



Consolidated Financial Statements

Town of Shediac

December 31, 2015

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Independent auditor's report

Grant Thornton LLP
Suite 500
633 rue Main Street, PO Box 1005
Moncton, NB
E1C 8P2
T +1 506 857 0100
F +1 506 857 0105
www.GrantThornton.ca

To his Worship the Mayor And Members of the Town of Shediac Town Council

We have audited the accompanying consolidated financial statements of the Town of Shediac, which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town of Shediac as at December 31, 2015, and the consolidated results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

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.

Moncton, Canada
April 25, 2016



Chartered Professional Accountants

Town of Shediac

Consolidated Statement of Financial Position

Year Ended December 31

2015

2014

Financial assets

Cash and cash equivalents	\$ 3,605,278	\$ 2,904,960
Receivables (Note 3)	920,844	649,634
Mortgage receivable	-	40,790
Unamortized debenture discounts	<u>60,108</u>	<u>57,471</u>
	<u>4,586,230</u>	<u>3,652,855</u>

Liabilities

Bank loans (Note 4)	2,340,000	1,115,000
Payables and accruals (Note 5)	1,513,786	1,359,361
Long-term debt (Note 6)	<u>7,043,760</u>	<u>6,433,760</u>
	<u>10,897,546</u>	<u>8,908,121</u>

Net debt

<u>(6,311,316)</u>	<u>(5,255,266)</u>
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Non-financial assets

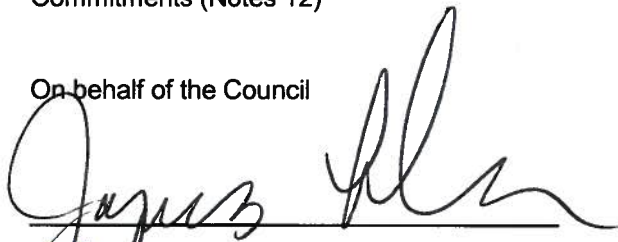
Tangible capital assets (Note 8)	28,477,217	26,701,885
Security deposit	-	75,000
Inventory of supplies	19,668	19,668
Prepays	<u>17,852</u>	<u>17,103</u>
	<u>28,514,737</u>	<u>26,813,656</u>

Accumulated surplus

\$ 22,203,421	\$ 21,558,390
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Commitments (Notes 12)

On behalf of the Council


 Mayor


 Treasurer

See accompanying notes and schedules to the consolidated financial statements.

Town of Shediac**Consolidated Statement of Operations and Accumulated Surplus**

Year Ended December 31

2015**2014**

	PSAB (Budget) (Page 26)	<u>Actual</u>	<u>Actual</u>
Revenue			
Warrant of assessment	\$ 9,047,992	\$ 9,047,992	\$ 8,677,301
Unconditional transfers from Provincial Government	235,480	235,480	297,457
Other contributions and government transfers (Page 17)	-	381,397	61,300
Other revenue from own sources (Page 17)	949,179	1,012,128	1,120,989
Water services	1,416,477	1,454,475	1,399,411
(Loss) Gain on disposal of tangible capital assets	25,000	(7,792)	21,627
Interest	25,000	107,237	87,411
	<u>11,699,128</u>	<u>12,230,917</u>	<u>11,665,496</u>
Expenditures (Pages 18-22)			
General government services	1,870,737	1,821,319	1,789,616
Protection services	1,781,546	1,748,018	1,765,154
Transportation services	3,377,713	3,316,302	2,956,188
Environmental health and development services	1,598,807	1,587,445	1,363,226
Recreation and cultural services	2,343,291	2,418,672	2,264,386
Water services	770,659	694,130	645,301
	<u>11,742,753</u>	<u>11,585,886</u>	<u>10,783,871</u>
Annual surplus (deficit)	\$ <u>(43,625)</u>	645,031	881,625
Accumulated surplus, beginning of year		<u>21,558,390</u>	<u>20,676,765</u>
Accumulated surplus, end of year		\$ <u>22,203,421</u>	\$ <u>21,558,390</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

