



Consolidated Financial Statements

Town of Shediac

December 31, 2023

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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, 2023, 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, 2023, 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.

Emphasis of matter – restated comparative information

We draw your attention to note 14 of the consolidated financial statements which describes that certain comparative information presented for the year ended December 31, 2022 have been restated. Our opinion is not modified in respect of this matter.

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 21, 2024

Grant Thornton LLP

Chartered Professional Accountants

Town of Shediac
Consolidated Statement of Financial Position

Year Ended December 31

2023

2022
 (restated)
 (Note 14)

Financial assets

Cash and cash equivalents	\$ 5,065,173	\$ 4,513,277
Receivables (Note 3)	3,106,483	5,447,331
Unamortized debenture discounts	105,687	116,899
	<u>8,277,343</u>	<u>10,077,507</u>

Liabilities

Bank loans (Note 4)	2,555,000	2,500,000
Payables and accruals (Note 5)	4,254,032	4,715,086
Long-term debt (Note 6)	12,018,000	13,469,760
	<u>18,827,032</u>	<u>20,684,846</u>

Net debt

	<u>(10,549,689)</u>	<u>(10,607,339)</u>
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Non-financial assets



Tangible capital assets (Note 8)	55,600,414	52,022,908
Inventory of supplies	19,668	19,668
Prepays	49,414	7,890
	<u>55,669,496</u>	<u>52,050,466</u>

Accumulated surplus

	<u>\$ 45,119,807</u>	<u>\$ 41,443,127</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

2023

2022
(restated)
(Note 14)

	PSAB (Budget) (Page 30)	Actual	Actual
Revenues			
Warrant of assessment	\$ 16,248,723	\$ 16,248,723	\$ 11,733,744
Unconditional transfers from Provincial Government	142,826	142,826	155,040
Other contributions and government transfers (Page 19)	526,964	2,140,315	4,576,643
Other revenue from own sources (Page 19)	1,100,632	1,950,025	1,447,184
Water services	1,768,644	1,870,212	1,725,396
Gain on disposal of tangible capital assets	10,000	48,426	1,623
Interest	75,000	343,247	279,491
	<u>19,872,789</u>	<u>22,743,774</u>	<u>19,919,121</u>
Expenditures (Pages 20-24)			
General government services	2,804,065	2,835,953	2,036,621
Protection services	3,492,758	3,431,503	2,236,708
Transportation services	4,913,294	5,024,423	4,166,486
Environmental health and development services	3,874,413	3,310,819	2,979,847
Recreation and cultural services	3,149,714	3,119,651	2,653,574
Water services	930,029	1,344,745	856,400
	<u>19,164,273</u>	<u>19,067,094</u>	<u>14,929,636</u>
Annual surplus	<u>\$ 708,516</u>	<u>3,676,680</u>	4,989,485
Accumulated surplus, beginning of year – as previously stated		37,751,760	36,453,642
Restated comparative information (Note 14)		<u>3,691,367</u>	-
Accumulated surplus, beginning of year – as restated		<u>41,443,127</u>	36,453,642
Accumulated surplus, end of year		<u>\$ 45,119,807</u>	<u>\$ 41,443,127</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	2023	2022 (restated) (Note 14)
Annual surplus	\$ 708,516	\$ 3,676,680	\$ 4,989,485
Acquisition of tangible capital assets	(2,182,000)	(6,506,876)	(8,090,510)
Proceeds on disposal of tangible capital assets	-	72,626	55,272
Amortization of tangible capital assets	2,905,170	2,905,170	2,702,008
Gain on sale of tangible capital assets	<u>(10,000)</u>	<u>(48,426)</u>	<u>(1,623)</u>
	<u>713,170</u>	<u>(3,577,506)</u>	<u>(5,334,853)</u>
Change in prepaid expenses	<u>-</u>	<u>(41,524)</u>	<u>(2,794)</u>
Decrease (increase) in net debt	1,421,686	57,650	(348,162)
Net debt, beginning of year	<u>(10,607,339)</u>	<u>(10,607,339)</u>	<u>(10,259,177)</u>
Net debt, end of year	<u>\$ (9,185,653)</u>	<u>\$ (10,549,689)</u>	<u>\$ (10,607,339)</u>

See accompanying notes and schedules to the consolidated financial statements.

