

**CITY OF MIRAMICHI**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2020**



***Allen, Paquet & Arseneau LLP***  
CHARTERED PROFESSIONAL ACCOUNTANTS • COMPTABLES PROFESSIONNELS AGRÉÉS

**CITY OF MIRAMICHI**

**Index**

**To the Consolidated Financial Statements**

**For the year ended December 31, 2020**

	<b><u>Page</u></b>
Management's Responsibility for the Consolidated Financial Statements	1.
Independent Auditors' Report	2 - 3.
Consolidated Statement of Operations and Accumulated Surplus	4.
Consolidated Statement of Financial Position	5.
Consolidated Statement of Changes in Net Debt	6.
Consolidated Statement of Cash Flow	7.
Notes to the Consolidated Financial Statements	8 - 32.



*Allen, Paquet & Arseneau LLP*

*Your business partner of choice  
Votre partenaire d'affaires par excellence*

www.apa-ca.com

1.

CITY OF MIRAMICHI  
Consolidated Financial Statements  
Year ended December 31, 2020

### 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

207, rue Roseberry St.  
Campbellton, NB  
E3N 3G9  
506-789-0820

625, av. St. Peter Ave.  
Bathurst, NB  
E2A 4Z6  
506-546-1460

Le groupe **AC** The AC Group  
De firmes comptables indépendantes limitée  
Of Independent Accounting Firms Limited

202 Pleasant Street  
Miramichi, NB  
E1V 1Y5  
506-778-8065

356, rue Canada Street  
St-Quentin, NB  
E8A 1H8  
506-235-3538



**CPA**

CHARTERED  
PROFESSIONAL  
ACCOUNTANTS

COMPTABLES  
PROFESSIONNELS  
AGRÉÉS

NEW BRUNSWICK NOUVEAU-BRUNSWICK



*Allen, Paquet & Arseneau LLP*

Your business partner of choice  
Votre partenaire d'affaires par excellence

www.apa-ca.com

2.

## 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, 2020, 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, 2020, 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.

207, rue Roseberry St.  
Campbellton, NB  
E3N 3G9  
506-789-0820

625, av. St. Peter Ave.  
Bathurst, NB  
E2A 4Z6  
506-546-1460

Le groupe **AC** The AC Group  
De firmes comptables indépendantes limitée  
Of Independent Accounting Firms Limited

202 Pleasant Street  
Miramichi, NB  
E1V 1Y5  
506-778-8065

356, rue Canada Street  
St-Quentin, NB  
E8A 1H8  
506-235-3538

 **CPA** CHARTERED  
PROFESSIONAL  
ACCOUNTANTS  
NEW BRUNSWICK  
COMPTABLES  
PROFESSIONNELS  
AGRÉÉS  
NOUVEAU-BRUNSWICK

## 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.

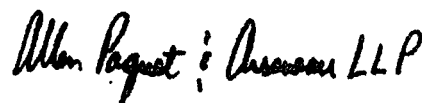
We also:

- 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 20, 2021

Handwritten signature of Allen Paquet in black ink.

Chartered Professional Accountants

**CITY OF MIRAMICHI****Consolidated Statement of Operations and Accumulated Surplus****For the year ended December 31**

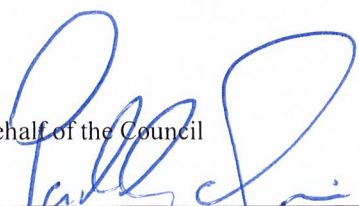
	2020	2020	2019
	(Unaudited) Budget Note 22	Actual	Actual
<b>REVENUE (Note 23)</b>			
Warrant of Assessment	\$ 26,819,207	\$ 26,819,207	\$ 26,336,310
Community Funding and Equalization Grant from Provincial Government	6,268,228	6,422,842	6,198,624
Services Provided to Other Governments	1,019,512	1,024,399	915,714
Other Contributions and Government Transfers	2,139,907	2,571,609	4,725,443
Other Revenue from Own Sources	1,370,040	983,995	1,245,050
Water and Sewer Revenue	5,119,691	4,992,525	5,053,784
Interest	105,000	316,745	541,242
	42,841,585	43,131,322	45,016,167
<b>EXPENDITURES (Note 24)</b>			
General Government Services - Page 27	4,252,698	3,717,643	3,412,409
Protection Services - Page 28	12,333,870	10,964,826	10,173,565
Transportation Services - Page 29	10,768,409	9,527,640	9,976,840
Environmental Health and Development - Page 30	3,360,489	2,493,456	2,523,110
Recreation and Cultural Services - Page 31	5,989,618	4,820,084	5,023,811
Water and Sewer Utilities - Page 32	5,512,665	5,683,972	5,210,620
	42,217,749	37,207,621	36,320,355
<b>ANNUAL SURPLUS (Note 19)</b>	\$ 623,836	\$ 5,923,701	\$ 8,695,812
<b>ACCUMULATED SURPLUS, Beginning of Year</b>		135,279,266	126,583,454
<b>ACCUMULATED SURPLUS, End of Year</b>		\$ 141,202,967	\$ 135,279,266

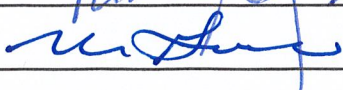
**CITY OF MIRAMICHI**  
**Consolidated Statement of Financial Position**  
**As at December 31**

