



Consolidated Financial Statements

Town of Shediac

December 31, 2016

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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, 2016, 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, 2016, 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.

Great Thornton LLP

Moncton, Canada
April 24, 2017

Chartered Professional Accountants

Town of Shediac

Consolidated Statement of Financial Position

Year Ended December 31

2016

2015

Financial assets

Cash and cash equivalents	\$ 4,644,019	\$ 3,605,278
Receivables (Note 3)	1,398,262	920,844
Unamortized debenture discounts	69,086	60,108
	<u>6,111,367</u>	<u>4,586,230</u>

Liabilities

Bank loans (Note 4)	3,410,000	2,340,000
Payables and accruals (Note 5)	3,356,663	1,513,786
Long-term debt (Note 6)	9,296,760	7,043,760
	<u>16,063,423</u>	<u>10,897,546</u>

Net debt

	<u>(9,952,056)</u>	<u>(6,311,316)</u>
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Non-financial assets

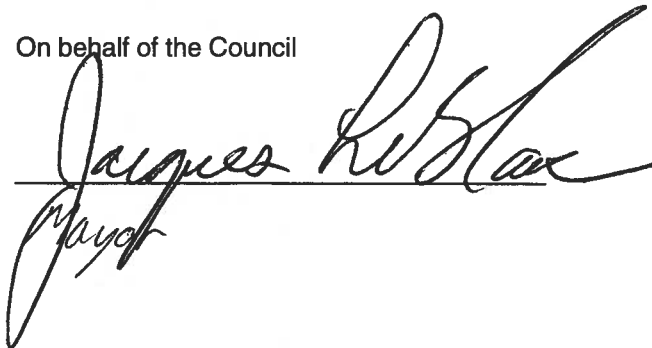
Tangible capital assets (Note 8)	36,064,117	28,477,217
Inventory of supplies	19,668	19,668
Prepays	17,731	17,852
	<u>36,101,516</u>	<u>28,514,737</u>

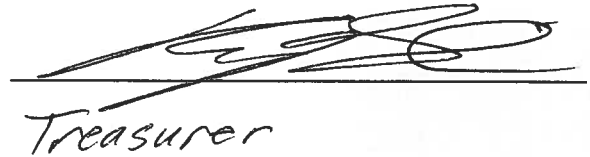
Accumulated surplus

	<u>\$ 26,149,460</u>	<u>\$ 22,203,421</u>
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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

2016**2015**

	PSAB (Budget) (Page 25)	<u>Actual</u>	<u>Actual</u>
Revenues			
Warrant of assessment	\$ 9,365,296	\$ 9,365,296	\$ 9,047,992
Unconditional transfers from Provincial Government	214,068	214,068	235,480
Other contributions and government transfers (Page 16)	3,440,380	3,440,380	381,397
Other revenue from own sources (Page 16)	1,068,433	1,126,238	1,012,128
Water services	1,444,300	1,477,926	1,454,475
Gain (loss) on disposal of tangible capital assets	25,000	21,587	(7,792)
Interest	25,000	136,382	107,237
	<u>15,582,477</u>	<u>15,781,877</u>	<u>12,230,917</u>
Expenditures (Pages 17-21)			
General government services	1,918,738	1,862,916	1,821,319
Protection services	1,901,424	1,866,846	1,748,018
Transportation services	3,629,050	3,356,869	3,316,302
Environmental health and development services	1,628,469	1,486,113	1,587,445
Recreation and cultural services	2,566,178	2,459,966	2,418,672
Water services	679,433	803,128	694,130
	<u>12,323,292</u>	<u>11,835,838</u>	<u>11,585,886</u>
Annual surplus (deficit)	<u>\$ 3,259,185</u>	<u>3,946,039</u>	645,031
Accumulated surplus, beginning of year		<u>22,203,421</u>	<u>21,558,390</u>
Accumulated surplus, end of year		<u>\$ 26,149,460</u>	<u>\$ 22,203,421</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