Town of Shediac

Consolidated Statement of Cash Flows

Year Ended December 31

2023

2022
(restated)
(Note 14)

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

Operating activities

Annual surplus	\$ 3,676,680	\$ 4,989,485
Items not affecting cash:		
Amortization of tangible capital assets	2,905,170	2,702,008
Gain on sale of tangible capital assets	(48,426)	(1,623)
Changes in non-cash working capital:		
Change in receivables	2,340,848	(3,144,673)
Change in payables and accruals	(461,054)	1,345,075
Change in prepaid expenses	(41,523)	(2,794)
Change in debenture discounts	11,211	12,449
Net cash provided by operating activities	<u>8,382,906</u>	<u>5,899,927</u>

Capital activities

Acquisition of tangible capital assets	(6,506,876)	(8,090,510)
Proceeds on sale of tangible capital assets	72,626	55,272
Net cash used for capital activities	<u>(6,434,250)</u>	<u>(8,035,238)</u>

Financing activities

Repayment of long-term debt	(1,451,760)	(1,430,000)
Issuance of bank loans	55,000	2,500,000
Net cash provided for financing activities	<u>(1,396,760)</u>	<u>1,070,000</u>

(Decrease) increase in cash and cash equivalents	551,896	(1,065,311)
Cash and cash equivalents at beginning of year	<u>4,513,277</u>	<u>5,578,588</u>
Cash and cash equivalents at end of year	<u>\$ 5,065,173</u>	<u>\$ 4,513,277</u>

See accompanying notes and schedules to the consolidated financial statements.

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2023

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. The 2023 consolidated financial statements include assets, liabilities, accumulated surplus, revenues and expenses of the amalgamated local services districts. There were no tangible capital assets acquired as part of the local government reform. The operating budgets for 2023 which were approved by the Province of New Brunswick include the amalgamated local service districts.

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, 2023

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, 2023

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 13, 2022.

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, 2023

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, 2023

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.

q) Adoption of new standards

Asset retirement obligations:

Effective January 1, 2023, the Town adopted new Public Sector Accounting Standard Section PS 3280 Asset Retirement Obligations (ARO) which recognizes legal obligations associated with the retirement of tangible capital assets. As this standard includes solid waste landfill sites active and post-closing obligations, upon adoption of this new standard, existing Section PS 3270 Solid Waste Landfill Closure and Post-Closure Liability was withdrawn. The financial statements of the comparative year have not been restated to reflect this change in the accounting policy, which has been applied prospectively. Under the prospective application method, all ARO incurred before and after the transition date need to be recognized/adjusted in accordance with the standard. For those tangible capital assets in productive use, there would be a related increase in the carrying amount of the related tangible capital asset by the same amount; for those tangible capital assets no longer in productive use, an expense would be recognized for the same amount as the liability.

As a result of the adoption of this new accounting policy, the Town did not make any adjustments in the financial statements.

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2023

2. Summary of significant accounting policies (continued)

q) Adoption of new standards (continued)

Financial instruments

Effective January 1, 2023, the Town adopted new Public Sector Accounting Standards Sections PS 3450 Financial Instruments along with the related amendments. New Section PS 3450 requires the fair value measurement of derivatives and portfolio investments in equities quoted in an active market. All other financial assets and liabilities are measured at cost or amortized cost (using the effective interest method), or, by policy choice, at fair value when the entity defines and implements a risk management or investment strategy to manage and evaluate the performance of a group of financial assets, financial liabilities or both on a fair value basis. The measurement requirements were applied prospectively. The recognition, derecognition, and measurement policies followed in the comparative period were not reversed and the comparative figures have not been restated. The Town elected to account for embedded derivatives required to be reported in accordance with the Section on a prospective basis.

As a result of the adoption of this new accounting policy, the Town did not make any adjustments in the financial statements.

3. Receivables	<u>2023</u>	<u>2022</u>
Accounts receivable	\$ 477,378	\$ 378,721
Water receivable	1,013,203	723,434
Capital receivable	1,387,547	4,131,889
Sales tax receivable	<u>228,355</u>	<u>213,287</u>
	<u>\$ 3,106,483</u>	<u>\$ 5,447,331</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>2023</u>	<u>2022</u>
Accounts payable and accrued charges	\$ 2,202,843	\$ 1,723,195
Capital payables	1,724,758	2,504,293
Employee benefit obligations (Note 7)	287,042	444,680
Accrued interest on long-term debt	<u>39,389</u>	<u>42,918</u>
	<u>\$ 4,254,032</u>	<u>\$ 4,715,086</u>