	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash and Short Term Investments (Note 3)	\$ 31,936,549	\$ 27,908,372
Trust deposits	17,235	17,235
Accounts Receivable (Note 4)	4,162,211	4,675,204
Accrued Pension Asset (Note 9)	5,212,700	4,209,600
	<b>\$ 41,328,695</b>	<b>\$ 36,810,411</b>
<b>LIABILITIES</b>		
Bank Loans (Note 5)	\$ 7,003,000	\$ 7,003,000
Trust Deposits Payable	17,235	17,235
Accounts Payable and Accrued Liabilities (Note 6)	4,742,427	4,441,736
Deferred Government Funding (Note 7)	1,799,397	1,364,944
Long Term Debt (Note 8)	25,334,000	25,012,000
Funds Held in Trust - Covey Estate - David Sadler Scholarship	466,074	466,930
Other Post Employment Liabilities (Note 10)	3,081,200	3,259,800
	<b>42,443,333</b>	<b>41,565,645</b>
<b>NET DEBT (Page 6)</b>	<b>\$ ( 1,114,638)</b>	<b>\$ ( 4,755,234)</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible Capital Assets (Note 17)	280,257,513	272,268,812
Accumulated Amortization	( 138,235,835)	( 132,469,469)
	<b>142,021,678</b>	<b>139,799,343</b>
Inventory of Supplies	71,303	61,905
Prepaid Expenses	224,624	173,252
	<b>142,317,605</b>	<b>140,034,500</b>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 141,202,967</b>	<b>\$ 135,279,266</b>

**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**

	<b>2020</b>	<b>2019</b>
Annual Surplus	\$ 5,923,701	\$ 8,695,812
Acquisition of Tangible Capital Assets	( 8,876,522)	( 11,123,465)
Proceeds on Disposal of Tangible Capital Assets	20,002	39,573
Amortization of Tangible Capital Assets	6,133,871	5,901,206
Write-down of Tangible Capital Assets	493,392	215,496
Loss on Sale of Tangible Capital Assets	6,922	42,334
	<b>3,701,366</b>	<b>3,770,956</b>
Change in Inventory	( 9,398)	( 2,209)
Change in Prepaid Expenses	( 51,372)	( 160,009)
	<b>( 60,770)</b>	<b>( 162,218)</b>
<b>DECREASE IN NET DEBT</b>	<b>3,640,596</b>	<b>3,608,738</b>
<b>NET DEBT, Beginning of Year</b>	<b>( 4,755,234)</b>	<b>( 8,363,972)</b>
<b>NET DEBT, End of Year</b>	<b>\$ ( 1,114,638)</b>	<b>\$ ( 4,755,234)</b>



---

**CITY OF MIRAMICHI****Consolidated Statement of Cash Flow****For the year ended December 31****2020****2019**

---

**OPERATING TRANSACTIONS****Annual Surplus****\$ 5,923,701      \$ 8,695,812****Items not affecting cash:**

Amortization of Tangible Capital Assets	6,133,871	5,901,206
Loss on Sale of Tangible Capital Assets	6,922	42,334
Write-down of Capital Assets	493,392	215,496
Change in Accrued Pension Asset	( 1,003,100)	( 1,174,100)
Change in Other Post Employment Benefits	( 178,600)	( 4,700)

**Changes in non-cash working capital:**

Changes in Accounts Receivable	512,993	( 310,973)
Changes in Accounts Payable and Accrued Liabilities	300,691	( 831,604)
Changes in Deferred Revenue	434,453	33,293
Changes in Trust Deposits	( 856)	( 3,970)
Changes in Prepaid Expenses	( 51,372)	( 160,009)
Changes in Inventory of Supplies	( 9,398)	( 2,209)

---

**12,562,697      12,400,576**

---

**CAPITAL TRANSACTIONS**

Acquisition of Tangible Capital Assets	( 8,876,522)	( 11,123,465)
Proceeds on Sale of Tangible Capital Assets	20,002	39,573
	( 8,856,520)	( 11,083,892)

---

**FINANCING TRANSACTIONS**

Changes in Bank Loans	-	( 1,650,000)
Issuance of Long Term Debt	4,508,000	4,545,000
Repayment of Long Term Debt	( 4,186,000)	( 3,199,000)
	322,000	( 304,000)

---

**NET INCREASE IN CASH AND CASH EQUIVALENTS****4,028,177      1,012,684****CASH AND CASH EQUIVALENTS, Beginning of Year****27,908,372      26,895,688**

---

**CASH AND CASH EQUIVALENTS, End of Year****\$ 31,936,549      \$ 27,908,372**

---

**CASH AND CASH EQUIVALENTS CONSIST OF:**

Cash	\$ 28,712,061	\$ 26,464,694
Restricted Cash	3,224,488	1,443,678

---

**CASH AND CASH EQUIVALENTS, End of Year****\$ 31,936,549      \$ 27,908,372**

---

**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, 19 and 22 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 12, 2019 and the Minister of Environment and Local Government approved the General Operating budget on December 18, 2019, Capital Budget on December 18, 2019 and Utility Operating budget on December 18, 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><b>Years</b></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 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.

**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 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) Trust funds**

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

**(m) 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.

**(n) 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 20, "Statement of Reserve Funds" to the consolidated financial statements, is included to show the reserve fund balances as supplementary information.

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.

