



Consolidated Financial Statements

Town of Shediac

December 31, 2014

Contents

	Page
Independent Auditors' Report	1, 2
Consolidated Statement of Financial Position	3
Consolidated Statement of Operations and Accumulated Surplus	4
Consolidated Statement of Changes in Net Debt	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 14
Schedule 1: Consolidated Schedule of Revenues	15
Schedule 2: Consolidated Schedule of Expenditures	16 - 20
Schedule 3: Schedule of Segment Disclosure	21
Schedule 4: Schedule of Reserve Funds	22
Schedule 5: Schedule of Reconciliation of Annual Surplus	23
Schedule 6: Schedule of Operating Budget to PSAB Budget	24



Grant Thornton

Independent auditors' report

To his Worship the Mayor
And Members of Shediac Town Council

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

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, 2014, and the consolidated statements of operations and accumulated surplus, changes 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 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, 2014, and the consolidated results of its operations, changes in 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 10, 11 and 12 and schedules 5, and 6 to their consolidated financial statements to comply with these requirements.

Moncton, Canada
April 27, 2014

Grant Thornton LLP

Chartered accountants

Town of Shediac Consolidated Statement of Financial Position

Year Ended December 31

2014

2013

Financial assets

Cash and cash equivalents	\$ 2,904,960	\$ 3,394,401
Receivables (Note 3)	649,634	587,142
Mortgage receivable (Note 4)	40,790	61,532
Unamortized debenture discounts	57,471	55,584
	<u>3,652,855</u>	<u>4,098,659</u>

Liabilities

Bank loans (Note 5)	1,115,000	1,425,000
Payables and accruals (Note 6)	1,359,361	1,307,751
Long-term debt (Note 7)	6,433,760	6,233,760
	<u>8,908,121</u>	<u>8,966,511</u>

Net debt

	<u>(5,255,266)</u>	<u>(4,867,852)</u>
--	--------------------	--------------------

Non-financial assets

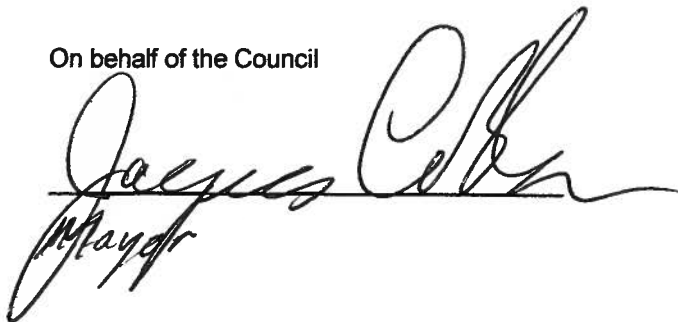
Tangible capital assets (Note 9)	26,701,885	25,424,971
Security deposit	75,000	75,000
Inventory of supplies	19,668	19,668
Prepays	17,103	24,978
	<u>26,813,656</u>	<u>25,544,617</u>

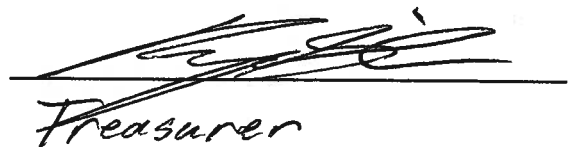
Accumulated surplus

	<u>\$ 21,558,390</u>	<u>\$ 20,676,765</u>
--	----------------------	----------------------

Commitments (Notes 13)

