VILLE DE GRAND-SAULT

RAPPORT ANNUEL 2018

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MESSAGE DU MAIRE

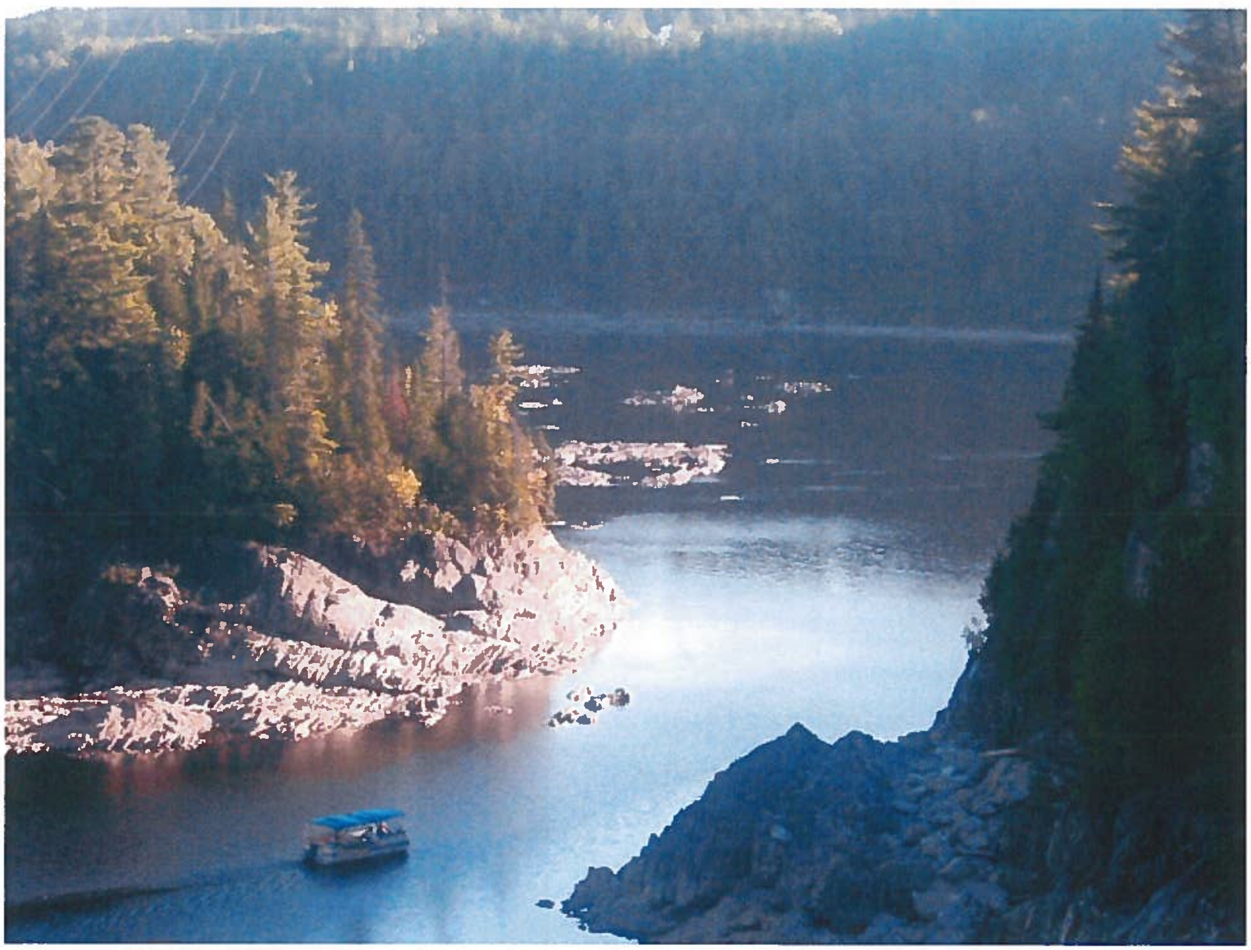
Ce rapport annuel, préparé pour l'année 2018, se veut un outil informatif pour tous nos citoyens et citoyennes ainsi que tout autre individu qui s'intéresse à notre belle ville.

Dans ces quelques pages, vous trouverez une excellente source d'information concernant le conseil et ses réunions, les budgets et services municipaux ainsi que les diverses donations et l'aide financière que nous avons remis aux groupes communautaires et à nos bénévoles ainsi que pour le développement économique.

Merci à tous nos employés et aux nombreux bénévoles qui ont œuvré et contribué pour rendre l'année 2018 une de nos meilleures à jour.

Ensemble nous formons une équipe, une famille, une vision.

Marcel Deschênes



AVANT-PROPOS

Le présent rapport est préparé conformément à l'article 105 de la Loi sur la gouvernance locale et du Règlement 2018-54.

Il contient des renseignements généraux sur la Ville de Grand-Sault, notamment des renseignements détaillés sur le conseil municipal, l'octroi de subventions ainsi que le type et le coût des services fournis. Les états financiers vérifiés de 2018 figurent à l'annexe A.

PROFIL DE LA COMMUNAUTÉ

La Ville Grand-Sault ou de Grand Falls, puisque les deux noms sont officiels, est une ville pittoresque installée de part et d'autre de la rivière Saint Jean, là où les comtés de Madawaska et Victoria se rencontrent. La ville se trouve dans la partie centre ouest du Nouveau-Brunswick, à la frontière du Main (É-U) et à 85 Kilomètres de la frontière du Québec.

Grand-Sault est une communauté amicale et chaleureuse connue pour sa qualité de vie et son esprit progressif. La ville est principalement francophone, avec 80% de la population parlant français à la maison. Cependant, la plupart des résidents ont une connaissance pratique des deux langues officielles.

Vision : *Une ville bilingue bâtie sur la richesse de son histoire, sa beauté naturelle et son esprit communautaire pour devenir une agglomération accessible et offrant une gamme complète de services ainsi qu'une économie novatrice et une excellente qualité de vie.*

Mission : *En collaboration avec notre communauté, le conseil et le personnel de la municipalité fournissent la direction ainsi que des programmes efficaces et rentables, des services et une infrastructure afin d'appuyer la vision de la ville.*

« Plan de développement durable – Vision Grand-Sault / Grand Falls »

LE CONSEIL MUNICIPAL

CONSEIL MUNICIPAL

Voici la liste des membres du conseil municipal et de leurs responsabilités.

Nom	Comités (s)	Autres responsabilités
Marcel Deschênes, maire	Mesures d'urgence Développement économique	AFMNB / UMNB CSRNO
Denise Lagacé Rioux Maire adjointe	Finances	Centre-ville
Renaud Ouellette	Travaux publics Environnement Urbanisme	
Rino Long	Ressources humaines Administration	Comité communautaire de la santé
Jean Réal Michaud	Police	Bibliothèque
Jean Maurice Gagnon	Récréation, Tourisme et Culture	Chambre de commerce Festival
Michel "Rocky" Ouellette	Incendies	Marché agricole Jeux de l'Acadie Golf

Les réunions tenues en 2018 sont telles que suit :

Réunions régulières mensuelles : 9

Réunions spéciales : 7

Les présences de chaque membre du conseil :