**(o) 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.

**3. CASH AND SHORT TERM INVESTMENTS**

	<b>2020</b>	<b>2019</b>
Cash - Unrestricted	\$ 7,539,262	\$ 7,956,591
Cash - Reserve Funds	21,200,148	18,536,308
Cash - Gas Tax - Restricted	2,670,546	889,896
French Fort Cove capital fund bank account - Restricted	87,868	86,852
GIC held for Sadler Scholarship fund - Restricted - 0.15%	438,725	438,725
	<b>\$ 31,936,549</b>	<b>\$ 27,908,372</b>

**4. ACCOUNTS RECEIVABLE**

	<b>2020</b>	<b>2019</b>
Water and sewer receivables	\$ 1,492,585	\$ 1,527,770
Receivable from Province of New Brunswick	1,647,964	1,248,058
Other receivables	328,666	287,760
Sales tax receivable	692,996	1,611,616
	<b>\$ 4,162,211</b>	<b>\$ 4,675,204</b>

**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**

	<b>2020</b>	<b>2019</b>
Accounts payable and accrued liabilities	\$ 4,392,731	\$ 3,867,281
Accrued interest on long-term debt	85,595	90,390
Holdbacks payable	51,051	207,156
Wages payable	213,050	276,909
	<b>\$ 4,742,427</b>	<b>\$ 4,441,736</b>

**7. DEFERRED GOVERNMENT FUNDING**

	2020	2019
Deferred Government Transfers - Gas Tax Fund (GTF)	\$ 1,734,400	\$ 1,261,285
Other Government Transfers	64,997	103,659
	<b>\$ 1,799,397</b>	<b>\$ 1,364,944</b>

**8. LONG TERM DEBT**

	2020	2019
<u>New Brunswick Municipal Financing Corporation</u>		
Debentures:		
4.55% series renewable in 2020, due in 2030 (OIC 07-27, 07-68, 08-32, 09-28, 09-96, 99-18)	-	1,419,000
4.10%-4.25% series due 2021 (OIC 00-58, 99-18)	138,000	273,000
3.30%-3.45% series renewable in 2021, due in 2031 (OIC 06-32, 09-28, 09-96, 09-23, 09-26, 10-33)	401,000	615,000
3.10%-3.80% series renewable in 2027, due in 2032 (OIC 09-0028, 09-0096, 10-0011)	1,015,000	1,096,000
2.75%-3.80% series due 2032 (OIC 09-0096, 09-0126, 10-0011, 10-0033, 12-0026)	262,000	373,000
2.70%-4.00% series due 2033 (OIC 01-77, 10-0011, 12-0026)	722,000	795,000
3.05%-4.40% series due 2033 (OIC 10-0011, 10-0033, 11-0084)	1,049,000	1,111,000
2.60%-4.15% series due 2034 (OIC 01-0077, 02-0032, 11-0084, 12-0002, 12-0026)	615,000	693,000
1.80%-3.50% series due 2035 (OIC 12-0002, 13-0018, 13-0018, 14-001, 01-0013)	827,000	942,000
1.80%-2.90% series due 2026 (OIC 14-001)	401,000	463,000
1.45%-2.70% series due 2027 (OIC 15-0014, 16-0014, 16-0037)	975,000	1,104,000
2.45%-3.70% series due 2028 (OIC 15-0014, 16-0014, 16-0037, 17-0032, 17-0045)	2,112,000	2,344,000
2.05%-2.85% series due 2029 (OIC 14-0011, 15-0014, 16-0014, 17-0032, 18-0006)	1,905,000	2,096,000
5.15%-5.55% series renewable in 2023, due in 2028 (OIC 06-40, 07-27, 07-68)	591,000	652,000
Carried forward	<b>\$ 11,013,000</b>	<b>\$ 13,976,000</b>



**8. LONG TERM DEBT (continued)**

	<b>2020</b>	<b>2019</b>
Carried Forward	\$ 11,013,000	\$ 13,976,000
3.30%-3.45% series renewable in 2021, due in 2031 (OIC 07-0027, 09-0028, 09-0096, 09-0110, 09-0126)	684,000	738,000
3.10%-3.80% series renewable in 2027, due in 2032 (OIC 07-0027, 09-0028, 10-0033, 99-0018)	375,000	401,000
2.75%-3.80% series due 2032 (OIC 09-0028, 10-0033, 11-0060)	204,000	218,000
2.70%-4.00% series due 2033 (OIC 02-0032, 10-0033, 12-0026, 99-0018)	916,000	1,151,000
3.05%-4.40% series due 2033 (OIC 11-0060, 12-0026)	344,000	364,000
2.60%-3.45% series due 2024 (OIC 02-0032, 03-0043, 99-0018)	1,006,000	1,241,000
2.10%-3.15% series due 2025 (OIC 02-0032, 03-0043, 04-0035, 04-0054, 99-0018)	1,608,000	1,909,000
1.80%-3.50% series due 2035 (OIC 13-0018, 14-0011)	867,000	914,000
1.80%-3.75% series due 2036 (OIC 13-0018, 14-0011, 15-0014)	261,000	297,000
1.75%-2.95% series due 2036 (OIC 02-0032, 03-0043, 04-0035, 05-0053, 99-0018)	192,000	250,000
2.05%-2.90% series due 2027 (OIC 05-0053, 05-0088, 06-0040)	127,000	168,000
2.45%-3.70% series due 2038 (OIC 13-0018, 15-0014, 16-0014, 17-0032)	900,000	936,000
2.05%-3.35% series due 2039 (OIC 13-0018, 14-0011, 15-0014, 16-0014, 17-0032, 18-0006)	1,942,000	2,023,000
1.95%-2.45% series due 2029 (OIC 07-0027, 08-0032)	387,000	426,000
0.90%-2.05% series due in 2030 (OIC 09-0096, 16-0014, 17-0032, 18-0006, 19-0011)	3,650,000	-
0.90%-2.95% series due in 2040 (OIC 15-0014, 18-0006, 19-0011)	858,000	-
	<b>\$ 25,334,000</b>	<b>\$ 25,012,000</b>
Principal payments of long term debt are due as follows:		
2021	\$ 4,016,000	
2022	2,810,000	
2023	3,102,000	
2024	2,435,000	
2025	2,161,000	
Subsequent years	10,810,000	
	<b>\$ 25,334,000</b>	

