

**TOWN OF WOODSTOCK
WOODSTOCK, NEW BRUNSWICK**

Report And Consolidated Financial Statements

For The Year Ended December 31, 2015

Oulton Parkinson Walker
Chartered Professional Accountants

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INDEPENDENT AUDITORS' REPORT

To His Worship The Mayor and Councillors
Town of Woodstock

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

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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 consolidated 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 financial position of the Town of Woodstock as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Professional Accountants

March 30, 2016

TOWN OF WOODSTOCK
Consolidated Statement of Financial Position
As At December 31, 2015

	2015 \$	2014 \$
FINANCIAL ASSETS		
Cash (note 3)	121,438	196,010
Receivables		
General and utility (note 4)	65,769	102,539
Federal government and its agencies (note 5)	90,536	1,614,325
Province of New Brunswick (note 6)	909,165	660,128
Investments (note 7)	323,926	197,448
	<u>1,510,834</u>	<u>2,770,450</u>
LIABILITIES		
Short term financing (note 14)	1,451,158	1,783,163
Payables and accrued liabilities (note 8)	666,959	1,234,397
Deferred revenue - fitness memberships (note 9)	46,441	16,666
Deferred government transfers - Gas Tax (note 10)	94,286	-
Long term debt (note 11)	3,573,000	3,809,000
Accrued net pension fund liability (note 12)	785,500	1,365,700
Accrued retirement allowance, sick leave and post-retirement benefits liability (note 13)	2,631,161	2,496,395
	<u>9,248,505</u>	<u>10,705,321</u>
NET DEBT	<u>(7,737,671)</u>	<u>(7,934,871)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 20)		
Cost	67,688,839	62,983,749
Accumulated amortization	(23,360,001)	(21,911,391)
	44,328,838	41,072,358
Supplies inventory	20,282	16,165
	<u>44,349,120</u>	<u>41,088,523</u>
ACCUMULATED SURPLUS	<u>36,611,449</u>	<u>33,153,652</u>

Approved by:


 _____ Mayor


 _____ Clerk/Treasurer

TOWN OF WOODSTOCK
Consolidated Statement of Operations
For The Year Ended December 31, 2015

	Page	2015 Budget \$	2015 Actual \$	2014 Actual \$
Revenue				
Warrant of assessment		6,838,599	6,838,599	6,251,496
Community funding and equalization grant		626,373	626,373	756,227
Federal grant in lieu of taxes		414	414	5,989
Sale of services	21	727,875	694,732	544,796
Service to other governments				
Province of New Brunswick	21	558,133	510,423	476,723
Other revenue from own sources	21	1,018,588	1,512,011	1,312,581
Other government transfers				
General fund	21	1,743,675	1,774,541	6,235,043
Water and sewer fund	26	697,934	697,934	493,264
Water and sewer	26	1,068,200	1,064,027	1,055,149
		<u>13,279,791</u>	<u>13,719,054</u>	<u>17,131,268</u>
Expenditure				
General government	22	844,766	860,029	825,571
Protective	23	2,582,459	2,510,595	2,308,660
Transportation	24	1,963,417	2,032,762	2,040,932
Environmental health	24	314,000	303,787	314,714
Environmental development	24	352,441	265,091	261,533
Recreation and cultural	25	2,411,227	3,145,739	2,331,878
Water and sewer	26	1,130,268	1,143,254	1,113,713
		<u>9,598,578</u>	<u>10,261,257</u>	<u>9,197,001</u>
Annual Surplus		3,681,213	3,457,797	7,934,267
Accumulated Surplus, beginning of year		-	33,153,652	25,219,385
Accumulated Surplus, end of year		-	<u>36,611,449</u>	<u>33,153,652</u>

TOWN OF WOODSTOCK
Consolidated Statement of Changes in Net Debt
For The Year Ended December 31, 2015

	2015 \$	2014 \$
Annual Surplus	3,457,797	7,934,267
Acquisition of tangible capital assets	(4,705,090)	(11,293,482)
Net proceeds on disposal of tangible capital assets	-	38,736
Amortization of tangible capital assets	1,448,610	1,292,325
Net loss on sale of tangible capital assets	-	5,654
Increase in supplies inventory	(4,117)	(275)
Decrease (Increase) In Net Debt	197,200	(2,022,775)
Net Debt, beginning of year	<u>(7,934,871)</u>	<u>(5,912,096)</u>
Net Debt, end of year	<u><u>(7,737,671)</u></u>	<u><u>(7,934,871)</u></u>

TOWN OF WOODSTOCK
Consolidated Statement of Cash Flows
For The Year Ended December 31, 2015