2016

2015

Annual surplus	\$ 3,259,185	\$ 3,946,039	\$ 645,031
Acquisition of tangible capital assets	(14,455,000)	(10,000,309)	(3,890,345)
Proceeds on disposal of tangible capital assets	-	29,960	32,684
Amortization of tangible capital assets	2,405,036	2,405,036	2,074,537
(Gain) loss on sale of tangible capital assets	(25,000)	(21,587)	7,792
	<u>(12,074,964)</u>	<u>(7,586,900)</u>	<u>(1,775,332)</u>
Change in security deposit	-	-	75,000
Change in prepaid expenses	-	121	(749)
	<u>-</u>	<u>121</u>	<u>74,251</u>
Increase in net debt	(8,815,779)	(3,640,740)	(1,056,050)
Net debt, beginning of year	<u>(6,311,316)</u>	<u>(6,311,316)</u>	<u>(5,255,266)</u>
Net debt, end of year	<u>\$ (15,127,095)</u>	<u>\$ (9,952,056)</u>	<u>\$ (6,311,316)</u>

See accompanying notes and schedules to the consolidated financial statements.

Town of Shediac

Consolidated Statement of Cash Flows

Year Ended December 31

2016

2015

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

Operating activities

Annual surplus	\$ 3,946,039	\$ 645,031
Items not affecting cash:		
Amortization of tangible capital assets	2,405,036	2,074,537
(Gain) loss on sale of tangible capital assets	(21,587)	7,792
Changes in non-cash working capital:		
Change in receivables	(477,418)	(271,210)
Change in payables and accruals	1,842,877	154,425
Change in mortgage receivable	-	40,790
Change in security deposit	-	75,000
Change in prepaid expenses	121	(749)
Change in debenture discounts	(8,978)	(2,637)
Net cash provided by operating activities	<u>7,686,090</u>	<u>2,722,979</u>

Capital activities

Acquisition of tangible capital assets	(10,000,309)	(3,890,345)
Proceeds on sale of tangible capital assets	29,960	32,684
Net cash used for capital activities	<u>(9,970,349)</u>	<u>(3,857,661)</u>

Financing activities

Issuance of long-term debt	3,300,000	1,600,000
Issuance (repayment) of bank loans	1,070,000	1,225,000
Repayment of long-term debt	(1,047,000)	(990,000)
Net cash provided for financing activities	<u>3,323,000</u>	<u>1,835,000</u>

Increase in cash and cash equivalents	1,038,741	700,318
Cash and cash equivalents at beginning of year	<u>3,605,278</u>	<u>2,904,960</u>
Cash and cash equivalents at end of year	<u>\$ 4,644,019</u>	<u>\$ 3,605,278</u>

See accompanying notes and schedules to the consolidated financial statements.

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2016

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, 2016

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	<u>Years</u>
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, 2016

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 8, 2015 and the Minister of Environment and Local Government approved the General Operating Budget on January 15, 2016, Capital Budget was approved by the Council on November 30, 2015.

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, 2016

2. Summary of significant accounting policies (continued)

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

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2016

3. Receivables	<u>2016</u>	<u>2015</u>
Accounts receivable	\$ 176,836	\$ 149,631
Water receivable	392,816	353,822
Capital receivable	512,988	275,525
Sales tax receivable	<u>315,622</u>	<u>141,866</u>
	<u>\$ 1,398,262</u>	<u>\$ 920,844</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>2016</u>	<u>2015</u>
Accounts payable and accrued charges	\$ 945,386	\$ 685,914
Capital payables	2,013,738	399,918
Employee benefit obligations (Note 7)	365,123	398,400
Accrued interest on long-term debt	<u>32,416</u>	<u>29,554</u>
	<u>\$ 3,356,663</u>	<u>\$ 1,513,786</u>

Town of Shediac

Notes to the Consolidated Financial Statements

December 31, 2016

6. Long-term debt	<u>2016</u>	<u>2015</u>
<u>New Brunswick Municipal Financing Corporation</u>		
Debtures:		
AU13 4.15% - 4.7%, due 2016	\$ -	\$ 38,000
AX27 4.45% - 4.85%, due 2017	207,000	405,000
BA21 .95% - 5%, due 2019	207,000	271,000
BC16 1.5% - 4.55%, due 2020	234,000	287,000
BG22 1.65% - 3.8%, due 2027	1,333,000	1,454,000
BH28 1.35% - 3.1%, due 2022	178,000	205,000
BI23 1.35% - 3.25%, due 2023	650,000	735,000
BK15 1.15% - 3.9%, due 2029	1,095,000	1,178,000
BM21 .95% - 3.25%, due 2030	1,130,000	1,200,000
BN23 1.05% - 3.65%, due 2030	377,000	400,000
BO25 1.45% - 3.5%, due 2031	1,850,000	-
BP22 1.2% - 3.55%, due 2031	1,130,000	-
AU14 4.15% - 4.7%, due 2016	-	88,000
AX28 4.45% - 4.85%, due 2017	71,000	138,000
BC17 1.5% - 2.5%, due 2020	59,000	72,000
BF28 1.35% - 2.2%, due 2016	-	73,000
BH29 1.35% - 3.1%, due 2022	138,000	159,000
BI24 1.35% - 3.25%, due 2023	173,000	196,000
BO26 1.45% - 3.5%, due 2031	320,000	-
	<u>9,152,000</u>	<u>6,899,000</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>\$ 9,296,760</u>	<u>\$ 7,043,760</u>