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, 2020**

**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 2020 was \$2,254,800 (2019 - \$2,312,200) including special payments of \$1,333,900 (2019 - \$1,395,700). Total benefit payments to retirees during the year were \$2,808,900 (2019 - \$2,222,400). A separate pension fund is maintained.

The City is in a net asset position as at December 31, 2020, as follows:

	2020	2019
Smoothed market value of plan assets	\$ 68,807,400	\$ 64,024,500
Accrued benefit obligation	( 64,598,000)	( 62,034,100)
Funded surplus	4,209,400	1,990,400
Unamortized actuarial losses	1,003,300	2,219,200
Accrued pension asset	\$ 5,212,700	\$ 4,209,600

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:

	2020	2019
Discount rate	5.25%	5.50%
Rate of compensation increases	3.25%	3.25%
Rate of inflation	3.25%	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.

	2020	2019
Current period benefit cost	\$ 2,133,700	\$ 1,932,600
Amortization of actuarial losses	170,700	245,900
	2,304,400	2,178,500
Less: employee contributions	( 920,900)	( 916,500)
Pension expense	1,383,500	1,262,000
Interest (benefit) cost on the average accrued benefit obligation	( 131,800)	( 123,900)
Total expenses related to pension	\$ 1,251,700	\$ 1,138,100

**9. ACCRUED PENSION ASSET (continued)**

The employer contribution expense of \$2,254,800 is included in the statement of operations as a component of department expenses. The change in accrued pension asset of \$1,003,100 is included in post-retirement liabilities expense in the segment to which it relates.

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

	2020	2019
Bonds	39.65%	38.64%
Canadian equities	25.35%	25.33%
International equities	25.78%	26.02%
Real estate	9.22%	10.01%

**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.

	2020	2019
<b>Employee benefit obligations:</b>		
Vested benefits	\$ 2,316,600	\$ 2,486,400
Unamortized actuarial gains (losses)	( 30,400)	( 44,500)
Non-vested benefits	799,800	821,400
Unamortized actuarial gains (losses)	( 4,800)	( 3,500)
<b>Accrued employee benefit obligation</b>	<b>3,081,200</b>	<b>3,259,800</b>
Less funded amount	-	-
<b>Unfunded employee benefit obligation</b>	<b>\$ 3,081,200</b>	<b>\$ 3,259,800</b>
<b>Non-vested benefits</b>	<b>\$ 795,000</b>	<b>\$ 817,900</b>
<b>Total expenses related to other post-employment liabilities</b>	<b>\$ 319,000</b>	<b>\$ 285,200</b>

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, 2020. 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 2020, 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:

	<b>2020</b>		<b>2019</b>	
2020 Surplus	\$	241,993	\$	-
2019 Surplus		35,829		35,829
2018 Surplus		-		29,758
	\$	277,822	\$	65,587

**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.

## CITY OF MIRAMICHI

## 17. SCHEDULE OF TANGIBLE CAPITAL ASSETS

	General Capital Assets					Water and Sewer Assets						
	Land	Land Improvements	Buildings and Leasehold Improvements	Machinery and Equipment	Asset Under Construction	Fleet	Roads, Streets, Sidewalks, Culverts	Buildings and Leasehold Improvements	Sewer System	Asset Under Construction	2020 Total	2019 Total
COST												
Balance, Beginning 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
Net Additions and transfers	959,020	1,082,806	377,630	959,055	1,257,350	246,423	2,578,833	167,300	1,624,160	145,024	9,397,601	19,612,446
Less: Disposals and transfers	26,924	-	-	-	445,883	26,882	100,531	-	733,484	75,196	1,408,900	9,267,853
BALANCE, END OF YEAR	2,240,392	13,612,762	21,854,027	4,315,434	1,585,638	10,276,583	125,422,553	24,628,810	75,109,919	1,211,395	280,257,513	272,268,812
ACCUMULATED AMORTIZATION												
Balance, Beginning 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
Amortization	-	434,610	659,964	303,756	-	434,059	2,735,715	533,415	1,032,352	-	6,133,871	5,901,206
Less: Disposals	-	-	-	-	-	26,882	100,531	-	240,092	-	367,505	481,469
BALANCE, END OF YEAR	-	3,570,413	11,443,762	2,081,358	-	5,781,313	78,480,705	13,896,516	22,981,768	-	138,235,835	132,469,469
NET BOOK VALUE OF CAPITAL ASSETS												
\$ 2,240,392	\$ 10,042,349	\$ 10,410,265	\$ 2,234,076	\$ 1,585,638	\$ 4,495,270	\$ 46,941,848	\$ 10,732,294	\$ 52,128,151	\$ 1,211,395	\$ 142,021,678	\$ 139,799,343	