Town of Shediac
Notes to the Consolidated Financial Statements
December 31, 2023

6. Long-term debt	<u>2023</u>	<u>2022</u>
<u>New Brunswick Municipal Financing Corporation</u>		
Debentures:		
BG22 1.65% - 3.8%, due 2027	\$ 489,000	\$ 536,000
BI23 1.35% - 4%, due 2023	-	100,000
BK15 1.15% - 4.15%, due 2029	460,000	558,000
BM21 .95% - 3.5%, due 2030	612,000	690,000
BN23 1.05% - 3.9%, due 2030	206,000	232,000
BO25 1.45% - 3.75%, due 2031	1,026,000	1,150,000
BP22 1.2% - 3.8%, due 2031	595,000	675,000
BI24 1.35% - 4%, due 2023	-	27,000
BQ26 1.45% - 3.75%, due 2031	185,000	205,000
BQ22 1.20% - 3.55%, due 2032	276,000	331,000
BT20 2.10% - 3.7%, due 2038	5,552,000	5,938,000
BV19 2.00% - 3.35%, due 2029	878,000	1,013,000
BZ21 0.3% - 2.7%, due 2036	967,000	1,034,000
BZ22 0.3% - 2.7%, due 2036	772,000	836,000
	<u>12,018,000</u>	<u>13,325,000</u>
<u>608402 NB Ltd.</u>		
Loan payable, 0%, repayable as per agreement based on development	-	144,760
	<u>\$ 12,018,000</u>	<u>\$ 13,469,760</u>

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

2024	\$ 1,215,000	2027	\$ 1,518,000
2025	1,207,000	2028	1,162,000
2026	1,241,000		

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, 2023, the Town has an approval to borrow an additional \$28,511,000.

Town of Shediac

Consolidated Statement Notes to the Financial Statements

December 31, 2023

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>2023</u>	<u>2022</u>
Employee benefit obligations:		
Vested benefits	\$ 314,900	\$ 494,743
Unamortized actuary losses	<u>(27,858)</u>	<u>(50,063)</u>
Accrued employee benefit obligation	<u>\$ 287,042</u>	<u>\$ 444,680</u>
Accrued employee benefit obligation	\$ 287,042	\$ 444,680
Less funded amount	<u>(287,042)</u>	<u>(444,680)</u>
Vested benefits to be funded from future revenue	<u>\$ -</u>	<u>\$ -</u>
Benefit expense in the year	<u>\$ 14,000</u>	<u>\$ 46,900</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 3.00% 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, 2023

8. Tangible capital assets

	General Capital Assets						Water Assets			2023	2022 (restated) Note 14
	Land	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer, Hardware and Software	Land Improvements	Road, Streets, Sidewalks, Culverts	Land	Buildings and Leasehold Improvements	Water Systems		
Cost											
Opening cost	\$ 2,911,522	\$ 13,353,676	\$ 5,027,577	\$ 296,852	\$ 5,279,536	\$ 48,254,073	\$ 76,662	\$ 1,085,091	\$ 15,696,230	\$ 92,981,649	\$ 85,011,634
Additions	10,000	129,743	392,485	104,552	444,473	3,836,093	5,516	-	1,581,014	6,506,876	8,090,510
Disposals	24,200	-	-	-	-	-	-	-	-	24,200	120,495
Closing cost	2,897,322	13,483,419	6,420,062	401,414	5,724,009	52,093,166	82,198	1,085,091	17,277,244	99,464,325	92,981,649
Accumulated amortization											
Opening accumulated amortization	-	5,005,540	3,289,894	200,059	3,104,045	22,721,162	-	861,528	5,776,513	40,956,741	38,323,579
Amortization	-	463,033	386,240	25,596	403,138	1,145,018	-	22,481	459,064	2,905,170	2,702,008
Disposals	-	-	-	-	-	-	-	-	-	-	66,846
Closing accumulated amortization	-	5,468,574	3,676,134	225,655	3,507,183	23,866,180	-	884,009	6,236,177	43,863,911	40,958,741
Asset net book value	\$ 2,897,322	\$ 8,014,845	\$ 2,744,328	\$ 175,759	\$ 2,216,826	\$ 28,226,986	\$ 82,198	\$ 201,082	\$ 11,041,067	\$ 55,600,414	\$ 52,022,908

Town of Shediac

Consolidated Statement Notes to the Financial Statements

December 31, 2023

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 2023, 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>2023</u>	<u>2022</u>
2023 Surplus	\$ 94,442	\$ -
2022 Surplus	96,350	96,350
2021 Surplus	<u>582,597</u>	<u>582,597</u>
	<u>\$ 773,389</u>	<u>\$ 678,947</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 \$2,315,176. Minimum payments payable over the next five years are as follows:

2024	\$	466,752	2027	\$	462,106
2025	\$	462,106	2028	\$	462,106
2026	\$	462,106			

13. Pension plan

The Town has a contributory pension plan for its employees and its share of the pension plan contributions for 2023 were \$186,350 (2022 - \$159,980).

