



Consolidated Financial Statements

Town of Shediac

December 31, 2017

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Independent auditor's report

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, 2017, 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, 2017, 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 30, 2018

Grant Thornton LLP

Chartered Professional Accountants

Town of Shediac

Consolidated Statement of Financial Position

Year Ended December 31

2017

2016

Financial assets

Cash and cash equivalents	\$ 5,628,343	\$ 4,644,019
Receivables (Note 3)	2,984,223	1,398,262
Unamortized debenture discounts	65,221	69,086
	<u>8,677,787</u>	<u>6,111,367</u>

Liabilities

Bank loans (Note 4)	8,075,000	3,410,000
Payables and accruals (Note 5)	4,449,340	3,356,663
Long-term debt (Note 6)	8,808,760	9,296,760
	<u>21,333,100</u>	<u>16,063,423</u>

Net debt

(12,655,313) (9,952,056)

Non-financial assets

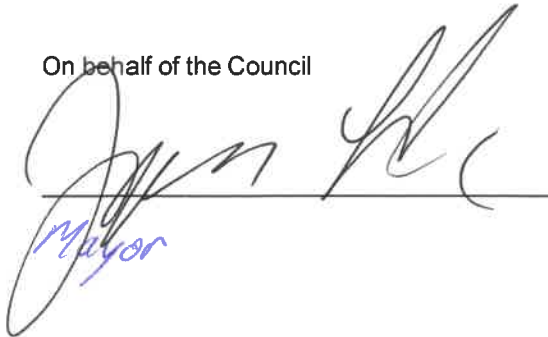
Tangible capital assets (Note 8)	43,541,629	36,064,117
Inventory of supplies	19,668	19,668
Prepays	9,015	17,731
	<u>43,570,312</u>	<u>36,101,516</u>

Accumulated surplus

\$ 30,914,999 \$ 26,149,460

Commitments (Note 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

2017

2016

	PSAB (Budget) (Page 25)	Actual	Actual
Revenues			
Warrant of assessment	\$ 9,653,563	\$ 9,653,563	\$ 9,365,296
Unconditional transfers from Provincial Government	148,584	148,584	214,068
Other contributions and government transfers (Page 16)	4,352,427	4,352,427	3,440,380
Other revenue from own sources (Page 16)	1,140,808	1,157,078	1,126,238
Water services	1,496,200	1,619,590	1,477,926
Gain on disposal of tangible capital assets	40,000	24,683	21,587
Interest	35,000	155,272	136,382
	<u>16,866,582</u>	<u>17,111,197</u>	<u>15,781,877</u>
Expenditures (Pages 17-21)			
General government services	2,072,577	2,069,862	1,862,916
Protection services	1,954,663	1,929,886	1,866,846
Transportation services	4,243,109	3,819,365	3,356,869
Environmental health and development services	1,549,986	1,425,983	1,486,113
Recreation and cultural services	2,569,899	2,460,011	2,459,966
Water services	619,484	640,551	803,128
	<u>13,009,718</u>	<u>12,345,658</u>	<u>11,835,838</u>
Annual surplus	\$ <u>3,856,864</u>	<u>4,765,539</u>	3,946,039
Accumulated surplus, beginning of year		<u>26,149,460</u>	<u>22,203,421</u>
Accumulated surplus, end of year		<u>\$ 30,914,999</u>	<u>\$ 26,149,460</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

2017

2016

Annual surplus	\$ 3,856,864	\$ 4,765,539	\$ 3,946,039
Acquisition of tangible capital assets	(7,171,000)	(10,333,461)	(10,000,309)
Proceeds on disposal of tangible capital assets	-	54,650	29,960
Amortization of tangible capital assets	2,825,982	2,825,982	2,405,036
(Gain) loss on sale of tangible capital assets	40,000	(24,683)	(21,587)
	<u>(4,305,018)</u>	<u>(7,477,512)</u>	<u>(7,586,900)</u>
Change in prepaid expenses	<u>-</u>	<u>8,716</u>	<u>121</u>
Increase in net debt	(448,154)	(2,703,257)	(3,640,740)
Net debt, beginning of year	<u>(9,952,056)</u>	<u>(9,952,056)</u>	<u>(6,311,316)</u>
Net debt, end of year	<u>\$ (10,400,210)</u>	<u>\$ (12,655,313)</u>	<u>\$ (9,952,056)</u>

See accompanying notes and schedules to the consolidated financial statements.