	2015	2014
	\$	\$
Operating		
Annual surplus	3,457,797	7,934,267
Amortization expense	1,448,610	1,292,325
Accounts receivable	1,311,522	(182,318)
Payables and accruals	(567,438)	(234,410)
Deferred revenue	29,775	6,249
Deferred government transfers - Gas Tax Fund	94,286	(580,933)
Change in accrued pension, retirement benefits liabilities	(445,434)	(401,005)
Supplies inventory	(4,117)	(275)
Loss on sale of tangible capital assets	-	5,654
	<u>5,325,001</u>	<u>7,839,554</u>
Capital transactions		
Acquisition of tangible capital assets	(4,705,090)	(11,293,482)
Proceeds on sale of tangible capital assets	-	38,736
	<u>(4,705,090)</u>	<u>(11,254,746)</u>
Financing transactions		
Long-term debt - issued	575,000	-
Long-term debt - interim financing	(575,000)	575,000
Long-term debt retirement	(236,000)	(903,000)
	<u>(236,000)</u>	<u>(328,000)</u>
Investing transactions		
Investments	(126,478)	726,719
	<u>(126,478)</u>	<u>726,719</u>
Increase (decrease) in cash	257,433	(3,016,473)
Cash, beginning of year	(1,587,153)	1,429,320
	<u>(1,587,153)</u>	<u>1,429,320</u>
Cash (net short term financing), end of year	<u>(1,329,720)</u>	<u>(1,587,153)</u>
Comprised of:		
Cash	121,438	196,010
Short term financing	(1,451,158)	(1,783,163)
	<u>(1,329,720)</u>	<u>(1,587,153)</u>

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2015

1. Purpose of the organization

The Municipality was incorporated as a Town by the Province of New Brunswick Municipalities Act on May 1, 1856. As a municipality, the Town is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act.

2. Summary of significant accounting policies

The consolidated financial statements of the Town of Woodstock are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada

The Municipality adopted Public Sector Accounting Standards (PSAS) as of January 1, 2011.

The focus of PSAS financial statements is on the financial position of the Town and the changes thereto. The Consolidated Statement of Financial Position includes all of the assets and liabilities of the Town.

Significant aspects of the accounting policies adopted by the Town are as follows:

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net debt and cash flows of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Town and which are owned or controlled by the Town.

Interdepartmental and organizational transactions and balances are eliminated.

Budget

The budget figures contained in these financial statements were approved by Council on December 15, 2014 and the Minister of Local Government on January 14, 2015.

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. Donations are recognized as revenue in the year received.

Use of estimates

The preparation of the consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results may differ from those estimates.

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2015

2. Summary of significant accounting policies (continued)

Financial instruments

The Town's financial instruments consist of cash, short-term investments, accounts receivable, due from the Province of New Brunswick, due from Federal Government, payables and accruals, and long-term debt. Unless otherwise noted, it is management's opinion that the Town is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The Town is subject to credit risk through accounts receivable. The Town minimizes credit risk through ongoing credit management.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and short term deposits with original maturities of twelve months or less.

Tangible capital assets

Effective January 1, 2011, The Town adopted the provisions of PSA section 3150 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 of the tangible capital asset is amortized on a straight line basis over the estimated useful life as follows:

Asset type	Years
Land improvements	10-25 years
Buildings	40 years
Vehicles	5 years
Machinery and equipment	5-15 years
Heavy equipment	10-15 years
Computer / communication equipment	5-10 years
Furniture / fixtures	5-10 years
Roads surface	15-20 years
Roads base	30 years
Storm sewer	40-60 years
Sidewalks / curbs	15 years
Parking lot surface	20 years
Parking lot base	30 years
Lighting / traffic lights	10-15 years
Water / sanitary sewer networks	40-60 years
Water / wastewater treatment facilities	5-100 years

Assets under construction are not amortized until the asset is available for productive use.

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2015

2. Summary of significant accounting policies (continued)

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.

Environmental health services

This department is responsible for the provision of waste collection and disposal.

Environmental development services

This department is responsible 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 and Wastewater Systems

This department is responsible for the provision of water and sewer services including the maintenance and operation of the underground networks, treatment plants, reservoirs and lagoons.

Inventory of supplies

Inventory is valued at the lower of cost and net replacement cost with cost being determined on the first-in, first out basis.

Post retirement benefits

The Town recognizes its obligations under post retirement benefit plans and the related costs, net of plan assets. The Town has a pension plan as documented in Note 12 and sick leave, retirement allowance and other post retirement benefits as documented in Note 13.

