

CITY OF CAMPBELLTON
CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
DECEMBER 31, 2019**



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

CITY OF CAMPBELLTON

Index

To the Consolidated Financial Statements

For the Year Ended December 31, 2019

	<u>Page</u>
Management's Responsibility for the Consolidated Financial Statements	1.
Independent Auditors' Report	2 - 3.
Consolidated Statement of Operations	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 - 30.





Allen, Paquet & Arseneau LLP

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

207, rue Roseberry Street
C.P. / P.O. Box 519
Campbellton, NB E3N 3G9
Tel: 506-789-0820
Fax: 506-759-7514
Info.Campbellton@apallp.com
www.apallp.com

1.

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

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of the City of Campbellton 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 CPA 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 of the consolidated financial statements.

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.



Manon Cloutier
Chief Administrative Officer



Kelly Laflamme
Treasurer



INDEPENDENT AUDITORS' REPORT

To Her Worship the Mayor
and Members of Council of the City of Campbellton

Opinion

We have audited the consolidated financial statements of the City of Campbellton, which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of operations, 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 Campbellton as at December 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for Public Sector Accounting (PSAB).

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 municipality 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 municipality 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.

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.

INDEPENDENT AUDITORS' REPORT (continued)

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 municipality 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.

Campbellton, NB

June 29, 2020

Allen, Paquet & Arseneau
LLP

Chartered Professional Accountants

CITY OF CAMPBELLTON
Consolidated Statement of Operations
For the year ended December 31

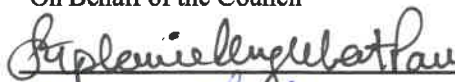

	2019	2019	2018
	(Unaudited) Budget Note 24	Actual	Actual
REVENUE			
Community Funding and Equalization Grant	\$ 1,718,735	\$ 1,764,506	\$ 1,751,991
Warrant of Assessment	10,593,763	10,593,763	10,423,888
Services Provided to Other Governments	84,955	84,636	84,992
Other Revenue From Own Sources	400,394	1,015,207	1,133,299
Civic Center	493,115	602,058	527,538
Other Government Transfers	140,183	539,237	840,972
Sale of Services	3,098,364	3,085,206	3,145,680
Gain From Disposal of Capital Assets	500	68,842	-
Actuarial Gains	658,502	658,502	641,796
Interest	-	31,954	22,970
Other	-	552,712	321,748
	17,188,511	18,996,623	18,894,874
EXPENDITURES			
General Government Services	1,963,976	2,103,661	2,028,597
Protective Services	3,817,789	3,669,870	3,636,013
Transportation Services	4,192,102	4,245,335	4,112,500
Environmental Health Services	569,636	656,804	588,265
Environmental Development Services	1,721,017	1,664,359	1,535,313
Recreation and Cultural Services	3,290,338	3,439,276	3,512,001
Water and Sewer	2,731,170	2,476,933	2,539,666
Loss From Disposal of Capital Assets	11,323	-	15,666
	18,297,351	18,256,238	17,968,021
ANNUAL SURPLUS (DEFICIT) (Note 21)	\$ (1,108,840)	\$ 740,385	\$ 926,853
ACCUMULATED SURPLUS, Beginning of Year		49,611,413	48,684,560
ACCUMULATED SURPLUS, End of Year		\$ 50,351,798	\$ 49,611,413

CITY OF CAMPBELLTON
Consolidated Statement of Financial Position

As at December 31	2019	2018
FINANCIAL ASSETS		
Cash and Short Term Investments (Note 3)	\$ 5,193,450	\$ 3,944,004
Accounts Receivable	733,422	931,695
Due from Federal Government (Note 4)	184,158	216,010
	\$ 6,111,030	\$ 5,091,709
LIABILITIES		
Bank Overdraft and Line of Credit	\$ 264,400	\$ 389,700
Short Term Loans (Note 5)	732,000	501,000
Accounts Payable and Accrued Liabilities	1,699,600	1,606,194
Accrued Retirement Disability Bonus Plan (Note 6)	161,151	157,108
Post Employment Benefits Payable (Note 7)	376,877	375,072
Deferred Revenue (Note 8)	1,565,496	940,141
Long Term Debt (Note 9)	9,142,000	9,543,000
	13,941,524	13,512,215
NET DEBT	(7,830,494)	(8,420,506)
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 19)	112,140,395	110,293,044
Accumulated Amortization	(59,553,494)	(57,449,926)
Assets Under Construction	2,932,705	2,668,287
	55,519,606	55,511,405
Inventory	377,792	372,615
Prepays	255,343	232,513
Deferred Charges	69,821	75,972
Land for Sale	176,724	176,724
Reported Pension Asset (Note 7)	1,783,006	1,662,690
	58,182,292	58,031,919
ACCUMULATED SURPLUS	\$ 50,351,798	\$ 49,611,413

Contingencies (Note 10)

On Behalf of the Council

 Mayor
 Treasurer

CITY OF CAMPBELLTON**Consolidated Statement of Changes in Net Debt
For the year ended December 31**

	2019	2018
Annual Surplus	\$ 740,385	\$ 926,853
Acquisition of Tangible Capital Assets	(2,229,319)	(6,561,374)
Disposal of Tangible Capital Assets	20,708	22,091
Amortization of Tangible Capital Assets	2,464,828	2,138,510
Change in Assets Under Construction	(264,418)	4,559,358
	732,184	1,085,438
Acquisition of Inventory	(5,177)	(13,362)
Use of Prepaid	(22,830)	33,036
Change of Use in Land for Sale	-	3,841
Change in Deferred Charges	6,151	(14,341)
Change in Reported Pension Asset	(120,316)	(71,342)
	(142,172)	(62,168)
DECREASE IN NET DEBT	590,012	1,023,270
NET DEBT, Beginning of Year	(8,420,506)	(9,443,776)
NET DEBT, End of Year	\$(7,830,494)	\$(8,420,506)

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

	2019	2018
OPERATING TRANSACTIONS		
Annual Surplus	\$ 740,385	\$ 926,853
Amortization of Tangible Capital Assets	2,464,828	2,138,510
Accounts Receivable	198,273	522,770
Due from Federal Government	31,852	375,892
Prepaid Expenses	(22,830)	33,036
Accounts Payable and Accrued Liabilities	93,406	(408,684)
Change of Use in Land for Sale	-	3,841
Change in Deferred Revenue	625,355	(136,888)
Change in Deferred Charges	6,151	(14,341)
Change in Inventory	(5,177)	(13,362)
Change in Reported Pension Asset	(120,316)	(71,342)
Change in Post Employment Benefits Payable	1,805	(24,495)
Change in Accrued Retirement Disability Bonus Plan	4,043	(4,419)
	4,017,775	3,327,371
CAPITAL TRANSACTIONS		
Acquisition of Tangible Capital Assets	(2,229,319)	(6,561,374)
Disposal of Tangible Capital Assets	20,708	22,091
Change in Assets Under Construction	(264,418)	4,559,360
	(2,473,029)	(1,979,923)
FINANCING TRANSACTIONS		
Bank Overdraft and Line of Credit	(125,300)	198,750
Short Term Loans	231,000	(1,556,000)
Long Term Debt	(401,000)	409,000
	(295,300)	(948,250)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,249,446	399,198
CASH AND CASH EQUIVALENTS, Beginning of Year	3,944,004	3,544,808
CASH AND CASH EQUIVALENTS, End of Year	\$ 5,193,450	\$ 3,944,004

1. PURPOSE OF THE ORGANIZATION

The City was incorporated by the Province of New Brunswick Municipalities Act on January 1, 1958. As a municipality, the City is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act.

