

GRAND FALLS

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2021

GRAND FALLS

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Year ended December 31, 2021

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INDEPENDANT AUDITORS' REPORT ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

To His Worship The Mayor
and Members of Council:

Opinion

The summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at December 31, 2021, the summary consolidated statements of operation, changes in net debt and cash flow for the year then ended, and related notes, are derived from the audited consolidated financial statements of Grand Falls for the year ended December 31, 2021.

In our opinion, the accompanying summary consolidated financial statements are a fair summary of the audited financial statements in accordance with criterias established by management.

Summary Consolidated Financial Statements

The summary consolidated financial statements do not contain all the disclosures required by the Canadian public sector accounting standards. Reading the summary consolidated financial statements and the auditors' report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditors's report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated May 10, 2022

Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with the criterias established by management. The criterias are to submit the consolidated financial statements mentioned above including the schedule for the reconciliation of the annual surplus and the statement of reserves but excluding all notes and other explanatory information.

Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are a fair summary of the audited consolidated financial statements based on our procedures which were conducted in accordance with Canadian Auditing Standards (CAS) 810, *Engagements to Report on Summary Financial Statements*.

Nadeau Picard & Associés, CPA

Nadeau Picard & Associés, CPA
Chartered Professional Accountants

Grand Falls, New Brunswick
May 10, 2022

GRAND FALLS
SUMMARY CONSOLIDATED STATEMENT OF OPERATION
Year ended December 31,

	<u>2021</u>		<u>2020</u>
	(Unaudited) Budget	Actual	Actual
REVENUES			
Property tax warrant	8 430 486 \$	8 430 486 \$	8 315 976 \$
Services provided to other governments	783 769	821 082	826 173
Sale of services, fines and other fees	951 075	932 568	720 799
Unconditional grant	812 433	854 945	809 664
Other government transfers	38 500	5 981 025	1 660 381
Water and sewer user fees	1 716 566	1 766 933	1 704 660
Interest	15 850	41 972	93 865
Donations & others	-	237 773	97 662
Gain (loss) on disposal of tangible capital assets	15 000	8 363	(470 717)
	<u>12 763 679</u>	<u>19 075 147</u>	<u>13 758 463</u>
EXPENDITURES			
General government services	1 650 034	1 698 920	1 657 155
Protective services	2 737 446	2 640 786	2 868 933
Transportation services	2 963 871	2 761 552	2 355 160
Environmental health services	351 117	341 998	316 428
Environmental development & tourism services	1 338 669	1 170 800	1 046 797
Recreational and cultural services	2 916 923	2 748 622	2 563 283
Water and sewer	2 352 064	2 142 073	2 125 131
	<u>14 310 124</u>	<u>13 504 751</u>	<u>12 932 887</u>
Annual surplus (deficit)	<u>(1 546 445) \$</u>	5 570 396	825 576
Accumulated surplus, beginning of year,		<u>40 217 388</u>	<u>39 391 812</u>
Accumulated surplus, end of year		<u>45 787 784 \$</u>	<u>40 217 388 \$</u>

GRAND FALLS
SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31,

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash	917 101 \$	178 740 \$
Cash - restricted	4 208 883	4 299 255
Receivables		
General	164 944	211 971
Federal government and its agencies	620 720	234 603
Province of New Brunswick	1 359 565	669 840
Note receivable	<u>116 500</u>	<u>233 000</u>
	<u>7 387 713</u>	<u>5 827 409</u>
LIABILITIES		
Bank overdraft	-	74 407
Bank loan	2 628 862	1 100 263
Payables and accruals	3 251 394	1 002 195
Unearned revenues - Gas Tax Fund	68 646	260 906
Long term debt	9 547 000	9 097 000
Accrued sick leave	1 273 025	1 273 025
Accrued retirement benefits	120 000	160 000
Post employment benefits	<u>317 300</u>	<u>530 700</u>
	<u>17 206 227</u>	<u>13 498 496</u>
NET DEBT	<u>(9 818 514)</u>	<u>(7 671 087)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	103 587 672	92 927 229
Accumulated amortization	<u>(48 423 141)</u>	<u>(45 685 747)</u>
	55 164 531	47 241 482
Inventory of supplies	424 202	631 066
Prepaid expenses	<u>17 565</u>	<u>15 927</u>
	<u>55 606 298</u>	<u>47 888 475</u>
ACCUMULATED SURPLUS	<u>45 787 784 \$</u>	<u>40 217 388 \$</u>

Approved by,

Mayor

Treasurer

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

	<u>2021</u>	<u>2020</u>
Annual surplus	5 570 396 \$	825 576 \$
Acquisition of tangible capital assets	(10 752 563)	(3 371 990)
Proceeds on disposal of tangible capital assets	10 377	371 232
Amortization of tangible capital assets	2 827 501	2 645 533
Loss (gain) on sale of tangible capital assets	(8 363)	470 717
	<u>(2 352 652)</u>	<u>941 068</u>
Acquisition of inventories	(424 202)	(631 066)
Acquisition of prepaid assets	(17 565)	(15 927)
Consumption of inventories	631 066	618 792
Use of prepaid assets	15 926	13 093
	<u>205 225</u>	<u>(15 108)</u>
Decrease (increase) in Net Debt	(2 147 427)	925 960
Net Debt, beginning of the year	<u>(7 671 087)</u>	<u>(8 597 047)</u>
Net Debt, end of the year	<u>(9 818 514) \$</u>	<u>(7 671 087) \$</u>

