other receivables	323,472	332,192
Sales tax receivable	1,015,014	990,059
	<u>\$ 4,645,213</u>	<u>\$ 3,964,982</u>

5. Credit facilities

Bank loans for operating purposes are within the limit prescribed by the Municipalities Act. The credit facility with the City's bank has a combined borrowing limit of \$4,858,154 for the City's operations and bears interest at prime rate. There were no bank loans for capital as at December 31, 2022 (2021-Nil).

Bank loans for capital 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 total amount for Capital Funds is within the budget limit of 50% of operating fund expenditures as required by the Municipalities Act. The interest rates on these loans are at prime rate. Bank loans for operations as at December 31, 2022, were \$8,003,000 (2021 - \$ 7,003,000).

6. Payables and accruals	<u>2022</u>	<u>2021</u>
Accounts payable and accrued charges	\$ 3,603,658	\$ 3,221,956
Accrued interest on long-term debt	77,089	79,397
Holdbacks payable	52,669	51,419
Capital projects payable	650,135	505,326
	<u>\$ 4,383,551</u>	<u>\$ 3,858,098</u>

City of Miramichi

Notes to the Consolidated Financial Statements

December 31, 2022

7. Deferred government funding

	<u>2022</u>	<u>2021</u>
Deferred government transfers – Canada Community-Building Fund	\$ 793,025	\$ 3,233,649

8. Long-term debt

	<u>2022</u>	<u>2021</u>
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New Brunswick Municipal Financing Corporation

Debentures:

3.25%-3.8% series due 2027 (OIC 09-0028, 09-0096, 10-0011)	845,000	931,000
2.95%-3.8% series due 2032 (OIC 09-0096, 09-0126, 10-0011, 10-0033, 12-0026)	30,000	148,000
2.90%-4.0% series due 2033 (OIC 01-77, 10-0011, 12-0026)	570,000	646,000
3.30%-4.41% series due 2033 (OIC 10-0011, 10-0033, 11-0084)	919,000	985,000
2.90%-4.15% series, due 2034 (OIC 01-0077, 02-0032, 11-0084, 12-0002, 12-0026)	452,000	534,000
2.05%-3.50% series, due 2035 (OIC 12-0002, 13-0018, 14-0011, 14-0013)	610,000	720,000
2.0%-2.90% series, due 2026 (OIC 14-001)	274,000	338,000
1.65%-2.70% series due in 2027 (OIC 15-0014, 16-0014, 16-0037)	711,000	844,000
2.65%-3.45% series due 2028 (OIC 15-0014, 16-0014, 16-0037, 17-0032, 17-0045)	1,631,000	1,875,000
2.00%-2.85% series due 2029 (OIC 14-0011, 15-0014, 16-0014, 17-0032, 18-0006)	1,511,000	1,710,000
0.90%-2.05% series due 2030 (OIC 09-0096, 16-0014, 17-0032, 18-0006, 19-0011)	2,960,000	3,307,000
0.30%-2.30% series due 2031 (OIC 18-0006, 19-0011, 20-0001)	2,995,000	3,322,000
3.005%-4.083% series due 2032 (OIC 18-0006, 19-0011, 20-0001, 21-0018)	3,597,000	-
5.30%-5.55% series due 2023 (OIC 06-0040, 07-0027, 07-0068)	459,000	527,000
3.25%-3.8% series due 2027 (OIC 07-0027, 09-0028, 10-0033, 99-0018)	322,000	349,000
2.95%-3.8% series due 2032 (OIC 09-0028, 10-0033, 11-0060)	175,000	190,000
2.90%-4.0% series due 2033 (OIC 02-0032, 10-0033, 12-0026, 99-0018)	426,000	675,000
3.30%-4.4% series due 2033 (OIC 11-0060, 12-0026)	301,000	323,000
2.90%-3.45% series due 2024 (OIC 02-0032, 03-0043, 99-0018)	517,000	765,000
1.05%-3.15% series due 2025 (OIC 02-0032, 03-0043, 04-0035, 04-0054, 99-0018)	991,000	1,303,000
2.05%-3.50% series due 2035 (OIC 13-0018, 14-0011)	770,000	819,000
2.0%-3.75% series due 2036 (OIC 13-0018, 14-0011, 15-0014)	202,000	224,000
2.0%-2.95% series due 2026 (OIC 02-0032, 03-0043, 04-0035, 05-0053, 99-0018)	108,000	133,000
2.2%-2.9% series due 2027 (OIC 05-0053, 05-0088, 06-0040)	42,000	85,000
2.0-3.35% series due 2039 (OIC 13-0018, 14-0011, 15-0014, 16-0014, 17-0032, 18-0006)	1,774,000	1,859,000
1.95-2.45% series due 2029 (OIC 07-0027, 08-0032)	306,000	347,000
0.90-2.95% series due 2040 (OIC 15-0014, 18-0006, 19-0011)	777,000	818,000
0.30-2.95% series due 2041 (OIC 18-0006, 19-0011, 19-0066, 20-0001)	1,020,000	1,090,000
0.8555-2.378% series due 2031 (OIC 07-0027, 09-0028, 09-0096, 09-0110, 09-0126)	569,000	628,000
3.005-4.083% series due 2032 (OIC 18-0006, 19-0011, 20-0001, 21-0018, 21-0047)	740,000	-
2.65-3.70% series due 2038 (OIC 13-0018, 15-0014, 16-0014, 17-0032)	825,000	863,000
	\$ 27,429,000	\$ 26,358,000

