



Consolidated Financial Statements

Town of Shediac

December 31, 2024

Contents

	Page
Independent Auditors' Report	1, 2
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations and Accumulated Surplus	4
Consolidated Statement of Changes in Net Debt	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 17
Schedule 1: Consolidated Schedule of Revenues	18
Schedule 2: Consolidated Schedule of Expenditures	19 - 23
Schedule 3: Schedule of Segment Disclosure	24
Schedule 4: Schedule of Reserve Funds	25 - 26
Schedule 5: Schedule of Reconciliation of Annual Surplus	27
Schedule 6: Schedule of Operating and Capital Budgets to PSAB Budget	28

To His Worship the Mayor
and Members of Shediac Town Council

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Opinion

We have audited the consolidated financial statements of Town of Shediac (“the Town”), which comprise the consolidated financial position as at December 31, 2024, and the consolidated statement of operations, net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Town of Shediac as at December 31, 2024, and the results of its operations and its 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 Town 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 Matters

The Department of Environment and Local Government of New Brunswick has requested some additional disclosures based on the Municipal Financial Reporting Manual dated December 16, 2011. The Town has added notes 9, 10 and 11 and schedules 5, and 6 to their consolidated financial statements to comply with these requirements.

Responsibilities of Management and Those Charged with Governance for the Consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Town'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.

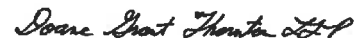
We also:

- 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 Town'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 Town'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 Town 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.

Moncton, Canada

May 5, 2025



Chartered Professional Accountants

Town of Shediac
Consolidated Statement of Financial Position

Year Ended December 31

2024

2023

Financial assets

Cash and cash equivalents	\$ 9,797,659	\$ 5,065,173
Receivables (Note 3)	6,018,379	3,106,483
Unamortized debenture discounts	135,570	105,687
	<u>15,951,608</u>	<u>8,277,343</u>

Liabilities

Bank loans (Note 4)	17,050,000	2,555,000
Payables and accruals (Note 5)	9,696,197	4,254,032
Long-term debt (Note 6)	15,859,000	12,018,000
	<u>42,605,197</u>	<u>18,827,032</u>

Net debt

	<u>(26,653,589)</u>	<u>(10,549,689)</u>
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Non-financial assets

Tangible capital assets (Note 8)	75,646,968	55,600,414
Inventory of supplies	19,668	19,668
Prepays	14,262	49,414
	<u>75,680,898</u>	<u>55,669,496</u>

Accumulated surplus

	<u>\$ 49,027,309</u>	<u>\$ 45,119,807</u>
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Commitments (Note 12)

On behalf of the Council

See accompanying notes and schedules to the consolidated financial statements.

Town of Shediac

Consolidated Statement of Operations and Accumulated Surplus

Year Ended December 31

2024

2023

	PSAB (Budget) (Page 28)	Actual	Actual
Revenues			
Warrant of assessment	\$ 19,777,745	\$ 19,777,745	\$ 16,248,723
Unconditional transfers from Provincial Government	107,119	107,119	142,826
Other contributions and government transfers (Page 18)	703,774	2,091,265	2,140,315
Other revenue from own sources (Page 18)	1,076,876	1,569,612	1,950,025
Water services	1,949,000	1,997,394	1,870,212
(Loss) gain on disposal of tangible capital assets	10,000	(5,027)	48,426
Interest	75,000	452,658	343,247
	<u>23,699,514</u>	<u>25,990,766</u>	<u>22,743,774</u>
Expenditures (Pages 19-23)			
General government services	2,977,641	3,730,449	2,835,953
Protection services	3,562,313	3,555,334	3,431,503
Transportation services	6,237,657	6,024,942	5,024,423
Environmental health and development services	4,119,286	4,101,438	3,310,819
Recreation and cultural services	4,063,379	3,678,947	3,119,651
Water services	979,578	992,154	1,344,745
	<u>21,939,854</u>	<u>22,083,264</u>	<u>19,067,094</u>
Annual surplus	\$ 1,759,660	3,907,502	3,676,680
Accumulated surplus, beginning of year		<u>45,119,807</u>	<u>41,443,127</u>
Accumulated surplus, end of year		<u>\$ 49,027,309</u>	<u>\$ 45,119,807</u>

See accompanying notes and schedules to the consolidated financial statements.

Town of Shediac Consolidated Statement of Changes in Net Debt

Year Ended December 31	Budget	2024	2023
Annual surplus	\$ 1,759,660	\$ 3,907,502	\$ 3,676,680
Acquisition of tangible capital assets	(27,686,474)	(23,377,565)	(6,506,876)
Proceeds on disposal of tangible capital assets	-	9,268	72,626
Amortization of tangible capital assets	3,316,716	3,316,716	2,905,170
Loss (gain) on sale of tangible capital assets	(10,000)	5,027	(48,426)
	<u>(24,379,758)</u>	<u>(20,046,554)</u>	<u>(3,577,506)</u>
Change in prepaid expenses	-	35,152	(41,524)
(Increase) decrease in net debt	(22,620,098)	(16,103,900)	57,650
Net debt, beginning of year	(10,549,689)	(10,549,689)	(10,607,339)
Net debt, end of year	\$ <u>(33,169,787)</u>	\$ <u>(26,653,589)</u>	\$ <u>(10,549,689)</u>

See accompanying notes and schedules to the consolidated financial statements.