GRAND FALLS
SUMMARY CONSOLIDATED STATEMENT OF CASH FLOW
Year ended December 31

	<u>2021</u>	<u>2020</u>
(Indirect Method)		
Operation transactions		
Annual surplus	5 570 396 \$	825 576 \$
Items not affecting cash:		
Loss (gain) on disposal of tangible capital assets	(8 363)	470 717
Amortization of tangible capital assets	<u>2 827 501</u>	<u>2 645 533</u>
	<u>8 389 534</u>	<u>3 941 826</u>
Net changes in non-cash working capital items:		
Receivable - General	47 027	90 089
Receivable - Federal Government and its agencies	(386 117)	(109 406)
Receivable - Province of New Brunswick	(689 725)	(669 840)
Payables and accruals	2 249 199	(160 063)
Unearned revenues - Gas Tax Fund	(192 260)	(314 979)
Accrued sick leave	-	127 300
Accrued retirement benefits	(40 000)	(40 000)
Post employment benefits payable	(213 400)	(70 000)
Change in inventory/prepaid expenses	<u>205 225</u>	<u>(15 108)</u>
	<u>979 949</u>	<u>(1 162 007)</u>
	<u>9 369 483</u>	<u>2 779 819</u>
Capital transactions		
Acquisition of tangible capital assets	(10 752 563)	(3 371 990)
Proceeds on sale of tangible capital assets	<u>10 377</u>	<u>371 232</u>
	<u>(10 742 186)</u>	<u>(3 000 758)</u>
Financing transactions		
Bank loan	1 528 599	1 060 672
Additional financing	1 743 000	618 000
Long-term debt repayment	<u>(1 293 000)</u>	<u>(1 589 000)</u>
	<u>1 978 599</u>	<u>89 672</u>
Investing transactions		
Note receivable	116 500	(233 000)
Variation in investments	-	2 451 708
Variation in restricted cash	<u>90 372</u>	<u>(2 788 688)</u>
	<u>206 872</u>	<u>(569 980)</u>
Net increase (decrease) in cash and cash equivalents	812 768	(701 247)
Cash, beginning of year	<u>104 333</u>	<u>805 580</u>
Cash and cash equivalents, end of year	<u>917 101 \$</u>	<u>104 333 \$</u>

Cash and cash equivalents consist of cash and bank overdraft.

GRAND FALLS
NOTES TO SUMMARY CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021

1. 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
2021 annual surplus	2 011 967 \$	2 945 285 \$	369 648 \$	214 646 \$	4 311 \$	11 722 \$	625 \$	12 192 \$	5 570 396 \$
Adjustments to annual surplus for funding requirements									
Second previous year's surplus	25 963	-	26 600	-	-	-	-	-	52 563
Transfers between funds									
Transfer from water & sewer operating fund to the water capital fund	-	-	(61 783)	61 783	-	-	-	-	-
water & sewer capital reserve fund	-	-	(85 000)	-	-	-	-	85 000	-
Transfer from general operating fund to the general capital fund	(882 408)	882 408	-	-	-	-	-	-	-
water & sewer operating fund	(50 000)	-	50 000	-	-	-	-	-	-
Long-term debt principal repayment	(856 000)	856 000	(261 000)	261 000	-	-	-	-	-
Proceeds from disposal of tangible capital assets	8 252	(8 252)	2 125	(2 125)	-	-	-	-	-
Loss on disposal of tangible capital assets	(8 252)	8 252	(111)	111	-	-	-	-	-
Amortization expense	-	2 094 496	-	733 005	-	-	-	-	2 827 501
Reduction in amount recorded under PSAS for defined benefit liability	(234 214)	-	(19 186)	-	-	-	-	-	(253 400)
Total adjustments to 2021 annual surplus (deficit)	(1 996 659)	3 832 904	(348 355)	1 053 774	-	-	-	85 000	2 626 664
2021 annual funds surplus	15 308 \$	6 778 189 \$	21 293 \$	1 268 420 \$	4 311 \$	11 722 \$	625 \$	97 192 \$	8 197 060 \$

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NOTES TO SUMMARY CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2021

2. **STATEMENT OF RESERVES**

	General Operating Reserve	General Capital Reserve	Water & Sewer Operating Reserve	Water & Sewer Capital Reserve	2021 Total	2020 Total
<u>Assets</u>						
Cash	435 678 \$	1 766 200 \$	93 442 \$	1 844 918 \$	4 140 238 \$	4 038 349 \$
Receivable from Water & Sewer Operating Fund	-	-	-	85 000	85 000	45 000
Receivable from General Operating Fund	350	-	-	-	350	28 389
	436 028 \$	1 766 200 \$	93 442 \$	1 929 918 \$	4 225 588 \$	4 111 738 \$
<u>Revenues</u>						
Other revenues	1 400 \$	- \$	- \$	- \$	1 400 \$	700 \$
Transfers from Water & Sewer Operating Fund	-	-	-	85 000	85 000	45 000
Transfers from General Operating Fund	-	-	-	-	-	115 000
Interest	2 911	11 722	625	12 192	27 450	78 186
	4 311	11 722	625	97 192	113 850	238 886
<u>Expenditures</u>						
Transfers to General Operating Fund	-	-	-	-	-	86 613
	4 311 \$	11 722 \$	625 \$	97 192 \$	113 850 \$	152 273 \$