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

2017	\$ 1,078,000	2020	\$ 781,000
2018	820,000	2021	725,000
2019	836,000		

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, 2016, the Town has an approval to borrow an additional \$ 7,865,000.

Town of Shediac

Consolidated Statement Notes to the Financial Statements

December 31, 2016

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>2016</u>	<u>2015</u>
Employee benefit obligations:		
Vested benefits	\$ 387,823	\$ 423,300
Unamortized actuarial losses	<u>(22,700)</u>	<u>(24,900)</u>
Accrued employee benefit obligation	<u>\$ 365,123</u>	<u>\$ 398,400</u>
Accrued employee benefit obligation	\$ 365,123	\$ 398,400
Less funded amount	<u>(365,123)</u>	<u>(398,400)</u>
Vested benefits to be funded from future revenue	<u>\$ -</u>	<u>\$ -</u>
Benefit expense in the year	<u>\$ 41,800</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 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, 2016

8. Tangible capital assets

	General Capital Assets					Water Assets			
	Land	Buildings and Leasehold Improvements*	Vehicles and Equipment	Computer, Hardware and Software	Land Improvements	Road, Streets, Sidewalks, Culverts	Land	Water Buildings and Leasehold Improvements	Water Systems
Cost									
Opening cost	\$ 2,398,107	\$ 7,253,432	\$ 4,039,030	\$ 186,631	\$ 2,889,431	\$ 25,957,394	\$ 76,681	\$ 1,069,512	\$ 6,955,787
Additions	458,774	2,428,951	587,153	-	924,489	4,606,388	-	-	994,554
Disposals	-	-	208,279	-	-	-	-	-	-
Closing 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
									50,825,945
Accumulated amortization									
Opening amortization	-	2,157,276	1,968,969	182,128	763,699	13,318,905	-	658,671	3,299,060
Amortization	-	288,413	264,802	2,001	288,497	1,262,430	-	28,905	269,988
Disposals	-	-	199,906	-	-	-	-	-	-
Closing accumulated amortization	-	2,445,689	2,033,865	184,129	1,052,196	14,581,335	-	687,576	3,569,048
Asset net book value	\$ 2,856,881	\$ 7,236,694	\$ 2,384,019	\$ 2,502	\$ 2,761,724	\$ 15,982,387	\$ 76,681	\$ 381,936	\$ 4,381,293
									\$ 36,064,117
									\$ 28,477,217

*Included in the cost of buildings and leasehold improvements is an amount of \$2,132,366 for assets under construction.

Town of Shediac

Consolidated Statement Notes to the Financial Statements

December 31, 2016

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 2016, 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>2016</u>	<u>2015</u>
2016 Surplus	\$ 124,325	\$ -
2015 Surplus	125,621	125,621
2014 Surplus	<u>-</u>	<u>128,903</u>
	<u>\$ 249,946</u>	<u>\$ 254,524</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 \$1,161,502. Minimum payments payable over the next five years are as follows:

2017	\$ 235,870	2020	\$ 231,408
2018	231,408	2021	231,408
2019	231,408		

13. Pension Plan

The Town has a contributory pension plan for its employees and its share of the pension plan contributions for 2016 were \$124,906 (2015 - \$119,862).