2015

2014

	2015	2014
Annual surplus	\$ 645,031	\$ 881,625
Acquisition of tangible capital assets	(3,890,345)	(3,296,596)
Proceeds on disposal of tangible capital assets	32,684	48,324
Amortization of tangible capital assets	2,074,537	1,992,985
Loss (gain) on sale of tangible capital assets	7,792	(21,627)
	<u>(1,775,332)</u>	<u>(1,276,914)</u>
Change in security deposit	75,000	-
Change in prepaid expenses	(749)	7,875
	<u>74,251</u>	<u>7,875</u>
Increase in net debt	(1,056,050)	(387,414)
Net debt, beginning of year	<u>(5,255,266)</u>	<u>(4,867,852)</u>
Net debt, end of year	<u>\$ (6,311,316)</u>	<u>\$ (5,255,266)</u>

See accompanying notes and schedules to the consolidated financial statements.

Town of Shediac

Consolidated Statement of Cash Flows

Year Ended December 31

2015

2014

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

Operating activities

Annual surplus	\$ 645,031	\$ 881,625
Items not affecting cash:		
Amortization of tangible capital assets	2,074,537	1,992,985
Loss (gain) on sale of tangible capital assets	7,792	(21,627)
Changes in non-cash working capital:		
Change in receivables	(271,210)	(62,492)
Change in payables and accruals	154,425	51,610
Change in mortgage receivable	40,790	20,742
Change in security deposit	75,000	-
Change in prepaid expenses	(749)	7,875
Change in debenture discounts	(2,637)	(1,887)
Net cash provided by operating activities	<u>2,722,979</u>	<u>2,868,831</u>

Capital activities

Acquisition of tangible capital assets	(3,890,345)	(3,296,596)
Proceeds on sale of tangible capital assets	32,684	48,324
Net cash used for capital activities	<u>(3,857,661)</u>	<u>(3,248,272)</u>

Financing activities

Issuance of long-term debt	1,600,000	1,260,000
Issuance (repayment) of bank loans	1,225,000	(310,000)
Repayment of long-term debt	(990,000)	(1,060,000)
Net cash used for financing activities	<u>1,835,000</u>	<u>(110,000)</u>

Increase (decrease) in cash and cash equivalents	700,318	(489,441)
Cash and cash equivalents at beginning of year	<u>2,904,960</u>	<u>3,394,401</u>
Cash and cash equivalents at end of year	<u>\$ 3,605,278</u>	<u>\$ 2,904,960</u>

See accompanying notes and schedules to the consolidated financial statements.

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2015

1. The Corporation of the Town of Shediac (the "Town") is incorporated and operates under the provisions of the Province of New Brunswick Municipalities Act.
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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 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, 2015

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.

iii) Contribution of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

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, 2015

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 Council on December 9, 2014 and the Minister of Environment and Local Government approved the General Operating Budget on January 22, 2015, Capital Budget was approved by the Council on October 27, 2014.

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, 2015

2. Summary of significant accounting policies (continued)

m) 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.

n) 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.

o) 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, valuation of donated capital assets, assessment of contingency liabilities, and allowance for doubtful accounts receivable.

p) Change in accounting policy

On January 1, 2015, the City adopted PS 3260 – Liability for contaminated sites. There was no liability required to be recorded in result of the adoption of this section. The change in accounting policy has been applied prospectively.

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2015

3. Receivables	<u>2015</u>	<u>2014</u>
Accounts receivable	\$ 778,978	\$ 550,567
Sales tax receivable	<u>141,866</u>	<u>99,067</u>
	<u>\$ 920,844</u>	<u>\$ 649,634</u>

4. Bank loans

The bank loans represent temporary financing of capital expenditures for the General Capital Fund, for the Water Operating Fund and for the Water Capital Fund and will be replaced by debenture issues as well as a working capital component. The total amount for Capital Funds are within the budget limit of 50% of operating funds expenditures as required by the *Municipalities Act*. The interest rates on these loans are at prime rate.