Town of Shediac

Consolidated Statement of Cash Flows

Year Ended December 31

2017

2016

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

Operating activities

Annual surplus	\$ 4,765,539	\$ 3,946,039
Items not affecting cash:		
Amortization of tangible capital assets	2,825,982	2,405,036
Gain on sale of tangible capital assets	(24,683)	(21,587)
Changes in non-cash working capital:		
Change in receivables	(1,585,961)	(477,418)
Change in payables and accruals	1,092,677	1,842,877
Change in prepaid expenses	8,716	121
Change in debenture discounts	3,865	(8,978)
Net cash provided by operating activities	<u>7,086,135</u>	<u>7,686,090</u>

Capital activities

Acquisition of tangible capital assets	(10,333,461)	(10,000,309)
Proceeds on sale of tangible capital assets	54,650	29,960
Net cash used for capital activities	<u>(10,278,811)</u>	<u>(9,970,349)</u>

Financing activities

Issuance of long-term debt	590,000	3,300,000
Issuance of bank loans	4,665,000	1,070,000
Repayment of long-term debt	(1,078,000)	(1,047,000)
Net cash provided for financing activities	<u>4,177,000</u>	<u>3,323,000</u>

Increase in cash and cash equivalents	984,324	1,038,741
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Cash and cash equivalents at beginning of year	<u>4,644,019</u>	<u>3,605,278</u>
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Cash and cash equivalents at end of year	<u>\$ 5,628,343</u>	<u>\$ 4,644,019</u>
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See accompanying notes and schedules to the consolidated financial statements.

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2017

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 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, 2017

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, 2017

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 13, 2016 and the Minister of Environment and Local Government approved the General Operating Budget on February 2, 2017, Capital Budget was approved by the Council on October 31, 2016.

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, 2017

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.

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2017

3. Receivables	<u>2017</u>	<u>2016</u>
Accounts receivable	\$ 218,920	\$ 176,836
Water receivable	415,170	392,816
Capital receivable	1,974,070	512,988
Sales tax receivable	<u>376,063</u>	<u>315,622</u>
	<u>\$ 2,984,223</u>	<u>\$ 1,398,262</u>

4. Bank loans

The bank loans for capital purposes represent temporary financing of capital expenditures and will be replaced by debentures issued. The bank loans for operating purposes 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>2017</u>	<u>2016</u>
Accounts payable and accrued charges	\$ 796,257	\$ 945,386
Capital payables	3,257,554	2,013,738
Employee benefit obligations (Note 7)	365,123	365,123
Accrued interest on long-term debt	<u>30,406</u>	<u>32,416</u>
	<u>\$ 4,449,340</u>	<u>\$ 3,356,663</u>

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2017

6. Long-term debt	<u>2017</u>	<u>2016</u>
<u>New Brunswick Municipal Financing Corporation</u>		
Debtures:		
AX27 4.45% - 4.85%, due 2017	\$ -	\$ 207,000
BA21 .95% - 5%, due 2019	141,000	207,000
BC16 1.5% - 4.55%, due 2020	179,000	234,000
BG22 1.65% - 3.8%, due 2027	1,209,000	1,333,000
BH28 1.35% - 3.1%, due 2022	150,000	178,000
BI23 1.35% - 3.25%, due 2023	564,000	650,000
BK15 1.15% - 3.9%, due 2029	1,010,000	1,095,000
BM21 .95% - 3.25%, due 2030	1,059,000	1,130,000
BN23 1.05% - 3.65%, due 2030	354,000	377,000
BO25 1.45% - 3.5%, due 2031	1,738,000	1,850,000
BP22 1.2% - 3.55%, due 2031	1,057,000	1,130,000
AX28 4.45% - 4.85%, due 2017	-	71,000
BC17 1.5% - 2.5%, due 2020	45,000	59,000
BH29 1.35% - 3.1%, due 2022	116,000	138,000
BI24 1.35% - 3.25%, due 2023	150,000	173,000
BO26 1.45% - 3.5%, due 2031	302,000	320,000
BQ22 1.20% - 3.3%, due 2032	590,000	-
	<u>8,664,000</u>	<u>9,152,000</u>
<u>608402 NB Ltd.</u>		
Loan payable, 0%, repayable as per agreement based on development	<u>144,760</u>	<u>144,760</u>
	<u>\$ 8,808,760</u>	<u>\$ 9,296,760</u>

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

2018	\$ 871,000	2021	\$ 777,000
2019	887,000	2022	792,000
2020	833,000		

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, 2017, the Town has an approval to borrow an additional \$ 10,050,000.