Date	Réunion	M. Deschênes	D. Lagacé-Rioux	J. R. Michaud	R. Long	R. Ouellette	M. Ouellette	J.M. Gagnon
30 janvier	Extraordinaire Modifications du plan municipal	X	X	X	X	X	X	X
13 février	Ordinaire	X	X	X	X	X	X	X
6 mars	Extraordinaire Budget capital	--	X	X	X	X	X	--
13 mars	Ordinaire	X	X	X	X	X	X	X
27 mars	Extraordinaire Vente de débenture	X	--	X	X	X	X	--
10 avril	Ordinaire	X	X	X	X	X	X	--
17 avril	Extraordinaire Modifications du plan municipal et zonage	X	X	X	X	X	X	X
8 mai	Ordinaire	X	X	X	X	X	--	X
12 juin	Ordinaire	X	X	X	X	X	--	X
10 juillet	Ordinaire	X	X	X	--	X	X	X
28 août	Extraordinaire Budget capital – 2 416 000 $	X	X	X	X	--	X	X
11 septembre	Ordinaire	X	--	X	X	X	X	--
18 septembre	Extraordinaire Octroi de contrat – terrain d'athlétisme	X	X	--	X	X	X	X
15 octobre	Extraordinaire Budget SDCAGS Inc.	X	X	X	X	--	X	--
13 novembre	Ordinaire	X	X	X	X	X	X	X
18 décembre	Ordinaire	X	X	X	X	X	X	X

Réunions fermées au public : 37

Date de ces réunions :

Les 16 et 30 janvier
Les 13 et 27 février
Les 6, 13, 20 et 27 mars
Les 10, 17 et 24 avril
Les 1, 8, 15 et 29 mai
Les 5, 12, 19 et 26 juin
Les 10, 24 et 31 juillet
Les 14, 21 et 28 août
Les 11, 18 et 25 septembre
Les 2, 15, 23 et 30 octobre
Les 13, 20 et 27 novembre
Les 4 et 18 décembre

Genre de sujets discutés lors des réunions fermées :

Disposition ou acquisition projetés de terrain;
Information touchant des litiges ou litiges éventuels
Questions de travail et d'emploi

Allocations au conseil municipal

Nom	Salaire	Per Diem	Dépenses	Total
Marcel Deschênes, maire	25 912,70 $	12 600 $	13 421,79 $	51 934,49 $
Denise Lagacé Rioux, Maire adjointe	12 996 $	787,50 $	1 212,35	14 995,85 $
Renaud Ouellette, conseiller	11 653,44 $	600 $	0$	12 253,44 $
Rino Long, conseiller	11 653,44 $	1 761,42 $	50 $	13 464,86 $
Jean Réal Michaud, conseiller	11 653,44 $	1 200 $	1 215,19 $	14 068,63 $
Michel Ouellette, conseiller	11 653,44 $	375 $	235,59 $	12 264,03 $
Jean Maurice Gagnon, conseiller	11 653,44 $	450 $	678,18 $	12 781,62 $

LES SUBVENTIONS

SUBVENTIONS – SOCIAL / ENVIRONNEMENTAL

Grand Falls Little Rock Curling : 500 $, non remboursable. Programme de curling.
Grand Falls Cataract Baseball : 2 500 $, non remboursable. Conditions : faire une demande annuelle, soumettre le budget de l'année précédente et de l'année en cours.
Équipe de hockey Jr. A / Rapids : 10 000 $ en nature.
Symposium d'arts visuels : 1 000 $, non remboursable
Société culturelle Les chutes : 10 000 $, non remboursable. Opérations générales de la société.
PTA : 1 000 $, bourse d'étude, non remboursable
JCS : 1 000 $, bourse d'étude, non remboursable
Course de boîte à savon de Drummond : 1 000 $, non remboursable
Banque alimentaire : 4 500 $, non remboursable
Comité communautaire de la santé : 500 $, non remboursable. Matériel de bureau pour 2018.
Femmes pour 50% : 500 $, non remboursable
Association canadienne pour la santé mentale : 1 000 $, non remboursable. Entente de 5 ans pour le financement d'une nouvelle vannette.
Gala Mlle Grand-Sault : 600 $, non remboursable, couronne
Projet Rouge : 600 $, non remboursable. Levée de fonds.
Cadets de l'air : 730 $, non remboursable, In kind
Réjean Landry : 500$, non remboursable
Club de vélo Caswell : 6 000 $, non remboursable, construction de circuit. Conditions : somme égale ramassée, preuve d'assurance et qu'une entente soit signée avec les propriétaires de terrain.
Festi bière Les chutes : 1 000 $, non remboursable (+ 651,79 $ en nature)
Taekwondo NO : 500 $, non remboursable. Compétitions.
Club de ski de fonds Kahoutek : 500 $, non remboursable. Entretient du parcours
COFJA 2019 : 10 000 $, non remboursable. Jeux de l'Acadie.
Galerie d'art Acanthus : 2 500 $, non remboursable. Entente de financement de 10 ans.
Festival régional de la Patate : 1 728 $, non remboursable
Société historique de GS : 1 000 $, non remboursable
Arbre de l'espoir : 5 000 $, non remboursable. Levée de fonds.

La grande majorité de ces subventions ont pour but d'aider nos nombreux organismes financièrement. À moins d'avis contraire, aucune condition n'a été imposée. Certains sont des ententes de financement tel que la Galerie Acanthus (10 ans) et l'association canadienne pour la santé mentale (5 ans), … Que ces groupes continuent à s'épanouir et à rendre des grands services aux jeunes et moins jeunes dans notre communauté et notre région est d'un grand avantage pour la Municipalité.

SUBVENTIONS – DÉVELOPPEMENT ÉCONOMIQUE

Chambre de commerce : 500 $, non remboursable, Gala
Chambre de commerce : 4 500 $, non remboursable, cotisation annuelle
Chambre de commerce : 26 100 $, non remboursable, agent – développement économique
CBDC : 500 $, non remboursable, Gala

PROGRAMMES LIÉS AU DÉVELOPPEMENT ÉCONOMIQUE

Mesures incitatives, nouvelles constructions : 13 subventions pour un montant total de 18 083,35 $, non remboursable.
Mesures incitatives, rénovations : 31 subventions pour un montant total de 28 096,38 $, non remboursable.

LES CORPORATIONS

Les corporations mises sur pieds par la Ville de Grand-Sault sont le Club de golf de Grand-Sault Inc., la Société de développement du centre des affaires de Grand-Sault Inc. (SDCAGS) et la Commission chutes et gorge Inc.

Le Club de golf a été incorporé pour gérer les affaires du terrain de golf. Les états financiers sont consolidés dans les livres de la Ville de Grand-Sault (états financiers à l'annexe A).

La SDCAGS a été incorporés pour gérer la zone d'amélioration des affaires qui fut établie au centre-ville de Grand-Sault. Les états financiers sont consolidés aux livres de la Ville (états financiers à l'annexe A).

La Commission chutes et gorge a été incorporée pour développer et gérer les attraits touristiques dans la municipalité. Ses états financiers sont consolidés aux livres de la Ville (états financiers à l'annexe A).

LES SERVICES

SERVICES

Les budgets et services des gouvernements locaux sont établis selon un système de classification standardisé. En 2018, le conseil a adopté un budget d'opération général de 10 670 611 $. Les revenus actuels sont de 12 012 826$ et les dépenses au montant de 11 999 514 $. Le résultat étant un surplus de 13 312 $.

La Ville opère aussi un budget d'opération pour le service d'eau et d'égout. Le budget, en 2018, était de 1 815 494 $. Les revenus actuels se chiffraient è 1 753 719 $ tandis que les dépenses étaient de 1 728 593 $, le résultat pour l'année étant un surplus de 25 126 $.

SERVICES GÉNÉRAUX
Dépenses totales : 11 999 514 $

Administration générale
Dépenses totales 1 463 726 $

Cette catégorie inclue des dépenses concernant l'administration de la ville tel que : salaires et dépenses du maire et du conseil (146 991$); Salaire et bénéfices des employés du bureau (571 820 $); dépenses rattachées à l'édifice municipal (343 130 $; frais légaux et de vérification (81 575 $; frais d'évaluation (104 328 $); donations à diverses associations (77 781 $); autres dépenses d'administration / divers (138 100 $)

Service de protection
Dépense totale 2 404 855 $

Ces services incluent la force policière (1 039 546 $); la protection contre les incendies (360 527 $) et le contrôle des animaux (4 782 $).