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

2014

2013

	PSAB (Budget) (Page 24)	Actual	Actual
Revenue			
Warrant of assessment	\$ 8,677,300	\$ 8,677,301	\$ 8,131,278
Unconditional transfers from Provincial Government	297,457	297,457	497,933
Other contributions and government transfers (Page 15)	-	61,300	534,613
Other revenue from own sources (Page 15)	861,195	1,120,989	939,299
Water services	1,389,800	1,399,411	1,356,865
Gain on disposal of tangible capital assets	3,548	21,627	-
Interest	25,000	87,411	79,818
	<u>11,254,300</u>	<u>11,665,496</u>	<u>11,539,806</u>
Expenditures (Pages 16-20)			
General government services	1,812,580	1,789,616	1,776,681
Protection services	1,762,142	1,765,154	1,688,280
Transportation services	3,042,978	2,956,188	2,844,120
Environmental health and development services	1,424,928	1,363,226	1,529,537
Recreation and cultural services	2,259,594	2,264,386	2,161,388
Water services	664,676	645,301	608,093
Loss on disposal of tangible capital asset	-	-	2,455
	<u>10,966,898</u>	<u>10,783,871</u>	<u>10,610,554</u>
Annual surplus\$	<u>287,402</u>	<u>881,625</u>	<u>929,252</u>
Accumulated surplus, beginning of year		<u>20,676,765</u>	<u>19,747,513</u>
Accumulated surplus, end of year		<u>\$ 21,558,390</u>	<u>\$ 20,676,765</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

2014

2013

Annual surplus, before restatement	\$ 881,625	\$ 929,252
Acquisition of tangible capital assets	(3,296,596)	(1,943,605)
Proceeds on disposal of tangible capital assets	48,324	53,498
Amortization of tangible capital assets	1,992,985	1,897,530
(Gain) loss on sale of tangible capital assets	<u>(21,627)</u>	<u>2,455</u>
	<u>(1,276,914)</u>	<u>9,878</u>
Change in prepaid expenses	<u>7,875</u>	<u>(18,624)</u>
	<u>7,875</u>	<u>(18,624)</u>
(Increase) decrease in net debt	(387,414)	920,506
Net debt, beginning of year	<u>(4,867,852)</u>	<u>(5,788,358)</u>
Net debt, end of year	<u>\$ (5,255,266)</u>	<u>\$ (4,867,852)</u>

See accompanying notes and schedules to the consolidated financial statements.

Town of Shediac

Consolidated Statement of Cash Flows

Year Ended December 31

2014

2013

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

Operating activities

Annual surplus	\$ 881,625	\$ 929,252
Items not affecting cash:		
Amortization of tangible capital assets	1,992,985	1,897,530
(Gain) loss on sale of tangible capital assets	(21,627)	2,455
Changes in non-cash working capital:		
Change in receivables	(62,492)	(125,758)
Change in payables and accruals	51,610	(390,341)
Change in mortgage receivable	20,742	19,488
Change in prepaid expenses	7,875	(18,624)
Change in debenture discounts	(1,887)	(3,840)
Net cash provided by operating activities	<u>2,868,831</u>	<u>2,310,162</u>

Capital activities

Acquisition of tangible capital assets	(3,296,596)	(1,943,605)
Proceeds on sale of tangible capital assets	48,324	53,498
Net cash used for capital activities	<u>(3,248,272)</u>	<u>(1,890,107)</u>

Financing activities

Issuance of long-term debt	1,260,000	1,140,000
Repayment of bank loans	(310,000)	(630,000)
Repayment of long-term debt	(1,060,000)	(1,041,000)
Net cash used for financing activities	<u>(110,000)</u>	<u>(531,000)</u>

Decrease in cash and cash equivalents	(489,441)	(110,945)
Cash and cash equivalents at beginning of year	<u>3,394,401</u>	<u>3,505,346</u>
Cash and cash equivalents at end of year	<u>\$ 2,904,960</u>	<u>\$ 3,394,401</u>

See accompanying notes and schedules to the consolidated financial statements.

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2014

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.
-

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 10, 11 and 12 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.

d) **Revenue Recognition**

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

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2014

2. Summary of significant accounting policies (continued)

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	20-30 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.

iv) **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.

f) **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.

g) **Bank loans**

Bank loans are recorded net of any related sinking fund balances. Loan service charges, including principal and interest, are charged against current revenue in the period in which they occur.