Town of Shediac

Schedule 1: Consolidated Schedule of Revenues

Year ended December 31	2016	2016	2015
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Other contributions and government transfers			
Provincial government	\$ 439,237	\$ 439,237	\$ 288,331
Gas tax program	1,237,640	1,237,640	-
New Building Canada Fund	1,571,680	1,571,680	-
Third party contributions	191,823	191,823	93,066
	<u>\$ 3,440,380</u>	<u>\$ 3,440,380</u>	<u>\$ 381,397</u>
Other revenue from own sources			
Firefighting services	\$ 335,608	\$ 335,608	\$ 280,915
Recreation	51,500	41,235	34,836
Arena	232,100	238,051	216,856
Multipurpose centre	154,944	174,891	196,504
Licenses and permits	1,000	1,274	902
Building permits	100,000	112,688	92,962
Fines	6,972	6,972	27,711
Road maintenance	53,000	53,333	53,333
Rent	41,600	41,703	41,676
Allocation for green space	-	10,640	(1,600)
Sundry	91,709	109,843	68,033
	<u>\$ 1,068,433</u>	<u>\$ 1,126,238</u>	<u>\$ 1,012,128</u>

Town of Shediac

Schedule 2: Consolidated Schedule of Expenditures

Year Ended December 31

2016

2016

2015

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General government services			
Legislative			
Mayor	\$ 18,900	\$ 18,790	\$ 18,418
Mayor – other	12,800	11,410	12,982
Councilors	72,800	72,657	67,569
Councilors – other	28,700	27,085	25,730
Development seminars	30,000	27,269	22,513
Other	<u>23,000</u>	<u>23,134</u>	<u>19,864</u>
	<u>186,200</u>	<u>180,345</u>	<u>167,076</u>
Administrative			
Salaries and fringe benefits	496,000	500,729	479,658
Traveling expenses – Town manager	15,000	13,112	11,067
Building – rent and maintenance	321,500	310,402	327,837
Equipment rental	7,000	6,891	6,891
Telecommunications	39,000	43,340	26,991
External audit and other professional fees	36,000	30,530	34,352
Legal and collection fees	50,000	68,371	78,451
Computer systems	50,177	45,221	33,810
Advertising and promotion	12,000	10,247	12,357
Association fees	18,000	16,740	14,851
Office and postage expenses	40,000	41,825	33,506
Cost of assessment	123,242	123,242	119,096
Simultaneous translation	<u>27,000</u>	<u>27,160</u>	<u>25,106</u>
	<u>1,234,919</u>	<u>1,237,810</u>	<u>1,203,973</u>
Other general government services			
Public liability insurance	63,000	55,310	62,992
Grant	187,000	157,705	161,149
By-law	76,000	68,528	56,591
Human resources	136,100	123,441	131,877
Property taxes	11,000	9,695	9,621
Interest on bonds	18	18	57
Bond discounts	6,500	6,569	5,737
Bank charges	16,000	16,489	14,674
Bad debts	<u>-</u>	<u>5,005</u>	<u>4,431</u>
	<u>495,618</u>	<u>442,760</u>	<u>447,129</u>
Amortization	<u>2,001</u>	<u>2,001</u>	<u>3,141</u>
	<u>\$ 1,918,738</u>	<u>\$ 1,862,916</u>	<u>\$ 1,821,319</u>

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

Year Ended December 31	2016	2016	2015
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Protection services			
Police			
Contract	\$ 1,234,158	\$ 1,234,158	\$ 1,166,476
Sundry	7,750	7,750	7,600
	<u>1,241,908</u>	<u>1,241,908</u>	<u>1,174,076</u>
Fire			
Vehicles	30,500	27,187	31,968
Firefighting association	32,700	32,700	32,700
Fees	105,800	105,999	104,254
Firefighting equipment	31,000	29,293	25,205
Vaccine	1,000	-	-
Garment	30,200	27,281	20,899
Travel	4,300	2,409	3,514
Fire prevention	3,100	2,829	2,297
Salaries and fringe benefits	140,000	140,327	139,434
Fire alarm system	27,500	31,450	22,868
Workers compensation and group insurance	33,300	31,258	30,174
Training	12,800	9,262	8,108
Sundry	17,800	11,024	9,699
Building – repair and maintenance	85,000	73,012	46,085
	<u>555,000</u>	<u>524,031</u>	<u>477,205</u>
Other protection services			
Animal and pest control	30,000	25,797	21,899
Emergency measures	3,000	2,513	2,513
	<u>33,000</u>	<u>28,310</u>	<u>24,412</u>
Interest on bonds	<u>7,541</u>	<u>8,622</u>	<u>10,647</u>
Amortization	<u>63,975</u>	<u>63,975</u>	<u>61,678</u>
	<u>\$ 1,901,424</u>	<u>\$ 1,866,846</u>	<u>\$ 1,748,018</u>