Town of Shediac

Consolidated Statement of Cash Flows

Year Ended December 31

2024

2023

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

Operating activities

Annual surplus	\$ 3,907,502	\$ 3,676,680
Items not affecting cash:		
Amortization of tangible capital assets	3,316,716	2,905,170
Loss (gain) on sale of tangible capital assets	5,027	(48,426)
Changes in non-cash working capital:		
Change in receivables	(2,911,895)	2,340,848
Change in payables and accruals	5,442,165	(461,054)
Change in prepaid expenses	35,152	(41,523)
Change in debenture discounts	(29,884)	11,211
Net cash provided by operating activities	<u>9,764,783</u>	<u>8,382,906</u>

Capital activities

Acquisition of tangible capital assets	(23,377,565)	(6,506,876)
Proceeds on sale of tangible capital assets	9,268	72,626
Net cash used for capital activities	<u>(23,368,297)</u>	<u>(6,434,250)</u>

Financing activities

Repayment of long-term debt	(1,215,000)	(1,451,760)
Issuance of long-term debt	5,056,000	-
Issuance of bank loans	14,495,000	55,000
Net cash provided (used) for financing activities	<u>18,336,000</u>	<u>(1,396,760)</u>

Increase in cash and cash equivalents	4,732,486	551,896
Cash and cash equivalents at beginning of year	<u>5,065,173</u>	<u>4,513,277</u>
Cash and cash equivalents at end of year	<u>\$ 9,797,659</u>	<u>\$ 5,065,173</u>

See accompanying notes and schedules to the consolidated financial statements.

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2024

1. Nature of operations

The Corporation of the Town of Shediac (the "Town") is incorporated and operates under the provisions of the Province of New Brunswick Municipalities Act.

In 2023, the Town of Shediac amalgamated with the local service districts of Shediac Cape, Scoudouc Road, Pointe-du-Chêne and a portion of Scoudouc as part of the local governance reform.

2. Summary of significant accounting policies

The consolidated financial statements of the Corporation of the Town of Shediac are the representations of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Professional Accountants. The consolidated financial statements include the additional disclosure requirements by the Department of Environment and Local Government of New Brunswick. The Town has added notes 9, 10 and 11 and schedules 5 and 6 to comply with these requirements.

Management maintains a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirement, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

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

a) **Reporting entity**

These consolidated financial statements reflect the assets, liabilities, revenues, expenditures, changes in accumulated surplus and change in financial position of the reporting entity. The Town is comprised of all organizations accountable for the administration of their financial affairs and resources to the Town, and which are owned or controlled by the Town.

Inter-departmental and organizational transactions and balances are eliminated.

b) **Government transfers**

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Transfers are recognized as deferred revenue when transfer stipulations have not been met and revenue is recognized as the stipulations are settled.

c) **Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets for the year.

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2024

2. Summary of significant accounting policies (continued)

d) Revenue recognition

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

Government transfers are recognized as revenue in the period that the transfer is authorized, eligibility criteria, if any, have been met by the Town, and a reasonable estimate of the amount to be received can be made.

Fee and charge revenue for building permits and water are recorded on the accrual basis and recognized as earned which is usually when services are provided or facilities are utilized.

Other revenues are recorded when it is earned, and collection is reasonably assured.

e) i) Tangible capital assets

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

Asset type	Years
Buildings and leasehold improvements	20-40 years
Vehicles and equipment	5-20 years
Computer hardware & software	5-10 years
Land improvements	5-20 years
Roads, streets, sidewalks & culvert	10-60 years
Water buildings and leasehold improvements	30 years
Water systems	20-60 years

ii) Assets under construction

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

f) Inventories of materials and supplies

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

g) Cash and cash equivalents

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

h) Long-term debt

Long-term debt is recorded net of any related sinking fund balances. Debt service charges, including principal and interest, are charged against current revenue in the period in which they occur.

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2024

2. Summary of significant accounting policies (continued)

i) Employee future benefits

The Town allows a portion of unused sick benefits which have vested to be paid to employees upon retirement or resignation. The costs of these benefits are actuarially determined based on service and best estimate of retirement ages and expected future salary increases. The obligation under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits. The Town also provides continuation of unused sick banks which do not vest to be used during the employees' period of employment. The Town has concluded this is a non-significant balance and therefore has not recorded it.

j) Budget

The budget figures contained in these consolidated financial statements were approved by the Minister of Environment and Local Government on December 7, 2023.

k) Reserves and funds

Certain amounts, as approved by Town Council, are set aside in reserves and reserves funds for future operating and capital purposes. Transfers to and from reserves and reserve funds are recorded as an adjustment within accumulated surplus. Schedule 4 "Schedule of Reserve Funds" to the consolidated financial statements is included to show the reserve fund balances as supplementary information.

i. Operating funds

Operating Funds are established for general, and water operations of the Town. Operating Funds are used to record the costs associated with providing Town services.

ii. Capital funds

Capital Funds are established for general and water capital. Capital Funds track the acquisition cost of various capital assets and the financing of those assets, including related debt.

iii. Reserve funds

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

l) Segmented information

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

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2024

2. Summary of significant accounting policies (continued)

l) 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 and development services

This department is responsible for the provision of waste collection and disposal for planning and zoning, community development, tourism and other municipal development and promotion services.