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.

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 have not recorded it.

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2014

2. Summary of significant accounting policies (continued)

j) Budget

The budget figures contained in these consolidated financial statements were approved by Council on December 9, 2013 and June 30, 2014 and the Minister of Environment and Local Government approved the General Operating Budget on July 8, 2014, Capital Budget was approved by the Council on November 4, 2013 and Utility Operating Budget on January 30, 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.

Transportation services

This department is responsible for common services, roads and streets maintenance, street lighting, traffic services, parking and other transportation related functions.

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2014

2. Summary of significant accounting policies (continued)

l) Segmented information (continued)

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) 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.

3. Receivables	<u>2014</u>	<u>2013</u>
Accounts receivable	\$ 550,567	\$ 530,368
Sales tax receivable	<u>99,067</u>	<u>56,774</u>
	<u>\$ 649,634</u>	<u>\$ 587,142</u>

4. Mortgage receivable	<u>2014</u>	<u>2013</u>
Mortgage receivable, recoverable in monthly installments of \$2,000 including principal and interest at the rate of 6.25%, maturing in October 2016. Secured by the old Town Library building at 337A Main Street in Shediac, NB.	<u>\$ 40,790</u>	<u>\$ 61,532</u>

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2014

5. 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.

6. Payables and accruals

	<u>2014</u>	<u>2013</u>
Accounts payable and accrued charges	\$ 984,926	\$ 944,684
Employee benefit obligations	356,600	347,100
Accrued interest on long-term debt	<u>17,835</u>	<u>15,967</u>
	<u>\$ 1,359,361</u>	<u>\$ 1,307,751</u>

7. Long-term debt

	<u>2014</u>	<u>2013</u>
<u>New Brunswick Municipal Financing Corporation</u>		
Debentures:		
AR29 2.75% - 4.8%, due 2014	\$ -	\$ 82,000
AU13 4.15% - 4.7%, due 2016	75,000	110,000
AX27 4.45% - 4.85%, due 2017	594,000	775,000
BA21 .95% - 5%, due 2019	332,000	433,000
BC16 1.5% - 4.55%, due 2020	338,000	387,000
BG22 1.65% - 3.8%, due 2027	1,572,000	1,687,000
BH28 1.35% - 3.1%, due 2022	232,000	259,000
BI23 1.35% - 3.25%, due 2023	818,000	900,000
BI24 1.35% - 3.25%, due 2023	218,000	240,000
BK15 1.15% - 3.9%, due 2029	1,260,000	-
AU14 4.15% - 4.7%, due 2016	174,000	256,000
AX26 4.45% - 4.85%, due 2017	202,000	264,000
BA22 .95% - 3.4%, due 2014	-	56,000
BC17 1.5% - 2.5%, due 2015	85,000	97,000
BD28 1.5% - 2.5%, due 2015	65,000	129,000
BF28 1.35% - 2.2%, due 2016	144,000	214,000
BH29 1.35% - 3.1%, due 2022	180,000	200,000
	<u>6,289,000</u>	<u>6,089,000</u>
<u>608402 NB Ltd.</u>		
Loan payable, 0% due 2016	<u>144,760</u>	<u>144,760</u>
	<u>\$ 6,433,760</u>	<u>\$ 6,233,760</u>

Town of Shediac

Consolidated Statement Notes to the Financial Statements

December 31, 2014

7. Long-term debt (continued)

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

2015	\$	990,000		2018	\$	517,000
2016		954,000		2019		531,000
2017		781,000				

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, 2014, the Town has an approval to borrow an additional \$ 1,997,000.