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2015

	2015	2014
	\$	\$
3. Cash		
Cash - restricted (Gas Tax Funds)	94,286	-
Cash - restricted (Town/Rotary fundraising) - note 19	27,152	106,192
Cash - unrestricted	-	89,818
	<u>121,438</u>	<u>196,010</u>
4. Receivables - general and utilities		
General operating	15,782	53,851
Water and sewer accounts	29,987	48,688
Damages settlement - theatre	20,000	-
	<u>65,769</u>	<u>102,539</u>
5. Due from Federal government and its agencies		
ACOA (capital projects)	-	1,260,106
Canada Revenue Agency (HST refund)	90,536	354,219
	<u>90,536</u>	<u>1,614,325</u>
6. Due from Province of New Brunswick		
Gas Tax Fund	-	176,110
Criminal Intelligence Service (police personnel)	22,859	20,041
Department of local government	279,481	-
Department of transportation and infrastructure	6,825	203,977
Regional Development Corporation	600,000	260,000
	<u>909,165</u>	<u>660,128</u>
7. Investments		
Reserves (note 23)	321,107	194,651
Florence Bull Trust	1,000	1,000
F.O. Creighton Trust	1,819	1,797
	<u>323,926</u>	<u>197,448</u>

The reserves consists of funds internally restricted by Council for designated projects.

The investments consist of short term deposits with maturity dates of twelve months or less an interest rate Prime less 1.8% floating (2.7% - 1.8% = 0.9% at December 31, 2015).

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2015

	2015 \$	2014 \$
8. Payables		
General operating	273,594	372,489
Capital projects	242,540	727,908
Accrued liabilities		
Pension	100,000	-
Payroll	16,000	134,000
Unfunded post-retirement benefits	34,825	-
	<u>666,959</u>	<u>1,234,397</u>

9. Deferred Revenue

Monies received for fitness centre memberships are recorded as revenue in the year for which the membership periods are applicable. Amounts for membership periods that have not expired are recorded as deferred revenue on the statement of financial position.

10. Deferred Government Transfers

Funding received as part of the Gas Tax Funding program is recorded as revenue in the year during which related expenditures are incurred. Funds that have not been spent are recorded as deferred government transfers on the consolidated statement of financial position. These amounts are restricted to fund pre-approved projects that relate to the program objectives and cannot be used for other projects.

11. Long Term Debt

NB Municipal Finance Corporation					2015	2014
Debenture #	O.I.C. #	Issued	Interest Rate	Due Date	\$	\$
BJ31	13-0053	2013	1.25-4.15%	Nov 20, 2028	1,775,000	1,882,000
AZ34	07-0072	2008	2.10-5.55%	Dec 22, 2023	1,223,000	1,352,000
BMO interim loan		2014	Prime	Nov 30, 2019	-	84,000
BMO interim loan		2014	Prime	Nov 30, 2019	-	491,000
BM27	04-28,39	2015	0.95-1.8%	July 6, 2020	575,000	-
					<u>3,573,000</u>	<u>3,809,000</u>

Two Bank of Montreal loans were used by the town to provide interim financing for debentures AQ19 and AR32 (O.I.C. #'s 04-28 and 04-28,39) which became due during 2014. The debentures were refinanced by the NB Municipal Finance Corporation on July 6, 2015.

Approval of the Municipal Capital Borrowing Board has been obtained for the long term debt.

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2015

11. Long Term Debt (continued)

Approximate principal payments required during the next five years:

	General \$	Water/Sewer \$
2016	243,000	112,000
2017	252,000	114,000
2018	260,000	115,000
2019	270,000	116,000
2020	281,000	118,000

12. Pension Plan Asset/Liability

The Town of Woodstock provides pension benefits to employees of the Town in accordance with the New Brunswick Pension Benefits Act and Town By-Law A-7. The Plan is administered by a Pension Committee representing Town Council, management and unionized employees. It is a contributory defined benefit pension plan covering all eligible employees whereby contributions are made by the employees and the Town. A separate pension fund is maintained and fund assets are held by RBC Investor Services as custodian with investment management of the fund provided by Jarislowsky Fraser Ltd.

Actuarial valuations for funding purposes are performed annually (triennially to December 31, 2007) by Morneau Shepell in accordance with the standards prescribed under the New Brunswick Pension Benefits Act. The Superintendent of Pensions granted an exemption from funding on a solvency basis in 2009, effective December 31, 2007. The most recent actuarial valuation prepared by the Town's actuary, Morneau Shepell, as of December 31, 2014 (prepared September, 2015) showed the Town fulfilled its pension obligations for 2014. The 2015 actuarial evaluation will be completed in September 2016.

Actuarial valuations for accounting purposes are required triennially in accordance with Public Sector Accounting Standards. The Town's actuary performed an extrapolation of the December 31, 2014 valuation to determine the estimated position of the plan for accounting purposes as at December 31, 2015. Pension fund assets are valued at market values.