5. Payables and accruals	<u>2015</u>	<u>2014</u>
Accounts payable and accrued charges	\$ 1,085,832	\$ 984,926
Employee benefit obligations (Note 7)	398,400	356,600
Accrued interest on long-term debt	<u>29,554</u>	<u>17,835</u>
	<u>\$ 1,513,786</u>	<u>\$ 1,359,361</u>

Town of Shediac
Notes to the Consolidated Financial Statements
December 31, 2015

6. Long-term debt	<u>2015</u>	<u>2014</u>
<u>New Brunswick Municipal Financing Corporation</u>		
Debtures:		
AU13 4.15% - 4.7%, due 2016	\$ 38,000	\$ 75,000
AX27 4.45% - 4.85%, due 2017	405,000	594,000
BA21 .95% - 5%, due 2019	271,000	332,000
BC16 1.5% - 4.55%, due 2020	287,000	338,000
BG22 1.65% - 3.8%, due 2027	1,454,000	1,572,000
BH28 1.35% - 3.1%, due 2022	205,000	232,000
BI23 1.35% - 3.25%, due 2023	735,000	818,000
BI24 1.35% - 3.25%, due 2023	196,000	218,000
BK15 1.15% - 3.9%, due 2029	1,178,000	1,260,000
BM21 .95% - 3.25%, due 2030	1,200,000	-
BN23 1.05% - 3.65%, due 2030	400,000	-
AU14 4.15% - 4.7%, due 2016	88,000	174,000
AX28 4.45% - 4.85%, due 2017	138,000	202,000
BC17 1.5% - 2.5%, due 2020	72,000	85,000
BD28 1.5% - 2.5%, due 2015	-	65,000
BF28 1.35% - 2.2%, due 2016	73,000	144,000
BH29 1.35% - 3.1%, due 2022	159,000	180,000
	<u>6,899,000</u>	<u>6,289,000</u>
<u>608402 NB Ltd.</u>		
Loan payable, 0% due 2016	<u>144,760</u>	<u>144,760</u>
	<u>\$ 7,043,760</u>	<u>\$ 6,433,760</u>

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

2016	\$ 1,047,000	2019	\$ 627,000
2017	875,000	2020	569,000
2018	613,000		

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, 2015, the Town has an approval to borrow an additional \$ 2,570,000.

Town of Shediac
Consolidated Statement Notes to the Financial Statements
December 31, 2015

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>2015</u>	<u>2014</u>
Employee benefit obligations:		
Vested benefits	\$ 423,300	\$ 383,700
Unamortized actuary losses	<u>(24,900)</u>	<u>(27,100)</u>
Accrued employee benefit obligation	\$ 398,400	\$ 356,600
Accrued employee benefit obligation	\$ 398,400	\$ 356,600
Less funded amount	<u>(398,400)</u>	<u>(356,600)</u>
Vested benefits to be funded from future revenue	\$ -	\$ -
Benefit expense in the year	\$ 41,800	\$ 35,030

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%;
- the discount rate used to determine the accrued benefit obligation is 3.17%;
- 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, 2015