Town of Shediac

Consolidated Statement Notes to the Financial Statements

December 31, 2023

14. Restated comparative information

The Town of Shediac determined that a government transfer received in fiscal 2022 for the purchase of tangible capital assets was recorded as a reduction of the related tangible capital asset instead of being recorded as other contributions and government transfers revenue.

As a result, other contributions and government transfers revenue, tangible capital assets and accumulated surplus for the year ended December 31, 2022 were not recorded correctly. The Town corrected these errors by restating these figures in the 2022 column of the consolidated financial statements.

The impact on the consolidated statement of financial position at December 31, 2022 is as follows:

	Amount previously reported	Correction	Restated amount
Non-financial assets			
Tangible capital assets	\$ 48,331,540	\$ 3,691,367	\$ 52,022,908
Accumulated surplus	37,751,760	3,691,367	41,443,127

The impact on the consolidated statement of operations and accumulated surplus ending on December 31, 2022 is as follows:

	Amount previously reported	Correction	Restated amount
Revenues			
Other contributions and government transfers	\$ 885,276	\$ 3,691,367	\$ 4,576,643
Annual surplus	1,298,118	3,691,367	4,989,485
Accumulated surplus	37,751,760	3,691,367	41,443,127

Town of Shediac

Consolidated Statement Notes to the Financial Statements

December 31, 2023

15. 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, 2023.

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

2023

2023

2022
(restated)
(Note 14)

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Other contributions and government transfers			
Provincial government	\$ 26,000	\$ 1,534,407	\$ 4,096,553
Gas tax program	500,964	605,908	480,090
	<u>\$ 526,964</u>	<u>\$ 2,140,315</u>	<u>\$ 4,576,643</u>
Other revenue from own sources			
Firefighting services	\$ 138,171	\$ 138,599	\$ 341,643
Recreation	56,500	30,871	76,665
Arena	229,200	274,245	226,215
Multipurpose centre	135,000	184,851	134,026
Licenses and permits	1,000	488	580
Building permits	287,082	662,457	427,197
Road maintenance	54,000	66,365	54,064
Rent	41,800	37,161	31,202
Allocation for green space	-	-	8,720
Sundry	157,879	554,988	146,871
	<u>\$ 1,100,632</u>	<u>\$ 1,950,025</u>	<u>\$ 1,447,183</u>

Town of Shediac

Schedule 2: Consolidated Schedule of Expenditures

Year Ended December 31	2023	2023	2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General government services			
Legislative			
Mayor	\$ 65,494	\$ 67,043	\$ 22,119
Mayor – other	-	7,663	15,210
Councilors	275,588	278,334	84,251
Councilors – other	-	11,135	47,434
Development seminars	20,000	20,059	29,258
Other	45,000	44,672	20,114
	<u>406,082</u>	<u>428,906</u>	<u>218,386</u>
Administrative			
Salaries and fringe benefits	946,885	753,432	641,308
Traveling expenses – Town manager	10,000	10,946	8,648
Building – rent and maintenance	358,000	357,795	357,795
Equipment rental	5,400	4,498	4,077
Telecommunications	20,000	20,322	25,467
External audit	35,000	90,816	35,830
Legal and other professional fees	146,560	265,283	96,105
Computer systems	75,000	56,276	37,358
Advertising and promotion	12,250	19,815	7,383
Association fees	20,000	26,523	18,323
Office and postage expenses	35,000	33,081	27,163
Cost of assessment	294,087	294,087	157,791
Simultaneous translation	25,000	47,611	15,504
	<u>1,983,182</u>	<u>1,980,485</u>	<u>1,432,752</u>
Other general government services			
Public liability insurance	125,000	109,275	87,079
Grant	73,575	53,765	94,030
By-law	82,500	122,517	59,251
Human resources	61,300	68,869	55,583
Property taxes	16,830	18,309	16,533
Bond discounts	10,000	8,768	9,806
Bank charges	20,000	19,463	20,360
Bad debts	-	-	29,413
	<u>389,205</u>	<u>400,966</u>	<u>372,055</u>
Amortization	25,596	25,596	13,428
	<u>\$ 2,804,065</u>	<u>\$ 2,835,953</u>	<u>\$ 2,036,621</u>