City of Miramichi

Notes to the Consolidated Financial Statements

December 31, 2022

8. Long-term debt (continued)

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

2023	\$ 3,932,000	2026	\$ 2,647,000
2024	\$ 3,280,000	2027	\$ 3,200,000
2025	\$ 3,019,000		

Approval of the Municipal Capital Borrowing Board has been obtained for the debenture debt reported and all the long-term debt has been approved by an Order-in-Council of the Provincial Legislature. At December 31, 2022, the City has authority to borrow an additional \$10,485,000.

9. 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 2022 was \$1,622,400 (2021 - \$1,297,800) including no special payments during 2022 (2021 - \$301,200). Total benefit payments to retirees during the year were \$2,932,600 (2021 - \$4,204,700). A separate pension fund is maintained. The City is in a net asset position at December 31, 2022, as follows:

	<u>2022</u>	<u>2021</u>
Smoothed market value of plan assets	\$ 75,414,700	\$ 72,607,900
Accrued benefit obligation	<u>(67,174,400)</u>	<u>(68,449,700)</u>
Funded surplus	8,240,300	4,158,200
Unamortized actuarial losses	<u>2,446,100</u>	<u>1,216,900</u>
Accrued pension asset	<u>\$ 5,794,200</u>	<u>\$ 5,375,100</u>

Actuarial valuations for accounting purposes are performed triennially using the projected benefit method prorated on services. The most recent evaluation of the Pension Plan by the City's actuaries, Telus Health, was carried out effective December 31, 2020. The accrued benefit obligation shown for 2022 is based on an extrapolation of the 2021 valuation. There is a net unamortized actuarial loss to be amortized on a straight-line basis over the expected average remaining service life of the employee group (13 years).

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:

	<u>2022</u>	<u>2021</u>
(a) Discount rate	5.25%	5.25%
(b) Rate of compensation increases	3.25%	3.25%
(c) Rate of inflation	3.00%	3.25%

City of Miramichi

Notes to the Consolidated Financial Statements

December 31, 2022

9. Pension Asset (continued)

Mortality CPM 2014 mortality table after retirement only, in combination with the CPM-B 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.