Recreation and cultural services

This department is responsible for the maintenance and operation of recreational and cultural facilities, including the swimming pool, arena, parks and playgrounds and other recreational and cultural facilities.

Water systems

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

m) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Town:
 - is directly responsible; or
 - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

n) Use of estimates

The preparation of consolidated financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenditures during the reporting period. As such, actual results could differ from the estimates. Areas requiring the greatest degree of estimation include provision for future employee benefits, assessment of contingency liabilities, and allowance for doubtful accounts receivable.

o) Financial instruments

All financial instruments are recorded at their cost or amortized cost except for portfolio investments in equity instruments quoted in an active market and derivatives which are recorded at their fair value with unrealized remeasurement gains and losses recorded in the statement of remeasurement gains and losses. Once realized, remeasurement gains and losses are transferred to the statement of operations.

Transaction costs related to financial instruments measured at cost or amortized cost are added to the carrying value of the financial instrument. Transaction costs related to financial instruments recorded at their fair values are expensed as incurred.

Financial liabilities (or part of a financial liability) are removed from the statement of financial position when, and only when, they are discharged or cancelled or expire.

Town of Shediac
Notes to the Consolidated Financial Statements
December 31, 2024

2. Summary of significant accounting policies (continued)

p) **Asset retirement obligations**

A liability for an asset retirement obligation is recognized when all of the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is measured at the Town's best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date. The estimate includes costs directly attributable to the asset retirement activities. The costs also include post-retirement operation, maintenance and monitoring that are an integral part of the retirement of the tangible capital asset and the costs of tangible capital assets acquired as part of asset retirement activities to the extent those assets have no alternative use.

Upon initial recognition of the liability for an asset retirement obligation, the carrying amount of the corresponding tangible capital asset (or component thereof) is increased by the same amount. The capitalized asset retirement cost is expensed in a rational and systematic manner over the useful life of the tangible capital asset (or a component thereof). For obligations for which there is no tangible capital asset recognized or for tangible capital assets that are no longer in productive use, the asset retirement costs are expensed immediately. Subsequently, the liability is reviewed at each financial statement reporting date and adjusted for (1) changes as a result of the passage of time with corresponding accretion expense and (2) adjusted for any revisions to the timing, amount of the original estimate of undiscounted cash flows, or the discount rate. Adjustments to the liability as a result of revisions to the timing, amount of the estimate of undiscounted cash flows or the discount rate are adjusted to the cost of the related tangible capital asset and the revised carrying amount of the related tangible capital asset is amortized except for adjustments related to tangible capital assets that are not recognized or no longer in productive use, which are expensed in the period they are incurred.

The asset retirement costs are amortized over the remaining useful life of the related tangible capital asset.

A recovery related to asset retirement obligation is recognized when the recovery can be appropriately measured; reasonably estimated and it is expected that future economic benefits will be obtained. The recovery is not netted against the liability.

Town of Shediac
Notes to the Consolidated Financial Statements
December 31, 2024

3. Receivables	<u>2024</u>	<u>2023</u>
Accounts receivable	\$ 855,899	\$ 477,378
Water receivable	996,701	1,013,203
Capital receivable	3,259,085	1,387,547
Sales tax receivable	<u>906,694</u>	<u>228,355</u>
	<u>\$ 6,018,379</u>	<u>\$ 3,106,483</u>

4. Bank loans

The bank loans for capital purposes represent temporary financing of capital expenditures and will be replaced by debentures issued. The interest rates on these loans are at prime rate.

5. Payables and accruals	<u>2024</u>	<u>2023</u>
Accounts payable and accrued charges	\$ 3,011,944	\$ 2,202,843
Capital payables	6,333,301	1,724,758
Employee benefit obligations (Note 7)	300,600	287,042
Accrued interest on long-term debt	<u>50,352</u>	<u>39,389</u>
	<u>\$ 9,696,197</u>	<u>\$ 4,254,032</u>

Town of Shediac
Notes to the Consolidated Financial Statements
December 31, 2024

6. Long-term debt	<u>2024</u>	<u>2023</u>
<u>New Brunswick Municipal Financing Corporation</u>		
Debentures:		
BG22 1.65% - 3.8%, due 2027	\$ 441,000	\$ 489,000
BK15 1.15% - 4.15%, due 2029	358,000	460,000
BM21 .95% - 3.5%, due 2030	532,000	612,000
BN23 1.05% - 3.9%, due 2030	179,000	206,000
BO25 1.45% - 3.75%, due 2031	898,000	1,026,000
BP22 1.2% - 3.8%, due 2031	512,000	595,000
BO26 1.45% - 3.75%, due 2031	164,000	185,000
BQ22 1.20% - 3.55%, due 2032	220,000	276,000
BT20 2.10% - 3.7%, due 2038	5,152,000	5,552,000
BV19 2.00% - 3.35%, due 2029	740,000	878,000
BZ21 0.3% - 2.7%, due 2036	900,000	967,000
BZ22 0.3% - 2.7%, due 2036	707,000	772,000
CF09 4.15% - 4.91%, due 2039	3,662,000	-
CF10 4.15% - 4.91%, due 2039	694,000	-
CG21 3.29% - 4.46%, due 2034	700,000	-
	<u>\$ 15,859,000</u>	<u>\$ 12,018,000</u>

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

2025	\$ 1,477,000	2028	\$ 1,467,000
2026	1,523,000	2029	1,439,000
2027	1,812,000		

Approval of the Municipal Capital Borrowing Board has been obtained for the debenture debt reported and all the long-term debt has been approved by an Order-in-Council of the Provincial Legislature. At December 31, 2024, the Town has an approval to borrow an additional \$ 33,732,000.