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

Year Ended December 31	2023	2023	2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Protection services			
Police			
Contract	\$ 2,678,250	\$ 2,678,549	\$ 1,498,240
Sundry	13,000	10,188	9,063
	<u>2,691,250</u>	<u>2,688,737</u>	<u>1,507,303</u>
Fire			
Vehicles	47,000	58,782	51,010
Firefighting association	32,700	32,700	32,700
Fees	122,100	124,236	120,619
Firefighting equipment	31,600	21,146	28,716
Vaccine	1,000	-	-
Garment	25,000	21,749	20,173
Travel	4,500	-	14
Fire prevention	3,300	1,469	-
Salaries and fringe benefits	163,063	166,554	157,029
Fire alarm system	55,500	33,399	21,996
Workers compensation and group insurance	28,500	25,587	22,837
Training	9,500	2,591	6,654
Sundry	2,500	5,910	5,562
Building – repair and maintenance	64,340	57,906	57,595
	<u>590,603</u>	<u>552,029</u>	<u>524,905</u>
Other protection services			
Animal and pest control	59,995	46,430	45,150
Emergency and safety measures	10,960	4,357	18,491
	<u>70,955</u>	<u>50,787</u>	<u>63,641</u>
Interest on bonds	<u>21,688</u>	<u>21,688</u>	<u>17,706</u>
Amortization	<u>118,262</u>	<u>118,262</u>	<u>123,153</u>
	<u>\$ 3,492,758</u>	<u>\$ 3,431,503</u>	<u>\$ 2,236,708</u>

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

Year Ended December 31	2023	2023	2022
	Budget	Actual	Actual
Transportation services			
Common services			
Salaries and fringe benefits	\$ 1,216,237	\$ 1,164,353	\$ 855,158
Overtime	127,200	181,961	169,771
General supplies			
Gas and oil	135,000	102,452	121,900
Repair and maintenance	115,500	164,848	135,124
Insurance and licenses	36,500	31,817	32,052
Shop, yard and building			
Repair and maintenance	56,000	93,647	85,834
Heat and light	48,500	42,579	42,347
Municipal taxes, sewer and insurance	69,800	65,597	63,504
Communication services	8,000	10,556	7,474
Engineering services	50,000	114,744	110,026
	<u>1,862,737</u>	<u>1,972,554</u>	<u>1,623,190</u>
Road transportation			
Roads and streets	620,000	582,898	434,310
Snow and ice removal	121,000	100,543	114,571
Street lighting	334,750	345,293	194,330
Traffic services	97,000	75,170	63,056
	<u>1,172,750</u>	<u>1,103,904</u>	<u>806,267</u>
Interest			
Interest on short-term borrowing	103,095	173,253	27,691
Interest on bonds	299,739	299,739	321,013
	<u>402,834</u>	<u>472,992</u>	<u>348,704</u>
Amortization	<u>1,474,973</u>	<u>1,474,973</u>	<u>1,388,325</u>
	<u>\$ 4,913,294</u>	<u>\$ 5,024,423</u>	<u>\$ 4,166,486</u>
Environmental health and development services			
Environmental health services			
Garbage and waste collection	\$ 565,534	\$ 597,967	\$ 272,835
Solid waste disposal WASWC	232,746	232,746	131,493
	<u>798,280</u>	<u>830,713</u>	<u>404,328</u>
Environmental development services			
Town planning	532,362	551,284	253,161
Economic development	809,456	798,334	1,394,184
Salaries and fringe benefits	496,515	378,472	284,502
Tourism and municipal development	1,181,800	708,535	594,328
Pascal Poirier Historical House	33,500	24,068	23,889
Former train station	22,500	19,413	25,655
	<u>3,076,133</u>	<u>2,480,106</u>	<u>2,575,519</u>
	<u>\$ 3,874,413</u>	<u>\$ 3,310,819</u>	<u>\$ 2,979,847</u>