Notre force policière municipale est formée d'un chef et un chef adjoint, deux adjointes administratives et 17 officiers (à temps plein et à temps partiel).

La brigade d'incendie volontaire inclus un chef, un chef adjoint, trois capitaines et un secrétaire, en plus de 23 pompiers volontaires. La Ville planifie présentement pour une nouvelle caserne. Les dépenses incluent un service de « dispatch » (répartition?) avec la Cité d'Edmundston au montant de 29 015$.

Service des transports
Dépense totale 1 898 371

Cette catégorie inclus des dépenses reliées aux salaires et bénéfices de l'administration des Travaux publics et du garage (708 464 $); équipement général (212 318 $); maintenance des rues (398 707 $); enlèvement de la neige (232 926 $); éclairage des rues et feux (180 824 $); opération des édifices (95 096 $) et diverses autres dépenses d'opération (67 078 $).

Notre personnel inclus quatre positions administratives ainsi que du personnel syndiqué à temps plein.

Service d'hygiène environnementale
Dépense totale 272 699 $

Ces services incluent les dépenses reliées à la collection et l'enfouissement des déchets solides. La Ville contracte avec Northwest Sanitation pour la collecte et l'enfouissement a lieu au site de la Commission des services régionaux. Le coût pour l'enfouissement est de 55 $ la tonne en 2018.

Service de développement environnemental
Dépense totale 1 009 082 $

Ces services incluent la planification environnementale (67 433 $); le service de développement environnemental (221 714 $); le service de développement économique (147 118 $); le développement du centre-ville (95 603 $); BIA (62 019 $; centre touristique (395 706$) et le marché agricole (17 819 $).

Service de récréation et de culture
Dépense totale 1 801 756 $

Cette catégorie inclus les dépenses pour l'administration du service par le personnel de récréation (539 998 $); les coûts d'opération du CEPSC (587 121 $); la piscine (65 759 $); le club de golf (401 233 $); le complexe sportif, la glissade sur tubes et l'aire de jeux d'eau (55 143 $); les parcs et terrains de jeux (112 949 $); le musée (9 519 $) et la bibliothèque (31 424 $).

Les programmes de récréation incluent le patinage, hockey, curling, le ski, patinage artistique, la danse, la gymnastique, le volleyball, hockey balle, baseball, balle-molle, soccer, frolic, natation, le golf etc.

Services fiscaux
Dépense totale 3 149 025 $

Cette catégorie inclus les paiements sur le principal (1 197 000 $) et d'intérêt (297 571 $). Le capital opération au montant de 1 527 747 $ inclus 15 214 $ pour le service de gouvernement général, 44 249 $ pour la police, 75 202 $ pour le transport et 1 367 728 pour le service de récréation dont 1 138 877 $ pour les Jeux de l'Acadie.

SERVICE D'EAU ET D'ÉGOUT
Dépenses totales 1 728 593 $

Service d'eau
Dépenses totales 735 466 $

Les dépenses incluent le coût d'administration et du personnel (345 696 $); purification et traitement (31 758 $); transmission et distribution (91 128 $); électricité et pompage (208 604 $); la facturation, collection et autres (58 282 $).

Service d'égout
Dépense totale 456 303 $

Les dépenses incluent le coût d'administration (210 586 $); le système de collection d'égout (69 171 $); les stations de pompage (104 831 $); et le traitement et l'élimination des égouts (71 715 $).

Le frais annuel pour le service d'eau et d'égout en 2018 était de 528 $ de l'unité.

Services fiscaux
Dépense totale 536 824 $

Ceci inclus l'intérêt sur les prêts à cout et long terme, le paiement du principal, le transfert aux réserves et les frais bancaires.

En 2018, le repaiement sur le principal était de 280 000 $ et le repaiement des intérêts de 131 152 $. Un montant de 45 000 $ a été transféré à la réserve pour le réservoir. Un total de 66 482 $ a été dépensé sur des projets capitaux en 2018 tandis que les frais bancaires et les mauvaises créances s'élevaient à 14 190 $.

ANNEXE A

GRAND FALLS

CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2018

GRAND FALLS

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Year ended December 31, 2018

Nadeau Picard
& Associés, CPA

Comptables professionnels agréés
Chartered Professional Accountants

INDEPENDANT AUDITORS' REPORT

To His Worship The Mayor
and Members of Council

Opinion

We have audited the consolidated financial statements of Grand Falls (the Municipality), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operation, changes in net debt and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Municipality as at December 31, 2018, and the results of its consolidated operation, change in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

Without modifying our opinion, we draw attention to the fact that the Municipality includes in its financial statements certain financial information not required under Canadian public sector accounting standards. This information is prepared according to the form prescribed by the Department of Environment and Local Government of the Province of New Brunswick.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.

Nos partenaires canadiens et internationaux | Our Canadian and international partners | BHD/IAPA

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- 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.
-
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Municipality to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Municipality's audit. We remain solely responsible for our audit opinion.

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.

Nadeau Picard & Associés, CPA

Nadeau Picard & Associés, CPA
Chartered Professional Accountants

Grand Falls, New Brunswick
April 9, 2019

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GRAND FALLS
CONSOLIDATED STATEMENT OF OPERATION
Year ended December 31,

	2018		2017
	(Unaudited) Budget (Note 21)	**Actual (Note 17)**	Actual (Note 17)
REVENUES			
Property tax warrant	**$ 8,007,373**	**$ 8,007,373**	$ 7,827,622
Services provided to other governments (note 22)	**657,900**	**689,698**	691,505
Sale of services, fines and other fees	**1,120,488**	**1,116,241**	1,157,022
Unconditional grant	**769,875**	**782,691**	1,014,888
Other government transfers (note 22)	**73,479**	**1,825,804**	3,104,702
Water and sewer user fees	**1,577,250**	**1,607,456**	1,596,401
Interest	**21,400**	**92,084**	94,991
Donations & others	**-**	**70,155**	793,364
Gain on disposal of tangible capital assets	**10,000**	**75,000**	20,696
	12,237,765	**14,266,502**	16,301,191
EXPENDITURES (note 22)			
General government services	**1,538,759**	**1,602,091**	1,551,059
Protective services	**2,401,610**	**2,421,232**	2,454,248
Transportation services	**2,628,861**	**2,742,298**	2,460,057
Environmental health services	**276,530**	**272,699**	273,045
Environmental development and tourism services	**1,224,289**	**1,180,633**	1,165,494
Recreational and cultural services	**2,857,187**	**2,825,752**	2,765,122
Water and sewer	**2,130,146**	**2,077,293**	2,041,285
	13,057,382	**13,121,998**	12,710,310
Annual surplus (deficit)	**$ (819,617)**	**1,144,504**	3,590,881
Accumulated surplus, beginning of year		**39,002,083**	35,411,202
Accumulated surplus, end of year		**$ 40,146,587**	$ 39,002,083

The accompanying notes are an integral part of these consolidated financial statements.

GRAND FALLS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31

	2018	2017
FINANCIAL ASSETS		
Cash (Note 3)	$ 2,690,678	$ 2,820,660
Receivables		
General	382,525	274,891
Federal government and its agencies (Note 4)	261,517	453,942
Province of New Brunswick (Note 5)	176,959	951,930
Investments (Note 6)	2,403,636	2,511,344
	5,915,315	7,012,767
LIABILITIES		
Bank loan	839,210	1,185,188
Payables and accruals	965,959	1,622,775
Unearned revenues - Gas Tax Fund	784,926	631,400
Long term debt (Note 8)	11,262,000	11,994,000
Accrued sick leave (Note 9)	143,103	43,900
Accrued retirement benefits	78,690	170,463
Post employment benefits (Note 10)	535,600	639,100
	14,609,488	16,286,826
NET DEBT	(8,694,173)	(9,274,059)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 7)	89,271,475	86,288,843
Accumulated amortization	(41,036,987)	(38,308,309)
	48,234,488	47,980,534
Inventory of supplies	595,961	280,410
Prepaid expenses	10,311	15,198
	48,840,760	48,276,142
ACCUMULATED SURPLUS	$ 40,146,587	$ 39,002,083

Approved by,

Marcel Deschênes

Mayor

Denis Laforge

Treasurer

The accompanying notes are an integral part of these consolidated financial statements.