Town of Shediac

Consolidated Statement Notes to the Financial Statements

December 31, 2017

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>2017</u>	<u>2016</u>
Employee benefit obligations:		
Vested benefits	\$ 402,800	\$ 387,823
Unamortized actuary losses	<u>(37,677)</u>	<u>(22,700)</u>
Accrued employee benefit obligation	<u>\$ 365,123</u>	<u>\$ 365,123</u>
Accrued employee benefit obligation	\$ 365,123	\$ 365,123
Less funded amount	<u>(365,123)</u>	<u>(365,123)</u>
Vested benefits to be funded from future revenue	<u>\$ -</u>	<u>\$ -</u>
Benefit expense in the year	<u>\$ -</u>	<u>\$ 41,800</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 2% per annum for 2018, 2019 and 2020, 2.5% per annum for 2021 and 3% per annum thereafter;
- the discount rate used to determine the accrued benefit obligation is 3.07%;
- 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, 2017

8. Tangible capital assets

	General Capital Assets					Water Assets			2017	2016
	Land	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer, Hardware and Software	Land Improvements	Road, Streets, Sidewalks, Culverts	Land	Water Buildings and Leasehold Improvements	Water Systems	
Cost										
Opening cost	\$ 2,856,881	\$ 9,682,383	\$ 4,417,904	\$ 186,631	\$ 3,813,920	\$ 30,563,722	\$ 76,681	\$ 1,069,512	\$ 7,950,341	\$ 60,617,975
Additions	-	2,579,867	438,855	-	771,822	5,711,170	-	-	831,747	10,333,461
Disposals	-	-	122,150	-	-	-	-	-	-	122,150
Closing cost	2,856,881	12,262,250	4,734,609	186,631	4,585,742	36,274,892	76,681	1,069,512	8,782,088	70,829,286
Accumulated amortization										
Opening accumulated amortization	-	2,445,689	2,033,885	184,129	1,052,196	14,581,335	-	687,576	3,569,048	24,553,858
Amortization	-	433,585	299,046	1,251	326,740	1,462,915	-	28,905	273,540	2,825,982
Disposals	-	-	92,183	-	-	-	-	-	-	92,183
Closing accumulated amortization	-	2,879,274	2,240,748	185,380	1,378,936	16,044,250	-	716,481	3,842,588	27,287,657
Asset net book value	\$ 2,856,881	\$ 9,382,976	\$ 2,493,861	\$ 1,251	\$ 3,206,806	\$ 20,230,642	\$ 76,681	\$ 353,031	\$ 4,939,500	\$ 43,541,629
										\$ 36,064,117

Town of Shediac

Consolidated Statement Notes to the Financial Statements

December 31, 2017

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 2017, 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>2017</u>	<u>2016</u>
2017 Surplus	\$ 141,309	\$ -
2016 Surplus	124,325	124,325
2015 Surplus	<u>-</u>	<u>125,621</u>
	<u>\$ 265,634</u>	<u>\$ 249,946</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 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 \$939,882. Minimum payments payable over the next five years are as follows:

2018	\$ 234,258	2020	\$ 234,258	2022	\$ 2,850
2019	234,258	2021	234,258		

13. Pension plan

The Town has a contributory pension plan for its employees and its share of the pension plan contributions for 2017 were \$135,790 (2016 - \$124,906).