**CITY OF MIRAMICHI**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2020**

**18. SCHEDULE OF SEGMENT DISCLOSURE**

	General Government	Protective Services	Transportation Services	Environmental Health & Development	Recreation and Cultural	Water and Sewer	2020 Consolidated	2019 Consolidated
<b>REVENUES</b>								
Property Tax Warrant	\$ 3,162,840	\$ 9,328,487	\$ 8,105,781	\$ 2,121,343	\$ 4,100,756	\$ -	\$ 26,819,207	\$ 26,336,310
Other Revenue from Own Sources	211,462	53,758	16,600	109,881	423,924	168,370	983,995	1,245,050
Community Funding and Equalization Grant from Provincial Government	757,459	2,234,048	1,941,226	508,033	982,076	-	6,422,842	6,198,624
Services to other government	-	764,719	259,680	-	-	-	1,024,399	915,714
Other Contributions and Government Transfers	-	-	2	-	44,822	2,526,785	2,571,609	4,725,443
Water and Sewer User Fees	-	-	-	-	-	4,992,525	4,992,525	5,053,784
Interest	-	19,021	162,998	-	-	134,726	316,745	541,242
	4,131,761	12,400,033	10,486,287	2,739,257	5,551,578	7,822,406	43,131,322	45,016,167
<b>EXPENDITURES</b>								
Salaries and Benefits	1,737,255	8,854,202	2,683,798	304,922	2,326,268	1,276,753	17,183,198	16,308,159
Goods and Services	1,419,910	1,319,814	3,664,996	2,181,185	1,523,060	1,936,604	12,045,569	12,451,368
Amortization and Disposal, post-retirement benefits & other **	543,517	667,068	2,832,455	2,666	934,347	2,041,998	7,022,051	6,476,602
Interest and Bank Charges	16,961	123,742	346,391	4,683	36,409	428,617	956,803	1,084,226
	3,717,643	10,964,826	9,527,640	2,493,456	4,820,084	5,683,972	37,207,621	36,320,355

<b>SURPLUS FOR THE YEAR</b>	<b>\$ 414,118</b>	<b>\$ 1,435,207</b>	<b>\$ 958,647</b>	<b>\$ 245,801</b>	<b>\$ 731,494</b>	<b>\$ 2,138,434</b>	<b>\$ 5,923,701</b>	<b>\$ 8,695,812</b>
-----------------------------	-------------------	---------------------	-------------------	-------------------	-------------------	---------------------	---------------------	---------------------

\* 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, 2020**

**19. 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 Fund	Water and Sewer Operating Reserve Fund	Water and Sewer Capital Reserve Fund	Total
<b>2020 ANNUAL SURPLUS (DEFICIT) PER PSAB</b>	\$ 8,075,060	\$( 3,018,254)	\$ 19,021	\$ 162,998	\$ 1,693,720	\$( 1,044,323)	\$ 7,873	\$ 27,606	\$ 5,923,701
<b>Adjustments to Annual Surplus (Deficit) for Funding Requirements</b>	19,712	-	-	-	29,786	-	-	-	49,498
Second Previous Year's Surplus	-	-	-	-	-	-	-	-	-
Transfers Between Funds:									
Transfer Elimination	( 32,000)	-	32,000	-	-	-	-	-	-
Transfer Elimination	( 2,593,165)	-	-	2,593,165	-	-	-	-	-
Transfer Elimination	-	818,823	-	( 818,823)	-	-	-	-	-
Transfer Elimination	-	-	-	-	438,334	( 438,334)	-	-	-
Transfer Elimination	-	-	-	-	( 640,000)	-	-	640,000	-
Transfer Elimination	568,066	-	-	-	( 568,066)	-	-	-	-
Capital Expenditures Paid Out of Operating	( 1,746,273)	1,746,273	-	-	( 193,726)	193,726	-	-	-
Proceeds on sale of assets	20,002	-	-	-	-	-	-	-	20,002
Water supply for Fire Protection	( 671,000)	-	-	-	671,000	-	-	-	-
Storm Sewer Transfer	( 170,500)	-	-	-	170,500	-	-	-	-
Amortization	-	4,520,630	-	-	-	1,613,241	-	-	6,133,871
Long Term Debt Principal Repayment	( 1,712,000)	1,712,000	-	-	( 1,284,000)	1,284,000	-	-	-
Provision for post retirement benefits	( 991,577)	-	-	-	( 75,555)	-	-	-	( 1,067,132)
<b>Total Adjustments to 2020 Annual Surplus (Deficit)</b>	( 7,308,735)	8,797,726	32,000	1,774,342	( 1,451,727)	2,652,633	-	640,000	5,136,239
<b>2020 ANNUAL FUND SURPLUS</b>	\$ 766,325	\$ 5,779,472	\$ 51,021	\$ 1,937,340	\$ 241,993	\$ 1,608,310	\$ 7,873	\$ 667,606	\$ 11,059,940
<b>FOR FUNDING PURPOSES</b>									