GRAND FALLS
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
Year ended December 31

	2018	2017
Annual surplus	$ 1,144,504	$ 3,590,881
Acquisition of tangible capital assets	(2,982,632)	(6,835,388)
Proceeds on disposal of tangible capital assets	75,000	37,793
Amortization of tangible capital assets	2,728,678	2,564,739
Gain on sale of tangible capital assets	(75,000)	(20,696)
	890,550	(662,671)
Acquisition of inventories	(595,958)	(280,407)
Acquisition of prepaid assets	(10,311)	(15,198)
Consumption of inventories	280,407	290,578
Use of prepaid assets	15,198	6,184
	(310,664)	1,157
Decrease (increase) in Net Debt	579,886	(661,514)
Net Debt, beginning of the year	(9,274,059)	(8,612,545)
Net Debt, end of the year	$ (8,694,173)	$ (9,274,059)

The accompanying notes are an integral part of these consolidated financial statements.

GRAND FALLS
CONSOLIDATED STATEMENT OF CASH FLOW
Year ended December 31

	2018	2017
(Indirect method)		
Operation transactions		
Annual surplus (Note 17)	$ 1,144,504	$ 3,590,881
Items not affecting cash:		
Gain on disposal of tangible capital assets	(75,000)	(20,696)
Amortization of tangible capital assets	2,728,678	2,564,739
	3,798,182	6,134,924
Net changes in non-cash working capital items:		
Receivable - General	(107,634)	(64,365)
Receivable - Federal Government and its agencies	192,425	(299,147)
Receivable - Province of New Brunswick	774,971	(941,027)
Payables and accruals	(656,816)	846,274
Unearned revenues - Gas Tax Fund	153,526	(79,305)
Accrued sick leave	99,203	(5,621)
Accrued retirement benefits	(91,773)	170,463
Post employment benefits payable	(103,500)	(103,000)
Change in inventory/prepaid expenses	(310,664)	1,154
	(50,262)	(474,574)
	3,747,920	5,660,350
Capital transactions		
Acquisition of tangible capital assets	(2,982,632)	(6,835,388)
Proceeds on sale of tangible capital assets	75,000	37,793
	(2,907,632)	(6,797,595)
Financing transactions		
Bank loan	(345,978)	728,663
Additional financing	745,000	1,898,000
Long-term debt	(1,477,000)	(1,558,000)
	(1,077,978)	1,068,663
Investing transactions		
Investments	107,708	(48,641)
Net decrease in cash and cash equivalents	(129,982)	(117,223)
Cash, beginning of year	2,820,660	2,937,883
Cash, end of year	$ 2,690,678	$ 2,820,660

The accompanying notes are an integral part of these consolidated financial statements.

1. STATUS AND PURPOSE OF THE ORGANIZATION

The Municipality was incorporated as a town by the Province of New Brunswick Municipalities Act on April 23, 1890 and was approved for status as a Municipality Effective January 28, 1985 by an amendment of New Brunswick Regulation 85-45 under the Municipalities Act. As a municipality, Grand Falls is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act. The Municipality has the following vision statement, "A bilingual town that has built on its rich history, natural beauty and community spirit to become a full-service and accessible town with an innovative economy and excellent quality of life".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Municipality are the representations of management prepared in accordance with the Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of CPA Canada.

The focus of Public Sector Accounting Standards' financial statements is on the financial position of the Municipality and the changes thereto. The Consolidated Statement of Financial Position includes all of the assets and liabilities of the Municipality.

The entities included in the financial statements are as follows:

- Grand Falls Golf Club Inc.
- Société de développement du centre des affaires
- Falls & Gorge Commission

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

Reporting entity
The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net debt and cash flows of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Municipality which are owned or controlled by the Municipality.

Interdepartmental and organizational transactions and balances are eliminated.

Budget
The budgets figures contained in these financial statements were approved by Council on December 19, 2017 and the Minister of Environment and Local Government on January 11, 2018.

Government transfers
Government transfers are accounted for in the financial statements as revenues during the period the activities giving rise to the transfer occurred provided that transfers are authorized, that the eligibility criterias are met and reasonable estimates of the amounts can be made. Transfers received for which expenses have not yet occurred are included in deferred income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

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

b) Other revenue is recorded when it is earned.

c) Grants and donations received from a third party to assist with the construction or purchase of a capital asset owned by the Municipality are recognized as revenue at the fair market value.

Deferred revenuess

Deferred revenues consist of grants, contributions and other amounts received from a third party under legislature, regulations and agreements that can only be used for certain programs, for the completion of particular projects or for the purchase of capital assets. Revenues are recognized in the period in which the related expenses are incurred. Furthermore, all funds from external sources and revenues limited by agreement or legislation are accounted for as deferred revenues until they are utilized for the specified purposes.

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 periods in which they become known. Actual results may differ from those estimates.

The main estimates relate to the useful life of tangible capital assets and employee future benefits.

Financial instruments

The Municipality's financial instruments consist of cash, investments, receivables, bank loan, payables and accruals, post employment benefits and long-term debt. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Municipality is exposed to credit risk through accounts receivable. The Municipality minimizes credit risk through ongoing credit management.

The Municipality is also exposed to interest rate risk on its fixed-rate and variable rate financial instruments.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of three months or less.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible capital assets
Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

Asset type	Years
Land improvements	20-25 years
Buildings	15-40 years
Vehicles	3-5 years
Machinery and equipment	5-40 years
Heavy equipment	12-15 years
Computer hardware & software & communication equipment	3-5 years
Furniture & fixtures	5 years
Road surface	10 years
Lighting / traffic lights	15 years
Water and wastewater networks	15-60 years
Dams and water structures	10-15 years
Leasehold improvements	Over the term of the lease

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

Impairment
Capital assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment is assessed by comparing the carrying amount of an asset to be held and used with the total of the undiscounted cash flows expected from its use and disposition. If the asset is impaired, the impairment loss to be recognized is measured as the amount by which the carrying amount of the asset exceeds its fair value, generally determined on a discounted cash flow basis. Any impairment results in a write-down of the asset and a charge to operations during the year. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Segmented information (continued)

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 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 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, reservoirs and lagoons.

Inventory of supplies
Inventory is valued at the lower of cost and net replacement cost with cost being determined on the first-in, first out basis.

Post Employment Benefits
The Municipality recognizes its obligations under post employment benefit plans and the related costs, net of plan assets. The Municipality has a sick leave benefit as documented in Note 9 and a long-term service award and pension plan as documented in Note 10.

3. CASH

	2018	2017
Cash - restricted (note 19) *	$ 1,422,740	$ 1,339,065
Cash - unrestricted	1,267,938	1,481,595
	$ 2,690,678	$ 2,820,660

* Restricted cash amount consist of cash in the General capital reserve fund and Water & Sewer capital reserve fund.

4. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES

		2018		2017
Canada Revenue Agency (HST refund)	$	247,874	$	365,982
Atlantic Canada Opportunities Agency		-		48,415
Clean Water and Wastewater Fund		13,643		39,545
	$	261,517	$	453,942

5. DUE FROM PROVINCE OF NEW BRUNSWICK

		2018		2017
Small Communities Fund	$	115,120	$	861,265
Regional Development Corporation		61,839		90,665
	$	176,959	$	951,930

6. INVESTMENTS

The investments consist of guaranteed investment certificates with date of maturity of June 4, 2020 with interest rates of 2%.