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 CPA Canada.

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

The entities included in the consolidated financial statements are as follows:

- Campbellton Youth Hostel
- Campbellton Tigers (sold during the year)

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 net debt and cash flows of the City. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the City and which are owned or controlled by the City.

Interdepartmental and organizational transactions and balances are eliminated.

(b) Budget

The budget figures contained in these financial statements were approved by Council on December 18, 2018 and the Minister of Local Government on January 9, 2019.

(c) Revenue Recognition

Unrestricted revenue is recorded on an accrual basis and is recognized when collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Other revenue is recorded when it is earned.

(d) 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 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Financial Instruments

The City's financial instruments consist of cash, short-term investments, accounts receivable, due from the Federal Government, due from own funds, bank loans, payables and accruals, and long-term debt. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The City is subject to credit risk through accounts receivable. The City minimizes credit risk through ongoing credit management.

(f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits.

(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 of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

	<u>Years</u>
Land:	
All land owned by the City, including land under buildings	N/A
Land Improvements:	
Includes major landscaping projects, sports fields, courts, trail culverts, paved trails, parking lots, play grounds and similar assets	10 - 70 years
Facilities:	
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	8 - 70 years
Machinery and Equipment:	
Includes information technology assets, large signage, motorized fleet equipment and similar assets	5 - 20 years
Transportation:	
All public works infrastructure including roads, sidewalks, street lights, traffic signals, culverts, pedestrian bridges, storm sewers, water and sewer main	
Road Surfaces	10 - 30 years
Road Base	45 years
Piping and Mains	20 - 75 years
Street Lights	20 - 30 years
Sidewalks, Curb and Gutter	30 years
Culverts	25 - 50 years
Pedestrian Bridges	50 years

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Tangible Capital Assets (continued)

Fleet:

All vehicles including cars, trucks, buses and similar assets 6 - 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 10 - 100 years

The City has a capitalization threshold of \$5,000. Any item purchased under this threshold is recorded as an expense in the year the item is acquired. An exception is pooled assets, which include computers, street lights, parking meters and groups of assets of a similar nature that when purchased in bulk have a cost of \$25,000. Another exception relates to specific items such as land, vehicles, roads, water pipe segments, etc. that would be recorded with no threshold level.

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.

(h) 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. City 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

This department is responsible for the provision of waste collection and disposal.

Environmental Development Services

This Department is responsible for planning and zoning, community development, tourism and other city 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.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Segmented Information (continued)

Water and Wastewater Systems

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

(i) Inventory of Supplies

Inventory is valued at the lower of cost and net replacement cost with cost being determined using the weighted averaged method.

(j) Post Employment Benefits

The city recognizes its obligations under post employment benefit plans and the related costs, net of plan assets. The City has a retirement disability bonus plan as documented in note 6 as well as a long term service award and pension plan as documented in note 7.

3. CASH AND SHORT TERM INVESTMENTS

	2019	2018
Cash - Restricted	\$ 5,000	\$ 5,000
Cash - Gas Tax - Restricted	1,526,285	722,975
Cash - Unrestricted	2,667,034	2,239,650
Term Deposits - Unrestricted - 1.4 %	40,130	39,763
Cash - Reserve fund	955,001	936,616
	\$ 5,193,450	\$ 3,944,004

The unrestricted cash includes \$287,882 (\$280,638 in 2018) designated by the city itself to fund post-employment benefits.

The City has two authorized lines of credit with a combined limit of \$1,892,000 with interest payable on monthly basis at prime rate.

The City holds no investments in the Reserve Funds.

4. DUE FROM FEDERAL GOVERNMENT

	2019	2018
Canada Revenue Agency (HST Refund)	\$ 184,158	\$ 216,010

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

5. SHORT TERM LOANS

Interim borrowing for capital

The City of Campbellton had arranged for a non-revolving operating facility bearing interest at the Bank's Prime Lending Rate for the water and general capital funds. The facility is used to provide interim financing for capital expenditures. The City has ministerial authority for short term borrowing as follows:

	2019	2018
General Capital Fund, M.O. 14-0066; 15-0035; 17-0066; 18-0034	\$ 489,000	\$ 261,000
Water Utility Capital Fund, M.O. 18-005; 18-0034; 18-0057; 19-0040;	243,000	240,000
National Bank	\$ 732,000	\$ 501,000

6. ACCRUED RETIREMENT DISABILITY BONUS PLAN

The retirement disability bonus plan allows employees to accumulate sick/disability days. Upon retirement or death, 10% of the value is paid out to the employee or the Estate. The number of days in the account is increased by 1.5 days for every month of service rendered while it is decreased by one day for each sick/disability day taken during the period. The value of a day is based on the salary earned at the time it is taken or at the time of retirement.

An actuarial valuation was performed on the 63 full time employees in accordance with PSAB Sections 3250 and 3255. The actuarial method used was the Projected Unit Credit Method pro-rated on service.

The valuation report concluded that in a given year most employees use less sick/disability days than what is accrued during that same year. There is then no substantive obligation created from an employee disability. For this reason, only the obligation that represents 10% of the accumulated sick days at retirement or death has been valued. All employees can accumulate a maximum of 130 days.

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:

- annual salary increase is 3.25%;
- expected annual inflation rate is 2.0%;
- the discount rate used to determine the accrued benefit obligation is 3.70%;
- retirement age is 65 or a combination of age and service totalling 80 points; and
- estimated net utilization of rate of sick leave varies with age and gender.

The Retirement Disability Bonus Plan is an unfunded benefit. As such, there are no applicable assets. The City will pay benefits from the Employee Benefit Reserve which it manages as they come due.

In 2019, \$8,334 (2018, \$13,899) in benefits was paid out of this plan. The unfunded liability was \$161,151 on December 31, 2019; and \$157,108 on December 31, 2018.