Results of the extrapolation are as follows: (page 12)

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2015

12. Pension Plan Asset/Liability (continued)

	2015 \$	2014 \$
Plan Assets, January 1	13,470,000	12,011,100
Contributions - Town	790,800	764,100
Contributions - employees	218,300	210,900
Benefit payments	(779,400)	(779,400)
Expected earnings on market-related value	713,200	635,700
Actuarial experience gain during period	-	627,600
Plan Assets, December 31	<u>14,412,900</u>	<u>13,470,000</u>
Accrued benefit obligation, January 1	14,180,900	13,805,500
Current service cost	448,500	495,600
Benefit payments	(779,400)	(779,400)
Interest on accrued benefit obligation	735,800	717,300
Net actuarial experience gain	-	(58,100)
Accrued benefit obligation, December 31	<u>14,585,800</u>	<u>14,180,900</u>
Unamortized actuarial (gains) losses, January 1	(654,800)	33,100
Amortization of actuarial gains/(losses)	42,200	(2,200)
Actuarial gain at end of period	-	(685,700)
Unamortized actuarial (gain) loss, December 31	<u>(612,600)</u>	<u>(654,800)</u>
Net pension fund liability comprised of:		
Accrued benefit obligation	14,585,800	14,180,900
Less plan assets	(14,412,900)	(13,470,000)
Actuarial deficit	172,900	710,900
Unamortized experience gain (losses)	612,600	654,800
Net pension fund liability	<u>785,500</u>	<u>1,365,700</u>
Town portion of Plan expenses		
Current-period benefit cost	230,300	284,700
Amortization of actuarial losses	(42,200)	2,200
Interest on accrued benefit obligation	735,800	717,300
Expected return on assets	(713,200)	(635,700)
Pension benefit expense (per actuarial calculations)	<u>210,700</u>	<u>368,500</u>
Pension benefit expense (per statement of operations)		
Town's contributions during year	720,086	764,100
Pension liability adjustment	(580,200)	(395,600)
	<u>139,886</u>	<u>368,500</u>

Significant management assumptions used in the actuarial valuation for the Pension Plan are:

Discount rate	5.25% per year
Inflation rate	2.25% per year
Expected rate of return on assets	5.25% per year
Salary scale/Medical inflation	3.50% per year
Average retirement age	Varies by age/employment category
Estimated average remaining service life (EARSLS)	15.5 years

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2015

13. Retirement allowance, sick leave and post-retirement benefits liability

The Town provides a retirement allowance/sick leave retirement benefit for the Police and Non-bargaining groups employees having continuous service of five years or more who retire due to disability, death, age or being laid off, a benefit of two days' pay for each full year of service (up to a maximum of 50 days) or the remainder of the employee's accrued sick leave, whichever is greater. After 20 years of service, the employee will be paid the retirement allowance after terminating employment for any reason. Sick leave accrues at a rate of 1.5 days per month up to a maximum of 200 days.

A retirement allowance/sick leave retirement benefit is provided for the CUPE group employees having continuous service of five years or more who retire due to disability, death or age, a benefit of two days' pay for each full year service (up to a maximum of 50 days) and one quarter of the employee's accumulated sick leave. A CUPE employee accrues sick leave at a rate of 1.25 days per month up to a maximum of 200 days. After 20 years of service, the employee will be paid the retirement allowance after terminating employment for any reason. For all employees, the retirement allowance/sick leave retirement benefit is paid at the employee's regular rate of pay at retirement.

Post retirement life insurance benefits provide life insurance for an amount equal to twice the salary at retirement until age 65, and coverage of \$5,000 thereafter.

Post retirement health care benefit provides continued health care coverage to retired employees who participated in the Health Care Plan for at least 15 years prior to retirement. Coverage is provided until the earliest of age 65 or death for retired CUPE and Police employees, and until death for retired members of the Non-bargaining group. Employees who participated for fewer than 5 years at retirement do not receive any health care coverage. Employees who participated in the Health Care Plan for a period of 5 to 15 years prior to retirement receive pro-rated coverage.

Actuarial valuations of the benefits were performed by Morneau Shepell in accordance with Public Sector 3250 Accounting Standards (triennially) as at the measurement date of December 31, 2013. The results were projected forward to December 31, 2015 using the December 31, 2013 data to determine the fiscal 2014 accrued benefits liability.