8. Tangible capital assets

	General Capital Assets					Water Assets				
	Land	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer, Hardware and Software	Land Improvements	Land	Water Buildings and Leasehold Improvements	Water Systems	2015	2014
Cost										
Opening cost	\$ 2,398,107	\$ 6,968,797	\$ 3,683,186	\$ 186,631	\$ 1,940,101	\$ 24,108,771	\$ 76,681	\$ 6,631,001	\$ 47,062,787	\$ 43,913,830
Additions	-	284,635	483,031	-	949,330	1,848,563	-	324,786	3,890,345	3,296,596
Disposals	-	-	127,187	-	-	-	-	-	127,187	147,639
Closing cost	2,398,107	7,253,432	4,039,030	186,631	2,889,431	25,957,334	76,681	6,955,787	50,825,945	47,062,787
Accumulated amortization										
Opening accumulated Amortization	-	1,879,766	1,805,525	178,987	612,408	12,205,615	-	629,765	3,048,814	20,360,902
Amortization	-	277,488	250,175	3,141	151,291	1,113,290	-	28,906	250,246	2,074,537
Disposals	-	-	86,711	-	-	-	-	-	86,711	120,942
Closing accumulated amortization	-	2,157,276	1,968,989	182,128	763,699	13,318,905	-	658,671	3,299,060	20,360,902
Asset net book value	\$ 2,398,107	\$ 5,096,156	\$ 2,070,041	\$ 4,503	\$ 2,125,732	\$ 12,638,429	\$ 76,681	\$ 410,841	\$ 3,656,727	\$ 28,477,217
									\$ 26,701,865	

Town of Shediac

Consolidated Statement Notes to the Financial Statements

December 31, 2015

9. Short-term borrowings compliance

Operating borrowing

As prescribed in the *Municipalities Act*, borrowing to finance General Fund operations is limited to 4% of the Municipality's operating budget. Borrowing to finance water services is limited to 50% of the operating budget for the year. In 2015, 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>2015</u>	<u>2014</u>
2015 Surplus	\$ 125,621	\$ -
2014 Surplus	128,903	128,903
2013 Surplus	<u>-</u>	<u>132,809</u>
	<u>\$ 254,524</u>	<u>\$ 261,712</u>

In accordance with the *Municipalities Act.*, the Town is limited for their water operating reserve balance to 5% of the previous year expenditures. At December 31, 2015, the Town is over the limit by \$6,049.

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 2021 for the rental of equipment, and office space. The balance of the commitments under such leases excluding property taxes and other escalator clauses is \$1,245,521. Minimum payments payable over the next five years are as follows:

2016	\$ 238,291	2019	\$ 231,408
2017	235,870	2020	231,408
2018	231,408		

Town of Shediac
Consolidated Statement Notes to the Financial Statements
December 31, 2015

13. Pension Plan

The Town has a contributory pension plan for its employees and its share of the pension plan contributions for 2015 were \$119,862 (2014 - \$105,304).

14. Reclassification

Certain amounts in the prior year presented have been reclassified to conform to the current year Financial Statement presentation. These reclassifications have not any impact on previously reported Surplus.

Town of Shediac

Schedule 1: Consolidated Schedule of Revenues

Year ended December 31	2015	2015	2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Other contributions and government transfers			
Provincial government	\$ -	\$ 288,331	\$ 61,300
Third party contributions	-	<u>93,066</u>	-
	<u>\$ -</u>	<u>\$ 381,397</u>	<u>\$ 61,300</u>
Other revenue from own sources			
Firefighting services	\$ 280,915	\$ 280,915	\$ 275,589
Recreation	31,000	34,836	30,347
Arena	245,200	216,856	261,449
Multipurpose centre	124,000	196,504	146,513
Licenses and permits	1,000	902	985
Building permits	75,000	92,962	114,149
Fines	28,000	27,711	27,535
Road maintenance	53,000	53,333	53,333
Rent	41,500	41,676	41,906
Allocation for green space	-	(1,600)	11,040
Sundry	<u>69,564</u>	<u>68,033</u>	<u>158,143</u>
	<u>\$ 949,179</u>	<u>\$ 1,012,128</u>	<u>\$ 1,120,989</u>