7. POST EMPLOYMENT BENEFITS PAYABLE

The City offers the following Post Employment Benefits:

a) Post-Retirement Benefit Plan

The post-retirement benefit plan offers health insurance to retirees. The City contributes 25% of premiums for retirees under the age of 65. After they reach the age of 65, the retired employees have the option of continuing their coverage if they pay 100% of the premium. An actuarial valuation of the employer-paid portion of benefits up to age 65 has been undertaken per PSAB Section 3250 and 3255 as described below. Liabilities associated with active employees are not considered unfunded vested employee benefits and are therefore funded on a "pay as you go" basis as per the New Brunswick Municipal Financial Reporting Manual.

In 2019, \$12,564 (2018, \$10,162) in benefits was paid out of this plan. The unfunded liability was \$258,744 on December 31, 2019; and \$251,088 on December 31, 2018.

b) Retirement Allowance Plan

Prior to 2014, the retirement allowance plan awarded a retiring employee one month of pay for each 5 years of service rendered, limited to a 6 months of pay. The value of a month of pay is based on the salary earned at the time of retirement. In 2014, there was an amendment (curtailment and settlement) made to the retirement allowance plan. For all entitled members, service and salary applicable to the retirement allowance plan were frozen as at December 31, 2013. As at December 31, 2014, the City settled 50% of the benefit accrued before December 31, 2013. For all employees, the remaining 50% will be paid at retirement as prescribed by the plan provisions, except for four employees who will receive, upon retirement, the entire amount. For accounting purposes, both the plan change and the settlement were recognized as at December 31, 2014. An actuarial valuation of the retirement allowance plan benefits has been undertaken per PSAB Section 3250 and 3255 as described below.

In 2019, \$12,554 (2018, \$37,923) in benefits was paid out of this plan. The unfunded liability was \$118,133 on December 31, 2019; and \$123,984 on December 31, 2018

An actuarial valuation of the Post-Retirement Benefit and Retirement Allowance Benefit was undertaken for the City's 63 full time employees in accordance with PSAB Section 3250 and 3255. The actuarial method used was the Projected Unit Credit Method pro-rated on service.

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:

- annual salary increase is 3.25%;
- expected annual inflation rate is 2%;
- the discount rate used to determine the accrued benefit obligation is 3.70% and;
- retirement age is 65 or a combination of age and service totalling 80.

7. POST EMPLOYMENT BENEFITS PAYABLE (continued)

c) Defined benefit pension plan

The City sponsors a contributory defined benefit pension plan for all of its full time employees. It is funded and registered under the Income Tax Act and the New Brunswick Pension Benefits Act. The plan provides for a pension based on 2% of salary per year of service with an adjustment for Canada Pension Plan benefits. Salary is based on the best 5 years of the last 10 years of employment.

Actuarial valuations for accounting purposes are performed triennially using the Projected Unit Credit Method pro-rated on benefits (the benefit accrual method). The most recent actuarial valuation was prepared at December 31, 2018. Since this last complete funding actuarial valuation there has been a change to the Plan provision regarding a new collective bargaining agreement.

In December 2014, a new collective bargaining agreement was reached with the union for the unionized members of the Plan who are not unionized employees of the Campbellton Memorial Civic Centre. Based on this agreement, a member who is not a unionized employee of the Campbellton Memorial Civic Centre. will be required to remit half of the estimated normal actuarial cost of all benefits and expenses accruing during a calendar year, up to a maximum of 9% of pensionable earnings or such lower amount that may be required by the Income Tax Act (Canada). This change will also apply to non-unionized employees.

On December 31, 2019 the pension plan had an accrued benefit obligation of \$24,712,205 (2018, \$22,364,672), plan assets of \$24,216,025 (2018, \$23,375,109), unamortized actuarial losses of \$2,279,186 (2018, \$652,253) resulting in a pension asset of \$1,783,006 (2018, \$1,662,690). As at December 31, 2019 a nil (2018, nil) valuation allowance has been recognized.

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.

The following summarizes the major assumptions in the valuation:

- the expected inflation rate is 2 %;
- the discount rate used to determine the accrued benefit obligation is 4.70 %;
- the expected rate of return is 4.70 %;
- the expected salary escalation rate is 3.25 %;
- retirement age is 65; and
- estimated average remaining service life is 11 years.

Combined employer and employee contributions during the year were \$907,787 (2018 \$899,107).

The City's actuary used the RBC Investor Services trust financial statements as at December 31, 2019 to determined the market value of the plan assets. Pension fund assets are valued at market values. Plan assets are comprised of:

Canadian Equities	13.1%
Foreign Equities	32.6
Bonds	53.6
Short Term and Cash	<u>0.7</u>
Total	<u>100.0%</u>

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

7. POST EMPLOYMENT BENEFITS PAYABLE (continued)

Results of the extrapolation are as follows:

	2019	2018
Plan Assets, Market Value at January 1	\$ 22,094,711	\$ 23,715,227
City Contributions	658,502	641,796
Member Contributions	249,285	257,311
Investment Income (Loss)	2,454,861	(1,214,804)
Pension Payments	(1,039,012)	(995,838)
Pension Refunds	(208,412)	(40,382)
Fees and Expenses	(262,204)	(268,599)
Plan Assets, Market Value at December 31	\$ 23,947,731	\$ 22,094,711
Expense		
Current Period Benefit Cost	\$ 662,344	\$ 652,530
Amortization of Actuarial Losses	178,386	202,171
Employee Contributions	(249,285)	(257,311)
Pension Plan Expense	591,445	597,390
Interest Cost on Average Accrued Benefit Obligation	1,037,390	979,649
Expected Return on Average Actuarial Pension Plan Assets	(1,090,649)	(1,006,585)
Net Interest on Pension Liability	(53,259)	(26,936)
Total Expenses Related to Pension Plan	\$ 538,186	\$ 570,454
Funded Status and Accrued Benefit Liability / (Asset)		
Accrued Benefit Obligation	\$ 24,712,205	\$ 22,364,372
Actuarial Pension Fund Assets	(24,216,025)	(23,375,109)
Plan Deficiency / (Surplus)	496,180	(1,010,437)
Unamortized Actuarial Gains / (Losses)	(2,279,186)	(652,253)
Pension Liability / (Asset)	(1,783,006)	(1,662,690)
Valuation Allowance	-	-
Reported Pension Liability / (Asset)	\$ (1,783,006)	\$ (1,662,690)

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

8. DEFERRED REVENUE

	2019	2018
Deferred Grant - Gas Tax	\$ 1,533,498	\$ 912,219
Deferred Revenue/Deposits - Other	31,998	27,922
	\$ 1,565,496	\$ 940,141