	2015	2014
	\$	\$
Accrued benefit liability January 1	2,758,700	2,501,800
Current service cost	190,400	219,200
Interest on obligation	85,200	123,500
Benefit payments	(125,600)	(124,200)
Amortization of (gains)/ losses	(10,000)	38,400
Accrued benefit liability December 31	<u>2,898,700</u>	<u>2,758,700</u>
Restricted cash for retirement benefits	<u>267,539</u>	<u>262,305</u>
Net accrued benefit liability	<u>2,631,161</u>	<u>2,496,395</u>
Allocation of accrued benefits		
Retirement allowance/sick leave	725,900	697,400
Post retirement life insurance	122,100	111,400
Post retirement health insurance	2,050,700	1,949,900
	<u>2,898,700</u>	<u>2,758,700</u>

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2015

13. Retirement allowance, sick leave and post-retirement benefits liability (continued)

	2015 \$	2014 \$
Town portion of benefit expenses		
Current-period benefit cost	190,400	219,200
Interest cost	85,200	123,500
Amortization of losses	(10,000)	38,400
Retirement benefits expense	<u>265,600</u>	<u>381,100</u>

Significant assumptions used in the actuarial valuation for the Pension Plan are:

Discount rate	3.17% per year
Salary scale/Medical inflation	3.5% per year
Average retirement age	Varies by age/employment category
Demographic	Same as for pension plan actuarial valuations at December 31, 2014
Actuarial cost method	Projected unit credit prorated on service
Estimated average remaining service life (EARSL)	10.6 years

14. Short-term borrowings compliance

Interim borrowing for capital

The Municipality currently has a revolving operating facility at Bank of Montreal bearing interest at prime for the General Fund, authorized limit \$2,000,000. The facility can be used to provide interim financing for capital expenditures.

The Municipality has ministerial authority for short-term borrowings as follows:
 General Capital Fund, M.O. # 13-0053 \$2,000,000 Recreation and Cultural Services

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 Utility Fund operations is limited to 50% of the operating budget for the year. The Municipality 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 year unless the borrowing is for a capital project. The amounts payable between Funds are in compliance with the requirements.

	2015 \$	2014 \$
Interim borrowing for capital projects	386,418	1,783,163
Interim borrowing for capital projects - Town/Rotary project	1,064,740	-
	<u>1,451,158</u>	<u>1,783,163</u>

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2015

15. Water and Sewer Fund Surplus/Deficit

The Municipalities Act requires Water and Sewer Fund surplus/deficit amounts to be absorbed into one or more of four Operating Budgets commencing with the second next ensuing year; the balance of the surplus/deficit at the end of the year consists of:

	2015	2014
	\$	\$
2015 Surplus (Deficit) (note 22)	(14,638)	-
2014 Surplus	13,917	13,917
2013 Surplus	-	8,715
	<u>(721)</u>	<u>22,632</u>

16. Water cost transfer

The Municipality'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.

17. Funds held in trust

Funds administered by the Town for the benefit of external parties are not included in the consolidated financial statements. The amount administered in 2015 was \$nil (2014 \$nil).

18. Fire department fundraising

The members of Hose Company # 1 Inc. operate a lottery fund account to raise funds for the acquisition of equipment and accessories to assist in the of work the Woodstock Volunteer Fire Department. These financial statements do not include the Lottery Fund account as it is not controlled or administered by the Town. The amounts recorded as fire department fundraising revenue includes only the amounts received by the Town from Hose Company # 1 Inc. for fire equipment purchases.

19. Donations - capital projects

The Town of Woodstock in partnership with Woodstock Rotary Club operates a fundraising account for the AYR Motor Centre, Library and WHS Theatre expansion project. This fundraising bank account is included in these financial statements. Donations received for the project are receipted by the Town and included in revenue from donations - capital projects.