Town of Shediac

Schedule 2: Consolidated Schedule of Expenditures

(continued)

Year Ended December 31	2016	2016	2015
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Transportation services			
Common services			
Salaries and fringe benefits	\$ 776,600	\$ 724,326	\$ 690,446
Overtime	125,000	116,060	166,869
General supplies			
Gas and oil	95,000	63,020	97,095
Repair and maintenance	120,000	122,192	133,173
Insurance and licenses	26,000	24,901	23,770
Shop, yard and building			
Repair and maintenance	21,000	13,701	10,443
Heat and light	31,300	17,968	23,599
Municipal taxes, sewer and insurance	43,500	32,855	41,990
Supplies	4,000	3,378	7,652
Communication services	7,300	5,360	8,162
Engineering services	70,000	69,237	99,732
	<u>1,319,700</u>	<u>1,192,998</u>	<u>1,302,931</u>
Road transportation			
Roads and streets	406,000	264,639	295,989
Snow and ice removal	112,000	88,015	136,085
Street lighting	156,000	156,141	151,507
Traffic services	63,000	60,429	64,627
	<u>737,000</u>	<u>569,224</u>	<u>648,208</u>
Interest			
Interest on short-term borrowing	36,200	39,904	20,387
Interest on bonds	128,747	147,340	111,272
	<u>164,947</u>	<u>187,244</u>	<u>131,659</u>
Amortization	1,407,403	1,407,403	1,233,504
	<u>\$ 3,629,050</u>	<u>\$ 3,356,869</u>	<u>\$ 3,316,302</u>
Environmental health and development services			
Environmental health services			
Garbage and waste collection	\$ 163,700	\$ 197,248	\$ 186,339
Solid waste disposal WASWC	131,082	131,082	129,071
	<u>294,782</u>	<u>328,330</u>	<u>315,410</u>
Environmental development services			
Town planning	217,637	212,037	206,473
Economic development	443,200	351,550	484,869
Salaries and fringe benefits	278,300	231,283	248,389
Tourism and municipal development	338,200	302,082	290,339
Pascal Poirier Historical House	24,200	27,255	28,946
Former train station	31,800	33,179	12,406
	<u>1,333,337</u>	<u>1,157,386</u>	<u>1,271,422</u>
Interest on bonds	350	397	613
	<u>\$ 1,628,469</u>	<u>\$ 1,486,113</u>	<u>\$ 1,587,445</u>

Town of Shediac

Schedule 2: Consolidated Schedule of Expenditures

(continued)

Year Ended December 31	2016	2016	2015
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Recreation and cultural services			
Arena			
Salaries and fringe benefits	\$ 119,400	\$ 96,461	\$ 116,008
Overtime	10,000	10,935	9,285
Part time	39,000	54,197	38,984
Buildings			
Property taxes and insurance	10,500	10,135	10,266
Electricity	114,000	104,427	110,805
General maintenance	90,000	90,716	92,574
Telecommunication	3,000	3,073	2,884
Office supplies	2,000	2,254	6,292
	<u>387,900</u>	<u>372,198</u>	<u>387,098</u>
Parks and playgrounds			
Salaries and fringe benefits	123,000	117,305	129,988
Consultants	15,000	17,641	21,673
Equipment maintenance	35,500	31,170	30,528
Parks and playground maintenance	153,150	194,321	86,061
Building – repair and maintenance	2,500	740	1,689
Telecommunications	2,000	983	1,723
	<u>331,150</u>	<u>362,160</u>	<u>271,662</u>
Community services			
Salaries and fringe benefits	290,900	181,710	321,358
Multipurpose Centre	405,000	407,574	434,067
Conventions	2,000	2,133	1,289
Web site	7,500	4,311	3,121
Advertising and promotion	72,000	72,756	69,523
Activities	74,200	58,806	64,186
Special events	276,550	271,397	277,726
	<u>1,128,150</u>	<u>998,687</u>	<u>1,171,270</u>
Library			
General maintenance	5,000	4,283	4,735
Supplies	21,500	22,847	22,428
Telecommunications	3,200	2,776	1,691
	<u>29,700</u>	<u>29,906</u>	<u>28,854</u>
Interest			
Interest on short-term borrowing	8,800	9,643	7,000
Interest on bonds	47,715	54,609	55,726
	<u>56,515</u>	<u>64,252</u>	<u>62,726</u>
Amortization	<u>632,763</u>	<u>632,763</u>	<u>497,062</u>
	<u>\$ 2,566,178</u>	<u>\$ 2,459,966</u>	<u>\$ 2,418,672</u>