Town of Shediac

Consolidated Statement Notes to the Financial Statements

December 31, 2024

7. Other post employment liabilities

The Town provides various groups of employees in accordance with applicable collective agreements the ability to accumulate sick bank benefits payable either upon retirement or resignation.

	<u>2024</u>	<u>2023</u>
Employee benefit obligations:		
Vested benefits	\$ 314,900	\$ 314,900
Unamortized actuary losses	<u>(14,300)</u>	<u>(27,858)</u>
Accrued employee benefit obligation	<u>\$ 300,600</u>	<u>\$ 287,042</u>
Accrued employee benefit obligation	\$ 300,600	\$ 287,042
Less funded amount	<u>(300,600)</u>	<u>(287,042)</u>
Vested benefits to be funded from future revenue	<u>\$ -</u>	<u>\$ -</u>
Benefit expense in the year	<u>\$ 21,444</u>	<u>\$ 14,000</u>

Vested benefits represent the Town's liability for future employee benefits including sick leave banks and lump sum retirement payments in the year of retirement or termination which are contractually required to be paid to an employee independent of his or her further employment.

The actuarial method used was the projected benefit method prorated on service to calculate the accrued benefit obligation. The valuation was based on a number of assumptions about future events, such as interest rates, wage and salary increases and employee turnover and retirement. The assumptions used reflect the Town's best estimates.

The following summarizes the major assumptions in the valuation:

- annual salary increase is 3% per annum;
- the discount rate used to determine the accrued benefit obligation is 4.25%;
- retirement age is 60; and
- estimated net excess utilization of rate of sick leave varies with age.

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

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2024

8. Tangible capital assets

	General Capital Assets						Water Assets			
	Land	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer, Hardware and Software	Land Improvements	Road, Streets, Sidewalks, Culverts	Land	Water Buildings and Leasehold Improvements	Water Systems	
Cost										
Opening cost	\$ 2,897,322	\$ 13,463,419	\$ 6,420,462	\$ 401,414	\$ 5,724,009	\$ 52,115,224	\$ 82,198	\$ 1,085,091	\$ 17,277,244	\$ 99,486,383
Additions	500,404	4,727,029	685,689	56,222	364,827	14,286,433	-	-	2,756,961	23,377,565
Disposals	14,295	-	-	-	-	-	-	-	-	14,295
Closing cost	3,383,431	18,210,448	7,106,151	457,636	6,088,836	66,401,657	82,198	1,085,091	20,034,205	122,849,653
Accumulated amortization										
Opening accumulated amortization	-	5,466,574	3,676,134	225,655	3,507,183	23,868,237	-	884,009	6,236,177	43,885,969
Amortization	-	469,361	445,767	36,841	431,242	1,410,075	-	22,481	500,949	3,316,716
Disposals	-	-	-	-	-	-	-	-	-	-
Closing accumulated-amortization	-	5,937,935	4,121,901	262,496	3,938,425	25,298,312	-	906,490	6,737,126	47,202,685
Asset net book value	\$ 3,383,431	\$ 12,272,513	\$ 2,984,250	\$ 195,140	\$ 2,150,411	\$ 41,103,345	\$ 82,198	\$ 178,601	\$ 13,297,079	\$ 75,646,968
										\$ 55,600,414

Town of Shediac
Consolidated Statement Notes to the Financial Statements
December 31, 2024

9. Short-term borrowings compliance

Operating borrowing

As prescribed in the *Municipalities Act*, borrowing to finance General Fund operations is limited to 5% of the Municipality's operating budget. Borrowing to finance water services is limited to 50% of the operating budget for the year. In 2024, the Town has complied with these restrictions.

Inter-fund borrowing

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

10. Water Services surplus/deficit

The *Municipalities Act* requires Water Services Fund surplus/deficit amounts to be absorbed into one or more of four operating budgets commencing with the second next ensuring year: the balance of the surplus/deficit at the end of the year consists of:

	<u>2024</u>	<u>2023</u>
2024 Surplus	\$ 216,432	\$ -
2023 Surplus	94,442	94,442
2022 Surplus	<u>96,350</u>	<u>96,350</u>
	<u>\$ 407,224</u>	<u>\$ 190,792</u>

11. Water cost transfer

The Town'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.

12. Commitments

The Town has lease commitments until 2028 for the rental of equipment, and office space. The balance of the commitments under such leases excluding property taxes and other escalator clauses is \$1,887,431. Minimum payments payable over the next four years are as follows:

2025	\$465,992	2027	\$473,813
2026	\$469,902	2028	\$477,724

13. Pension plan

The Town has a contributory pension plan for its employees and its share of the pension plan contributions for 2024 were \$225,258 (2023 - \$186,350).