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2015

	20. Schedule of Tangible Capital Assets										
	Land	Land improve-ments	Buildings	Vehicles	Machinery and equipment	Roads and streets	Infrastructure Treatment facilities	Water & sewer	Small equipment	Assets under Construction	2014 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST											
Balance, beginning of year	3,096,592	1,077,158	11,393,839	641,622	2,289,792	16,025,774	5,044,015	9,026,638	1,210,131	13,178,188	62,983,749
Add:											
Additions during the year	325,000	8,888	3,003,590	61,077	2,400	445,840	231,917	60,773	265,169	300,436	4,705,090
Transfer completed construction	-	-	9,713,657	-	-	-	351,483	602,338	-	(10,667,478)	-
Less:											
Disposals during year	-	-	-	-	-	-	-	-	-	-	(245,275)
BALANCE, END OF YEAR	3,421,592	1,086,046	24,111,086	702,699	2,292,192	16,471,614	5,627,415	9,689,749	1,475,300	2,811,146	67,688,839
ACCUMULATED AMORTIZATION											
Balance, beginning of year	-	611,546	4,907,640	358,796	1,383,654	8,803,267	1,061,053	4,037,371	748,064	-	21,911,391
Add:											
Amortization during year	-	48,803	441,860	60,769	111,141	481,097	92,765	123,601	88,574	-	1,448,610
Less:											
Accumulated amortization on disposals	-	-	-	-	-	-	-	-	-	-	(200,885)
BALANCE, END OF YEAR	-	660,349	5,349,500	419,565	1,494,795	9,284,364	1,153,818	4,160,972	836,638	-	23,360,001
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	3,421,592	425,697	18,761,586	283,134	797,397	7,187,250	4,473,597	5,528,777	638,662	2,811,146	44,328,838
Consists of:											
General Fund Assets	3,421,592	425,697	18,761,586	282,383	738,708	7,187,250	-	-	638,662	2,758,434	34,214,312
Water & Sewer Fund Assets	-	-	-	751	58,689	-	4,473,597	5,528,777	-	52,712	10,114,526
BALANCE, END OF YEAR	3,421,592	425,697	18,761,586	283,134	797,397	7,187,250	4,473,597	5,528,777	638,662	2,811,146	44,328,838
											41,072,358

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2015

21. Schedule of Segment Disclosure

	General	Protective	Transportation	Environmental Health	Environmental Development	Recreation and Culture	Water and Sewer	2015 Consolidated	2014 Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue									
Warrant	681,338	2,394,792	1,795,851	287,637	336,836	1,342,145	-	6,838,599	6,251,496
Equalization grant/ Fed. grant in lieu of taxes	62,449	219,493	164,597	26,363	30,872	123,013	-	626,787	762,216
Sale of services	-	-	-	-	-	694,732	-	694,732	544,796
Services to other Governments	-	245,378	64,673	-	-	200,372	-	510,423	476,723
Water and sewer fees	-	-	-	-	-	-	1,048,367	1,048,367	1,033,968
Government transfers	-	-	-	-	-	1,774,541	697,934	2,472,475	6,728,307
Other	82,816	137,824	-	-	-	1,291,371	15,660	1,527,671	1,333,762
	826,603	2,997,487	2,025,121	314,000	367,708	5,426,174	1,761,961	13,719,054	17,131,268
Expenses									
Salaries and benefits	450,985	2,154,400	791,931	-	141,394	1,129,689	311,923	4,980,322	4,532,767
Pension/benefits liability adjustment	(42,788)	(228,941)	(70,882)	-	(15,148)	(51,363)	(36,312)	(445,434)	(401,005)
Goods and services	250,972	454,770	696,132	303,787	131,597	1,501,436	634,429	3,973,123	3,491,635
Amortization	67,439	104,777	569,594	-	7,248	474,887	224,665	1,448,610	1,292,325
Interest	82,997	-	-	-	-	61,350	8,549	152,896	179,997
Other	50,424	25,589	45,987	-	-	29,740	-	151,740	101,282
	860,029	2,510,595	2,032,762	303,787	265,091	3,145,739	1,143,254	10,261,257	9,197,001
	(33,426)	486,892	(7,641)	10,213	102,617	2,280,435	618,707	3,457,797	7,934,267

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2015

22. Reconciliation of Annual Surplus

	General Operating Fund \$	Water & Sewer Operating Fund \$	General Capital Fund \$	Water & Sewer Capital Fund \$	General Reserve Funds \$	Water & Sewer Reserve Funds \$	Total \$
2015 annual surplus (deficit)	1,476,375	144,675	1,362,022	473,269	693	763	3,457,797
Adjustments to annual surplus (deficit) for funding requirements							
Second previous year's surplus (deficit)	90,537	8,715	-	-	-	-	99,252
Transfers between funds							
General to water & sewer	70,008	(70,008)	-	-	-	-	-
Water & sewer to general	(188,004)	188,004	-	-	-	-	-
General to capital fund	(840,120)	-	840,120	-	-	-	-
Water & sewer to capital fund	-	(124,712)	-	124,712	-	-	-
Water & sewer to reserve	-	(125,000)	-	-	-	125,000	-
Long-term debt principal repayment	(236,000)	-	236,000	-	-	-	-
Amortization expense	-	-	1,223,945	224,665	-	-	1,448,610
Provision for post-retirement benefits and sick leave	(409,122)	(36,312)	-	-	-	-	(445,434)
Total adjustments to 2015 surplus (deficit)	(1,512,701)	(159,313)	2,300,065	349,377	-	125,000	1,102,428
2015 annual surplus (deficit) per PNB requirements	(36,326)	(14,638)	3,662,087	822,646	693	125,763	4,560,225