**CITY OF MIRAMICHI**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2020**

**20. STATEMENT OF RESERVE FUNDS**

	General Operating Reserve	General Capital Reserve	Water and Sewer Operating Reserve	Water and Sewer Capital Reserve	2020 Total	2019 Total
<b>ASSETS</b>						
Cash	\$ 1,748,233	\$ 15,909,469	\$ 303,120	\$ 3,239,326	\$ 21,200,148	\$ 18,536,308
<b>ACCUMULATED SURPLUS</b>	\$ 1,748,233	\$ 15,909,469	\$ 303,120	\$ 3,239,326	\$ 21,200,148	\$ 18,536,308
<b>REVENUE</b>						
Transfers to/from Water and Sewer and General Operating Funds:						
Allocation from General Operating Fund	\$ 132,000	\$ 2,593,165	\$ -	\$ -	\$ 2,725,165	\$ 2,343,437
Allocation from Water and Sewer Operating Fund	-	-	-	640,000	640,000	600,000
Interest	19,021	162,998	7,873	27,606	217,498	397,206
	151,021	2,756,163	7,873	667,606	3,582,663	3,340,643
<b>EXPENSES</b>						
Transfer to Water and Sewer Capital Fund	-	-	-	-	-	273,257
Transfer to General Capital Fund	-	818,823	-	-	818,823	2,408,872
Transfer to Water and Sewer Operating Fund	-	-	-	-	-	11,750
Transfer to General Operating Fund	100,000	-	-	-	100,000	20,000
	100,000	818,823	-	-	918,823	2,713,879
<b>ANNUAL SURPLUS</b>	\$ 51,021	\$ 1,937,340	\$ 7,873	\$ 667,606	\$ 2,663,840	\$ 626,764

Council Motions regarding transfers to and from reserves:

**Resolution adopted January 23, 2020:**

Moved by Councillor Somers and seconded by Councillor Williams that council authorizes \$216,000 be transferred from General Operating Fund to the General Capital Reserve Fund.  
 Moved by Councillor Somers and seconded by Deputy Mayor King that council authorizes \$315,000 be transferred from Water and Sewer Operating Fund to the Water and Sewer Capital Reserve Fund.  
 Moved by Councillor Somers and seconded by Councillor Fleiger that council authorizes \$100,000 be transferred from General Operating Reserve Fund to the General Operating Fund

**Resolution adopted December 17, 2020:**

Moved by Councillor Williams and seconded by Councillor Fleiger that council authorizes \$2,377,165 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 \$132,000 be transferred from General Operating Fund to General Operating Reserve Fund.  
 Moved by Councillor Duplessie and seconded by Councillor Somers that council authorizes \$225,000 be transferred from Water and Sewer Operating Fund to the Water and Sewer Capital Reserve Fund.  
 Moved by Councillor Somers and seconded by Councillor King that council authorizes \$818,823 be transferred from General Capital Reserve Fund to the General Capital Fund

  
 Clerk-Treasurer  
 City of Miramichi

July 23, 2021  
 Date

Municipal Seal

**CITY OF MIRAMICHI**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2020**

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

	2020 Total	2019 Total
<b>ASSETS</b>		
Cash	\$ 121,247	\$ 139,204
Accounts Receivable	45,623	35,548
	166,870	174,752
<b>LIABILITIES</b>		
Due to City of Miramichi	86,352	121,226
ACCUMULATED SURPLUS	80,518	53,526
<b>TOTAL LIABILITIES AND ACCUMULATED SURPLUS</b>	<b>166,870</b>	<b>174,752</b>
<b>REVENUE</b>	<b>113,357</b>	<b>122,233</b>
<b>EXPENSES</b>	<b>86,365</b>	<b>121,235</b>
<b>ANNUAL SURPLUS</b>	<b>\$ 26,992</b>	<b>\$ 998</b>

**CITY OF MIRAMICHI**

**Notes to the Consolidated Financial Statements  
For the year ended December 31, 2020**

**22. OPERATING BUDGET TO PSA BUDGET**

	Operating Budget General	Operating Budget Water & Sewer	Capital Budget	Amortization, Pension & Post Employment Adjustments	Interest Reconciliation	Transfers	Total
<b>REVENUE</b>							
Province of New Brunswick:							
Warrant Assessment	\$ 26,819,207	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,819,207
Community Funding and Equalization Grant from Provincial Government	6,268,228	-	-	-	-	-	6,268,228
Services Provided to Other Governments	1,019,512	-	-	-	-	-	1,019,512
Other Government Contributions and Transfers	637,309	-	2,139,907	-	-	( 637,309)	2,139,907
Other Revenue from Own Sources	1,235,287	305,253	-	-	-	( 170,500)	1,370,040
Water and Sewer Rates	-	5,119,691	-	-	-	-	5,119,691
Water and Supply for the Protection Interest	-	671,000	-	-	-	( 671,000)	-
Surplus - Second Previous Year	19,712	105,000	-	-	-	-	105,000
		29,786	-	-	-	( 49,498)	-
	35,999,255	6,230,730	2,139,907	-	-	( 1,528,307)	42,841,585
<b>EXPENDITURES</b>							
General Government Services	3,707,295	-	-	366,728	178,675	-	4,252,698
Protective Services	11,435,110	-	-	1,042,775	526,985	( 671,000)	12,333,870
Transportation Services	7,278,374	-	-	3,202,623	457,912	( 170,500)	10,768,409
Environmental Health & Development Services	3,137,749	-	-	102,901	119,839	-	3,360,489
Recreation and Cultural Services	4,651,427	-	-	1,106,531	231,660	-	5,989,618
Water and Sewer	-	3,840,096	-	1,613,241	596,635	( 537,307)	5,512,665
Fiscal Services							
- Long-term Debt Repayments	1,712,000	1,284,000	-	-	-	( 2,996,000)	-
- Interest	1,515,072	596,634	-	-	( 2,111,706)	-	-
- Post-retirement Benefits	1,300,928	-	-	( 1,300,928)	-	-	-
- Transfer from the General Operating Fund to the General Capital Reserve Fund	216,000	-	-	-	-	( 216,000)	-
- Funding Current Year's Capital Projects - General	1,045,300	-	-	-	-	( 1,045,300)	-
- Funding Current Year's Capital Projects - Water & Sewer	-	195,000	-	-	-	( 195,000)	-
- Transfer from the Water & Sewer Operating Fund to the Water & Sewer Capital Reserve Fund	-	315,000	-	-	-	( 315,000)	-
	35,999,255	6,230,730	-	6,133,871	-	( 6,146,107)	42,217,749
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	\$ -	\$ -	\$ 2,139,907	\$( 6,133,871)	\$ -	\$ 4,617,800	\$ 623,836