8. 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>2014</u>	<u>2013</u>
Employee benefit obligations:		
Vested benefits	\$ 383,700	\$ 347,500
Unamortized actuary losses	<u>(27,100)</u>	<u>(400)</u>
Accrued employee benefit obligation	<u>\$ 356,600</u>	<u>\$ 347,100</u>
Accrued employee benefit obligation	\$ 356,600	\$ 347,100
Less funded amount	<u>(356,600)</u>	<u>(296,526)</u>
Vested benefits to be funded from future revenue	<u>\$ -</u>	<u>\$ 50,574</u>
Benefit expense in the year	<u>\$ 35,030</u>	<u>\$ 36,200</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 resignation 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, 2014

9. Tangible capital assets

	General Capital Assets						Water Assets		
	Land	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer, Hardware and Software	Land Improvements	Road, Streets, Sidewalks, Culverts	Land	Water Buildings and Leasehold Improvements	Water Systems
Cost									
Opening cost	\$ 1,827,459	\$ 6,883,832	\$ 3,168,056	\$ 186,631	\$ 1,728,234	\$ 22,567,445	\$ 76,681	\$ 1,069,512	\$ 6,405,980
Additions	570,648	84,965	662,769	-	211,867	1,541,326	-	-	225,021
Disposals	-	-	147,639	-	-	-	-	-	-
Closing cost	2,398,107	6,968,797	3,683,186	186,631	1,940,101	24,108,771	76,681	1,069,512	6,631,001
Accumulated amortization									
Opening accumulated Amortization	-	1,611,321	1,678,324	173,689	498,770	11,135,298	-	600,859	2,790,598
Amortization	-	268,467	248,143	5,298	113,638	1,070,317	-	28,906	258,216
Disposals	-	-	120,942	-	-	-	-	-	-
Closing accumulated amortization	-	1,879,788	1,805,525	178,987	612,408	12,205,615	-	629,765	3,048,814
Asset net book value	\$ 2,398,107	\$ 5,089,009	\$ 1,877,661	\$ 7,644	\$ 1,327,693	\$ 11,903,156	\$ 76,681	\$ 439,747	\$ 3,582,187
									\$ 26,701,885
									\$ 25,424,971

Town of Shediac

Consolidated Statement Notes to the Financial Statements

December 31, 2014

10. 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 2014, 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.

11. 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>2014</u>	<u>2013</u>
2014 Surplus	\$ 128,903	\$ -
2013 Surplus	132,809	132,809
2012 Surplus	<u>-</u>	<u>16,000</u>
	<u>\$ 261,712</u>	<u>\$ 148,809</u>

12. 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.

13. Commitments

The Town has lease commitments until 2021 for the rental of equipment, vehicles, office space and other premises. The balance of the commitments under such leases excluding property taxes and other escalator clauses is \$1,719,682. Minimum payments payable over the next five years are as follows:

2015	\$ 238,291	2018	\$ 231,408
2016	238,291	2019	231,408
2017	235,870		

14. Pension Plan

The Town has a contributory pension plan for its employees and its share of the pension plan contributions for 2014 were \$105,304 (2013 - \$88,281).

15. 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

2014

2014

2013

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Other contributions and government transfers			
Provincial government \$	-	\$ 61,300	\$ 107,420
Gas tax program	-	-	427,193
	<u>\$ -</u>	<u>\$ 61,300</u>	<u>\$ 534,613</u>
Other revenue from own sources			
Firefighting services	\$ 275,589	\$ 275,589	\$ 297,873
Recreation	33,000	30,347	27,216
Arena	211,800	261,449	219,258
Multipurpose centre	97,000	146,513	95,058
Licenses and permits	1,000	985	1,224
Building permits	71,846	114,149	108,871
Fines	28,880	27,535	29,907
Road maintenance	53,000	53,333	53,297
Rent	40,800	41,906	41,656
Allocation for green space	-	11,040	7,680
Sundry	48,280	158,143	57,259
	<u>\$ 861,195</u>	<u>\$ 1,120,989</u>	<u>\$ 939,299</u>