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7. SCHEDULE OF TANGIBLE CAPITAL ASSETS

	Land	Land improvements	Buildings and leasehold improvements	Vehicles	Machinery and equipment	Infrastructure: Roads and streets	Infrastructure: Treatment facilities	Infrastructure: Water and sewer	Assets under construction	2018 Total	2017 Total
Cost											
Balance, beginning of year	$ 5,999,034	$ 4,576,086	$ 26,451,411	$ 1,829,951	$ 7,868,016	$ 8,802,551	$ 6,627,046	$ 24,134,748	$ -	$ 86,288,843	$ 79,584,781
Add:											
Net additions during the year	10,000	94,753	1,178,572	39,075	275,148	876,890	197,522	310,672	-	2,982,632	6,835,388
Less:											
Disposals during the year	-	-	-	-	-	-	-	-	-	-	(131,326)
Balance, end of year	6,009,034	4,670,839	27,629,983	1,869,026	8,143,164	9,679,441	6,824,568	24,445,420	-	89,271,475	86,288,843
Accumulated Amortization											
Balance, beginning of year	-	2,388,010	10,065,786	1,452,650	4,051,708	6,586,226	2,493,068	11,270,861	-	38,308,309	35,857,799
Add:											
Amortization during the year	-	163,407	879,931	106,845	429,620	398,162	109,286	641,427	-	2,728,678	2,564,739
Less:											
Accumulated amortization on disposition	-	-	-	-	-	-	-	-	-	-	(114,229)
Balance, end of year	-	2,551,417	10,945,717	1,559,495	4,481,328	6,984,388	2,602,354	11,912,288	-	41,036,987	38,308,309
Net book value	$ 6,009,034	$ 2,119,422	$ 16,684,266	$ 309,531	$ 3,661,836	$ 2,695,053	$ 4,222,214	$ 12,533,132	$ -	$ 48,234,488	$ 47,980,534
Consist of:											
General Fund Assets	$ 5,659,937	$ 2,027,163	$ 16,398,738	$ 262,688	$ 3,306,027	$ 2,695,053	$ 4,222,214	$ -	$ -	$ 34,571,820	$ 33,913,439
Water & Sewer Fund Assets	349,097	92,259	285,528	46,843	355,809	-	-	12,533,132	-	13,662,668	14,067,095
	$ 6,009,034	$ 2,119,422	$ 16,684,266	$ 309,531	$ 3,661,836	$ 2,695,053	$ 4,222,214	$ 12,533,132	$ -	$ 48,234,488	$ 47,980,534

During the year, land in the amount of $36,000 was received as a contribution.

8. LONG-TERM DEBT

	2018	2017
New Brunswick Municipal Financing Corporation		
Debentures:		
Repaid during the year	$ -	$ 204,000
BA-13 0.95% - 5.0%, due 2019, OIC #08-37, #08-76, #08-77, #98-5 and #98-74	**1,057,000**	1,237,000
BA-14 0.95% - 5.0%, due 2019, OIC #06-83, #07-47 and #08-37	**111,000**	142,000
BB-21 1.0% - 4.50%, due 2019, OIC #08-37, #09-47, #09-81, #98-74 and #99-51	**1,093,000**	1,227,000
BB-22 1.0% - 4.50%, due 2019, OIC #08-37, #09-19 and #09-41	**542,000**	562,000
BD-16 1.50% - 3.85%, due 2020, OIC #00-01, #07-29, #07-47, #09-47, #10-17, #99-61 and #99-73	**182,000**	242,000
BD-17 1.50% - 3.85%, due 2020, OIC #09-41	**346,000**	357,000
BM-11 0.95% - 1.8%, due 2020, OIC #04-26 and 01-79	**42,000**	62,000
BF-13 1.35% - 3.45%, due 2021, OIC #09-47, #10-17, #11-46 and #11-65	**190,000**	227,000
BF-14 1.35% - 3.45%, due 2021, OIC #09-41	**197,000**	203,000
BI-17 1.35% - 3.25%, due 2023, OIC #11-0046	**79,000**	94,000
BL-19 1.2% - 3.1%, due 2024, OIC OIC #03-28 and #04-26	**238,000**	314,000
BO-15 1.45% - 2.9%, due 2026, OIC #06-21	**111,000**	124,000
BO-14 1.45% -2.9%, due 2026, OIC #05-61 and 05-89	**337,000**	423,000
BP-14 1.2% - 2.95%, due 2026, OIC #15-21	**93,000**	104,000
BT-13 2.10% - 3.45%, due 2028, OIC #15-56, #17-18 and #17-25	**420,000**	-
BU-14 2.55% - 3.40%, due 2028, OIC #15-56 and # 18-20	**325,000**	-
BH-20 1.35% - 3.8%, due 2032, OIC #09-47 and #10-17	**217,000**	246,000
BR-14 1.65% - 3.2%, due 2032, OIC #15-56 and #17-18	**1,665,000**	1,800,000
BQ-13 1.2% - 3.3%, due 2032, OIC #15-56	**92,000**	98,000
BI-18 1.35% - 4.0%, due 2033, OIC #01-79 and #09-41	**211,000**	235,000
BJ-15 1.25% - 4.4%, due 2033, OIC #11-0115	**677,000**	711,000
BL-20 19 1.2% - 3.7%, due 2034, OIC #01-79, #03-64, #03-83 and #04-26	**732,000**	782,000
BM-12 0.95% - 3.5%, due 2035, OIC #01-79 and #04-26	**988,000**	1,059,000
BN-13 1.05% - 3.9%, due 2035, OIC #04-26, #05-25, #05-61, #14-34, #14-40, #14-41 and #15-21	**761,000**	939,000
BN-14 1.05% - 3.9%, due 2035, OIC #04-26 and #05-25	**380,000**	397,000
BP-15 1.2% - 3.8%, due 2036, OIC #06-25	**176,000**	205,000
	$ 11,262,000	$ 11,994,000

Approval of the Municipal Capital Borrowing Board has been obtained for the long-term debt.

8. LONG-TERM DEBT (continued)

Principal repayments and refinancing required during the next five years are as follows:

	Repayments	Refinancing
2019	$1,406,000	$2,389,000
2020	$961,000	$379,000
2021	$746,000	$250,000
2022	$598,000	$0
2023	$564,000	$0

In 2019, debentures BA-13, BB-21, BA-14 and BB-22 will mature and will be refinanced for $875,000, $952,000, $78,000 and $484,000 respectively. In 2020, debenture BD-16 and BB-17 will mature and will be refinanced for $57,000 and $322,000 respectively. In 2021, debenture BF-13 and BF-14 will mature and will be refinanced for $74,000 and $176,000 respectively.

9. ACCRUED SICK LEAVE

The Municipality provides sick leave that accumulates at a rate of 1.5 days per month. All employees can accumulate a maximum of 250 days. An employee can take a leave with pay for an amount of time equal to the accumulated sick leave. Upon termination or retirement, employees receive an amount equal to the number of unused sick days accumulated at the then current rate of pay.

An actuarial valuation was performed in 2017 on the 64 employee plan in accordance with Public Sector Accounting Standards 3255. The actuarial method used was the Projected Unit Credit pro-rated on service to the date when the maximum number of hours is reached. 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 use reflect the Municipality's best estimates.

The following summarizes the major assumptions in the valuation:

- annual salary increase is 3%;
- the discount rate used to determine the accrued benefit obligation is 2.5%;
- expected return on assets is 2.5%;
- retirement age is 60; and
- estimated net excess utilization of rate of sick leave varies with age.

The sick leave is a funded benefit. As such, the applicable asset was $1,137,013 on December 31, 2018 and $1,206,280 on December 31, 2017.

The unfunded liability was $143,103 on December 31, 2018 and $43,900 on December 31, 2017. The sick leave benefit will be funded over the next year.