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

Year Ended December 31	2023	2023	2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Recreation and cultural services			
Arena			
Salaries and fringe benefits	\$ 128,200	\$ 203,840	\$ 151,051
Buildings			
Property taxes and insurance	12,450	15,949	12,250
Electricity	124,000	132,375	121,317
General maintenance	84,700	140,313	89,368
Advertising	-	26,870	-
	<u>349,350</u>	<u>519,347</u>	<u>373,986</u>
Parks and playgrounds			
Salaries and fringe benefits	88,500	110,281	122,679
Professional fees	130,000	37,945	19,711
Equipment maintenance	52,000	66,050	53,019
Parks and playground maintenance	163,400	148,284	124,778
Building – repair and maintenance	5,500	5,776	5,797
	<u>439,400</u>	<u>368,336</u>	<u>325,984</u>
Community services			
Salaries and fringe benefits	441,488	344,203	317,966
Multipurpose Centre	463,375	476,694	447,328
Conventions	9,000	9,370	7,981
Advertising and promotion	36,000	24,090	37,098
Activities	105,000	84,793	77,186
Special events	387,041	379,241	272,085
	<u>1,441,904</u>	<u>1,318,391</u>	<u>1,159,644</u>
Library	32,855	28,059	28,151
Community Center Pointe du Chene	66,182	65,495	-
Interest			
Interest on bonds	15,830	15,830	27,357
Amortization	<u>804,193</u>	<u>804,193</u>	<u>738,452</u>
	<u>\$ 3,149,714</u>	<u>\$ 3,119,651</u>	<u>\$ 2,653,574</u>

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

Year Ended December 31	2023	2023	2022
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Water services			
Electricity	\$ 115,500	\$ 105,834	\$ 105,769
Amortization	482,145	482,145	438,650
Repairs and maintenance	161,000	286,013	92,942
Interest on long-term debt	53,341	52,906	58,850
Bond discounts	2,643	2,445	2,643
Interim financing	20,000	-	-
Engineering services	15,000	13,081	20,811
Sundry	35,000	36,720	29,702
Water testing	15,000	22,815	15,070
Insurance	20,400	37,396	19,098
Economic development	-	295,390	-
Bad debts	10,000	10,000	72,865
	<u>\$ 930,029</u>	<u>\$ 1,344,745</u>	<u>\$ 856,400</u>

Town of Shediac
Schedule 3: Schedule of Segment Disclosure
December 31, 2023

	General Government	Protection	Transportation	Environmental Health & Development	Recreation and cultural	Water Services	2023 Consolidated	2022 Consolidated (restated) (Note 14)
Revenues								
Property tax warrant*	\$ 5,058,439	\$ 3,389,840	\$ 2,420,213	\$ 3,670,071	\$ 1,710,160	\$ -	\$ 16,248,723	\$ 11,733,744
Other revenue from own sources	327,564	139,229	69,971	662,454	527,755	223,052	1,950,025	1,447,184
Unconditional transfers from Province Government*	44,464	29,797	21,274	32,260	15,031	-	142,826	155,040
Gain (loss) on disposal of capital assets	-	-	48,426	-	-	-	48,426	1,623
Other contributions and government transfers	-	-	1,984,504	-	22,719	133,092	2,140,315	4,576,643
Water user fees	-	-	-	-	-	1,870,212	1,870,212	1,725,396
Interest	-	-	-	-	151,615	191,632	343,247	279,491
	<u>5,430,467</u>	<u>3,558,866</u>	<u>4,544,388</u>	<u>4,364,785</u>	<u>2,427,280</u>	<u>2,417,988</u>	<u>22,743,774</u>	<u>19,919,121</u>
Expenses								
Salaries and benefits	1,219,911	323,490	1,346,107	594,438	861,387	-	4,345,333	3,435,655
Goods and services	1,580,446	2,988,063	1,730,350	2,716,381	1,438,241	807,249	11,250,730	8,336,713
Amortization	25,596	116,262	1,474,974	-	804,193	482,145	2,905,170	2,702,008
Interest	-	21,688	472,992	-	15,830	55,351	565,861	455,260
	<u>2,835,953</u>	<u>3,431,503</u>	<u>5,024,423</u>	<u>3,310,819</u>	<u>3,119,651</u>	<u>1,344,745</u>	<u>19,067,094</u>	<u>14,929,636</u>
Surplus for the year	<u>\$ 2,594,514</u>	<u>\$ 127,363</u>	<u>\$ (480,035)</u>	<u>\$ 1,053,966</u>	<u>\$ (692,371)</u>	<u>\$ 1,073,243</u>	<u>\$ 3,676,680</u>	<u>\$ 4,989,485</u>