	<u>2022</u>	<u>2021</u>
Current period benefit cost	\$ 2,371,700	\$ 2,276,300
Amortization of actuarial losses	<u>93,600</u>	<u>77,200</u>
	<u>2,465,300</u>	2,353,500
Less: Employee contributions	<u>(1,036,200)</u>	<u>(996,600)</u>
Pension expense	<u>1,429,100</u>	1,356,900
Interest (benefit) cost on the average accrued benefit obligation	<u>(225,800)</u>	<u>(221,500)</u>
Total expenses related to pension	<u>\$ 1,203,300</u>	<u>\$ 1,135,400</u>

	Percentage of Plan Assets	
	<u>2022</u>	<u>2021</u>
Benefit plan assets consist of:		
Bonds	28.45%	39.50%
Cash and cash equivalents	1.54%	-
Canadian equities	25.44%	25.33%
Foreign debt	9.51%	-
International equities	25.25%	25.23%
Real estate	<u>9.82%</u>	<u>9.94%</u>
	<u>100.0%</u>	<u>100.0%</u>

City of Miramichi

Notes to the Consolidated Financial Statements

December 31, 2022

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.

	<u>2022</u>	<u>2021</u>
Employee benefit obligations:		
Vested benefits	\$ 2,468,900	\$ 2,336,700
Unamortized actuarial gains	(51,600)	(40,600)
Non-vested benefits	922,300	926,900
Unamortized actuarial gains	(136,300)	(144,500)
Accrued employee benefit obligation	<u>\$ 3,203,300</u>	<u>\$ 3,078,500</u>
Accrued employee benefit obligation	\$ 3,203,300	\$ 3,078,500
Less funded amount	<u>2,417,300</u>	<u>2,296,100</u>
Unfunded employee benefit obligation	<u>\$ 786,000</u>	<u>\$ 782,400</u>
Non-vested benefits	<u>\$ 786,000</u>	<u>782,400</u>
Total expenses related to other post-employment liabilities	<u>\$ 338,500</u>	<u>\$ 305,000</u>

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, 2021. 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 events, such as interest rates, wage and salary increases and employee turnover and retirement. The assumptions used reflect the City's best estimates.

The following summarizes the major assumptions in the valuation for:

- Annual salary increase is 3.25%;
- the discount rate used to determine the accrued benefit obligation 3.5%;
- 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.

The sick leave is a substantially unfunded benefit. Benefits are paid out of general revenue as they come due.

City of Miramichi

Notes to the Consolidated Financial Statements

December 31, 2022

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 2022, the Municipality 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. Water and Sewer Fund Surplus/Deficit

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

	<u>2022</u>	<u>2021</u>
2022 Surplus	\$ 67,222	\$ -
2021 Deficit	(422,912)	(422,912)
2020 Surplus	<u>-</u>	<u>241,993</u>
	<u>\$ 355,690</u>	<u>\$ (180,919)</u>

13. Water cost transfer

The City's water cost transfer for fire protection is within the maximum allowable by Regulation 81-195 under the *Local Governance Act* based upon the applicable percentage of water system expenditures for the population.

14. Contingency & Commitments

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.

15. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

City of Miramichi

Schedule 1: Tangible capital asset schedule

December 31, 2022

	General Capital Assets					Water and Sewer Assets				
	Land	Buildings and Leasehold Improvements	Machinery and Equipment	Land Improvements	Asset under Construction	Road, Streets, Sidewalks, Culverts	Water and Sewer Buildings and Leasehold Improvements	Water and Sewer Systems	Assets under Construction	
Cost										
Opening cost	\$ 2,494,947	\$ 23,322,251	\$ 5,016,870	\$ 14,616,974	\$ 298,237	\$ 11,710,104	\$ 128,871,543	\$ 24,375,122	\$ 76,326,746	\$ 1,140,166
Additions and transfers	146,587	470,251	260,587	1,006,469	826,066	845,299	6,242,721	923,861	3,004,656	-
Disposals and transfers	-	(53,531)	-	(20,459)	(290,374)	(869,073)	(3,328,046)	-	(382,761)	(1,140,166)
Closing cost	2,641,534	23,738,971	5,277,457	15,602,984	833,929	11,686,330	131,786,218	25,298,983	78,948,641	-
Accumulated amortization										
Opening accumulated amortization	-	(12,087,167)	(2,187,308)	(4,015,047)	-	(6,675,476)	(80,992,080)	(14,382,248)	(23,942,519)	-
Amortization	-	(698,443)	(358,010)	(543,035)	-	(771,300)	(2,890,874)	(490,510)	(1,106,125)	-
Disposals	-	43,828	-	20,459	-	869,073	2,970,051	-	132,201	-
Closing accumulated amortization	-	(12,741,782)	(2,545,318)	(4,537,623)	-	(6,577,703)	(80,912,903)	(14,872,758)	(24,916,442)	-
Net book value	\$ 2,641,534	\$ 10,997,189	\$ 2,732,139	\$ 11,065,361	\$ 833,929	\$ 5,108,627	\$ 50,873,315	\$ 10,426,225	\$ 54,032,199	\$ -
										\$ 148,710,518
										\$ 143,891,115