10. POST EMPLOYMENT BENEFITS PAYABLE

Pension Obligation

Defined benefit pension plan

The Municipality sponsors a contributory defined pension plan for substantially all of its employees. The New Brunswick Municipal Employees Pension Plan (NBMEPP) provides employees of participating municipalities with a defined benefit pension arrangement. These defined pension benefit arrangements are governed by the New Brunswick Pension Benefits Act and the Income Tax Act. The average age of the 60 active employees covered by the plan is 45.9.

Employees make contributions using rates that vary by earnings level and employment category, with an overall average contribution rate of approximately 7.99%. The Municipality matches the amounts contributed by its employees. Total benefit payments to retirees during the year was approximately $284,100 (2017 - $396,100).

Pensions fund assets are invested in Short Term Securities, Bonds Canadian Equities and Foreign Equities.

Actuarial valuations for accounting purposes are performed triennially using the Projected Unit Credit method (also known as the Projected Accrued Benefit method). The most recent actuarial valuation was prepared as at December 31, 2017 and at that time the pension plan had an accrued benefit obligation of $613,000.

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 Municipality's best estimates.

The following summarizes the major assumptions in the valuation:

- the expected inflation rate is 2.25% per annum;
- the discount rate used to determine the accrued benefit obligation is 5.5% per annum;
- the expected rate of return is 5.5% per annum;
- retirement age varies; assumptions used were:

⇒ Regular employees - 5% retire at ages 55 to 59, 9% retire at ages 60 to 64 and 30% retire at age 65;
⇒ Police and fire - 5% retire at ages 50 to 54, 9% retire at ages 55 to 59 and 30% retire at age 60;
⇒ Members on long term disability - Retire at earliest unreduced age.

- estimated average remaining service life is 14.0 years.

Combined employer and employee contributions during the year were $540,600 (2017 - $524,800).

10. POST EMPLOYMENT BENEFITS PAYABLE (continued)

In addition to determining the position of the NB MEPP as it relates to Grand Falls as at December 31, 2016 and December 31, 2017, NB MEPP's actuary performed an extrapolation of the December 31, 2017 accounting valuation to determine the estimated position as at December 31, 2018. The extrapolation assumes assumptions used as at December 31, 2018 remain unchanged from December 31, 2017. The extrapolation also assumes assets return 5.50% net of all fees and expenses. If experience is different than assumed, amounts will be ajusted to reflect actual experience. Results of the extrapolation are as follows:

Accrued Benefit Liability/(Asset)	**As at December 31, 2018**	As at December 31, 2017
Accrued benefit liability/(asset) at beginning of period	$ 613,000	$ 732,400
Pension expense for the year	192,900	143,000
Less employer contributions	(270,300)	(262,400)
Accrued benefit liability/(asset) at end of period	$ 535,600	$ 613,000

In summary, the Accrued Benefit Liability as it relates to Grand Falls is estimated to be $535,600 as at December 31, 2018. This compares to $732,400 as at January 1, 2017 and $613,000 as at December 31, 2017. This amounts is included in the Post Employment Benefits Payable on the Consolidated Statement of Financial Position.

The financial position as it relates to the estimated Accrued Benefit Liability is shown as follows and illustrates the unamortized amounts being recognized in Pension Expense over time:

Reconciliation of Funded Status at End of Period	**As at December 31, 2018**	As at December 31, 2017
Accrued benefit obligation	$ 11,153,900	$ 10,407,300
Plan assets	10,778,100	9,966,400
Plan deficit/(surplus)	375,800	440,900
Unamortized experience gains/(losses)	159,800	172,100
Accrued benefit liability/(asset) at end of period	$ 535,600	$ 613,000

The following illustrates the reconciliation of the estimated Accrued Benefit Obligation from the beginning of period to the end of period:

Reconciliation of Accrued Benefit Obligation	**As at December 31, 2018**	As at December 31, 2017
Accrued benefit obligation at beginning of period	$ 10,407,300	$ 9,474,300
Current service cost	453,600	400,500
Benefit payments	(284,100)	(396,100)
Interest for period	577,100	530,700
Experience loss/(gain) during period	-	397,900
Accrued benefit obligation at end of period	$ 11,153,900	$ 10,407,300

10. POST EMPLOYMENT BENEFITS PAYABLE (continued)

The following illustrates the reconciliation of the estimated Plan assets from the beginning of the period to the end of the period:

Reconciliation of Plan Assets	**As at December 31, 2018**	As at December 31, 2017
Plan assets at beginning of period	$ 9,966,400	$ 8,997,900
Employer contributions	270,300	262,400
Employee contributions	270,300	262,400
Benefit payments	(284,100)	(396,100)
Return on plan assets during period	555,200	839,800
Plan assets at end of period	$ 10,778,100	$ 9,966,400

Total estimated expenses related to pensions include the following components:

Pension Expense	**December 31, 2018**	December 31, 2017
Employer current service cost	$ 183,300	$ 138,100
Interest on accrued benefit obligation	577,100	530,700
Expected return on assets	(555,200)	(507,500)
Experience loss/(gain)	(12,300)	(18,300)
Pension expense	$ 192,900	$ 143,000

The pension expense is included in the statements of operations.

11. CONTINGENCIES

In the normal course of operations, the Municipality becomes involved in various claims and legal proceedings. While the final outcome with respect to claims and legal proceedings pending at December 31, 2018 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 Municipality maintains insurance coverage in amounts considered appropriate.

12. COMMITMENTS

i) The Municipality is committed, following an agreement with the Province of New Brunswick under the Canada / New Brunswick Infrastructure Program, to transfer to a distinct Water and Sewerage Capital Reserve Fund, an amount of $27,652 per year for a minimum period of 30 years, or until a total an amount of $829,560 is accumulated. As at December 31, 2018, the accumulated amount was $580,510.

ii) Under the Canada - New Brunswick Building Canada Fund, the Municipality is committed to transfer to a distinct Water and Sewerage Capital Replacement Reserve Fund, an amount of $17,348 per year for a minimum period of 10 years, or until a total amount of $173,480 is accumulated. As at December 31, 2018, the accumulated amount was $172,305.

13. SHORT-TERM BORROWINGS COMPLIANCE

Interim borrowing for capital

The Municipality has arranged a revolving operating facility bearing interest at prime rate for the Water and Sewer capital fund and the General capital fund. The facility is used to provide interim financing for capital expenditures.

The Municipality has ministerial authority for short-term borrowing as follows:

General Capital Fund, M.O. #15-0056	$	2,827,070
General Capital Fund, M.O, #17-0025	$	240,000

Operating borrowing

As prescribed in the Municipalities 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 2018, the Municipality has complied with these restrictions.

Inter-fund borrowing

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

14. 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 four Operating Budgets commencing with the second next ensuing year; the balance of the surplus at the end of the year consists of:

	2018	2017
2018 surplus	$ 25,126	$ -
2017 surplus	25,226	25,226
2016 surplus	-	22,417
	$ 50,352	$ 47,643

15. WATER COST TRANSFER

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

16. REGULATORY REPORTING

The Department of Local Government of New Brunswick has requested some disclosures in addition to Canadian Public Sector Accounting Standards for monitoring purposes. The Town has provided these disclosure requirements in the consolidated financial statements provided to the Department of Local Government of New Brunswick.

According to the Local Governance Act section 84(1), municipalities need to provide, by by-law, for the annual bonding of its officers and employees. The Town is in compliance with this regulation.