Town of Shediac

Consolidated Statement Notes to the Financial Statements

December 31, 2024

14. Financial instruments

The Town is exposed to various risks through its financial instruments. The following analysis provides a measure of the Town's risk exposures at December 31, 2024.

Credit risk:

Credit risk is the risk of financial loss to the Town if a debtor fails to discharge their obligation (e.g., pay the accounts receivable owing to the Town). The Town is exposed to this risk arising from its cash and cash equivalents and receivables. The Town holds its cash accounts with a federally regulated chartered bank who is insured by the Canadian Deposit Insurance Corporation. Receivables are primarily due from government, corporations and individuals. Credit risk is mitigated by the highly diversified nature of the debtors and other customers. The Town measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the Town's historical experience regarding collections. In the current and prior years, all of the impairment allowance related to the accounts receivable and water receivable. There were no changes in exposures to credit risk during the period.

Liquidity risk:

Liquidity risk is the risk that the Town will not be able to meet all cash outflow obligations as they come due. The Town mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and available line of credit. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Town is mainly exposed to interest rate risk.

Interest rate risk is the potential for financial loss caused by fluctuations in the fair value or future cash flows of financial instruments because of changes in market interest rates. The Town is exposed to this risk through its interest-bearing debt. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk

Town of Shediac

Schedule 1: Consolidated Schedule of Revenues

Year ended December 31	2024	2024	2023
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Other contributions and government transfers			
Provincial government	\$ 36,500	\$ 1,757,628	\$ 1,534,407
Gas tax program	667,274	333,637	605,908
	<u>\$ 703,774</u>	<u>\$ 2,091,265</u>	<u>\$ 2,140,315</u>
Other revenue from own sources			
Firefighting services	\$ 145,000	\$ 183,564	\$ 138,599
Recreation	66,500	38,072	30,871
Arena	215,000	248,949	274,245
Multipurpose centre	166,000	140,510	184,851
Licenses and permits	1,000	468	488
Building permits	250,000	480,710	662,457
Road maintenance	54,000	71,314	66,365
Rent	35,000	33,867	37,161
Allocation for green space	-	-	-
Sundry	144,376	372,158	554,988
	<u>\$ 1,076,876</u>	<u>\$ 1,569,612</u>	<u>\$ 1,950,025</u>

Town of Shediac

Schedule 2: Consolidated Schedule of Expenditures

Year Ended December 31

2024

2024

2023

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General government services			
Legislative			
Mayor	\$ 68,114	\$ 68,275	\$ 67,043
Mayor – other	7,500	7,431	7,663
Councilors	286,600	276,745	278,334
Councilors – other	18,000	16,418	11,135
Development seminars	20,000	25,955	20,059
Other	45,000	47,101	44,672
	<u>445,214</u>	<u>441,925</u>	<u>428,906</u>
Administrative			
Salaries and fringe benefits	900,400	838,618	753,432
Traveling expenses – Town manager	10,000	7,164	10,946
Building – rent and maintenance	458,000	961,131	357,795
Equipment rental	5,400	4,485	4,498
Telecommunications	20,000	18,027	20,322
External audit	40,000	92,444	90,816
Legal and other professional fees	150,000	178,368	265,283
Computer systems	75,000	116,325	56,276
Advertising and promotion	12,500	8,992	19,815
Association fees	25,000	24,234	26,523
Office and postage expenses	35,000	49,376	33,081
Cost of assessment	350,286	350,286	294,087
Simultaneous translation	25,000	47,901	47,611
	<u>2,106,586</u>	<u>2,697,351</u>	<u>1,980,485</u>
Other general government services			
Public liability insurance	110,000	109,391	109,275
Grant	90,000	172,806	53,765
By-law	84,500	91,868	122,517
Human resources	58,300	101,049	68,869
Property taxes	16,900	19,134	18,309
Bond discounts	9,000	7,986	8,768
Bank charges	20,300	38,861	19,463
Bad debts	-	13,237	-
	<u>389,000</u>	<u>554,332</u>	<u>400,966</u>
Amortization	<u>36,841</u>	<u>36,841</u>	<u>25,596</u>
	<u>\$ 2,977,641</u>	<u>\$ 3,730,449</u>	<u>\$ 2,835,953</u>

Town of Shediac

Schedule 2: Consolidated Schedule of Expenditures (continued)

Year Ended December 31

2024

2024

2023

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Protection services			
Police			
Contract	\$ 2,745,250	\$ 2,758,906	\$ 2,678,549
Sundry	13,228	27,426	10,188
	<u>2,758,478</u>	<u>2,786,332</u>	<u>2,688,737</u>
Fire			
Vehicles	56,800	66,682	58,782
Firefighting association	-	-	32,700
Fees	160,992	163,376	124,236
Firefighting equipment	32,000	27,835	21,146
Vaccine	1,000	-	-
Garment	25,000	19,839	21,749
Travel	4,500	858	-
Fire prevention	3,300	1,209	1,469
Salaries and fringe benefits	167,900	159,595	166,554
Fire alarm system	38,500	40,283	33,399
Workers compensation and group insurance	29,000	18,130	25,587
Training	9,500	8,450	2,591
Sundry	8,000	6,595	5,910
Building – repair and maintenance	66,900	62,357	57,905
	<u>603,392</u>	<u>575,209</u>	<u>552,029</u>
Other protection services			
Animal and pest control	60,145	58,736	46,430
Emergency and safety measures	10,000	1,336	4,357
	<u>70,145</u>	<u>60,072</u>	<u>50,787</u>
Interest on bonds	<u>12,348</u>	<u>15,771</u>	<u>21,688</u>
Amortization	<u>117,950</u>	<u>117,950</u>	<u>118,262</u>
	<u>\$ 3,562,313</u>	<u>\$ 3,555,334</u>	<u>\$ 3,431,503</u>