**CITY OF MIRAMICHI**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2020**

**23. REVENUE SUPPORT**

	(Unaudited) 2020 Budget	2020 Actual	2019 Actual
<b>Warrant of Assessment</b>	\$ 26,819,207	\$ 26,819,207	\$ 26,336,310
<b>Community Funding and Equalization Grant from Provincial Government</b>	\$ 6,268,228	\$ 6,422,842	\$ 6,198,624
<b>Services Provided to Other Governments</b>			
Province of New Brunswick			
Fire, including dispatch	\$ 587,967	\$ 587,968	\$ 482,391
Roads and streets	259,089	259,680	259,119
PSAP dispatching	172,456	176,751	174,204
	\$ 1,019,512	\$ 1,024,399	\$ 915,714
<b>Other Contributions and Government transfers</b>			
Gas Tax Program	\$ 2,088,451	\$ 2,088,451	\$ 1,166,327
Regional Development Corporation	44,822	44,822	1,335,261
Clean Water and Wastewater Fund	6,632	-	479,856
Other	-	438,334	1,743,980
Payment in lieu of taxes	2	2	19
	\$ 2,139,907	\$ 2,571,609	\$ 4,725,443
<b>Other Revenue from Own Sources</b>			
Licenses and Permits	\$ 124,500	\$ 112,814	\$ 213,243
Interest on investment	100,000	102,678	171,444
Miscellaneous	206,000	108,439	27,240
Police	44,000	53,758	55,603
Building Rental - Miratech	16,600	16,600	16,600
Recreation	744,187	421,336	603,914
Water and Sewer Other Revenue	134,753	168,370	157,006
	\$ 1,370,040	\$ 983,995	\$ 1,245,050
<b>Water and Sewerage Revenue</b>			
Sale of Water	\$ 2,099,740	\$ 2,043,476	\$ 2,036,399
Sale of Sewerage Services	2,984,951	2,892,549	2,936,885
Connections	35,000	56,500	80,500
	\$ 5,119,691	\$ 4,992,525	\$ 5,053,784

**CITY OF MIRAMICHI**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2020**

**24. EXPENDITURES SUPPORT**

	(Unaudited) 2020 Budget	2020 Actual	2019 Actual
<b>General Government Services</b>			
<i>Legislative</i>			
Mayor	\$ 85,601	\$ 58,489	\$ 68,537
Councillors	297,610	167,426	198,556
	383,211	225,915	267,093
<i>Administrative</i>			
Manager	330,567	310,906	312,672
Clerk	476,865	449,106	346,003
City Hall	238,053	228,152	251,626
Solicitor	50,000	64,525	23,198
Finance	553,882	500,144	517,675
Human resources	575,866	454,833	458,620
System administration	319,134	304,893	380,615
Cost of assessment	299,036	299,036	293,652
	2,843,403	2,611,595	2,584,061
<i>Civic relations</i>	216,815	303,940	160,236
<i>Other general government services</i>			
Special projects	250,866	315,299	274,703
Bank charges	13,000	15,715	14,356
	263,866	331,014	289,059
<i>Interest</i>	178,675	16,961	18,141
<i>Amortization and disposal, post-retirement liabilities and other</i>	366,728	228,218	93,819
	\$ 4,252,698	\$ 3,717,643	\$ 3,412,409

**CITY OF MIRAMICHI**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2020**

**24. EXPENDITURES SUPPORT (continued)**

	(Unaudited) 2020 Budget	2020 Actual	2019 Actual
<b>Protective Services</b>			
<i>Police</i>			
Administration	\$ 980,993	\$ 952,806	\$ 791,364
Crime control	835,022	808,316	657,378
Traffic activities	3,121,224	3,334,746	3,214,513
Training and development	25,000	21,684	24,822
Building and jail	299,483	278,261	275,428
Automotive equipment	235,396	207,881	211,320
Communication	1,077,510	1,116,095	893,148
Community relations	136,786	107,765	10,340
CID - Dog services	8,320	-	7,364
Detention and custody	123,105	107,928	113,126
Court Services	267,549	136,169	-
	<b>7,110,388</b>	<b>7,071,651</b>	<b>6,198,803</b>
<i>Fire Protection</i>			
Administration	369,585	350,456	326,095
Fighting force	2,787,273	2,359,212	2,490,000
Training and development	100,950	25,227	32,249
Station	113,485	108,751	124,613
Fire fighting equipment	234,669	211,122	187,312
	<b>3,605,962</b>	<b>3,054,768</b>	<b>3,160,269</b>
<i>Other protection services</i>			
Animal Control	47,760	47,597	40,863
<i>Interest</i>	<b>526,985</b>	<b>123,742</b>	<b>157,063</b>
<i>Amortization and disposal, post-retirement liabilities &amp; other</i>	<b>1,042,775</b>	<b>667,068</b>	<b>616,567</b>
	<b>\$ 12,333,870</b>	<b>\$ 10,964,826</b>	<b>\$ 10,173,565</b>