City of Miramichi

Schedule 2: Consolidated Schedule of Revenues

Year ended December 31

2022

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Services to other governments			
Province			
Fire, including dispatch	\$ 610,905	\$ 610,905	\$ 652,167
Roads and streets	259,089	282,950	259,385
PSAP dispatching	178,600	182,631	178,312
	<u>\$ 1,048,594</u>	<u>\$ 1,076,487</u>	<u>\$ 1,089,864</u>
Other contributions and government transfers			
Canada Community-Building fund	\$ 3,621,504	\$ 3,621,504	\$ 1,087,053
Regional Development Corporation	-	734,263	-
NB Integrated Bilateral Agreement	-	311,908	-
Other	-	8,812	-
Payment in lieu of taxes	-	-	2
Safe restart agreement funding	-	-	952,013
	<u>\$ 3,621,504</u>	<u>\$ 4,676,487</u>	<u>\$ 2,039,068</u>
Other revenue from own sources			
Licenses and permits	\$ 152,000	\$ 143,255	\$ 219,210
Interest on investments	90,000	178,860	73,656
Miscellaneous	156,000	250,950	154,654
Police	63,500	67,550	64,276
Building rental - Miratech	6,600	7,150	6,600
Recreation	656,517	567,899	448,661
Water and sewer other revenue	158,000	189,323	132,666
	<u>\$ 1,282,617</u>	<u>\$ 1,404,987</u>	<u>\$ 1,099,723</u>
Water and sewerage revenue			
Water	\$ 2,099,740	\$ 2,023,936	\$ 1,987,790
Sewer	2,984,951	2,993,501	2,932,488
Connections	50,000	79,000	65,000
	<u>\$ 5,134,691</u>	<u>\$ 5,096,436</u>	<u>\$ 4,985,278</u>

City of Miramichi

Schedule 3: Consolidated Schedule of Expenditures

Year Ended December 31

2022

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General government services			
Legislative			
Mayor	\$ 82,527	\$ 60,122	\$ 57,428
Councillors	242,764	177,058	152,847
	<u>325,291</u>	<u>237,180</u>	<u>210,275</u>
Administrative			
Manager	420,130	415,080	324,002
Clerk	456,660	326,213	311,305
City Hall	275,326	238,293	241,820
Solicitor	50,000	33,388	77,098
Finance	558,908	505,014	531,040
Human resources	615,350	548,278	512,177
System administration	367,900	299,559	318,879
Cost of assessment	315,418	315,418	300,372
	<u>3,059,692</u>	<u>2,681,243</u>	<u>2,616,693</u>
Civic relations	<u>290,478</u>	<u>177,102</u>	<u>183,126</u>
Other general government services			
Special projects	-	-	750,935
Bank charges	-	-	18,460
	<u>-</u>	<u>-</u>	<u>769,395</u>
Interest	<u>15,185</u>	<u>9,713</u>	<u>16,034</u>
Amortization and disposal, post-retirement liabilities and other	<u>225,722</u>	<u>225,722</u>	<u>192,236</u>
	<u>\$ 3,916,368</u>	<u>\$ 3,330,960</u>	<u>\$ 3,987,759</u>