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2015

23. Statement of Reserves

	General Operating Reserve \$	General Capital Reserve \$	Water and Sewer Operating Reserve \$	Water and Sewer Capital Reserve \$	2015 Total \$	2014 Total \$
Assets						
Investments	1,103	72,359	50,312	197,333	321,107	194,651
Accumulated Surplus	1,103	72,359	50,312	197,333	321,107	194,651
Revenue						
Transfers	-	-	-	125,000	125,000	11,000
Interest	10	683	491	631	1,815	7,132
	10	683	491	125,631	126,815	18,132
Expenditures						
	-	-	359	-	359	744,872
Annual Surplus (Deficit)	10	683	132	125,631	126,456	(726,740)
Allocated by Council as follows:						
Recreation projects	1,103	-	-	-	1,103	1,092
Fire truck	-	24,025	-	-	24,025	23,813
Recreation and parks	-	11,052	-	-	11,052	10,910
Industrial park	-	37,282	-	-	37,282	36,952
Water and sewer operating	-	-	50,312	-	50,312	50,180
Wastewater plant	-	-	-	56,197	56,197	44,804
Water exploration	-	-	-	114,000	114,000	-
Other capital projects	-	-	-	27,136	27,136	26,900
Accumulated Surplus	1,103	72,359	50,312	197,333	321,107	194,651

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2015

24. Operating Budget to PSA Budget

	Operating Budget General \$	Operating Budget Water & Sewer \$	Capital revenue/ Amortization TCA \$	Loss on Disposal of TCA \$	Pension/ Retirement Benefits \$	Transfers \$	Total \$
Revenue							
Property Tax warrant and federal grant	6,839,013	-	-	-	-	-	6,839,013
Services provided to other government	577,439	-	-	-	-	-	577,439
Sales of services and other fees	736,675	-	-	-	-	-	736,675
Equalization grant	626,373	-	-	-	-	-	626,373
Other revenue from own sources	118,450	-	872,032	-	-	-	990,482
Other transfers	70,000	188,000	2,441,609	-	-	(258,000)	2,441,609
Water and sewer user fees	-	1,068,200	-	-	-	-	1,068,200
Surplus/deficit of second previous year	90,537	8,715	-	-	-	(99,252)	-
	9,058,487	1,264,915	3,313,641	-	-	(357,252)	13,279,791
Expenditures							
General government services	738,237	-	67,439	-	(30,288)	69,378	844,766
Protective services	2,829,623	-	104,777	-	(163,941)	(188,000)	2,582,459
Transportation services	1,439,705	-	569,594	-	(45,882)	-	1,963,417
Environmental health services	314,000	-	-	-	-	-	314,000
Environmental development services	360,341	-	7,248	-	(15,148)	-	352,441
Recreational and cultural services	1,906,053	-	474,887	-	(31,063)	61,350	2,411,227
Fiscal services							
Retirement benefits	122,800	12,000	-	-	(134,800)	-	-
Long-term debt repayments	236,000	-	-	-	-	(236,000)	-
Interest - General Fund	130,728	-	-	-	-	(130,728)	-
Interest - Water and Sewer Fund	-	5,000	-	-	-	(5,000)	-
Transfer from General Operating Fund to General Capital Fund	981,000	-	-	-	-	(981,000)	-
Discount on Water and Sewer rates	-	25,000	-	-	-	(25,000)	-
Deficit of second previous year	-	-	-	-	-	-	-
Transfer from Water and Sewer Operating Fund to Water and Sewer Capital Fund	-	170,000	-	-	-	(170,000)	-
Transfer from Water and Sewer Operating Fund to Water and Sewer Capital Reserve	-	83,000	-	-	-	(83,000)	-
Water and Sewer	-	969,915	224,665	-	(24,312)	(40,000)	1,130,268
	9,058,487	1,264,915	1,448,610	-	(445,434)	(1,728,000)	9,598,578
Surplus (Deficit)	-	-	1,865,031	-	445,434	1,370,748	3,681,213

TOWN OF WOODSTOCK
Supplementary Schedule Of Revenue Accounts
For The Year Ended December 31, 2015