Town of Shediac

Schedule 2: Consolidated Schedule of Expenditures

Year Ended December 31

2015

2015

2014

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General government services			
Legislative			
Mayor	\$ 18,500	\$ 18,418	\$ 18,054
Mayor – other	13,050	12,982	12,388
Councilors	66,900	67,569	68,357
Councilors – other	28,950	25,730	24,275
Development seminars	27,750	22,513	26,925
Other	17,000	19,864	20,206
	<u>172,150</u>	<u>167,076</u>	<u>170,205</u>
Administrative			
Salaries and fringe benefits	484,900	479,658	470,107
Traveling expenses – Town manager	15,000	11,067	12,467
Building – rent and maintenance	337,000	327,837	292,444
Equipment rental	7,000	6,891	6,883
Telecommunications	30,000	26,991	29,886
External audit and other professional fees	40,000	34,352	38,567
Legal and collection fees	40,000	78,451	69,519
Computer systems	40,000	33,810	44,197
Advertising and promotion	11,000	12,357	12,278
Association fees	17,000	14,851	10,526
Office and postage expenses	40,000	33,506	38,054
Cost of assessment	119,096	119,096	114,153
Simultaneous translation	25,000	25,106	27,664
	<u>1,205,996</u>	<u>1,203,973</u>	<u>1,166,745</u>
Other general government services			
Public liability insurance	52,000	62,992	52,291
Grant	185,500	161,149	172,996
By-law	81,000	56,591	62,685
Human resources	139,200	131,877	122,897
Property taxes	10,000	9,621	9,246
Interest on bonds	50	57	447
Bond discounts	6,700	5,737	5,993
Bank charges	15,000	14,674	13,384
Bad debts (recovery)	-	4,431	7,429
	<u>489,450</u>	<u>447,129</u>	<u>447,368</u>
Amortization	<u>3,141</u>	<u>3,141</u>	<u>5,298</u>
	<u>\$ 1,870,737</u>	<u>\$ 1,821,319</u>	<u>\$ 1,789,616</u>

Town of Shediac

Schedule 2: Consolidated Schedule of Expenditures

(continued)

Year Ended December 31	2015	2015	2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Protection services			
Police			
Contract	\$ 1,166,476	\$ 1,166,476	\$ 1,164,393
Sundry	7,600	7,600	7,450
	<u>1,174,076</u>	<u>1,174,076</u>	<u>1,171,843</u>
Fire			
Vehicles	41,200	31,968	29,159
Firefighting association	32,700	32,700	32,700
Fees	103,700	104,254	102,161
Firefighting equipment	30,400	25,205	28,026
Vaccine	1,000	-	-
Garment	21,700	20,899	19,584
Travel	5,800	3,514	5,074
Fire prevention	3,100	2,297	3,225
Salaries and fringe benefits	131,000	139,434	133,998
Fire alarm system	21,400	22,868	24,227
Workers compensation and group insurance	38,500	30,174	25,034
Training	8,700	8,108	8,115
Sundry	10,700	9,699	7,417
Building – repair and maintenance	53,000	46,085	52,024
	<u>502,900</u>	<u>477,205</u>	<u>470,744</u>
Other protection services			
Animal and pest control	30,000	21,899	27,421
Emergency measures	3,000	2,513	7,462
	<u>33,000</u>	<u>24,412</u>	<u>34,883</u>
Interest on bonds	<u>9,892</u>	<u>10,647</u>	<u>11,725</u>
Amortization	<u>61,678</u>	<u>61,678</u>	<u>75,959</u>
	<u>\$ 1,781,546</u>	<u>\$ 1,748,018</u>	<u>\$ 1,765,154</u>

Town of Shediac

Schedule 2: Consolidated Schedule of Expenditures

(continued)