Town of Shediac

Schedule 2: Consolidated Schedule of Expenditures

Year Ended December 31

2014

2014

2013

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General government services			
Legislative			
Mayor	\$ 18,000	\$ 18,054	\$ 17,672
Mayor – other	12,400	12,388	9,771
Councilors	69,300	68,357	68,412
Councilors – other	25,500	24,275	19,355
Development seminars	30,000	26,925	28,567
Other	15,000	20,206	16,545
	<u>170,200</u>	<u>170,205</u>	<u>160,322</u>
Administrative			
Salaries and fringe benefits	471,054	520,681	460,879
Traveling expenses – Town manager	10,000	12,467	10,656
Building – rent and maintenance	318,000	292,444	312,589
Equipment rental	6,000	6,883	5,718
Telecommunications	30,000	29,886	28,536
External audit and other professional fees	40,000	38,567	58,878
Legal and collection fees	40,000	69,519	70,255
Computer systems	45,000	44,197	32,938
Advertising and promotion	10,000	12,278	10,199
Association fees	10,500	10,526	10,078
Office and postage expenses	40,000	38,054	41,787
Cost of assessment	114,153	114,153	106,704
Simultaneous translation	25,000	27,664	22,132
	<u>1,159,707</u>	<u>1,217,319</u>	<u>1,171,349</u>
Other general government services			
Public liability insurance	53,000	52,291	47,304
Grant	192,010	172,996	179,731
By-law	76,000	62,685	69,489
Human resources	128,525	122,897	106,452
Property taxes	10,000	9,246	9,654
Post-retirement liabilities	-	(50,574)	(38)
Interest on bonds	440	447	974
Bond discounts	6,400	5,993	6,335
Bank charges	11,000	13,384	11,402
Bad debts (recovery)	-	7,429	8,409
	<u>477,375</u>	<u>396,794</u>	<u>439,712</u>
Amortization	<u>5,298</u>	<u>5,298</u>	<u>5,298</u>
	<u>\$ 1,812,580</u>	<u>\$ 1,789,616</u>	<u>\$ 1,776,681</u>

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

Year Ended December 31	2014	2014	2013
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Protection services			
Police			
Contract	\$ 1,164,393	\$ 1,164,393	\$ 1,110,920
Sundry	<u>7,450</u>	<u>7,450</u>	<u>7,280</u>
	<u>1,171,843</u>	<u>1,171,843</u>	<u>1,118,200</u>
Fire			
Vehicles	33,000	29,159	28,777
Firefighting association	32,700	32,700	32,700
Fees	101,505	102,161	100,085
Firefighting equipment	29,500	28,026	33,253
Vaccine	1,000	-	470
Garment	21,000	19,584	15,912
Travel	7,100	5,074	6,662
Fire prevention	3,000	3,225	2,306
Salaries and fringe benefits	122,100	133,998	120,350
Fire alarm system	20,600	24,227	22,129
Workers compensation and group insurance	36,000	25,034	32,354
Training	8,200	8,115	5,429
Sundry	7,500	7,417	6,082
Building – repair and maintenance	<u>50,600</u>	<u>52,024</u>	<u>48,754</u>
	<u>473,805</u>	<u>470,744</u>	<u>455,263</u>
Other protection services			
Animal and pest control	29,000	27,421	28,124
Emergency measures	<u>-</u>	<u>7,462</u>	<u>-</u>
	29,000	34,883	28,124
Interest on bonds	<u>11,535</u>	<u>11,725</u>	<u>13,158</u>
Amortization	<u>75,959</u>	<u>75,959</u>	<u>73,535</u>
	<u>\$ 1,762,142</u>	<u>\$ 1,765,154</u>	<u>\$ 1,688,280</u>