City of Miramichi

Schedule 3: Consolidated Schedule of Expenditures

Year Ended December 31

2022

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Protection services			
Police			
Administration	\$ 1,325,701	\$ 1,276,720	\$ 1,266,704
Crime control	955,142	941,597	753,065
Traffic activities	3,073,445	2,974,830	3,262,345
Training and development	28,000	29,118	24,308
Building and jail	314,953	320,518	291,251
Automotive equipment	243,057	284,202	244,827
Communication	1,126,815	1,168,992	1,096,700
Community relations	285,622	222,165	65,599
CID - Dog services	8,320	-	-
Detention and custody	128,392	113,142	106,825
	<u>7,489,447</u>	<u>7,331,284</u>	<u>7,111,624</u>
Fire			
Administration	381,792	371,588	344,962
Fighting force	2,869,926	2,644,856	2,405,284
Training and development	55,950	37,850	16,908
Station	150,455	124,577	128,619
Fire fighting equipment	239,499	337,113	222,247
	<u>3,697,622</u>	<u>3,515,984</u>	<u>3,118,020</u>
Other protection services			
Animal control	47,760	49,332	47,607
Interest	606,345	387,845	103,374
Amortization and disposal, post-retirement liabilities and other	474,803	474,803	346,559
	<u>\$ 12,315,977</u>	<u>\$ 11,759,248</u>	<u>\$ 10,727,184</u>

City of Miramichi

Schedule 3: Consolidated Schedule of Expenditures

Year Ended December 31

2022

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Transportation services			
Common services			
Administration	\$ 575,059	\$ 488,418	\$ 450,469
Engineering	862,664	873,131	494,120
General equipment	1,005,218	869,352	781,527
Workshops, yards, and buildings	635,624	625,282	508,000
	<u>3,078,565</u>	<u>2,856,183</u>	<u>2,234,116</u>
Roads and streets			
Summer maintenance	1,603,410	2,040,687	1,504,588
Storm sewers	109,520	95,459	76,787
Snow and ice removal	2,023,552	1,572,342	1,690,481
	<u>3,736,482</u>	<u>3,708,488</u>	<u>3,271,856</u>
Street lighting	<u>596,972</u>	<u>599,244</u>	<u>573,711</u>
Traffic services			
Street signs	20,000	28,892	30,159
Traffic lanemarking	43,900	62,903	29,938
Traffic signals	36,804	41,018	30,924
	<u>100,704</u>	<u>132,813</u>	<u>91,021</u>
Off street parking	<u>21,406</u>	<u>18,556</u>	<u>17,802</u>
Transit commission	<u>290,000</u>	<u>270,005</u>	<u>270,182</u>
Interest	<u>958,882</u>	<u>613,343</u>	<u>327,475</u>
Amortization and disposal, post-retirement liabilities and other	<u>3,349,927</u>	<u>3,349,927</u>	<u>3,375,894</u>
	<u>\$ 12,132,938</u>	<u>\$ 11,548,559</u>	<u>\$ 10,162,057</u>