Town of Shediac

Schedule 2: Consolidated Schedule of Expenditures (continued)

Year Ended December 31	2024	2024	2023
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Transportation services			
Common services			
Salaries and fringe benefits	\$ 1,495,300	\$ 1,178,629	\$ 1,164,353
Overtime	131,000	181,006	181,961
General supplies			
Gas and oil	135,000	105,407	102,452
Repair and maintenance	160,000	188,035	164,848
Insurance and licenses	35,000	42,771	31,817
Shop, yard and building			
Repair and maintenance	71,000	96,282	93,647
Heat and light	48,500	46,500	42,579
Municipal taxes, sewer and insurance	77,000	68,355	65,597
Communication services	8,000	15,408	10,556
Engineering services	500,000	365,561	114,744
	<u>2,660,800</u>	<u>2,287,954</u>	<u>1,972,554</u>
Road transportation			
Roads and streets	770,000	786,991	582,898
Snow and ice removal	121,000	132,802	100,543
Street lighting	341,625	351,642	345,293
Traffic services	117,000	117,507	75,170
	<u>1,349,625</u>	<u>1,388,942</u>	<u>1,103,904</u>
Interest			
Interest on short-term borrowing	65,850	186,664	173,253
Interest on bonds	369,968	369,968	299,739
	<u>435,818</u>	<u>556,632</u>	<u>472,992</u>
Amortization	1,791,414	1,791,414	1,474,973
	<u>\$ 6,237,657</u>	<u>\$ 6,024,942</u>	<u>\$ 5,024,423</u>
Environmental health and development services			
Environmental health services			
Garbage and waste collection	\$ 582,700	\$ 874,237	\$ 597,967
Solid waste disposal WASWC	240,300	240,294	232,746
	<u>823,000</u>	<u>1,114,531</u>	<u>830,713</u>
Environmental development services			
Town planning	591,200	599,027	551,284
Economic development	1,303,000	1,268,815	798,334
Salaries and fringe benefits	547,486	478,699	378,472
Tourism and municipal development	770,140	586,394	708,535
Pascal Poirier Historical House	56,710	29,120	24,068
Former train station	27,750	24,852	19,413
	<u>3,296,286</u>	<u>2,986,907</u>	<u>2,480,106</u>
	<u>\$ 4,119,286</u>	<u>\$ 4,101,438</u>	<u>\$ 3,310,819</u>

Town of Shediac
Schedule 2: Consolidated Schedule of Expenditures (continued)

Year Ended December 31	2024	2024	2023
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Recreation and cultural services			
Arena			
Salaries and fringe benefits	\$ 228,514	\$ 245,462	\$ 203,840
Buildings			
Property taxes and insurance	17,600	16,937	15,949
Electricity	126,300	140,742	132,375
General maintenance	145,500	152,267	140,313
Advertising	-	-	26,870
	<u>517,914</u>	<u>555,408</u>	<u>519,347</u>
Parks and playgrounds			
Salaries and fringe benefits	150,000	150,022	110,281
Professional fees	150,000	87,819	37,945
Equipment maintenance	55,700	86,383	66,050
Parks and playground maintenance	318,950	253,127	148,284
Building – repair and maintenance	5,500	4,200	5,776
	<u>680,150</u>	<u>581,551</u>	<u>368,336</u>
Community services			
Salaries and fringe benefits	452,000	468,869	344,203
Multipurpose Centre	676,100	491,540	476,694
Conventions	5,000	12,768	9,370
Advertising and promotion	130,000	24,710	24,090
Activities	103,500	81,979	84,793
Special events	532,300	493,198	379,241
	<u>1,898,900</u>	<u>1,573,064</u>	<u>1,318,391</u>
Library	34,050	32,324	28,059
Community Center Pointe du Chene	70,000	69,998	65,495
Interest			
Interest on bonds	15,283	19,520	15,830
Amortization	<u>847,082</u>	<u>847,082</u>	<u>804,193</u>
	<u>\$ 4,063,379</u>	<u>\$ 3,678,947</u>	<u>\$ 3,119,651</u>

Town of Shediac**Schedule 2: Consolidated Schedule of Expenditures (continued)**

Year Ended December 31

2024**2024****2023**

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Water services			
Electricity	\$ 117,500	\$ 127,369	\$ 105,834
Amortization	523,430	523,430	482,145
Repairs and maintenance	139,000	115,021	286,013
Interest on long-term debt	47,703	64,925	52,906
Bond discounts	2,445	2,210	2,445
Interim financing	20,000	1,493	-
Engineering services	15,000	18,052	13,081
Sundry	43,000	46,959	36,720
Water testing	15,000	17,904	22,815
Insurance	41,500	40,116	37,396
Economic development	-	34,675	295,390
Bad debts	15,000	-	10,000
	<u>\$ 979,578</u>	<u>\$ 992,154</u>	<u>\$ 1,344,745</u>