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17. SCHEDULE OF SEGMENT DISCLOSURE

	General	Protective	Transportation	Environmental health	Environmental development and tourism	Recreation and culture	Water and sewer	2018 Consolidated	2017 Consolidated
Revenues									
Property tax warrant *	$ 1,379,583 $	2,143,246 $	2,137,148 $	251,907 $	840,752 $	1,254,737 $	-	$ 8,007,373 $	7,827,622
Services provided to other governments	396,815	163,713	110,163	-	19,007	-	-	689,698	691,505
Sale of service, fines and other fees	104,535	3,967	-	-	231,181	776,558	-	1,116,241	1,157,022
Unconditional grant *	134,850	209,494	208,898	24,623	82,180	122,646	-	782,691	1,014,888
Other government transfers	87,865	-	634,310	-	818,310	-	285,319	1,825,804	3,104,702
Water and sewer user fees	-	-	-	-	-	-	1,607,456	1,607,456	1,596,401
Interest	47,585	-	-	-	1,807	-	42,692	92,084	94,991
Donations and others	3,004	-	-	-	2,876	64,275	-	70,155	793,364
Gain on disposal of capital assets	75,000	-	-	-	-	-	-	75,000	20,696
	2,229,237	2,520,420	3,090,519	276,530	1,996,113	2,218,216	1,935,467	14,266,502	16,301,191
Expenditures									
Salaries and benefits	760,963	1,842,876	710,580	-	510,210	864,613	476,511	5,165,753	5,109,601
Goods and services	480,278	479,074	1,167,921	272,699	493,922	931,916	714,862	4,540,672	4,366,304
Amortization	109,782	92,233	742,633	-	126,830	916,624	740,578	2,728,680	2,564,740
Interest	34,257	7,049	121,164	-	45,146	105,291	145,342	458,249	465,469
Other	216,811	-	-	-	4,525	7,308	-	228,644	204,196
	1,602,091	2,421,232	2,742,298	272,699	1,180,633	2,825,752	2,077,293	13,121,998	12,710,310
Surplus (deficit) for the year	$ 627,146 $	99,188 $	348,221 $	3,831 $	815,480 $	(607,536)$	(141,826)$	1,144,504 $	3,590,881

* The property tax warrant and the unconditional grant have been reported on the basis of the budgeted expenses for segment disclosure.

18. RECONCILIATION OF ANNUAL SURPLUS (DEFICIT)

	General Operating Fund	General Capital Fund	Water & Sewer Operating Fund	Water & Sewer Capital Fund	General Operating Reserve Fund	General Capital Reserve Fund	Water & Sewer Operating Reserve Fund	Water & Sewer Capital Reserve Fund	Total
2018 annual surplus (deficit)	$ 1,717,577 $	(479,440)$	304,588 $	(470,887)$	5,383 $	36,858 $	1,545 $	28,880 $	1,144,504
Adjustments to annual surplus for funding requirements									
Second previous year's surplus	45,923	-	22,417	-	-	-	-	-	68,340
Transfers between funds									
Transfer from water & sewer operating fund to the									
water capital fund	-	-	(66,482)	66,482	-	-	-	-	-
water & sewer capital reserve fund	-	-	(45,000)	-	-	-	-	45,000	-
Transfer from general operating fund to the									
general capital fund	(456,821)	456,821	-	-	-	-	-	-	-
general capital reserve fund	89,306	300,000	-	-	-	(389,306)	-	-	-
water & sewer operating fund	(90,000)	-	90,000	-	-	-	-	-	-
Long-term debt principal repayment	(1,197,000)	1,197,000	(280,000)	280,000	-	-	-	-	-
Increase of provision for sick leave accrual	90,043	-	9,160	-	-	-	-	-	99,203
Provision for retirement allowance	(91,773)	-	-	-	-	-	-	-	(91,773)
Amortization expense	-	1,988,102	-	740,578	-	-	-	-	2,728,680
Reduction in amount recorded under PSA for defined benefit liability	(93,943)	-	(9,557)	-	-	-	-	-	(103,500)
Total adjustments to 2018 annual surplus (deficit)	(1,704,265)	3,941,923	(279,462)	1,087,060	-	(389,306)	-	45,000	2,700,950
2018 annual funds surplus (deficit)	$ 13,312 $	3,462,483 $	25,126 $	616,173 $	5,383 $	(352,448)$	1,545 $	73,880 $	3,845,454

19. STATEMENT OF RESERVES

	General Operating Reserve	General Capital Reserve	Water & Sewer Operating Reserve	Water & Sewer Capital Reserve	2018 Total	2017 Total
Assets						
Cash	$ 366,199	$ 941,088	$ 35,575	$ 481,652	$ 1,824,514	$ 1,580,607
Investments	47,754	1,167,329	53,060	1,135,493	2,403,636	2,511,344
Accrued interest	550	13,434	611	13,066	27,661	28,542
Receivable from Water & Sewer Operating Fund	-	-	-	45,000	45,000	64,655
	414,503	2,121,851	89,246	1,675,211	4,300,811	4,185,148
Liabilities						
Payable to General Operating Fund	-	389,303	-	-	389,303	2,000
Accumulated Surplus	$ 414,503	$ 1,732,548	$ 89,246	$ 1,675,211	$ 3,911,508	$ 4,183,148
Revenues						
Other revenues	$ 350	$ -	$ -	$ -	$ 350	$ 1,050
Transfers from Water & Sewer Operating Fund	-	-	-	45,000	45,000	64,655
Interest	6,072	35,819	1,545	28,880	72,316	68,958
	6,422	35,819	1,545	73,880	117,666	134,663
Expenditures						
Transfers to Water Operating Fund	-	-	-	-	-	5,839
Transfers to Water & Sewer Capital Fund	-	-	-	-	-	993
Transfers to General Operating Fund	-	389,306	-	-	389,306	-
	-	389,306	-	-	389,306	6,832
Annual Surplus (deficit)	$ 6,422	$ (353,487)	$ 1,545	$ 73,880	$ (271,640)	$ 127,831

Name of Investment	Principal Amount	Interest Rate	Date of Maturity
Term GIC	$ 2 403 636	2.0%	June 4, 2020

19. STATEMENT OF RESERVES (Continued)

Council Resolutions regarding transfers to and from reserves;

Moved by Denise Lagacé Rioux, seconded by Jean Réal Michaud, that the amount of $300,000 be transfered from the general capital reserve for equipment to the general operating fund to help pay for the cost of the Jeux de l'Acadie infrastructure.

Moved by Denise Lagacé Rioux, seconded by Rino Long, that the amount of $45,000 be transferred from the water and sewer operating fund to the water and sewer capital reserve fund for the reservoir.

Moved by Denise Lagacé Rioux, seconded by Jean Réal Michaud, that the amount of $89,306 be transferred from the capital reserve fund - future employee benefits not earned, to the general operating fund to help pay the cost of sick days paid in 2018.

I hereby certify that the above are true and exact copies of resolutions adopted at a special meeting of Council on October 13th, 2018 and December 18th, 2018.

Peter Michaud
Chief Administrative Officer / Clerk
Town of Grand Falls

April 10, 2019
Date

20. STATEMENT OF CONTROLLED ENTITIES OPERATIONS

	Grand Falls Golf Club Inc	Société de développement du centre des affaires	Falls & Gorge Commission	2018 Total	2017 Total
Assets	$ 710,580	$ 141,917	$ 24,269	$ 876,766	$ 924,404
Liabilities	1,307,210	-	1,772,362	3,079,572	2,778,076
Accumulated Surplus (Deficit)	$ (596,630)	$ 141,917	$ (1,748,093)	$ (2,202,806)	$ (1,853,672)
Revenues	$ 279,536	$ 58,200	$ 212,500	$ 550,236	$ 639,217
Expenditures	459,389	62,019	377,962	899,370	961,194
Surplus (Deficit) from operations	(179,853)	(3,819)	(165,462)	(349,134)	(321,977)
Gain on disposal of capital assets	-	-	-	-	1,075
Surplus (Deficit)	$ (179,853)	$ (3,819)	$ (165,462)	$ (349,134)	$ (320,902)

The above noted entities are included in the consolidated financial statements.