Year Ended December 31	2015	2015	2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Transportation services			
Common services			
Salaries and fringe benefits	\$ 756,200	\$ 690,446	\$ 646,914
Overtime	125,000	166,869	119,591
General supplies			
Gas and oil	95,000	97,095	107,225
Repair and maintenance	110,000	133,173	115,587
Insurance and licenses	25,000	23,770	24,094
Shop, yard and building			
Repair and maintenance	16,000	10,443	11,062
Heat and light	30,200	23,599	27,257
Municipal taxes, sewer and insurance	42,100	41,990	32,369
Supplies	14,000	7,652	12,159
Communication services	9,800	8,162	9,552
Engineering services	170,000	99,732	71,106
	<u>1,393,300</u>	<u>1,302,931</u>	<u>1,176,916</u>
Road transportation			
Roads and streets	308,300	295,989	204,853
Snow and ice removal	96,500	136,085	86,948
Street lighting	149,000	151,507	147,001
Traffic services	49,000	64,627	22,024
	<u>602,800</u>	<u>648,208</u>	<u>460,826</u>
Interest			
Interest on short-term borrowing	44,700	20,387	29,141
Interest on bonds	103,409	111,272	102,587
	<u>148,109</u>	<u>131,659</u>	<u>131,728</u>
Amortization	<u>1,233,504</u>	<u>1,233,504</u>	<u>1,186,718</u>
	<u>\$ 3,377,713</u>	<u>\$ 3,316,302</u>	<u>\$ 2,956,188</u>
Environmental health and development services			
Environmental health services			
Garbage and waste collection	\$ 161,200	\$ 186,339	\$ 187,860
Solid waste disposal WASWC	129,071	129,071	125,806
	<u>290,271</u>	<u>315,410</u>	<u>313,666</u>
Environmental development services			
Town planning	206,473	206,473	186,749
Economic development	505,300	484,869	302,515
Salaries and fringe benefits	246,300	248,389	246,522
Tourism and municipal development	316,200	290,339	276,511
Pascal Poirier Historical House	20,700	28,946	29,686
Former train station	13,000	12,406	6,826
	<u>1,307,973</u>	<u>1,271,422</u>	<u>1,048,809</u>
Interest on bonds	<u>563</u>	<u>613</u>	<u>751</u>
	<u>\$ 1,598,807</u>	<u>\$ 1,587,445</u>	<u>\$ 1,363,226</u>

Town of Shediac

Schedule 2: Consolidated Schedule of Expenditures

(continued)

Year Ended December 31	2015	2015	2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Recreation and cultural services			
Arena			
Salaries and fringe benefits	\$ 129,400	\$ 116,008	\$ 104,379
Overtime	25,000	9,285	18,955
Part time	45,000	38,984	45,670
Buildings			
Property taxes and insurance	10,500	10,266	10,151
Electricity	106,000	110,805	112,340
General maintenance	80,000	92,574	107,802
Telecommunication	2,700	2,884	2,774
Office supplies	2,000	6,292	2,064
	<u>400,600</u>	<u>387,098</u>	<u>404,135</u>
Parks and playgrounds			
Salaries and fringe benefits	119,500	129,988	129,469
Consultants	30,000	21,673	37,333
Equipment maintenance	37,000	30,528	30,444
Parks and playground maintenance	85,250	86,061	98,189
Building – repair and maintenance	2,500	1,689	1,087
Telecommunications	2,200	1,723	2,088
	<u>276,450</u>	<u>271,662</u>	<u>298,610</u>
Community services			
Salaries and fringe benefits	325,400	321,358	293,037
Multipurpose Centre	358,400	434,067	380,623
Conventions	2,000	1,289	1,794
Web site	5,000	3,121	39,981
Advertising and promotion	67,000	69,523	73,283
Activities	65,200	64,186	54,201
Special events	250,250	277,726	196,701
	<u>1,073,250</u>	<u>1,171,270</u>	<u>1,039,620</u>
Library			
General maintenance	2,800	4,735	2,717
Supplies	23,550	22,428	21,220
Telecommunications	2,500	1,691	1,895
	<u>28,850</u>	<u>28,854</u>	<u>25,832</u>
Interest			
Interest on short-term borrowing	15,300	7,000	-
Interest on bonds	51,779	55,726	58,301
	<u>67,079</u>	<u>62,726</u>	<u>58,301</u>
Amortization	<u>497,062</u>	<u>497,062</u>	<u>437,888</u>
	<u>\$ 2,343,291</u>	<u>\$ 2,418,672</u>	<u>\$ 2,264,386</u>