Town of Shediac Schedule 3: Schedule of Segment Disclosure December 31, 2024

	General Government	Protection	Transportation	Environmental Health & Development	Recreation and cultural	Water Services	2024 Consolidated	2023 Consolidated
Revenues								
Property tax warrant*	\$ 6,381,311	\$ 3,473,204	\$ 3,381,610	\$ 4,171,208	\$ 2,370,412	\$ -	\$ 19,777,745	\$ 16,248,723
Other revenue from own sources	304,293	183,564	71,314	504,523	461,573	44,345	1,569,612	1,950,025
Unconditional transfers from Province								
Government*	34,563	18,811	18,315	22,592	12,838	-	107,119	142,826
Gain (loss) on disposal of capital assets	-	-	(5,027)	-	-	-	(5,027)	48,426
Other contributions and government transfers	-	-	1,986,630	-	104,635	-	2,091,265	2,140,315
Water user fees	-	-	-	-	-	1,997,394	1,997,394	1,870,212
Interest	-	-	-	-	170,974	281,684	452,658	343,247
	<u>6,720,167</u>	<u>3,675,579</u>	<u>5,452,842</u>	<u>4,698,323</u>	<u>3,120,432</u>	<u>2,323,423</u>	<u>25,990,766</u>	<u>22,743,774</u>
Expenses								
Salaries and benefits	998,761	322,971	1,359,635	478,699	864,353	-	4,024,419	4,345,333
Goods and services	2,694,847	3,096,642	2,317,261	3,622,739	1,947,992	400,096	14,081,577	11,250,730
Amortization	36,841	117,950	1,791,414	-	847,082	523,430	3,316,717	2,905,170
Interest	-	15,771	556,632	-	19,520	68,628	660,551	565,861
	<u>3,730,449</u>	<u>3,555,334</u>	<u>6,024,942</u>	<u>4,101,438</u>	<u>3,678,947</u>	<u>992,154</u>	<u>22,083,264</u>	<u>19,087,094</u>
Surplus (deficit) for the year	\$ 2,989,718	\$ 120,245	\$ (572,100)	\$ 596,885	\$ (558,515)	\$ 1,331,269	\$ 3,907,502	\$ 3,676,680

*The property tax warrant and the unconditional transfers from Provincial Government have been allocated based on budgeted expenditures.

Town of Shediac Schedule 4: Schedule of Reserve Funds

December 31, 2024

	General Operating Reserve	General Capital Reserve	Water Operating Reserve	Water Capital Reserve	2024 Total	2023 Total
Accumulated surplus, beginning of year	\$ 675,530	\$ 2,928,013	\$ 104,747	\$ 1,600,311	\$ 5,308,601	\$ 4,052,693
Transfers to/from Water and General Operating Funds						
Allocation from General Operating Fund	300,000	500,000	-	-	800,000	1,050,000
Allocation to General Capital Fund	-	(508,500)	-	-	(508,500)	(312,202)
Allocation to Water Capital Fund	-	-	-	-	-	(192,929)
Allocation from Water Operating Fund	-	-	-	1,000,000	1,000,000	500,000
Allocation from Developers	-	-	-	-	-	-
	<u>300,000</u>	<u>(8,500)</u>	<u>-</u>	<u>1,000,000</u>	<u>1,291,500</u>	<u>1,044,869</u>
Interest	35,207	152,732	5,459	82,012	275,410	211,039
	<u>35,207</u>	<u>152,732</u>	<u>5,459</u>	<u>82,012</u>	<u>275,410</u>	<u>211,039</u>
Annual surplus	335,207	144,232	5,459	1,082,012	1,566,910	1,255,908
Accumulated surplus, end of year	<u>\$ 1,010,737</u>	<u>\$ 3,072,245</u>	<u>\$ 110,206</u>	<u>\$ 2,682,323</u>	<u>\$ 6,875,511</u>	<u>\$ 5,308,601</u>

Town of Shediac
Schedule 4: Schedule of Reserve Funds (continued)

December 31, 2024

Council Resolutions regarding transfers to and from reserves:

Moved by Councillor Bertin, seconded by Councillor Boudreau - BE IT RESOLVED THAT Council mandate the Administration to proceed with the purchase of the property with PID 01055748 situated on Lino Road at a cost of \$258,500.00 for future development purposes. The funds will be drawn from the General Capital Reserve Fund.

I hereby certify that the above are true and exact copies of resolutions adopted at a regular meeting of Council on November 6, 2023.

Moved by Councillor Cormier, seconded by Councillor Boudreau - BE IT THEREFORE RESOLVED that Council agree to purchase a portion of PID 00975144 (exact dimensions to be determined) from the Legion at a cost of 250,000\$. BE IT FURTHER RESOLVED that these funds be drawn from the General Capital Reserve Fund.