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

Year Ended December 31	2016	2016	2015
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Water services			
Electricity	\$ 87,000	\$ 92,249	\$ 84,122
Amortization	298,894	298,894	279,152
Repairs and maintenance	153,000	175,555	197,025
Interest on long-term debt	22,039	25,996	32,403
Bond discounts	4,000	2,013	2,846
Interim financing	10,000	-	-
Engineering services	20,000	4,365	6,035
Sundry	33,900	29,156	30,380
Water testing	15,000	15,918	12,997
Insurance	15,600	13,213	14,578
Bad debts	20,000	145,769	34,592
	<u>\$ 679,433</u>	<u>\$ 803,128</u>	<u>\$ 694,130</u>

Town of Shediac

Schedule 3: Schedule of Segment Disclosure

December 31, 2016

	General Government	Protection	Transportation	Environmental Health & Development	Recreation and cultural Services	Water Services	2016 Consolidated	2015 Consolidated
Revenues								
Property tax warrant*	\$ 3,480,212	\$ 1,654,510	\$ 1,409,189	\$ 1,456,820	\$ 1,364,565	\$ -	\$ 9,365,296	\$ 9,047,992
Other revenue from own sources	120,482	343,854	53,333	112,689	495,880	-	1,126,238	1,012,128
Unconditional transfers from Provincial Government*	79,549	37,818	32,211	33,299	31,191	-	214,068	235,480
Gain (loss) on disposal of capital assets	-	-	21,587	-	-	-	21,587	(7,792)
Other contributions and government transfers	-	-	2,809,320	-	631,060	-	3,440,380	381,397
Water user fees	-	-	-	-	-	1,477,926	1,477,926	1,454,475
Interest	16,704	-	-	-	-	119,678	136,382	107,237
	<u>3,696,947</u>	<u>2,036,182</u>	<u>4,325,640</u>	<u>1,602,808</u>	<u>2,522,696</u>	<u>1,597,604</u>	<u>15,781,877</u>	<u>12,230,917</u>
Expenses								
Salaries and benefits	592,176	279,026	840,386	395,469	626,018	-	2,733,075	2,879,351
Goods and services	1,268,739	1,515,223	921,836	1,090,247	1,136,933	478,238	6,411,216	6,393,950
Amortization	2,001	63,975	1,407,403	-	632,763	298,894	2,405,036	2,074,537
Interest	-	8,622	187,244	397	64,252	25,996	286,511	238,048
	<u>1,862,916</u>	<u>1,866,846</u>	<u>3,356,869</u>	<u>1,486,113</u>	<u>2,459,966</u>	<u>803,128</u>	<u>11,835,838</u>	<u>11,585,886</u>
Surplus for the year	<u>\$ 1,834,031</u>	<u>\$ 169,336</u>	<u>\$ 968,771</u>	<u>\$ 116,695</u>	<u>\$ 62,730</u>	<u>\$ 794,476</u>	<u>\$ 3,946,039</u>	<u>\$ 645,031</u>

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

Town of Shediac

Schedule 4: Schedule of Reserve Funds

December 31, 2016

	General Operating Reserve	General Capital Reserve	Water Operating Reserve	Water Capital Reserve	2016 Total	2015 Total
Accumulated surplus, beginning of year	\$ 500,235	\$ 688,277	\$ 87,839	\$ 729,839	\$ 2,006,190	\$ 1,482,769
Transfers to/from Water and General Operating Funds						
Allocation from General Operating Fund	46,000	184,000	-	-	230,000	100,000
Allocation to General Operating Fund	-	(457,000)	-	-	(457,000)	-
Allocation from Water Operating Fund	-	-	-	150,000	150,000	410,000
	<u>46,000</u>	<u>(273,000)</u>	<u>-</u>	<u>150,000</u>	<u>(77,000)</u>	<u>510,000</u>
Interest						
Allocation for green spaces	4,532	3,565	792	6,465	15,354	15,021
	-	10,640	-	-	10,640	(1,600)
	<u>4,532</u>	<u>14,205</u>	<u>792</u>	<u>6,465</u>	<u>25,994</u>	<u>13,421</u>
Annual surplus (deficit)	50,532	(258,795)	792	156,465	(51,006)	523,421
Accumulated surplus, end of year	\$ 550,767	\$ 429,482	\$ 88,631	\$ 886,304	\$ 1,955,184	\$ 2,006,190