21. OPERATING BUDGET TO PSA BUDGET

	Operating Budget General	Operating Budget Water & Sewer	Amortization TCA	Transfers	Total
Revenues					
Property tax warrant	$ 8,007,373	$ -	$ -	$ -	$ 8,007,373
Services provided to other governments	657,900	-	-	-	657,900
Sales of services, fines and other fees	1,120,488	-	-	-	1,120,488
Unconditional grant	769,875	-	-	-	769,875
Other government transfers	47,652	25,827	-	-	73,479
Other transfers	-	180,000	-	(180,000)	-
Water and sewer user fees	-	1,577,250	-	-	1,577,250
Interest	11,400	10,000	-	-	21,400
Gain on disposal of capital assets	10,000	-	-	-	10,000
Surplus/deficit of second previous year	45,923	22,417	-	(68,340)	-
	10,670,611	1,815,494	-	(248,340)	12,237,765
Expenditures					
General government services	1,398,705	-	109,782	30,272	1,538,759
Protective services	2,482,120	-	92,233	(172,743)	2,401,610
Transportation services	1,766,207	-	742,633	120,021	2,628,861
Environmental health services	276,530	-	-	-	276,530
Environmental development and tourism services	1,054,789	-	126,830	42,670	1,224,289
Recreational cultural services	1,837,148	-	916,624	103,415	2,857,187
Fiscal services					
Long-term debt repayments	1,197,000	280,000	-	(1,477,000)	-
Interest	303,635	145,047	-	(448,682)	-
Transfer from the General Operating Fund to the					
General Capital Fund	9,700	-	-	(9,700)	-
General Capital Reserve Fund	135,846	-	-	(135,846)	-
General Operating Reserve Fund	208,931	-	-	(208,931)	-
Transfer from the Water and Sewer Operating Fund					
to the Water and Sewer Capital Fund	-	72,609	-	(72,609)	-
to the Water and Sewer Operating Reserve Fund	-	7,500	-	(7,500)	-
to the Water and Sewer Capital Reserve Fund	-	65,817	-	(65,817)	-
Water and Sewer services	-	1,244,521	740,578	145,047	2,130,146
	10,670,611	1,815,494	2,728,680	(2,157,403)	13,057,382
Deficit	$ -	$ -	$ (2,728,680)	$ 1,909,063	$ (819,617)

22. REVENUES AND EXPENDITURES SUPPORT

	2018 (Unaudited) Budget	2018 Actual	2017 Actual
Revenues			
Services to other Governments			
Fire	$ 48,521	$ 43,001	$ 43,000
Transportation	110,317	110,163	110,669
Environment Development	19,566	19,007	19,182
Police	120,712	120,712	117,196
Rentals	358,784	396,815	401,458
Total - Services to other Governments	$ 657,900	$ 689,698	$ 691,505
Other government transfers			
Atlantic Canada Opportunities Agency	$ -	$ -	$ 160,000
Small Communities Fund	-	25,107	1,965,646
Regional Development Corporation	-	810,350	137,139
Gas Tax Fund	-	268,518	487,557
Department of Transportation	-	601,577	-
Clean Water and Wastewater Fund	25,827	24,426	204,859
Other projects	-	-	2,000
Environmental Project	-	-	2,649
Employment projects	47,652	95,826	144,852
Total - Other government transfers	$ 73,479	$ 1,825,804	$ 3,104,702
Expenditures			
General government services			
Legislative			
Mayor	$ 20,692	$ 20,567	$ 23,777
Councilors	73,263	72,951	71,989
Other	49,000	53,472	63,844
	142,955	146,990	159,610
Administrative			
Manager	134,156	134,768	131,965
Clerk	205,234	205,707	203,253
Accounting	237,380	274,294	211,947
Office building	337,802	343,130	334,741
Solicitor	30,000	32,952	21,322
Grants	81,600	77,781	92,807
Other	31,600	31,547	27,393
	1,057,772	1,100,179	1,023,428
Other			
Office expense	59,650	54,581	65,262
Delegations and training	14,000	5,629	13,045
Amortization	109,782	109,782	108,124
Interest	30,272	29,788	40,680
Cost of assessment	124,328	150,672	141,162
Other	-	4,470	(252)
	338,032	354,922	368,021
Total - General government services	$ 1,538,759	$ 1,602,091	$ 1,551,059

22. REVENUES AND EXPENDITURES SUPPORT (continued)

	2018		2017
	(Unaudited) Budget	Actual	Actual
Protective services			
Fire			
Administration	$ 47,986	$ 39,793	$ 38,011
Forces	20,000	34,236	21,544
Training	27,000	14,516	9,328
Station	40,712	41,877	37,994
Amortization	92,233	92,233	74,223
Interest	7,257	7,048	7,861
Supplies	67,100	69,207	61,790
Other	74,481	70,898	70,127
	376,769	369,808	320,878
Police			
Administration	263,821	265,441	529,534
Forces	1,574,520	1,583,954	1,422,552
Training	13,000	37,573	14,806
Station	75,500	78,994	76,801
Vehicles	46,000	51,666	47,734
Jail	20,000	13,889	14,800
Other	26,000	15,125	22,090
	2,018,841	2,046,642	2,128,317
Other			
Animal control	6,000	4,782	5,053
Total - Protective services	$ 2,401,610	$ 2,421,232	$ 2,454,248
Transportation services			
Common			
Administration	$ 834,807	$ 718,978	$ 718,749
General equipment	158,500	212,318	154,530
Workshop and sundry	155,900	153,259	128,123
	1,149,207	1,084,555	1,001,402
Street maintenance	269,500	398,707	318,616
Culverts	5,000	767	438
Snow removal	157,500	232,926	144,449
Street lighting	155,000	135,529	152,743
Traffic signals	5,000	3,853	2,605
Traffic lane marking	25,000	22,164	20,712
Amortization	742,633	742,633	704,601
Interest	120,021	121,164	114,491
Total - Transportation services	$ 2,628,861	$ 2,742,298	$ 2,460,057

22. REVENUES AND EXPENDITURES SUPPORT (continued)

	2018		2017
	(Unaudited) Budget	Actual	Actual
Environmental health services			
Collection	$ 276,500	$ 272,670	$ 273,016
Other	30	29	29
Total - Environmental health services	$ 276,530	$ 272,699	$ 273,045
Environmental development and tourism services			
Community planning	$ 429,596	$ 384,750	$ 391,965
Tourism promotion	537,178	537,677	534,706
Amortization	126,830	126,830	128,938
Interest	42,670	45,145	39,873
Community development	88,015	86,231	70,012
Total - Environmental development services	$ 1,224,289	$ 1,180,633	$ 1,165,494
Recreation and cultural services			
Administration	$ 548,542	$ 539,278	$ 530,913
Swimming pool	69,700	65,759	67,267
Arena	596,550	587,038	604,286
Golf	456,022	397,022	448,836
Parks and playgrounds	44,900	51,209	50,223
Sports Compexe	9,500	14,045	15,413
Tube lift	-	42,563	2,630
Splash park	-	4,156	-
Day camps	40,000	33,742	38,149
Library	31,934	31,424	27,598
Museum	4,000	9,519	4,076
Amortization	916,624	916,624	829,377
Interest	103,415	105,292	104,724
Other	36,000	28,081	41,630
Total - Recreation and cultural services	$ 2,857,187	$ 2,825,752	$ 2,765,122
Water and Sewer			
Water supply			
Administration	$ 353,541	$ 345,498	$ 323,556
Transmission and distribution	393,916	348,708	409,431
Amortization	477,165	477,165	460,502
Interest	122,127	118,865	126,994
Other	65,500	55,253	48,686
Total - Water supply	1,412,249	1,345,489	1,369,169
Sewer collection and disposal			
Administration	184,822	210,388	203,892
Collection system	257,242	245,716	196,257
Amortization	263,414	263,413	258,975
Interest	12,419	12,287	12,992
Total - Sewer collection and disposal	717,897	731,804	672,116
Total - Water and Sewer	$ 2,130,146	$ 2,077,293	$ 2,041,285