9. LONG TERM DEBT

	2019	2018
Province of New Brunswick, variable interest rate of 3.05% to 4.15%, due in 2028 , O.I.C. 02-10; 09-53; 11-21	\$ 109,000	\$ 120,000
Province of New Brunswick, variable interest rate of 2.10% to 3.65%, due in 2030, O.I.C. 13-39; 14-17	54,000	59,000
Province of New Brunswick, variable interest rate of 2.10% to 3.90%, due in 2035, O.I.C. 04-69; 12-11; 13-39; 14-17; 14-36; 15-35	910,000	1,029,000
Province of New Brunswick, variable interest rate of 1.95% to 2.40%, due in 2028, O.I.C. 15-35; 17-66; 18-34	55,000	-
Province of New Brunswick, variable interest rate of 2.05% to 3.30%, due in 2037, O.I.C. 12-11; 14-36; 15-35; 16-53	202,000	217,000
Province of New Brunswick, variable interest rate of 2.05% to 2.85%, due in 2029, O.I.C. 07-43; 16-53; 17-66; 18-34	341,000	-
Province of New Brunswick, variable interest rate of 2.40% to 3.50%, due in 2029, O.I.C. 11-21; 13-39; 14-17	167,000	189,000
Province of New Brunswick, variable interest rate of 2.40% to 3.70%, due in 2034, O.I.C. 03-38; 04-50; 10-99; 11-21; 12-11; 12-27; 13-39; 14-17	948,000	1,118,000
Province of New Brunswick, variable interest rate of 1.45% to 3.55%. due in 2037, O.I.C. 12-11; 16-53	62,000	67,000
Province of New Brunswick, interest rate 2.60% to 2.95%. due in 2023, O.I.C. 17-66	32,000	39,000
Province of New Brunswick, variable interest rate of 2.45% to 3.7%. due in 2038, O.I.C. 05-28; 11-21; 13-39; 15-59; 16-53; 17-86	1,294,000	1,354,000
Province of New Brunswick, variable interest rate of 2.45% to 3.70%. due in 2038, O.I.C. 08-38; 12-11; 14-36; 15-35; 16-53; 17-66; 17-77	1,277,000	1,385,000
Province of New Brunswick, variable interest rate of 2.60% to 3.40%. due in 2028, O.I.C. 17-88	180,000	200,000
Province of New Brunswick, variable interest rate of 5.15% to 5.55%, due in 2023, O.I.C. 04-50; 05-60; 06-36; 06-58; 07-43; 08-26	66,000	80,000
Province of New Brunswick, variable interest rate of 5.15% to 5.55%, due in 2023, O.I.C. 05-60; 06-36; 07-43	84,000	102,000
Province of New Brunswick, repaid during the year, O.I.C. 04-50; 05-60; 07-43; 08-08; 08-26; 96-68	-	304,000
Carried Forward	5,781,000	6,263,000

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

9. LONG TERM DEBT (continued)

	2019	2018
Carried Forward	\$ 5,781,000	\$ 6,263,000
Province of New Brunswick, repaid during the year, O.I.C. 05-60; 08-26; 96-68	-	112,000
Province of New Brunswick, repaid during the year, O.I.C. 05-60; 06-36; 07-43; 08-08; 09-31; 09-53	-	7,000
Province of New Brunswick, repaid during the year, O.I.C. 06-36; 09-53	-	8,000
Province of New Brunswick, interest rate of 4.55%, maturing in 2020, renewable to the year 2025, O.I.C. 06-36; 07-43; 08-26; 09-31; 09-53; 09-131	112,000	183,000
Province of New Brunswick, interest rate 4.55%, maturing in 2020, renewable to the year 2025, O.I.C. 08-26; 09-131	68,000	80,000
Province of New Brunswick, interest rate of 3.85%, maturing in 2020, renewable to the year 2030, O.I.C. 07-43; 08-08; 08-26; 09-31; 09-53; 09-131	280,000	355,000
Province of New Brunswick, interest rate 3.85%, maturing in 2020, renewable to the year 2025, O.I.C. 05-60; 08-26; 09-53; 10-21; 96-68	69,000	94,000
Province of New Brunswick, variable interest rate of 4.10% to 4.25%, maturing in 2021, renewable to the year 2031, O.I.C. 00-46; 07-43; 08-26; 09-53; 10-21; 10-94; 10-99	397,000	466,000
Province of New Brunswick, variable interest rate of 4.10% to 4.25%, maturing in 2021, renewable to the year 2026, O.I.C. 08-26; 10-21	27,000	37,000
Province of New Brunswick, variable interest rate of 3.30% to 3.45%, maturing in 2021, renewable to the year 2031, O.I.C. 00-46; 10-21; 10-94; 11-21	73,000	98,000
Province of New Brunswick, variable interest rate of 2.05% to 2.35%, due in 2022, O.I.C. 15-59	43,000	57,000
Province of New Brunswick, variable interest rate of 3.10% to 3.80%, due in 2027, O.I.C. 00-46; 01-65; 02-10; 08-26; 09-31; 09-53	323,000	390,000
Province of New Brunswick, variable interest rate of 3.10% to 3.40%, due in 2022, O.I.C. 00-46; 01-65; 09-31; 09-53; 10-21	71,000	93,000
Province of New Brunswick, variable interest rate of 2.75% to 3.10%, due in 2022, O.I.C. 10-21; 11-21; 12-27	9,000	12,000
Province of New Brunswick, variable interest rate of 1.80% to 3.75%, due in 2036, O.I.C. 12-11; 13-39; 14-17; 14-36; 15-35; 15-73	758,000	825,000
Province of New Brunswick, variable interest rate of 1.80% to 3.50%, due in 2031, O.I.C. 11-21; 14-17	42,000	45,000
Province of New Brunswick, variable interest rate of 2% to 2.05%, due in 2021, O.I.C. 18-57	18,000	-
Carried Forward	8,071,000	9,125,000

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

9. LONG TERM DEBT (continued)

	2019	2018
Carried Forward	\$ 8,071,000	\$ 9,125,000
Province of New Brunswick, variable interest rate of 1.75% to 2.95%, due in 2026, O.I.C. 06-36; 15-35; 16-53	167,000	204,000
Province of New Brunswick, variable interest rate of 2.75% to 3.10%, due in 2022, O.I.C. 10-21; 11-21; 12-27	21,000	28,000
Province of New Brunswick, variable interest rate of 2.70% to 3.70%, due in 2028, O.I.C. 11-21; 12-27; 12-69	158,000	173,000
Province of New Brunswick, variable interest rate of 1.95% to 2.95%, due in 2039, O.I.C. 17-22; 18-34	714,000	-
Province of New Brunswick, variable interest rate of 3.05% to 3.70%, due in 2023, O.I.C. 2-10; 2-59; 11-21	11,000	13,000
Total Debt	\$ 9,142,000	\$ 9,543,000

Principal payments of long term debt are due as follows:

2020	\$ 1,216,000
2021	1,050,100
2022	949,300
2023	862,300
2024	819,300
Subsequent years	4,245,000
	\$ 9,142,000

Approval of the Municipal Capital Borrowing Board has been obtained for the above long term debt. The City is in compliance with the requirements of the Municipal Capital Borrowing Act.