**CITY OF MIRAMICHI**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2020**

**24. EXPENDITURES SUPPORT (continued)**

	(Unaudited) 2020 Budget	2020 Actual	2019 Actual
<b>Transportation Services</b>			
<i>Common services</i>			
Administration	\$ 555,399	\$ 469,969	\$ 465,163
Engineering	523,707	502,168	442,857
General equipment	966,426	735,030	902,794
Workshops, yards and buildings	570,899	536,306	491,249
	2,616,431	2,243,473	2,302,063
<i>Roads and streets</i>			
Summer Maintenance	1,485,266	1,377,562	1,281,908
Storm sewers	105,773	82,065	43,881
Snow and ice removal	1,881,868	1,680,974	1,806,026
	3,472,907	3,140,601	3,131,815
<i>Street Lighting</i>	581,620	566,414	561,775
<i>Traffic Services</i>			
Street Signs	20,000	8,068	14,407
Traffic lanemarking	45,900	40,299	34,211
Traffic signals	36,516	34,858	32,796
	102,416	83,225	81,414
<i>Off street parking</i>	18,500	20,072	18,194
<i>Transit commission</i>	316,000	295,009	312,515
<i>Interest</i>	457,912	346,391	370,489
<i>Amortization and disposal, post-retirement liabilities &amp; other</i>	3,202,623	2,832,455	3,198,575
	\$ 10,768,409	\$ 9,527,640	\$ 9,976,840

**CITY OF MIRAMICHI**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2020**

**24. EXPENDITURES SUPPORT (continued)**

	(Unaudited) 2020 Budget	2020 Actual	2019 Actual
<b>Environmental Health and Development Services</b>			
<i>Environmental health services</i>			
Collection	\$ 719,100	\$ 715,669	\$ 707,716
Disposal	454,983	521,609	429,762
Other	61,152	61,000	61,150
	1,235,235	1,298,278	1,198,628
<i>Environmental development services</i>			
Development			
Community planning	478,573	478,573	455,724
Administration	373,855	370,151	341,102
Economic development	601,400	189,795	241,878
	1,453,828	1,038,519	1,038,704
Tourism			
Visitor information	-	-	48,782
Tourism promotion	448,686	149,310	230,516
	448,686	149,310	279,298
<i>Interest</i>	119,839	4,683	5,009
<i>Amortization, Post-retirement liabilities &amp; other</i>	102,901	2,666	1,471
	\$ 3,360,489	\$ 2,493,456	\$ 2,523,110



**CITY OF MIRAMICHI**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2020**

**24. EXPENDITURES SUPPORT (continued)**

	(Unaudited) 2020 Budget	2020 Actual	2019 Actual
<b>Recreation and cultural services</b>			
<i>Recreation and Cultural Services</i>			
Administration	\$ 501,612	\$ 422,723	\$ 374,875
Community Centres	625,316	606,330	646,393
Swimming pools	565,220	487,721	507,621
Rinks and arenas	923,378	827,779	847,897
Parks and playground	1,580,112	1,124,010	1,442,132
Program administration	126,082	103,781	109,462
Seniors	3,000	826	7,204
Special population programs	10,612	2,118	5,461
Youth programs	86,908	81,782	80,787
Special events	9,000	4,688	7,879
Libraries	220,187	187,570	196,067
	4,651,427	3,849,328	4,225,778
<i>Interest</i>	231,660	36,409	38,941
<i>Amortization and disposal, post-retirement liabilities &amp; other</i>	1,106,531	934,347	759,092
	\$ 5,989,618	\$ 4,820,084	\$ 5,023,811

**CITY OF MIRAMICHI**  
**Notes to the Consolidated Financial Statements**  
**For the year ended December 31, 2020**

**24. EXPENDITURES SUPPORT (continued)**

	(Unaudited) 2020 Budget	2020 Actual	2019 Actual
<b>Water and Sewer Utilities</b>			
<i>Water supply</i>			
Administration	\$ 286,751	\$ 275,329	\$ 269,071
Interest	198,878	192,247	195,538
Treatment	503,048	468,002	482,640
Transmission and distribution	767,546	821,491	778,246
Power and pumping	384,000	339,924	350,264
Billing and collection	255,278	220,560	227,596
	2,395,501	2,317,553	2,303,355
<i>Sewer collection and disposal</i>			
Collection system	292,180	298,940	257,803
Interest	397,757	236,370	299,045
Lift stations	337,438	298,683	355,703
Treatment and disposal	476,548	406,696	423,474
	1,503,923	1,240,689	1,336,025
<i>Bad debts</i>	-	83,732	38,865
<i>Special projects</i>	-	-	77,218
<i>Amortization and disposals, post-retirement liabilities &amp; other</i>	1,613,241	2,041,998	1,455,157
	\$ 5,512,665	\$ 5,683,972	\$ 5,210,620