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

December 31, 2016

	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
2016 annual fund surplus (deficit) ¹	\$ 215,682	\$ 5,771,963	\$ 50,532	\$ (258,795)	\$ 124,325	\$ 590,648	\$ 792	\$ 156,465	\$ 6,651,612
Adjustment to annual surplus (deficit) for funding requirements									
Second previous year's surplus	(163,261)	-	-	-	(128,903)	-	-	-	(292,164)
Long-term debt principal repayment	762,000	(762,000)	-	-	-	-	-	-	-
Long-term debt principal repayment	-	-	-	-	285,000	(285,000)	-	-	-
Amortization of tangible assets	-	(2,106,142)	-	-	-	(298,894)	-	-	(2,405,036)
Proceed on sale of capital assets	(29,960)	-	-	-	-	-	-	-	(29,960)
Gain on disposal of capital assets	-	21,587	-	-	-	-	-	-	21,587
Capital expenditures paid out of operating funds	1,194,154	(1,194,154)	-	-	305,648	(305,648)	-	-	-
Total adjustments to 2016 annual surplus	1,762,933	(4,040,709)	-	-	461,745	(889,542)	-	-	(2,705,573)
2016 annual surplus per PSAB for the year	\$ 1,978,615	\$ 1,731,254	\$ 50,532	\$ (258,795)	\$ 586,070	\$ (298,894)	\$ 792	\$ 156,465	\$ 3,946,039

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, 2016

	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	\$ 9,365,296	-	-	-	-	-	9,365,296
Unconditional grant	214,068	-	-	-	-	-	214,068
Other revenue from own sources	1,060,933	7,500	-	-	-	-	1,068,433
Other contributions and government transfers	-	-	3,440,380	-	-	-	3,440,380
Water rates	-	1,444,300	-	-	-	-	1,444,300
Recovery from water operating fund	562,300	-	-	-	-	(562,300)	-
Water supply for fire protection	-	205,000	-	-	-	(205,000)	-
Gain on disposal of tangible capital assets	25,000	-	-	-	-	-	25,000
Interest	163,260	25,000	-	-	-	-	188,260
Second previous year's surplus	128,903	-	-	-	-	(292,163)	-
	<u>11,390,857</u>	<u>1,810,703</u>	<u>3,440,380</u>	<u>-</u>	<u>-</u>	<u>(1,059,463)</u>	<u>15,582,477</u>
Expenditure							
General government services	1,916,719	-	-	18	2,001	-	1,918,738
Protective services	2,034,908	-	-	7,541	63,975	-	1,901,424
Transportation services	2,056,700	-	-	164,947	1,407,403	(205,000)	3,629,050
Environmental health & development services	1,628,119	-	-	350	-	-	1,628,469
Recreation and cultural services	1,876,900	-	-	56,515	632,763	-	2,566,178
Water services	-	348,500	-	32,039	298,894	-	679,433
Fiscal services							
Long-term debt repayments	762,000	285,000	-	-	-	(1,047,000)	-
Interest	229,371	32,039	-	(261,410)	-	-	-
Transfers from the General Operating Fund	886,140	-	-	-	-	(886,140)	-
Transfer to the General Operating Fund	-	562,300	-	-	-	(562,300)	-
Transfers from the Operating Water Fund	-	502,864	-	-	-	(502,864)	-
Transfers to the Water Capital Reserve Fund	-	80,000	-	-	-	(80,000)	-
	<u>11,390,857</u>	<u>1,810,703</u>	<u>-</u>	<u>-</u>	<u>2,405,036</u>	<u>(3,283,304)</u>	<u>12,323,292</u>
Surplus (deficit) for the year	\$ -	\$ -	\$ 3,440,380	\$ -	\$ (2,405,036)	\$ 2,223,841	\$ 3,259,185