10. CONTINGENCIES

In the normal course of operations the City becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at December 31, 2019 cannot be predicted with certainty, it is the opinion of management and council that resolution of these matters will not have a material adverse effect as the City maintains insurance coverage in amounts considered appropriate.

11. COMMITMENTS

Office Equipment Lease

The City has entered into lease commitments for office equipment requiring future lease payments over the next four years as follows:

2020	\$ 5,508
2021	5,083
2022	4,487
2023	4,487
	\$ 19,565

12. SHORT TERM BORROWINGS COMPLIANCE

Inter-fund borrowing

In accordance with regulations of the Minister of Environment and Local Government, the City has adopted the policy of clearing all inter-fund account balances at least annually. The City is in compliance with this requirement as at December 31, 2019.

Operating Borrowing

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

13. 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.

14. 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 the four Operating Budgets commencing with the second next ensuing year. The balance of the surplus/deficit at the end of the year consists of the following:

	2019	2018
2019 Surplus	\$ 68,536	\$ -
2018 Surplus	38,817	38,817
2017 Surplus	-	70,602
	<u>\$ 107,353</u>	<u>\$ 109,419</u>

15. CAPITAL FUNDS

The Water Utility Capital Fund is in compliance with the regulations 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.

16. INFRASTRUCTURE DEFICIT

There are a number of TCAs owned by the City that have reached the end of their intended useful lives. This results in an estimated infrastructure deficit in the amount of \$25,966,945 as at December 31, 2019. This amount is based on the original purchase price of the assets that are at the end of their useful lives. This deficit is not included in the annual or accumulated surplus figures in the consolidated financial statements.

CITY OF CAMPBELLTON
Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

17. 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.

18. RECONCILIATION OF SURPLUS IN GENERAL OPERATING FUND

	2019	2018
Net Debt - Page 5	\$ (7,830,494)	\$ (8,420,506)
Adjustments:		
Long Term Debt	9,142,000	9,543,000
Accrued Retirement Disability Bonus Plan	161,151	157,108
Post Employment Benefits	376,877	375,072
Inventory of Supplies	377,792	372,615
Prepaid Insurance	255,343	232,513
Deferred Charges	69,821	75,972
Current Net Assets	2,552,490	2,335,774
Less:		
Prior Year Surplus - General Operating Fund	66,867	77,016
Water Operating Fund Surpluses - Note 14	107,353	109,419
Reserve Funds Accumulated Surplus - Note 22		
Employee Benefit Reserve Accumulated Surplus	1,285,001	936,616
Poor Relief Trust Fund Accumulated Surplus	525,892	614,838
Controlled Entities Accumulated Surplus - Note 23	5,000	5,000
Current Assets (Liabilities) in Capital Funds	84,670	117,244
	401,307	408,774
General Operating Fund Surplus, current year - Note 21	\$ 76,400	\$ 66,867

CITY OF CAMPBELLTON

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

19. SCHEDULE OF TANGIBLE CAPITAL ASSETS

	Land	Land Improvements	Buildings	Machinery and Equipment	Fleet	Infrastructure			2018 Total
						Transportation	Water and Wastewater	2019 Total	
COST									
Balance, Beginning of Year	\$ 2,768,436	\$ 2,963,718	\$ 38,287,469	\$ 315,786	\$ 6,532,975	\$ 25,966,023	\$ 33,458,637	\$ 110,293,044	\$ 104,252,051
Add: Net Additions During the Year	-	788,346	197,645	24,232	467,688	194,739	556,669	2,229,319	6,561,374
Less: Disposals During the year	(5,000)	-	(36,966)	(19,413)	(230,000)	(59,235)	(31,354)	(381,968)	(520,381)
BALANCE, END OF YEAR	2,763,436	3,752,064	38,448,148	320,605	6,770,663	26,101,527	33,983,952	112,140,395	110,293,044
ACCUMULATED AMORTIZATION									
Balance, Beginning of Year	-	870,464	23,543,952	138,632	4,115,617	13,534,093	15,247,168	57,449,926	55,809,704
Add: Amortization During the Year	-	93,956	939,525	21,164	313,984	599,776	496,423	2,464,828	2,138,510
Less: Accumulated Amortization on Disposals	-	-	(28,362)	(15,587)	(230,000)	(56,041)	(31,270)	(361,260)	(498,288)
BALANCE, END OF YEAR	-	964,420	24,455,115	144,209	4,199,601	14,077,828	15,712,321	59,553,494	57,449,926
NET BOOK VALUE OF CAPITAL ASSETS	\$ 2,763,436	\$ 2,787,644	\$ 13,993,033	\$ 176,396	\$ 2,571,062	\$ 12,023,699	\$ 18,271,631	\$ 52,586,901	\$ 52,843,118
Consists of:									
General Capital Fund Assets									
Water and Sewer Utility Capital Fund Assets	\$ 2,763,436	\$ 2,787,644	\$ 13,993,033	\$ 129,983	\$ 2,427,251	\$ 12,023,698	\$ -	\$ 34,125,045	\$ 34,487,196
	-	-	-	46,413	143,811	-	18,271,632	18,461,856	18,355,922
BALANCE, END OF YEAR	\$ 2,763,436	\$ 2,787,644	\$ 13,993,033	\$ 176,396	\$ 2,571,062	\$ 12,023,698	\$ 18,271,632	\$ 52,586,901	\$ 52,843,118