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

Year Ended December 31	2015	2015	2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Water services			
Electricity	\$ 86,900	\$ 84,122	\$ 84,117
Amortization	279,152	279,152	287,122
Repairs and maintenance	223,200	197,025	112,685
Interest on long-term debt	33,307	32,403	43,701
Bond discounts	4,000	2,846	2,914
Interim financing	20,000	-	-
Engineering services	40,000	6,035	29,765
Sundry	34,700	30,380	31,442
Water testing	15,000	12,997	13,243
Insurance	14,400	14,578	13,553
Bad debts	20,000	34,592	26,759
	<u>\$ 770,659</u>	<u>\$ 694,130</u>	<u>\$ 645,301</u>

Town of Shediac

Schedule 3: Schedule of Segment Disclosure

December 31, 2015

	General Government	Protection	Transportation	Environmental Health & Development	Recreation and cultural	Water Services	2015 Consolidated	2014 Consolidated
Revenues								
Property tax warrant*	\$ 3,413,675	\$ 1,565,322	\$ 1,316,926	\$ 1,449,519	\$ 1,302,550	\$	\$ 9,047,992	\$ 8,677,301
Other revenue from own sources	66,433	309,528	53,333	92,962	489,872		1,012,128	1,120,989
Unconditional transfers from Provincial Government*	88,842	40,739	34,274	37,725	33,900		235,480	297,457
Gain on disposal of capital assets							-	21,627
Other contributions and government transfers					381,397		381,397	61,300
Water user fees					1,454,475		1,454,475	1,399,411
Interest	10,894					96,343	107,237	87,411
	<u>3,579,844</u>	<u>1,915,589</u>	<u>1,404,533</u>	<u>1,580,206</u>	<u>2,207,719</u>	<u>1,550,818</u>	<u>12,238,709</u>	<u>11,665,496</u>
Expenses								
Salaries and benefits	562,745	273,863	857,315	410,534	774,894		2,879,351	2,701,580
Goods and services	1,255,433	1,401,830	1,093,824	1,176,298	1,083,990	382,575	6,393,950	5,843,100
Amortization	3,141	61,678	1,233,504		497,062	279,152	2,074,537	1,992,985
Loss on disposal			12,550		(4,758)		7,792	-
Interest	1,821,319	10,647	131,659	613	62,726	32,403	238,048	246,206
	<u>1,821,319</u>	<u>1,748,018</u>	<u>3,328,852</u>	<u>1,587,445</u>	<u>2,413,914</u>	<u>694,130</u>	<u>11,593,678</u>	<u>10,783,871</u>
Surplus (deficit) for the year	\$ 1,758,525	\$ 167,571	\$ (1,924,319)	\$ (7,239)	\$ (206,195)	\$ 856,688	\$ 645,031	\$ 881,625

*The property tax warrant and the unconditional transfers from Provincial Government have been allocated based on budgeted expenditures. The general government expenditures include all debt servicing costs and capital projects paid out of operating.

Town of Shediac

Schedule 4: Schedule of Reserve Funds

December 31, 2015

	General Operating Reserve	General Capital Reserve	Water Operating Reserve	Water Capital Reserve	2015 Total	2014 Total
Accumulated surplus, beginning of year	\$ 495,171	\$ 584,047	\$ 77,051	\$ 326,500	\$ 1,482,769	\$ 1,906,048
Transfers to/from Water and General Operating Funds						
Allocation from General Operating Fund	-	100,000			100,000	100,000
Allocation to General Operating Fund			10,000	400,000	410,000	(550,000)
Allocation from Water Operating Fund	-	100,000	10,000	400,000	510,000	(450,000)
Interest						
Allocation for green spaces	5,064	5,830 (1,600)	788	3,339	15,021 (1,600)	15,681 11,040
Annual surplus (deficit)	5,064	104,230	10,788	403,339	523,421	(423,279)
Accumulated surplus, end of year	\$ 500,235	\$ 688,277	\$ 87,839	\$ 729,839	\$ 2,006,190	\$ 1,482,769