*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, 2023

	General Operating Reserve	General Capital Reserve	Water Operating Reserve	Water Capital Reserve	2023 Total	2022 Total
Accumulated surplus, beginning of year	\$ 642,217	\$ 2,264,842	\$ 99,582	\$ 1,046,052	\$ 4,052,693	\$ 3,796,751
Transfers to/from Water and General Operating Funds						
Allocation from General Operating Fund	-	1,050,000	-	-	1,050,000	170,000
Allocation to General Capital Fund	-	(312,202)	-	-	(312,202)	-
Allocation to Water Operating Fund	-	(192,929)	-	-	(192,929)	-
Allocation from Water Operating Fund	-	-	-	500,000	500,000	-
	-	544,869	-	500,000	1,044,869	170,000
Interest	33,313	118,302	5,165	54,259	211,039	77,222
Allocation for green spaces	-	-	-	-	-	8,720
	33,313	118,302	5,165	54,259	211,039	85,942
Annual surplus (deficit)	33,313	663,171	5,165	554,259	1,255,908	255,942
Accumulated surplus, end of year	\$ 675,530	\$ 2,928,013	\$ 104,747	\$ 1,600,311	\$ 5,308,601	\$ 4,052,693

Town of Shediac

Schedule 4: Schedule of Reserve Funds

December 31, 2023

Council Resolutions regarding transfers to and from reserves:

Moved by Councillor Boudreau, seconded by Councillor Bourque-Chevarie that the Town of Shediac pay for the portion of the sanitary piping to allow for the developments (Domaine des Faisans and Domaine Beauséjour) planned for 2023 as well as the engineering services associated with this work. The work will take place on parcels PID 01075233, 00000003 (Bellevue Heights) and 70195110 at a cost of \$219,860.00 + HST. Engineering services are valued at \$32,979.00 plus HST. The work will be done to the standards of the Town of Shediac and the Greater Shediac Sewerage Commission. The total funds required are \$252,839.00 + HST and these funds will come from the Capital Reserve Fund.

I hereby certify that the above are true and exact copies of resolutions adopted at a regular meeting of Council on April 11, 2023.

Moved by Councillor Cormier, seconded by Councillor Collette-Boudreau to award the engineering work for the Breaux-Bridge Extension – Phase 1 at a value of \$260,224.86 Net HST included to EXP Services Inc. This project includes the extension of Breaux-Bridge St. to Bellevue Heights St., and the reconstruction of Bellevue Heights St. from that point to Main St. The Greater Shediac Sewerage Commission 11 (GSSC) will be responsible to reimburse the Town for 5% of this fee. The Design Phase services with a value of \$123,306.72 Net HST included will be drawn from the General Capital Reserve Fund. The remaining amount will be drawn from the project construction funding source.

I hereby certify that the above are true and exact copies of resolutions adopted at a regular meeting of Council on June 26, 2023.

Moved by Councillor Despres, seconded by Councillor Collette-Boudreau that Council agree to reimburse LMD Construction the maximum sum of \$185,000 plus HST to bring a sanitary sewer line from Robert Street to the westerly property line of their property (PID 70555453). The costs associated to this sanitary sewer line include the construction costs, the legal and surveying costs as well as the cost to obtain a municipal services easement between Robert Street and LMD Construction's property on properties owned by AML Homes (PIDs 70691134 and 70691142). 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 Collette-Boudreau that the sum of \$200,000 from the 2023 budget be transferred for economic development purposes to the General Capital Reserve Fund as stipulated in Section 4(1) of Regulation 97-145 and as specified in Section 7(1) of Regulation, the subsequent use of this amount to be made only by resolution of Council.

Moved by Councillor Despres, seconded by Cormier that the sum of \$850,000 from the 2023 budget be transferred to the Capital Reserve Fund as stipulated in Section 4(1) of Regulation 97-145 and as specified in Section 7(1) of said Regulation, the subsequent use of this amount to be made only by resolution of Council

Moved by Councillor Gallant, seconded by Councillor Boudreau that the sum of \$500,000 from the 2023 budget be transferred to the Water Capital Reserve Fund as stipulated in section 4(1) of Regulation 97-145 and as specified in section 7(1) of said Regulation, the subsequent use of this amount to be made only by resolution of Council.