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

2017

2017

2016

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Other contributions and government transfers			
Provincial government	\$ 1,159,405	\$ 1,159,405	\$ 439,237
Gas tax program	431,249	431,249	1,237,640
New Building Canada Fund	1,483,831	1,483,831	1,571,680
Clean Water and Wastewater Fund	1,277,942	1,277,942	-
Third party contributions	-	-	191,823
	<u>\$ 4,352,427</u>	<u>\$ 4,352,427</u>	<u>\$ 3,440,380</u>
Other revenue from own sources			
Firefighting services	\$ 359,271	\$ 359,271	\$ 335,608
Recreation	36,500	38,671	41,235
Arena	239,600	242,101	238,051
Multipurpose centre	190,000	170,516	174,891
Licenses and permits	1,000	1,088	1,274
Building permits	125,000	102,026	112,688
Fines	-	-	6,972
Road maintenance	53,000	53,333	53,333
Rent	41,700	41,733	41,703
Allocation for green space	-	(1,120)	10,640
Sundry	94,737	149,459	109,843
	<u>\$ 1,140,808</u>	<u>\$ 1,157,078</u>	<u>\$ 1,126,238</u>

Town of Shediac

Schedule 2: Consolidated Schedule of Expenditures

Year Ended December 31	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General government services			
Legislative			
Mayor	\$ 19,300	\$ 19,169	\$ 18,790
Mayor – other	16,500	15,318	11,410
Councilors	74,300	74,010	72,657
Councilors – other	43,400	37,042	27,085
Development seminars	32,700	22,450	27,269
Other	24,000	21,677	23,134
	<u>210,200</u>	<u>189,666</u>	<u>180,345</u>
Administrative			
Salaries and fringe benefits	666,647	643,945	581,698
Traveling expenses – Town manager	15,000	15,022	13,112
Building – rent and maintenance	338,000	329,265	310,402
Equipment rental	7,000	6,948	6,891
Telecommunications	25,000	25,689	43,340
External audit	36,000	27,146	30,530
Legal and other professional fees	70,000	100,613	68,371
Computer systems	50,000	46,613	45,221
Advertising and promotion	12,000	11,491	10,247
Branding project	50,000	67,353	-
Association fees	18,000	17,736	16,740
Office and postage expenses	45,000	35,820	41,825
Cost of assessment	127,079	127,079	123,242
Simultaneous translation	15,000	9,893	27,160
	<u>1,474,726</u>	<u>1,464,613</u>	<u>1,318,779</u>
Other general government services			
Public liability insurance	61,100	53,872	55,310
Grant	163,000	230,664	157,705
By-law	73,000	49,111	68,528
Human resources	54,800	34,952	42,472
Property taxes	11,000	8,215	9,695
Interest on bonds	-	-	18
Bond discounts	6,500	7,533	6,569
Bank charges	17,000	16,340	16,489
Bad debts	-	13,645	5,005
	<u>386,400</u>	<u>414,332</u>	<u>361,791</u>
Amortization	1,251	1,251	2,001
	<u>\$ 2,072,577</u>	<u>\$ 2,069,862</u>	<u>\$ 1,862,916</u>

Town of Shediac

Schedule 2: Consolidated Schedule of Expenditures

(continued)

Year Ended December 31	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Protection services			
Police			
Contract	\$ 1,291,601	\$ 1,291,601	\$ 1,234,158
Sundry	7,900	7,900	7,750
	<u>1,299,501</u>	<u>1,299,501</u>	<u>1,241,908</u>
Fire			
Vehicles	31,500	24,939	27,187
Firefighting association	32,700	32,700	32,700
Fees	108,000	107,987	105,999
Firefighting equipment	31,600	27,546	29,293
Vaccine	1,000	-	-
Garment	32,200	30,401	27,281
Travel	4,300	1,733	2,409
Fire prevention	3,100	2,179	2,829
Salaries and fringe benefits	144,500	140,077	140,327
Fire alarm system	23,000	23,682	31,450
Workers compensation and group insurance	32,000	32,231	31,258
Training	9,100	8,788	9,262
Sundry	18,000	17,656	11,024
Building – repair and maintenance	81,200	80,007	73,012
	<u>552,200</u>	<u>529,926</u>	<u>524,031</u>
Other protection services			
Animal and pest control	29,000	26,702	25,797
Emergency measures	3,000	2,870	2,513
	<u>32,000</u>	<u>29,572</u>	<u>28,310</u>
Interest on bonds	<u>6,987</u>	<u>6,912</u>	<u>8,622</u>
Amortization	<u>63,975</u>	<u>63,975</u>	<u>63,975</u>
	<u>\$ 1,954,663</u>	<u>\$ 1,929,886</u>	<u>\$ 1,866,846</u>