Town of Shediac

Schedule 5: Schedule of Reconciliation of Annual Surplus

December 31, 2015

	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	Total All Fund
2015 annual fund surplus (deficit) ¹	\$ 56,222	\$ 2,021,604	\$ 5,064	\$ 104,230	\$ 125,621	\$ 342,000	\$ 10,788	\$ 403,339	\$ 3,068,868
Adjustment to annual surplus (deficit) for funding requirements									
Second previous year's surplus	(176,016)	-	-	-	(132,809)	-	-	-	(308,825)
Long-term debt principal repayment	648,000	(648,000)	-	-	-	-	-	-	-
Long-term debt principal repayment	-	-	-	-	342,000	(342,000)	-	-	-
Provision for sick leave	-	-	-	-	-	-	-	-	-
Amortization of tangible assets	-	(1,795,385)	-	-	-	(279,152)	-	-	(2,074,537)
Proceed on sale of capital assets	(32,683)	-	-	-	-	-	-	-	(32,683)
Gain (loss) on disposal of capital assets	-	(7,792)	-	-	-	-	-	-	(7,792)
Capital expenditures paid out of operating funds	1,135,355	(1,135,355)	-	-	-	-	-	-	-
Total adjustments to 2014 annual surplus	1,574,656	(3,586,532)	-	-	209,191	(621,152)	-	-	(2,423,837)
2015 annual surplus per PSAB for the year	\$ 1,630,878	\$ (1,564,928)	\$ 5,064	\$ 104,230	\$ 334,812	\$ (279,152)	\$ 10,788	\$ 403,339	\$ 645,031

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

Town of Shediac

Schedule 6: Schedule of Operating Budget to PSAB budget

December 31, 2015

	Operating Budget General	Operating Budget Water	Reallocation of interest	Amortization & Post Employment adjustments	Transfers	Total
Revenue						
Province of New Brunswick:						
Warrant for property taxes	\$ 9,047,992	-	-	-	-	\$ 9,047,992
Unconditional grant	235,480	-	-	-	-	235,480
Other revenue from own sources	941,679	7,500	-	-	-	949,179
Water rates	-	1,416,477	-	-	-	1,416,477
Recovery from water operating fund	591,900	-	-	-	(591,900)	-
Water supply for fire protection	-	205,000	-	-	(205,000)	-
Gain on disposal of tangible capital assets	25,000	-	-	-	-	25,000
Interest	-	25,000	-	-	-	25,000
Second previous year's surplus	176,016	132,809	-	-	(308,825)	-
	<u>11,018,067</u>	<u>1,786,786</u>	<u>-</u>	<u>-</u>	<u>(1,105,725)</u>	<u>11,699,128</u>
Expenditure						
General government services	1,867,546	-	50	3,141	-	1,870,737
Protective services	1,914,976	-	9,892	61,678	(205,000)	1,781,546
Transportation services	1,996,100	-	148,109	1,233,504	-	3,377,713
Environmental health & development services	1,598,244	-	563	-	-	1,598,807
Recreation and cultural services	1,779,150	-	67,079	497,062	-	2,343,291
Water services	-	438,200	53,307	279,152	-	770,659
Second previous year's deficit	-	-	-	-	-	-
Fiscal services						
Long-term debt repayments	648,000	342,000	-	-	(990,000)	-
Interest	225,693	53,307	(279,000)	-	-	-
Transfers from the General Operating Fund	988,358	-	-	-	(988,358)	-
Transfer to the General Operating Fund	-	591,900	-	-	(591,900)	-
Transfers from the Operating Water Fund	-	321,379	-	-	(321,379)	-
Transfers from the Water Capital Reserve Fund	-	40,000	-	-	(40,000)	-
	<u>11,018,067</u>	<u>1,786,786</u>	<u>-</u>	<u>2,074,537</u>	<u>(3,136,637)</u>	<u>11,742,753</u>
Surplus (deficit) for the year	\$ -	\$ -	\$ -	\$ (2,074,537)	\$ 2,030,912	\$ (43,625)