I hereby certify that the above are true and exact copies of resolutions adopted at a regular meeting of Council on November 27, 2023.

Moved by Councillor Despres, seconded by Councillor Bertin - BE IT RESOLVED THAT \$500,000.00 be transferred to the Capital Reserve Fund, including \$200,000 for Economic Development. These funds will come from the General Operating Fund. BE IT ALSO RESOLVED THAT \$300,000.00 be transferred to the Operating Reserve Fund. These funds will come from the General Operating Fund.

I hereby certify that the above are true and exact copies of resolutions adopted at a regular meeting of Council on December 16, 2024.

Moved by Councillor Bertin, seconded by Councillor Gallant - BE IT RESOLVED THAT \$1,000,000 be transferred to the Capital Utility Reserve Fund. These funds will come from the Utility Operating Fund.

I hereby certify that the above are true and exact copies of resolutions adopted at a regular meeting of Council on December 16, 2024.



Town of Shediac Schedule 5: Schedule of Reconciliation of Annual Surplus

December 31, 2024

	General		General		Water		Water		2024	
	Operating Fund	Capital Fund	Operating Fund	Capital Fund	Operating Fund	Capital Fund	Operating Fund	Capital Fund	Operating Fund	Capital Fund
2024 annual fund surplus ¹	\$ 51,551	\$ 5,132,925	\$ 335,207	\$ 144,231	\$ 216,432	\$ 409,320	\$ 5,459	\$ 1,082,012	\$ 7,377,137	
Adjustment to annual surplus for funding requirements										
Second previous year's surplus	(42,274)	-	-	-	(96,350)	-	-	-	(138,624)	
Long-term debt principal repayment - general	935,000	(935,000)	-	-	-	-	-	-	-	
Long-term debt principal repayment - water	-	-	-	-	348,628	(348,628)	-	-	-	
Amortization of tangible assets	-	(2,793,286)	-	-	-	(523,430)	-	-	(3,316,716)	
Proceed on sale of capital assets	(9,268)	-	-	-	-	-	-	-	(9,268)	
Loss on disposal of capital assets	(5,027)	-	-	-	-	-	-	-	(5,027)	
Capital expenditures paid out of operating funds	1,815,294	(1,701,622)	-	-	-	(113,672)	-	-	-	
Total adjustments to 2024 annual surplus	2,693,725	(5,429,908)	-	-	252,278	(985,730)	-	-	(3,469,635)	
2024 annual surplus per PSAB for the year	\$ 2,745,276	\$ (296,983)	\$ 335,207	\$ 144,232	\$ 468,709	\$ (576,410)	\$ 5,459	\$ 1,082,012	\$ 3,907,502	

¹ The annual fund surplus includes all of the interfund transfers.

Town of Shediac

Schedule 6: Schedule of Operating and Capital Budgets to PSAB Budget

December 31, 2024

	Operating Budget General	Operating Budget Water	Capital Fund Budget	Reallocation of interest	Amortization & adjustments	Transfers	2024 Total
Revenue							
Province of New Brunswick:							
Warrant for property taxes	\$ 19,777,745	-	-	-	-	-	19,777,745
Unconditional grant	107,119	-	-	-	-	-	107,119
Other revenue from own sources	1,051,876	25,000	-	-	-	-	1,076,876
Other contributions and government transfers	36,500	-	667,274	-	-	-	703,774
Water rates	-	1,949,000	-	-	-	-	1,949,000
Recovery from water operating fund	556,500	-	-	-	-	(556,500)	-
Water supply for fire protection	-	205,000	-	-	-	(205,000)	-
Gain on disposal of tangible capital assets	10,000	-	-	-	-	-	10,000
Interest	42,274	96,350	-	-	-	-	75,000
Second previous year's surplus	21,582,014	2,350,350	667,274	-	-	(900,124)	23,699,514
	2,940,800	-	-	12,348	36,841	-	2,977,641
Expenditure							
General government services	3,637,015	-	-	435,818	117,950	(205,000)	3,562,313
Protective services	4,010,425	-	-	-	1,791,414	-	6,237,657
Transportation services	4,119,286	-	-	-	-	-	4,119,286
Environmental health & development services	3,201,014	-	-	15,283	847,082	-	4,063,379
Recreation and cultural services	-	-	-	70,148	523,430	-	979,578
Water services	386,000	-	-	-	-	-	-
Fiscal services	935,000	280,000	-	-	-	(1,215,000)	-
Long-term debt repayments	463,449	70,148	-	(533,597)	-	-	-
Interest	2,075,000	-	-	-	-	-	-
Transfers from the General Operating Fund	-	-	-	-	-	-	-
Transfer to the General Operating Fund	-	556,500	-	-	-	(2,075,000)	-
Transfers from the Operating Water Fund	-	1,057,081	-	-	-	(556,500)	-
Transfers to the General Capital Reserve Fund	200,025	-	-	-	-	(1,057,081)	-
Transfers to the Water Capital Reserve Fund	-	621	-	-	-	(200,025)	-
	21,582,014	2,350,350	667,274	-	3,316,717	(5,309,227)	21,939,854
Surplus (deficit) for the year	\$ -	\$ -	\$ 667,274	\$ -	\$ (3,316,717)	\$ 4,409,103	\$ 1,759,660