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

20. SCHEDULE OF SEGMENT DISCLOSURE

	General Government	Protective	Transportation	Environmental Health	Environmental Development	Recreation and Cultural	Water and Sewer	2019	2018
REVENUES									
Community Funding & Equalization Grant	\$ 203,323	\$ 354,699	\$ 410,319	\$ 63,481	\$ 160,863	\$ 332,412	\$ 239,408	\$ 1,764,505	\$ 1,751,991
Warrant of Assessment	1,220,710	2,129,548	2,463,479	381,129	965,796	1,995,740	1,437,361	10,593,763	10,423,888
Services Provided to Other Governments	84,636	-	-	-	-	-	-	84,636	84,992
Other Revenue From Own Sources	996,256	-	-	-	-	-	-	1,015,207	1,133,299
Civic Center	602,058	-	-	-	-	-	-	602,058	527,538
Other Government Transfers	539,237	-	-	-	-	-	-	539,237	840,972
Sale of Services	-	111,331	-	-	453,806	-	-	3,085,206	3,145,680
Gain From Disposal of Capital Assets	68,926	-	-	-	-	-	-	68,926	1,918
Actuarial Gains	658,502	-	-	-	-	-	-	658,502	641,796
Interest	28,885	-	-	-	-	-	3,069	31,954	22,970
Other	55,328	-	-	-	-	-	497,384	552,712	321,748
	4,457,861	2,595,578	2,873,798	444,610	1,580,465	2,328,152	4,716,242	18,996,706	18,896,792
EXPENDITURES									
Salaries and Benefits	831,659	864,904	1,626,281	-	56,640	427,975	373,536	4,180,995	4,234,452
Legislative	163,542	-	-	-	-	-	-	163,542	143,504
Goods and Services	642,510	2,625,916	1,812,305	656,804	1,331,851	2,387,720	1,453,326	10,910,432	10,864,735
Amortization	55,190	179,050	806,749	-	275,868	623,581	524,390	2,464,828	2,138,510
Interest and Bank Charges	410,761	-	-	-	-	-	125,681	536,442	571,154
Loss From Disposal of Capital Assets	-	-	-	-	-	-	84	84	17,584
	2,103,662	3,669,870	4,245,335	656,804	1,664,359	3,439,276	2,477,017	18,256,323	17,969,939
SURPLUS (DEFICIT) FOR THE YEAR									
	\$ 2,354,199	\$(1,074,292)	\$(1,371,537)	\$(212,194)	\$(83,894)	\$(1,111,124)	\$ 2,239,225	\$ 740,385	\$ 926,853

CITY OF CAMPBELLTON

Notes to the Consolidated Financial Statements

For the year ended December 31, 2019

21. RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

	General Capital Fund	General Operating Fund	Water and Sewer Utility Capital Fund	Water and Sewer Utility Operating Fund	Employment Benefit Reserve	General Capital Reserve Fund	General Operating Reserve Fund	Water and Sewer Utility Capital Reserve Fund	Water and Sewer Utility Operating Reserve Fund	Total
2019 ANNUAL SURPLUS (DEFICIT)	\$ (1,495,888)	\$ 1,748,238	\$ (27,006)	\$ 585,600	\$ (88,946)	\$ 2,215	\$ 13,100	\$ 1,545	\$ 1,524	\$ 740,385
Adjustments to Annual Surplus (Deficit) for Funding Requirements										
Second Previous Year's										
Surplus	-	77,016	-	70,602	-	-	-	-	-	147,618
Transfers Between Funds										
Transfer Elimination	424,286	(424,286)	-	-	-	-	-	-	-	-
Transfer Elimination	-	-	-	(25,000)	-	-	-	-	25,000	-
Transfer Elimination	-	(200,000)	-	-	-	-	200,000	-	-	-
Transfer Elimination	-	100,450	-	(100,450)	-	-	-	-	-	-
Transfer Elimination	-	50,791	-	(50,791)	-	-	-	-	-	-
Transfer Elimination	-	11,775	-	(11,775)	-	-	-	-	-	-
Transfer Elimination	-	12,000	-	(12,000)	-	-	-	-	-	-
Transfer Elimination	-	-	-	(50,000)	-	-	-	-	50,000	-
Transfer Elimination	-	(55,000)	-	-	-	-	55,000	-	-	-
Transfer Elimination	-	-	104,941	(104,941)	-	-	-	-	-	-
Transfer Elimination	-	15,000	-	(15,000)	-	-	-	-	-	-
Loss on Disposal	-	-	-	-	-	-	-	-	-	-
Long Term Debt										
Principal Repayment	1,042,000	(1,042,000)	-	-	-	-	-	-	-	-
Long-Term Debt	-	-	-	-	-	-	-	-	-	-
Principal Repayment	-	-	336,000	(336,000)	-	-	-	-	-	-
Water Services Sold to	-	(30,000)	-	30,000	-	-	-	-	-	-
General Fund	-	-	-	-	-	-	-	-	-	-
Provision for Post	-	4,896	-	952	-	-	-	-	-	5,848
Employment Benefits	-	-	-	-	-	-	-	-	-	-
Amortization Expense	1,940,438	-	524,390	-	-	-	-	-	-	2,464,828
Pension Expense	-	449,042	-	87,339	-	-	-	-	-	536,381
Consolidation of Youth	-	-	-	-	-	-	-	-	-	-
Hostel Operations	-	(114)	-	-	-	-	-	-	-	(114)
Consolidation of	-	-	-	-	-	-	-	-	-	-
Tigers Operations	-	17,094	-	-	-	-	-	-	-	17,094
Actuarial Gains	-	(658,502)	-	-	-	-	-	-	-	(658,502)
Total Adjustments to 2019 Annual Surplus	3,406,724	(1,671,838)	965,331	(517,064)	-	-	255,000	-	75,000	2,513,153
(Deficit)										
2019 ANNUAL FUND SURPLUS	\$ 1,910,836	\$ 76,400	\$ 938,325	\$ 68,536	\$ (88,946)	\$ 2,215	\$ 268,100	\$ 1,545	\$ 76,524	\$ 3,253,535

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

22. STATEMENT OF RESERVES

ASSETS	General Capital Reserve Fund	General Operating Reserve Fund	Water and Sewer Utility Capital Reserve Fund	Water and Sewer Utility Operating Reserve Fund	Total 2019	Total 2018
Cash						
Receivable from Operating Fund	\$ 116,921	\$ 678,990	\$ 80,081	\$ 79,009	\$ 955,001	\$ 936,616
	200,000	55,000	25,000	50,000	330,000	
	316,921	733,990	105,081	129,009	1,285,001	936,616
ACCUMULATED SURPLUS	316,921	733,990	105,081	129,009	1,285,001	936,616
REVENUE						
Interest						
Transfers from Operating Funds	2,215	13,100	1,545	1,524	18,384	11,814
	200,000	55,000	25,000	50,000	330,000	196,000
	202,215	68,100	26,545	51,524	348,384	207,814
EXPENDITURES						
Transfer to Capital Funds - Reunion Park Project						
						50,000
ANNUAL SURPLUS (DEFICIT)	\$ 202,215	\$ 68,100	\$ 26,545	\$ 51,524	\$ 348,384	\$ 50,000
Council Resolution regarding transfers to and from reserves:						\$ 157,814

Moved by Councillor Diane Cyr and seconded by Councillor Gary Parker that \$55,000 be transferred from the General Operating Fund to the General Operating Reserve Fund.

Moved by Councillor Gary Parker and seconded by Councillor Diane Cyr that \$200,000 be transferred from the General Operating Fund to the General Capital Reserve Fund.

Moved by Councillor Gary Parker and seconded by Councillor Diane Cyr that \$50,000 be transferred from the Water Operating Fund to the Water Operating Reserve Fund.