City of Miramichi

Schedule 3: Consolidated Schedule of Expenditures

Year Ended December 31

2022

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Environmental health and development services			
Environmental health services			
Collection	\$ 799,100	\$ 826,672	\$ 722,593
Disposal	476,690	486,698	502,639
Other	538	495	519
	<u>1,276,328</u>	<u>1,313,865</u>	<u>1,225,751</u>
Environmental development services			
Development			
Community planning	476,830	476,830	481,070
Administration	502,213	464,494	358,348
Economic development	632,527	475,859	268,406
	<u>1,611,570</u>	<u>1,417,183</u>	<u>1,107,824</u>
Tourism			
Visitor information	58,744	47,310	47,372
Tourism promotion	320,385	357,118	242,675
	<u>379,129</u>	<u>404,428</u>	<u>290,047</u>
	<u>1,990,699</u>	<u>1,821,611</u>	<u>1,397,871</u>
Interest	<u>8,721</u>	<u>5,578</u>	<u>4,428</u>
Amortization and disposal, post-retirement liabilities and other	<u>(6,184)</u>	<u>(6,184)</u>	<u>(6,847)</u>
	<u>\$ 3,269,564</u>	<u>\$ 3,134,870</u>	<u>\$ 2,621,203</u>
Recreation and cultural services			
Administration	\$ 522,047	\$ 465,912	\$ 438,544
Community Centres	778,055	730,547	655,551
Swimming pools	525,690	400,997	549,329
Rinks and arenas	924,974	995,094	813,145
Parks and playgrounds	1,900,837	1,855,726	1,301,367
Program administration	129,857	112,906	106,123
Seniors	3,000	1,194	(881)
Special population programs	10,801	2,400	2,386
Youth programs	90,375	84,835	80,800
Special events	9,000	12,571	3,708
Libraries	274,258	228,499	222,698
	<u>5,168,894</u>	<u>4,890,681</u>	<u>4,172,770</u>
Interest	<u>84,050</u>	<u>53,762</u>	<u>34,421</u>
Amortization and disposals, post-retirement liabilities and other	<u>925,139</u>	<u>925,139</u>	<u>834,239</u>
	<u>\$ 6,178,083</u>	<u>\$ 5,869,582</u>	<u>\$ 5,041,430</u>

City of Miramichi

Schedule 3: Consolidated Schedule of Expenditures

Year Ended December 31

2022

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Water and sewerage services			
Water supply			
Administration	\$ 296,750	\$ 177,667	\$ 253,124
Interest	389,867	238,193	237,553
Treatment	545,611	543,901	487,180
Transmission and distribution	824,309	978,681	792,358
Power and pumping	409,220	413,249	335,185
Billing and collection	258,817	249,142	245,101
	<u>2,724,574</u>	<u>2,600,833</u>	<u>2,350,501</u>
Sewer collection and disposal			
Collection system	456,867	427,028	345,990
Interest	285,028	177,500	170,878
Lift stations	355,685	312,900	313,299
Treatment and disposal	480,723	484,352	410,345
	<u>1,578,303</u>	<u>1,401,780</u>	<u>1,240,512</u>
Bad debts	<u>-</u>	<u>-</u>	<u>-</u>
Amortization and disposals, post-retirement liabilities and other	<u>1,620,289</u>	<u>1,620,289</u>	<u>1,850,010</u>
	<u>\$ 5,923,166</u>	<u>\$ 5,622,902</u>	<u>\$ 5,441,023</u>

City of Miramichi

Schedule 4: Schedule of Segment Disclosure

Year Ended December 31

	General Government	Protection	Transportation	Environmental Health & Development	Recreation and cultural	Water and Sewer Services	2022 Consolidated	2021 Consolidated
Revenues								
Property tax warrant	\$ 2,888,065	\$ 9,121,103	\$ 8,921,303	\$ 2,399,606	\$ 4,553,559	\$ -	\$ 27,883,638	\$ 27,222,494
Other revenue from own sources	431,500	67,550	7,150	141,564	567,900	189,323	1,404,987	1,099,723
Unconditional transfers from Provincial Government	745,834	2,355,497	2,303,900	619,691	1,175,943	-	7,200,865	6,362,332
Services to other government	-	793,539	282,950	-	-	-	1,076,487	1,089,864
Other contributions and government transfers	169,869	-	3,058,584	-	-	1,488,034	4,676,487	2,039,068
Water and sewer user fees	-	-	-	-	-	5,096,436	5,096,436	4,985,278
(Loss) gain on disposal	-	56,279	(348,893)	-	-	(250,360)	(543,174)	-
Interest	613,263	-	-	-	-	217,784	831,047	249,019
	4,848,531	12,393,968	14,224,994	3,160,861	6,297,402	6,701,017	47,626,773	43,047,778
Expenses								
Salaries and benefits	1,746,473	9,284,617	3,046,417	411,948	2,539,444	1,137,928	18,166,827	16,936,817
Goods and services	1,349,052	1,611,983	4,538,872	2,723,528	2,351,237	2,448,992	15,023,664	12,806,550
Amortization and disposal, post-retirement benefits & other *	225,722	474,803	3,349,927	(6,184)	925,139	1,620,289	6,589,696	7,343,026
Interest	9,713	387,845	613,343	5,578	53,762	415,693	1,485,934	894,163
	3,330,960	11,759,248	11,548,559	3,134,870	5,869,582	5,622,902	41,266,121	37,980,656
Surplus (deficit) for the year	\$ 1,517,571	\$ 634,720	\$ 2,676,435	\$ 25,991	\$ 427,820	\$ 1,078,115	\$ 6,360,652	\$ 5,067,122