Town of Shediac

Schedule 2: Consolidated Schedule of Expenditures (continued)

Year Ended December 31	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Transportation services			
Common services			
Salaries and fringe benefits	\$ 871,800	\$ 720,701	\$ 724,326
Overtime	125,000	117,788	116,060
General supplies			
Gas and oil	95,000	64,381	63,020
Repair and maintenance	120,000	70,315	122,192
Insurance and licenses	26,000	26,659	24,901
Shop, yard and building			
Repair and maintenance	14,000	54,693	13,701
Heat and light	30,000	26,201	17,968
Municipal taxes, sewer and insurance	20,100	7,303	32,855
Supplies	4,000	4,434	3,378
Communication services	5,000	5,528	5,360
Engineering services	45,000	56,217	69,237
	<u>1,355,900</u>	<u>1,154,220</u>	<u>1,192,998</u>
Road transportation			
Roads and streets	352,000	283,796	264,639
Snow and ice removal	112,000	81,235	88,015
Street lighting	162,000	160,479	156,141
Traffic services	60,000	56,908	60,429
	<u>686,000</u>	<u>582,418</u>	<u>569,224</u>
Interest			
Interest on short-term borrowing	241,569	124,962	39,904
Interest on bonds	173,804	171,929	147,340
	<u>415,373</u>	<u>296,891</u>	<u>187,244</u>
Amortization			
	<u>1,785,836</u>	<u>1,785,836</u>	<u>1,407,403</u>
	<u>\$ 4,243,109</u>	<u>\$ 3,819,365</u>	<u>\$ 3,356,869</u>
Environmental health and development services			
Environmental health services			
Garbage and waste collection	\$ 169,400	\$ 205,146	\$ 197,248
Solid waste disposal WASWC	132,177	132,177	131,082
	<u>301,577</u>	<u>337,323</u>	<u>328,330</u>
Environmental development services			
Town planning	219,908	217,958	212,037
Economic development	368,200	269,935	351,550
Salaries and fringe benefits	273,000	233,770	231,283
Tourism and municipal development	321,500	282,355	302,082
Pascal Poirier Historical House	27,500	38,668	27,255
Former train station	38,100	45,775	33,179
	<u>1,248,208</u>	<u>1,088,461</u>	<u>1,157,386</u>
Interest on bonds			
	<u>201</u>	<u>199</u>	<u>397</u>
	<u>\$ 1,549,986</u>	<u>\$ 1,425,983</u>	<u>\$ 1,486,113</u>

Town of Shediac

Schedule 2: Consolidated Schedule of Expenditures (continued)

Year Ended December 31	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Recreation and cultural services			
Arena			
Salaries and fringe benefits	\$ 123,600	\$ 99,893	\$ 96,461
Overtime	15,000	8,870	10,935
Part time	46,000	44,691	54,197
Buildings			
Property taxes and insurance	11,000	10,788	10,135
Electricity	113,000	109,873	104,427
General maintenance	78,000	98,994	90,716
Telecommunication	3,000	2,974	3,073
Office supplies	2,500	419	2,254
	<u>392,100</u>	<u>376,502</u>	<u>372,198</u>
Parks and playgrounds			
Salaries and fringe benefits	128,000	101,058	117,305
Frais professionnels	30,000	30,328	17,641
Equipment maintenance	31,400	33,552	31,170
Parks and playground maintenance	119,430	124,431	194,321
Building – repair and maintenance	2,500	5,490	740
Telecommunications	1,200	1,629	983
	<u>312,530</u>	<u>296,488</u>	<u>362,160</u>
Community services			
Salaries and fringe benefits	225,010	217,641	181,710
Multipurpose Centre	449,400	403,611	407,574
Conventions	7,500	7,123	2,133
Web site	7,500	1,039	4,311
Advertising and promotion	82,500	80,276	72,756
Activities	73,200	54,912	58,806
Special events	262,100	264,801	271,397
	<u>1,107,210</u>	<u>1,029,403</u>	<u>998,687</u>
Library			
General maintenance	5,000	4,988	4,283
Supplies	22,100	22,963	22,847
Telecommunications	3,200	2,504	2,776
	<u>30,300</u>	<u>30,455</u>	<u>29,906</u>
Interest			
Interest on short-term borrowing	-	-	9,643
Interest on bonds	55,285	54,689	54,609
	<u>55,285</u>	<u>54,689</u>	<u>64,252</u>
Amortization			
	<u>672,474</u>	<u>672,474</u>	<u>632,763</u>
	<u>\$ 2,569,899</u>	<u>\$ 2,460,011</u>	<u>\$ 2,459,966</u>