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

Year Ended December 31	2014	2014	2013
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Transportation services			
Common services			
Salaries and fringe benefits	\$ 757,400	\$ 646,914	\$ 592,210
Overtime	120,000	119,591	124,808
General supplies			
Gas and oil	82,000	107,225	80,663
Repair and maintenance	120,000	115,587	111,174
Insurance and licenses	22,000	24,094	22,059
Shop, yard and building			
Repair and maintenance	16,000	11,062	11,471
Heat and light	22,000	27,257	27,964
Municipal taxes, sewer and insurance	6,900	32,369	6,585
Supplies	13,500	12,159	13,043
Communication services	8,800	9,552	8,588
Engineering services	45,000	71,106	61,063
	<u>1,213,600</u>	<u>1,176,916</u>	<u>1,059,628</u>
Road transportation			
Roads and streets	225,000	204,853	323,075
Snow and ice removal	81,400	86,948	81,971
Street lighting	151,000	147,001	148,484
Traffic services	52,000	22,024	24,139
	<u>509,400</u>	<u>460,826</u>	<u>577,669</u>
Interest			
Interest on short-term borrowing	50,000	29,141	2,926
Interest on bonds	83,260	102,587	99,839
	<u>133,260</u>	<u>131,728</u>	<u>102,765</u>
Amortization	<u>1,186,718</u>	<u>1,186,718</u>	<u>1,104,058</u>
	<u>\$ 3,042,978</u>	<u>\$ 2,956,188</u>	<u>\$ 2,844,120</u>
Environmental health and development services			
Environmental health services			
Garbage and waste collection	\$ 159,400	\$ 187,860	\$ 204,228
Solid waste disposal WASWC	125,806	125,806	122,760
	<u>285,206</u>	<u>313,666</u>	<u>326,988</u>
Environmental development services			
Town planning	186,749	186,749	181,787
Economic development	373,300	302,515	255,728
Salaries and fringe benefits	247,834	246,522	283,682
Tourism and municipal development	288,400	276,511	308,932
Pascal Poirier Historical House	34,700	29,686	32,945
Former train station	8,000	6,826	138,579
	<u>1,138,983</u>	<u>1,048,809</u>	<u>1,201,653</u>
Interest on bonds	<u>739</u>	<u>751</u>	<u>896</u>
	<u>\$ 1,424,928</u>	<u>\$ 1,363,226</u>	<u>\$ 1,529,537</u>

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

Year Ended December 31	2014	2014	2013
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Recreation and cultural services			
Arena			
Salaries and fringe benefits	\$ 127,700	\$ 104,379	\$ 117,233
Overtime	27,000	18,955	22,325
Part time	42,000	45,670	38,551
Buildings			
Property taxes and insurance	10,500	10,151	10,020
Electricity	96,000	112,340	115,925
General maintenance	117,000	107,802	115,861
Telecommunication	2,600	2,774	2,551
Office supplies	2,000	2,064	1,749
	<u>424,800</u>	<u>404,135</u>	<u>424,215</u>
Parks and playgrounds			
Salaries and fringe benefits	126,700	129,469	122,425
Consultants	30,000	37,333	35,010
Equipment maintenance	42,000	30,444	33,670
Parks and playground maintenance	108,200	98,189	104,089
Building – repair and maintenance	4,000	1,087	1,723
Telecommunications	3,500	2,088	3,327
	<u>314,400</u>	<u>298,610</u>	<u>300,244</u>
Community services			
Salaries and fringe benefits	312,400	293,037	278,831
Multipurpose Centre	297,700	380,623	299,867
Conventions	1,500	1,794	1,648
Web site	50,000	39,981	11,796
Advertising and promotion	65,000	73,283	65,690
Activities	60,000	54,201	67,179
Special events	202,700	196,701	159,983
	<u>989,300</u>	<u>1,039,620</u>	<u>884,994</u>
Library			
General maintenance	2,700	2,717	2,886
Supplies	21,150	21,220	18,257
Telecommunications	2,000	1,895	1,601
	<u>25,850</u>	<u>25,832</u>	<u>22,744</u>
Interest			
Interest on short-term borrowing	10,000	-	42,337
Interest on bonds	57,356	58,301	53,890
	<u>67,356</u>	<u>58,301</u>	<u>96,227</u>
Amortization			
	<u>437,888</u>	<u>437,888</u>	<u>432,964</u>
	<u>\$ 2,259,594</u>	<u>\$ 2,264,386</u>	<u>\$ 2,161,388</u>