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

**Other expense includes special projects, discounts, and capital grants.

City of Miramichi **Schedule 5: Schedule of Reserve Funds** Year Ended December 31

	General Operating Reserve	General Capital Reserve	Water and Sewer Operating Reserve	Water and Sewer Capital Reserve	2022 Total	2021 Total
Accumulated surplus, beginning of year	\$ 2,184,648	\$ 20,481,680	\$ 308,755	\$ 3,559,087	\$ 26,534,170	\$ 21,200,148
Transfers to/from Water and Sewer and General Funds						
Allocation from General Operating Fund (net)	(378,760)	2,022,860	-	-	1,644,100	5,534,589
Allocation from Water and Sewer Operating Fund (net)	-	-	(3,580)	138,580	135,000	300,000
Allocation to General Capital Fund (net)	-	(49,436)	-	-	(49,436)	(651,999)
Allocation to Water Capital Fund	-	-	-	-	-	-
Interest	38,416	429,001	6,457	74,436	548,310	151,432
Annual surplus (deficit)	(340,344)	2,402,425	2,877	213,016	2,277,974	5,334,022
Accumulated surplus, end of year	\$ 1,844,304	\$ 22,884,105	\$ 311,632	\$ 3,772,103	\$ 28,812,144	\$ 26,534,170

City of Miramichi Schedule 5: Schedule of Reserve Funds

Year Ended December 31

Council resolutions regarding transfers to and from reserves:

It was moved by Councillor Johnston and seconded by Councillor Somers that the City of Miramichi approve the transfer of \$111,000.00 from the General Operating Fund to the General Capital Reserve Fund.
CARRIED.

It was moved by Councillor Johnston and seconded by Councillor Arsenault that the City of Miramichi approve the transfer of \$340,500.00 from the General Operating Reserve fund to the General Operating Fund.
CARRIED.

It was moved by Councillor Johnston and seconded by Councillor Somers that the City of Miramichi approve the transfer of \$150,000.00 from the Utility Operating Reserve to the Utility Operating Fund.
CARRIED.

It was moved by Councillor Johnston and seconded by Councillor King that the City of Miramichi approve the transfer of \$584,200.00 from the General Operating Reserve Fund to the General Operating fund.
CARRIED.

It was moved by Councillor Arsenault and seconded by Councillor Somers that \$49,436.32 be transferred from General Capital Reserve to General Capital for 2022 Capital purchases by the Fire Department.
CARRIED.

It was moved by Councillor Arsenault and seconded by Councillor King that the City of Miramichi transfer \$1,911,860 from the General Operating Fund to the General Capital Reserve Fund.
CARRIED.

It was moved by Councillor Arsenault and seconded by Councillor Somers that the City of Miramichi transfer \$545,940 from the General Operating Fund to the General Operating Reserve Fund.
CARRIED.

It was moved by Councillor Arsenault and seconded by Councillor Harris that the City of Miramichi transfer \$138,580 from the Utility Operating Fund to the Utility Capital Reserve Fund.
CARRIED.

It was moved by Councillor Arsenault and seconded by Councillor Ross-Robinson that the City of Miramichi transfer \$146,420 from the Utility Operating Fund to the Utility Operating Reserve Fund.
CARRIED.