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

Year Ended December 31	2017	2017	2016
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Water services			
Electricity	\$ 92,000	\$ 95,918	\$ 92,249
Amortization	302,446	302,446	298,894
Repairs and maintenance	84,500	147,336	175,555
Interest on long-term debt	21,938	28,574	25,996
Bond discounts	4,000	1,224	2,013
Interim financing	10,000	184	-
Engineering services	20,000	15,989	4,365
Sundry	34,000	31,891	29,156
Water testing	17,000	13,580	15,918
Insurance	13,600	13,349	13,213
Bad debts (recovery)	20,000	(9,940)	145,769
	<u>\$ 619,484</u>	<u>\$ 640,551</u>	<u>\$ 803,128</u>

Town of Shediac

Schedule 3: Schedule of Segment Disclosure

December 31, 2017

	General Government	Protection	Transportation	Environmental Health & Development	Recreation and cultural	Water Services	2017 Consolidated	2016 Consolidated
Revenues								
Property tax warrant*	\$ 3,841,763	\$ 1,703,211	\$ 1,432,650	\$ 1,362,810	\$ 1,313,129	\$ -	\$ 9,653,563	\$ 9,365,296
Other revenue from own sources	148,339	360,359	53,333	102,026	493,021	-	1,157,078	1,126,238
Unconditional transfers from Provincial Government*	59,129	26,219	22,050	20,975	20,211	-	148,584	214,068
Gain on disposal of capital assets	-	-	24,683	-	-	-	24,683	21,587
Other contributions and government transfers	-	-	4,352,427	-	-	-	4,352,427	3,440,380
Water user fees	-	-	-	-	-	1,619,590	1,619,590	1,477,926
Interest	10,284	-	-	-	-	144,988	155,272	136,382
	4,059,515	2,089,789	5,885,143	1,485,811	1,826,361	1,764,578	17,111,197	15,781,877
Expenses								
Salaries and benefits	737,124	280,763	824,552	351,825	661,683	-	2,855,947	2,733,075
Goods and services	1,331,487	1,578,236	912,086	1,073,959	1,071,165	309,347	6,276,280	6,411,216
Amortization	1,251	63,975	1,785,836	-	672,474	302,446	2,825,982	2,405,036
Interest	-	6,912	296,891	199	54,689	28,758	387,449	286,511
	2,069,862	1,929,886	3,819,365	1,425,983	2,460,011	640,651	12,345,658	11,835,838
Surplus for the year	\$ 1,989,653	\$ 159,903	\$ 2,065,778	\$ 59,828	\$ (633,650)	\$ 1,124,027	\$ 4,765,539	\$ 3,946,039

*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, 2017

	General Operating Reserve	General Capital Reserve	Water Operating Reserve	Water Capital Reserve	2017 Total	2016 Total
Accumulated surplus, beginning of year	\$ 550,767	\$ 429,482	\$ 88,631	\$ 886,304	\$ 1,955,184	\$ 2,006,190
Transfers to/from Water and General Operating Funds						
Allocation from General Operating Fund	-	300,000	-	-	300,000	230,000
Allocation to General Operating Fund	-	-	-	-	-	(457,000)
Allocation from Water Operating Fund	-	300,000	-	620,000	620,000	150,000
					<u>920,000</u>	<u>(77,000)</u>
Interest	5,829	4,455	939	9,372	20,595	15,354
Allocation for green spaces	-	(1,120)	-	-	(1,120)	10,640
	<u>5,829</u>	<u>3,335</u>	<u>939</u>	<u>9,372</u>	<u>19,475</u>	<u>25,994</u>
Annual surplus (deficit)	5,829	303,335	939	629,372	939,475	(51,006)
Accumulated surplus, end of year	\$ 556,596	\$ 732,817	\$ 89,570	\$ 1,515,676	\$ 2,894,659	\$ 1,955,184