Moved by Councillor Gilbert Cyr and seconded by Councillor Diane Cyr that \$25,000 be transferred from the Water Operating Fund to the Water Capital Reserve Fund.

I hereby certify that the above is true and an exact copy of the resolutions adopted at a special meeting of Council on December 19, 2019.


 Manon Cloutier
 City Clerk
 City of Campbellton


 Gary Parker
 Date: June 30/20

Municipal Seal



CITY OF CAMPBELLTON**Notes to the Consolidated Financial Statements****For the year ended December 31, 2019****23. STATEMENT OF CONTROLLED ENTITIES OPERATIONS**

	Campbellton Tigers 2019	Campbellton Youth Hostel 2019	Total 2019	Total 2018
ASSETS				
Cash				
Accounts Receivable	\$ 5,416	\$ 5,911	\$ 11,327	\$ 55,600
	-	-	-	15,483
	5,416	5,911	11,327	71,083
LIABILITIES				
Due to City of Campbellton	(73,343)	-	(73,343)	(54,317)
Accounts Payable	-	-	-	11,413
Due to Federal Government	-	-	-	(3,257)
	(73,343)	-	(73,343)	(46,161)
ACCUMULATED SURPLUS	78,759	5,911	84,670	117,244
TOTAL LIABILITIES AND				
ACCUMULATED SURPLUS	5,416	5,911	11,327	71,083
REVENUE				
	271,463	114	271,577	406,371
EXPENDITURES				
	288,558	-	288,558	413,518
ANNUAL SURPLUS (DEFICIT)	\$ (17,095)	\$ 114	\$ (16,981)	\$ (7,147)

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

24. OPERATING BUDGET TO PSA BUDGET

	Operating Budget General	Operating Budget Water and Sewer	Pension and Post Employment	Amortization	Transfers	Total
REVENUE						
Community Funding and Equalization Grant	\$ 1,718,735	\$ -	\$ -	\$ -	\$ -	\$ 1,718,735
Warrant of Assessment	10,593,763	-	-	-	-	10,593,763
Services Provided to Other Governments	84,955	-	-	-	-	84,955
Other Revenue From Own Sources	489,168	53,676	-	-	(142,450)	400,394
Civic Center	493,115	-	-	-	-	493,115
Other Government Transfers	217,749	-	-	-	(77,566)	140,183
Sale of Services	578,138	2,520,226	-	-	-	3,098,364
Gain From Disposal of Capital Assets	500	-	-	-	-	500
Actuarial Gains	-	-	658,502	-	-	658,502
Surplus - Second Previous Year	77,016	70,602	-	-	(147,618)	-
	14,253,139	2,644,504	658,502	-	(367,634)	17,188,511
EXPENDITURES						
General Government Services	2,880,074	-	80,044	55,190	(1,051,332)	1,963,976
Protective Services	3,532,304	-	116,435	179,050	(10,000)	3,817,789
Transportation Services	3,292,895	-	112,458	806,749	(20,000)	4,192,102
Environmental Health Services	569,636	-	-	-	-	569,636
Environmental Development Services	1,388,507	-	56,643	275,868	-	1,721,017
Recreation and Cultural Services	2,578,400	-	88,357	623,581	-	3,290,338
Water and Sewer	-	2,644,504	88,292	524,390	(526,016)	2,731,170
Loss From Disposal of Capital Assets	11,323	-	-	-	-	11,323
	14,253,139	2,644,504	542,229	2,464,828	(1,607,348)	18,297,351
SURPLUS (DEFICIT)	\$ -	\$ -	\$ 116,273	\$(2,464,828)	\$ 1,239,714	\$(1,108,840)

CITY OF CAMPBELLTON**Notes to the Consolidated Financial Statements****For the year ended December 31, 2019****25. REVENUE AND EXPENDITURES SUPPORT**

	(Unaudited) 2019 Budget	2019 Actual	2018 Actual
REVENUE			
<u>Services Provided to Other Governments</u>			
Designated Roads and Streets	\$ 84,955	\$ 84,636	\$ 84,992
	\$ 84,955	\$ 84,636	\$ 84,992
<u>Other Revenue From Own Sources</u>			
Licenses	\$ 3,900	\$ 3,338	\$ 3,705
- By-law Enforcement	7,000	510	1,260
Rentals - Trailer Park	59,835	55,425	51,045
- Ground Rent	1,878	1,266	1,708
- Office and Other Rentals	-	6,608	93,470
Return on Investments			
- Interest Income	18,000	43,377	27,944
User Fee - Garbage Collection	260,425	255,398	259,474
Youth Hostel	-	114	89
Miscellaneous	25,680	358,758	265,335
Interest on Investments	3,000	7,227	5,387
Surcharge and Interest	20,676	11,724	17,600
Tigers - Operations	-	271,462	406,282
	\$ 400,394	\$ 1,015,207	\$ 1,133,299
<u>Other Government Transfers</u>			
Conditional Transfers - Tourism Rental and Promotion	\$ 53,100	\$ 36,219	\$ 47,782
RCMP Rent	87,083	86,908	87,826
Government Grants - Gas Tax	-	416,110	705,363
Anonymous - Donation - Accessibility		84,233	-
Anonymous - Contribution - Accessibility		(84,233)	-
Notre Dame House - RDC	-	-	196,428
Notre Dame House - Contribution	-	-	(196,427)
	\$ 140,183	\$ 539,237	\$ 840,972
<u>Sale of Services</u>			
Police Services	\$ 12,000	\$ 11,733	\$ 14,543
Fire Services	85,215	99,599	91,691
Parks and Playgrounds - Programs	300	-	3,000
RV Park	127,381	141,175	121,631
Water Rates	593,809	592,416	593,755
Water Meters	250,554	250,159	246,072
Sewerage Rates	1,155,456	1,154,107	1,156,382
Sewerage Rates on Water Meters	501,107	500,316	492,143
Connection and Service Charge	2,000	3,325	2,300
Sanitary and Storm Sewers	15,000	15,000	15,000
RREC	353,242	312,629	405,671
Other Sales of Service	2,300	4,747	3,492
	\$ 3,098,364	\$ 3,085,206	\$ 3,145,680