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

Year Ended December 31	2014	2014	2013
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Water services			
Electricity	\$ 88,000	\$ 84,117	\$ 84,499
Amortization	287,122	287,122	281,675
Repairs and maintenance	113,500	112,685	67,145
Interest on long-term debt	44,654	43,701	52,434
Bond discounts	4,000	2,914	1,613
Interim financing	10,000	-	4,746
Engineering services	45,000	29,765	52,799
Sundry	22,000	31,442	20,176
Water testing	15,000	13,243	13,872
Insurance	15,400	13,553	13,818
Bad debts	20,000	26,759	15,316
	<u>\$ 664,676</u>	<u>\$ 645,301</u>	<u>\$ 608,093</u>

Town of Shediac

Schedule 3: Schedule of Segment Disclosure

December 31, 2014

	General Government	Protection	Transportation	Environmental Health & Development	Recreation and cultural Services	Water Services	2014 Consolidated	2013 Consolidated
Revenues								
Property tax warrant	\$ 3,543,031	\$ 1,522,005	\$ 1,012,299	\$ 1,273,681	\$ 1,326,285	\$	\$ 8,677,301	\$ 8,131,278
Other revenue from own sources	169,183	304,109	53,333	114,149	480,215		1,120,989	939,299
Unconditional transfers from Provincial Government	121,455	52,174	34,701	43,662	45,465		297,457	497,933
Gain on disposal of capital assets		(323)	15,859		6,091		21,627	-
Other contributions and government transfers					61,300		61,300	534,613
Water user fees					1,399,411		1,399,411	1,356,865
Interest	11,630				75,781		87,411	79,818
	<u>3,845,299</u>	<u>1,877,965</u>	<u>1,116,192</u>	<u>1,431,492</u>	<u>1,919,356</u>	<u>1,475,192</u>	<u>11,665,496</u>	<u>11,539,806</u>
Expenses								
Salaries and benefits	595,930	261,193	766,505	413,183	715,343		2,752,154	2,573,988
Goods and services	1,238,962	1,416,277	871,237	949,292	1,052,854	314,478	5,843,100	5,866,393
Amortization	5,298	75,959	1,186,718		437,888	287,122	1,992,985	1,897,530
Loss on disposal			-				-	2,455
Interest	(50,574)	11,725	131,728	751	58,301	43,701	246,206	270,226
Post-retirement liabilities*							(50,574)	(38)
	<u>1,789,616</u>	<u>1,765,154</u>	<u>2,956,188</u>	<u>1,363,226</u>	<u>2,264,386</u>	<u>645,301</u>	<u>10,783,871</u>	<u>10,610,554</u>
Surplus (deficit) for the year	\$ 2,055,683	\$ 112,811	\$ (1,839,996)	\$ 68,266	\$ (345,030)	\$ 829,891	\$ 881,625	\$ 929,252

*The post-retirement liabilities have been reported under General Government for segment disclosure.

Town of Shediac
Schedule 4: Schedule of Reserve Funds

December 31, 2014

	General Operating Reserve	General Capital Reserve	Water Operating Reserve	Water Capital Reserve	2014 Total	2013 Total
Accumulated surplus, beginning of year	\$ 490,159	\$1,016,389	\$ 76,298	\$ 323,202	\$ 1,906,048	\$ 1,706,395
Transfers to/from Water and General Operating Funds						
Allocation from General Operating Fund	-	100,000			100,000	100,000
Allocation to General Operating Fund		(550,000)			(550,000)	-
Allocation from Water Operating Fund		(450,000)			(450,000)	73,000
Interest						173,000
Allocation for green spaces	5,012	6,618	753	3,298	15,681	18,973
	5,012	11,040	753	3,298	11,040	7,680
		17,658	753	3,298	26,721	26,653
Annual surplus (deficit)	5,012	(432,342)	753	3,298	(423,279)	199,653
Accumulated surplus, end of year	\$ 495,171	\$ 584,047	\$ 77,051	\$ 326,500	\$ 1,482,769	\$ 1,906,048