City of Miramichi

Schedule 6: Schedule of Reconciliation of Annual Surplus

December 31, 2022

2022 annual fund surplus*	\$ 511,791	\$ 4,236,793	\$ (340,344)	\$ 2,402,425	\$ 67,222	\$ 2,829,273	\$ 2,877	\$ 213,016	\$ 9,923,054
Adjustment to annual surplus (deficit) for funding requirements									
Second previous year's surplus	(766,325)	-	-	-	(241,993)	-	-	-	(1,008,318)
Long-term debt principal repayment	1,852,000	(1,852,000)	-	-	1,414,000	(1,414,000)	-	-	-
Transfer to capital and operating reserves	1,644,100	(49,436)	-	(1,973,424)	135,000	-	3,580	(138,580)	-
Capital expenditures paid out of operating expense	3,402,033	(3,402,033)	-	-	350,000	(350,000)	-	-	-
Disposal of tangible assets	-	3,903,411	-	-	132,201	-	-	-	4,035,612
Amortization expense	-	(5,220,959)	-	-	-	(1,637,338)	-	-	(6,858,297)
Provision for retirement liability and pension expense	251,552	-	-	-	17,049	-	-	-	268,601
Total adjustments to 2022 annual surplus	6,383,360	(6,621,017)	378,760	(1,973,424)	1,806,257	(3,401,338)	3,580	(138,580)	(3,562,402)
2022 annual surplus per PSAB for the year	\$ 6,895,152	\$ (2,384,224)	\$ 38,416	\$ 429,001	\$ 1,873,479	\$ (572,065)	\$ 6,457	\$ 74,436	\$ 6,360,652

*The annual fund surplus includes all of the interfund transfers.

City of Miramichi

Schedule 7: Schedule of Operating Budget to PSA Budget

December 31, 2022

	Operating Budget General	Water and Sewer Budget	Capital Grants	Amortization Pension & Post Employment adjustments	Interest Reallocations	Transfers	Total
Revenue							
Province of New Brunswick:							
Warrant for property taxes	\$ 27,883,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,883,638
Community funding & equalization grant	6,994,375	-	-	-	-	-	6,994,375
Services to other governments	1,048,594	-	-	-	-	-	1,048,594
Other government contributions and transfers	1,121,507	150,000	3,621,504	-	-	(1,271,507)	3,621,504
Other revenue from own sources	1,124,617	999,500	-	-	-	(841,500)	1,282,617
Water and sewer rates	-	5,134,691	-	-	-	-	5,134,691
Interest	-	75,000	-	-	-	-	75,000
Second previous year's surplus	766,325	241,993	-	-	-	(1,008,318)	-
	38,939,056	6,601,184	3,621,504	-	-	(3,121,325)	46,040,419
Expenditures							
General government services	3,675,461	-	-	225,722	15,185	-	3,916,368
Protective services	11,905,829	-	-	474,803	606,345	(671,000)	12,315,977
Transportation services	7,994,629	-	-	3,349,927	958,882	(170,500)	12,132,938
Environmental health & development services	3,267,027	-	-	(6,184)	8,721	-	3,269,564
Recreation and cultural services	5,168,894	-	-	925,139	84,050	-	6,178,083
Water and Sewer	-	4,165,289	-	1,620,289	674,895	(537,307)	5,923,166
Fiscal services							
Long-term debt repayments	1,852,000	1,411,000	-	-	-	(3,263,000)	-
Interest	1,498,183	674,895	-	-	(2,173,078)	-	-
Transfer from the General Operating Fund to the General Capital Reserve Fund	-	-	-	-	-	-	-
Funding current year's capital projects- General	3,402,033	-	-	-	-	(3,402,033)	-
Funding current year's capital projects – Water & Sewer	-	350,000	-	-	-	(350,000)	-
Other funding	175,000	-	-	-	(175,000)	-	-
	38,939,056	6,601,184	-	6,589,696	-	(8,393,840)	43,736,096
Surplus (deficit) for the year	\$ -	\$ -	\$ 3,621,504	\$ (6,589,696)	\$ -	\$ 5,272,515	\$ 2,304,323

Year ended December 31, 2022

	Vested Post Employment Benefits
Liability at December 31, 2022	\$ 2,417,300
Amounts funded	(2,417,300)
Balance to be funded in future years	\$ -