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

25. REVENUE AND EXPENDITURES SUPPORT

	(Unaudited) 2019 Budget	2019 Actual	2018 Actual
EXPENDITURES			
<u>General Government Services</u>			
<i>Legislative</i>			
Mayor	\$ 50,298	\$ 57,429	\$ 50,774
Councillors	102,576	106,114	92,730
	\$ 152,874	\$ 163,543	\$ 143,504
<i>Administration</i>			
Administration	\$ 311,713	\$ 321,703	\$ 324,208
Office Building	69,232	88,181	71,044
Solicitor	47,419	50,439	47,381
Finance	476,637	462,345	408,250
	\$ 905,001	\$ 922,668	\$ 850,883
<i>Financial Management</i>			
External Audit	\$ 19,902	\$ 19,110	\$ 20,085
Actuarial Fees	24,873	25,654	19,335
	\$ 44,775	\$ 44,764	\$ 39,420
<i>Other</i>			
Civic Relations	\$ 25,623	\$ 32,456	\$ 25,566
Grants to Organizations	7,650	7,901	3,604
Technology (Computers)	79,961	66,217	74,508
Cost of Assessment	115,702	115,701	113,845
Labour Relations	7,030	16,107	10,280
Interest & other Pension Expense	505,014	489,941	544,218
Amortization, post-retirement benefits & other	69,155	203,594	186,271
Safety	51,191	40,769	36,498
	\$ 861,326	\$ 972,686	\$ 994,790
Total General Government Services	\$ 1,963,976	\$ 2,103,661	\$ 2,028,597
<u>Protective Services</u>			
<i>Police</i>			
Administration	\$ 126,656	\$ 96,888	\$ 124,650
Station and Building	105,133	223,191	147,483
Detention & Custody	37,068	33,053	35,232
R.C.M.P. Services	2,332,398	2,133,175	2,141,308
	\$ 2,601,255	\$ 2,486,307	\$ 2,448,673
<i>Fire</i>			
Administration	\$ 112,121	\$ 87,460	\$ 93,154
Fire Fighting Force	635,541	617,710	611,718
Fire Investigation & Prevention	1,930	3,111	2,751
Station & Building	80,784	100,158	168,544
	\$ 830,376	\$ 808,439	\$ 876,167
Carried Forward	\$ 3,431,631	\$ 3,294,746	\$ 3,324,840

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

25. REVENUE AND EXPENDITURES SUPPORT

	(Unaudited) 2019 Budget	2019 Actual	2018 Actual
EXPENDITURES (continued)			
<u>Protective Services (continued)</u>			
Balance Carried Forward	\$ 3,431,631	\$ 3,294,746	\$ 3,324,840
<i>Other</i>			
Bylaw Enforcement	\$ 58,012	\$ 47,799	\$ 14,297
Animal Control	31,517	30,693	30,732
Emergency Measures Organization	1,143	1,146	1,345
Amortization, post-retirement benefits & other	295,486	295,486	264,799
	\$ 386,158	\$ 375,124	\$ 311,173
Total Protective Services	\$ 3,817,789	\$ 3,669,870	\$ 3,636,013
<u>Transportation Services</u>			
<i>Common Services</i>			
Administration and Maintenance Management	\$ 464,577	\$ 422,225	\$ 501,971
Municipal Services Center	207,149	182,803	186,964
Amortization, post-retirement benefits & other	919,207	919,207	879,969
	\$ 1,590,933	\$ 1,524,235	\$ 1,568,904
<i>Street Maintenance</i>			
Workshops and Yards	\$ 521,956	\$ 678,491	\$ 560,183
Summer Maintenance	598,126	573,932	573,748
Snow and Ice Removal	1,089,427	1,103,362	1,041,837
Storm Sewers and Flushing	26,600	19,269	19,191
Sidewalks	23,250	10,300	16,544
	\$ 2,259,359	\$ 2,385,354	\$ 2,211,503
<i>Street Lighting</i>			
Christmas Lights	\$ 1,505	\$ 1,185	\$ 2,461
Street Lights	257,616	254,729	251,650
	\$ 259,121	\$ 255,914	\$ 254,111
<i>Traffic Services</i>			
Street Signs	\$ 3,920	\$ 4,287	\$ 3,230
Traffic Lane Marking	44,000	40,720	40,943
Traffic Signals	34,769	34,825	33,809
	\$ 82,689	\$ 79,832	\$ 77,982
Total Transportation Services	\$ 4,192,102	\$ 4,245,335	\$ 4,112,500
<u>Environmental Health Services</u>			
Tipping and Transfer	\$ 322,088	\$ 300,199	\$ 284,316
Collection Contract	235,759	212,854	208,574
Other	4,500	21,335	90,226
Recycling	7,289	122,416	5,149
Total Environmental Health Services	\$ 569,636	\$ 656,804	\$ 588,265

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

25. REVENUE AND EXPENDITURES SUPPORT

	(Unaudited) 2019 Budget	2019 Actual	2018 Actual
EXPENDITURES (continued)			
<u>Environmental Development Services</u>			
Planning Commission	\$ 199,825	\$ 199,825	\$ 179,090
Beautification	21,744	21,359	23,139
Promotion and Tourism	194,491	233,609	201,275
Amortization, post-retirement benefits & other	332,510	332,510	120,815
Restigouche River Experience Center	725,694	688,685	821,515
RV Park	246,753	188,374	188,417
Total Environmental Development Services	\$ 1,721,017	\$ 1,664,362	\$ 1,534,434
<u>Recreation and Cultural Services</u>			
<i>Recreational</i>			
Administration	\$ 116,172	\$ 119,376	\$ 113,974
Tigers - Operations	-	288,558	413,518
Leisure Programs	23,881	22,420	18,332
Tennis Courts	7,878	7,647	8,999
Waterfront	163,241	162,466	165,946
Parks and Playgrounds	45,427	44,835	31,512
Other Sports facilities	89,378	81,312	89,005
Civic Center	1,783,553	1,620,838	1,638,824
Amortization, post-retirement benefits & other	711,939	711,939	679,295
	\$ 2,941,469	\$ 3,059,391	\$ 3,159,405
<i>Cultural</i>			
Art Gallery	\$ 78,025	\$ 82,058	\$ 78,090
Library	270,844	297,827	274,506
	\$ 348,869	\$ 379,885	\$ 352,596
Total Recreation and Cultural Services	\$ 3,290,338	\$ 3,439,276	\$ 3,512,001
<u>Water and Sewer</u>			
<i>Water Supply</i>			
Administration	\$ 324,606	\$ 285,246	\$ 292,779
Purification and Treatment	62,010	79,938	73,161
Source of Supply	9,955	8,068	9,967
Transmission and Distribution	237,119	213,605	239,505
Billing, Collection & Bad Debts	35,640	24,377	58,991
Interest & other Pension Expense	215,883	213,019	222,460
Amortization, post-retirement benefits & other	669,692	568,857	551,776
	\$ 1,554,905	\$ 1,393,110	\$ 1,448,639
<i>Sewer Collection and Disposal</i>			
Administration	\$ 639,706	\$ 594,491	\$ 609,558
Collection System	46,080	34,135	35,000
Lift Stations	7,203	7,321	8,119
Treatment and Disposal	498,278	447,876	438,350
	\$ 1,191,265	\$ 1,083,823	\$ 1,091,027
Total Water and Sewer	\$ 2,746,170	\$ 2,476,933	\$ 2,539,666