I hereby certify that the above are true and exact copies of resolutions adopted at a regular meeting of Council on December 18, 2023.

Victor Boudreau
General Manager
Town of Shediac

Town of Shediac
Schedule 5: Schedule of Reconciliation of Annual Surplus
December 31, 2023

	General Operating Fund	General Capital Fund	General Operating Reserve Fund	General Capital Reserve Fund	Water Operating Fund	Water Capital Fund	Water Operating Reserve Fund	Water Capital Reserve Fund	2023 Total All Fund
2023 annual fund surplus (deficit) ¹	\$ 791,232	\$ 3,913,130	\$ 33,312	\$ 663,172	\$ 94,442	\$ 1,486,807	\$ 5,165	\$ 554,259	\$ 7,541,519
Adjustment to annual surplus (deficit) for funding requirements									
Second previous year's surplus	(352,872)	-	-	-	(582,597)	-	-	-	(935,469)
Long-term debt principal repayment - general	1,006,000	(1,006,000)	-	-	-	-	-	-	-
Long-term debt principal repayment - water	-	-	-	-	301,000	(301,000)	-	-	-
Amortization of tangible assets	-	(2,423,020)	-	-	-	(482,150)	-	-	(2,905,170)
Proceed on sale of capital assets	(72,626)	-	-	-	-	-	-	-	(72,626)
Gain on disposal of capital assets	-	48,426	-	-	-	-	-	-	48,426
Capital expenditures paid out of operating funds	610,424	(610,424)	-	-	907,955	(907,955)	-	-	-
Total adjustments to 2023 annual surplus	1,190,926	(3,991,018)	-	-	626,358	(1,691,105)	-	-	(3,864,840)
2023 annual surplus per PSAB for the year	\$ 1,982,158	\$ (77,888)	\$ 33,312	\$ 663,172	\$ 720,800	\$ (204,298)	\$ 5,165	\$ 554,259	\$ 3,676,680

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, 2023

	Operating Budget General	Operating Budget Water	Capital Fund Budget	Reallocation of Interest	Amortization & adjustments	Transfers	2023 Total
Revenue							
Province of New Brunswick:							
Warrant for property taxes	\$ 16,248,723	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,248,723
Unconditional grant	142,826	-	-	-	-	-	142,826
Other revenue from own sources	1,080,632	20,000	-	-	-	-	1,100,632
Other contributions and government transfers	26,000	-	500,964	-	-	-	526,964
Water rates	-	1,768,644	-	-	-	-	1,768,644
Recovery from water operating fund	540,000	-	-	-	-	(540,000)	-
Water supply for fire protection	-	205,000	-	-	-	(205,000)	-
Gain on disposal of tangible capital assets	10,000	-	-	-	-	-	10,000
Interest	-	75,000	-	-	-	-	75,000
Second previous year's surplus	352,872	582,596	-	-	-	(935,468)	-
	18,401,053	2,651,240	500,964	-	-	(1,680,468)	19,872,789
Expenditure							
General government services	2,778,469	-	-	-	25,596	-	2,804,065
Protective services	3,557,808	-	-	21,688	118,262	(205,000)	3,492,758
Transportation services	3,035,487	-	-	402,834	1,474,973	-	4,913,294
Environmental health & development services	3,874,413	-	-	-	-	-	3,874,413
Recreation and cultural services	2,329,691	-	-	15,830	804,193	-	3,149,714
Water services	-	371,900	-	75,984	482,145	-	930,029
Fiscal services							
Long-term debt repayments	1,006,000	301,000	-	-	-	(1,307,000)	-
Interest	440,352	75,984	-	(516,336)	-	-	-
Transfers from the General Operating Fund	907,000	-	-	-	-	(907,000)	-
Transfer to the General Operating Fund	-	540,000	-	-	-	(540,000)	-
Transfer from the Operating Water Fund	-	1,275,000	-	-	-	(1,275,000)	-
Transfer to the General Capital Reserve Fund	471,833	-	-	-	-	(471,833)	-
Transfer to the Water Capital Reserve Fund	-	87,356	-	-	-	(87,356)	-
	18,401,053	2,651,240	-	-	2,905,170	(4,793,189)	19,164,273
Surplus (deficit) for the year	\$ -	\$ -	\$ 500,964	\$ -	\$ (2,905,170)	\$ 3,112,721	\$ 708,516