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

December 31, 2014

	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
2014 annual fund surplus (deficit) ¹	\$ 163,260	\$ 2,338,842	\$ 5,012	\$ (432,342)	\$ 128,903	\$ 582,059	\$ 753	\$ 3,298	\$ 2,789,785
Adjustment to annual surplus (deficit) for funding requirements									
Second previous year's surplus	56,452				(16,000)				40,452
Long-term debt principal repayment	672,000	(672,000)							
Long-term debt principal repayment	-	-			388,000	(388,000)			
Provision for sick leave	50,574								
Amortization of tangible assets	-	(1,705,863)							50,574
Proceed on sale of capital assets	(27,828)					(287,122)			(1,992,985)
Gain on disposal of capital assets	-	21,627							21,627
Capital expenditures paid out of operating funds	1,116,841	(1,116,841)			194,059	(194,059)			
Total adjustments to 2014 annual surplus	1,868,039	(3,473,077)	-	-	566,059	(869,181)	-	-	(1,908,160)
2014 annual surplus per PSAB for the year	\$ 2,031,299	\$ (1,134,235)	\$ 5,012	\$ (432,342)	\$ 694,962	\$ (287,122)	\$ 753	\$ 3,298	\$ 881,625

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, 2014

	Operating Budget General	Operating Budget Water	Reallocation of Interest	Amortization & Post Employment adjustments	Transfers	Total
Revenue						
Province of New Brunswick:						
Warrant for property taxes	\$ 8,677,300	-	-	-	-	\$ 8,677,300
Unconditional grant	297,457	-	-	-	-	297,457
Other revenue from own sources	864,743	7,000	-	-	-	871,743
Water rates	-	1,382,800	-	-	-	1,382,800
Recovery from water operating fund	623,000	-	-	-	(623,000)	-
Water supply for fire protection	-	205,000	-	-	-	-
Interest	-	25,000	-	-	(205,000)	-
Second previous year's surplus	-	16,000	-	-	(16,000)	25,000
	<u>10,462,500</u>	<u>1,635,800</u>	<u>-</u>	<u>-</u>	<u>(944,000)</u>	<u>11,254,300</u>
Expenditure						
General government services	1,789,442	-	17,840	5,298	-	1,812,580
Protective services	1,879,648	-	11,535	75,959	(205,000)	1,762,142
Transportation services	1,723,000	-	133,260	1,186,718	-	3,042,978
Environmental health & development services	1,424,189	-	739	-	-	1,424,928
Recreation and cultural services	1,754,350	-	67,356	437,888	-	2,259,594
Water services	-	318,900	58,654	287,122	-	664,676
Second previous year's deficit	56,452	-	-	-	(56,452)	-
Fiscal services	-	-	-	-	-	-
Long-term debt repayments	672,000	388,000	-	-	(1,060,000)	-
Interest	230,730	58,654	(289,384)	-	-	-
Transfers from the General Operating Fund	932,689	-	-	-	(932,689)	-
Transfer to the General Operating Fund	-	623,000	-	-	(623,000)	-
Transfers from the Operating Water Fund	-	247,246	-	-	(247,246)	-
	<u>10,462,500</u>	<u>1,635,800</u>	<u>-</u>	<u>1,992,985</u>	<u>(3,124,387)</u>	<u>10,966,898</u>
Surplus (deficit) for the year	\$ -	\$ -	\$ -	\$ (1,992,985)	\$ 2,280,387	\$ 287,402