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

December 31, 2017

	General			Water			Total All Fund
	Operating Fund	Capital Fund	Operating Reserve Fund	Operating Fund	Capital Fund	Operating Reserve Fund	
2017 annual fund surplus (deficit) ¹	\$ 101,029	\$ 6,170,245	\$ 5,829	\$ 141,309	\$ 451,273	\$ 939	\$ 7,803,331
Adjustment to annual surplus (deficit) for funding requirements							
Second previous year's surplus	(56,222)	-	-	(125,621)	-	-	(181,843)
Long-term debt principal repayment - general	930,000	(930,000)	-	-	-	-	-
Long-term debt principal repayment - water	-	-	-	148,000	(148,000)	-	-
Amortization of tangible assets	-	(2,523,536)	-	-	(302,446)	-	(2,825,982)
Proceed on sale of capital assets	(54,650)	-	-	-	-	-	(54,650)
Gain on disposal of capital assets	-	24,683	-	-	-	-	24,683
Capital expenditures paid out of operating funds	1,012,085	(1,012,085)	-	303,274	(303,274)	-	-
Total adjustments to 2017 annual surplus	1,831,213	(4,440,938)	-	325,653	(753,720)	-	(3,037,792)
2017 annual surplus per PSAB for the year	\$ 1,932,242	\$ 1,729,307	\$ 5,829	\$ 466,962	\$ (302,447)	\$ 939	\$ 4,765,539

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, 2017

	Operating Budget General	Operating Budget Water	Capital Fund Budget	Reallocation of interest	Amortization & adjustments	Transfers	Total
Revenue							
Province of New Brunswick:							
Warrant for property taxes	\$ 9,653,563	\$ -	\$ -	\$ -	\$ -	\$ -	9,653,563
Unconditional grant	148,584	-	-	-	-	-	148,584
Other revenue from own sources	1,131,808	9,000	-	-	-	-	1,140,808
Other contributions and government transfers	-	-	4,352,427	-	-	-	4,352,427
Water rates	-	1,496,200	-	-	-	-	1,496,200
Recovery from water operating fund	534,200	-	-	-	-	(534,200)	-
Water supply for fire protection	40,000	205,000	-	-	-	(205,000)	-
Gain on disposal of tangible capital assets	-	-	-	-	-	-	40,000
Interest	56,222	35,000	-	-	-	-	35,000
Second previous year's surplus	125,621	-	-	-	-	(181,843)	-
	<u>11,564,377</u>	<u>1,870,821</u>	<u>4,352,427</u>	<u>-</u>	<u>-</u>	<u>(921,043)</u>	<u>16,866,582</u>
Expenditure							
General government services	2,071,326	-	-	-	1,251	-	2,072,577
Protective services	2,088,701	-	-	6,987	63,975	(205,000)	1,954,663
Transportation services	2,041,900	-	-	415,373	1,785,836	-	4,243,109
Environmental health & development services	1,549,785	-	-	201	-	-	1,549,986
Recreation and cultural services	1,842,140	-	-	55,285	672,474	-	2,569,899
Water services	-	285,100	-	31,938	302,446	-	619,484
Fiscal services							
Long-term debt repayments	930,000	148,000	-	-	-	(1,078,000)	-
Interest	477,846	31,938	-	(509,784)	-	-	-
Transfers from the General Operating Fund	562,679	-	-	-	-	(562,679)	-
Transfer to the General Operating Fund	-	534,200	-	-	-	(534,200)	-
Transfers from the Operating Water Fund	-	601,583	-	-	-	(601,583)	-
Transfers to the Water Capital Reserve Fund	-	270,000	-	-	-	(270,000)	-
	<u>11,564,377</u>	<u>1,870,821</u>	<u>-</u>	<u>-</u>	<u>2,825,982</u>	<u>(3,251,462)</u>	<u>13,009,718</u>
Surplus (deficit) for the year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,352,427</u>	<u>\$ -</u>	<u>\$ (2,825,982)</u>	<u>\$ 2,330,419</u>	<u>\$ 3,856,864</u>