	2015 Budget \$	2015 Actual \$	2014 Actual \$
Sale of Services			
AYR Motor Centre			
Swimming pool	131,550	112,864	124,746
Arena	180,725	157,754	156,183
Fitness centre	79,200	95,007	41,988
Field house	92,000	63,775	-
Concessions, room rentals, events	96,900	133,324	83,453
	<u>580,375</u>	<u>562,724</u>	<u>406,370</u>
Other recreation programs and activities			
Summer and youth programs	73,000	58,751	68,182
After school club	50,000	57,270	46,322
Adult programs and other grants	24,500	15,987	23,922
	<u>147,500</u>	<u>132,008</u>	<u>138,426</u>
	<u>727,875</u>	<u>694,732</u>	<u>544,796</u>
Province of New Brunswick			
Fire	245,378	245,378	269,928
Roads and streets	58,205	64,673	65,031
Ayr Motor Centre - LSD levy	254,550	200,372	141,764
	<u>558,133</u>	<u>510,423</u>	<u>476,723</u>
Other Revenue From Own Sources			
Licenses and permits	20,000	44,162	6,406
Police fines	20,000	24,107	23,978
Police programs and other services	29,750	8,970	8,583
Recreation fundraising and donations	-	469,617	335,937
Interest	-	1,851	3,114
Fire department fundraising (note 18)	80,278	62,941	68,582
Fire paging and other services	19,306	41,806	41,806
Miscellaneous	17,500	28,342	42,469
Donations - capital projects (note 19)	695,960	695,960	764,686
Gain on disposal of capital assets	-	-	7,820
Damages settlement - theatre	20,000	20,000	-
Insurance proceeds - 2014 flood	105,794	105,794	-
Transfers from other agencies - property tax	10,000	8,461	9,200
	<u>1,018,588</u>	<u>1,512,011</u>	<u>1,312,581</u>
Other Government Transfers			
Employment programs	-	30,866	41,582
Regional Development Corporation	600,000	600,000	260,000
Department of Transportation and Infrastructure	-	-	419,148
Gas Tax Fund	-	-	440,000
ACOA	1,143,675	1,143,675	5,074,313
	<u>1,743,675</u>	<u>1,774,541</u>	<u>6,235,043</u>

TOWN OF WOODSTOCK
Supplementary Schedule Of Expenditure Accounts
For The Year Ended December 31, 2015

	2015 Budget \$	2015 Actual \$	2014 Actual \$
General Government			
Legislative			
Mayor	13,390	12,742	11,931
Councillors	40,171	40,007	37,459
	<u>53,561</u>	<u>52,749</u>	<u>49,390</u>
Administrative and other			
Office salaries and benefits	399,460	398,236	380,642
Pension/benefits liability adjustment	(42,788)	(42,788)	(40,555)
Office expense and other	57,100	47,203	54,945
Office building and lease	37,000	40,027	37,192
Solicitor	9,500	2,013	1,986
External audit	27,500	32,284	31,423
PSAB implementation	6,000	7,592	8,093
Training and development	3,000	279	472
	<u>496,772</u>	<u>484,846</u>	<u>474,198</u>
Other general government services			
Conventions and delegations	15,000	9,666	9,419
Research and information	5,825	7,396	7,343
Regional Service District	11,237	11,237	7,673
Grants to organizations	32,000	50,145	37,750
	<u>64,062</u>	<u>78,444</u>	<u>62,185</u>
Other charges			
Assessment charge	93,554	93,554	85,520
Interest on long term debt	68,378	68,378	73,334
Bank charges and short term interest	1,000	14,619	10,923
Amortization	67,439	67,439	70,021
	<u>230,371</u>	<u>243,990</u>	<u>239,798</u>
	<u>844,766</u>	<u>860,029</u>	<u>825,571</u>

TOWN OF WOODSTOCK
Supplementary Schedule Of Expenditure Accounts
For The Year Ended December 31, 2015

	2015 Budget \$	2015 Actual \$	2014 Actual \$
Protective			
Police			
Administration personnel	291,916	220,055	223,605
Crime control personnel	1,010,379	909,322	837,369
Employee benefits	426,508	540,090	449,681
Pension/benefits liability adjustment	(190,869)	(190,869)	(154,760)
Office, insurance and other	142,200	124,739	73,740
Training	16,000	18,708	19,400
Station and building	71,500	83,793	65,136
Automotive equipment	55,500	39,521	48,423
Prisoners	16,360	10,077	14,317
Dispatch and service agreements	63,900	58,568	59,568
Loss on disposal of police cars	-	-	13,474
Amortization	36,302	36,302	28,653
	1,939,696	1,850,306	1,678,606
Fire			
Fire fighting force			
Drivers	444,910	456,910	433,285
Volunteers	33,000	30,563	27,352
Pension/benefits liability adjustment	(38,072)	(38,072)	(40,963)
Fire alarm systems	12,800	9,362	11,333
Training and development	5,000	6,881	5,209
Station, building and insurance	40,650	54,560	44,399
Fighting equipment-trucks and uniforms	30,250	35,723	47,531
New equipment	25,750	24,730	23,476
Amortization	68,475	68,475	67,860
	622,763	649,132	619,482
Emergency measures and other			
Animal control	20,000	11,157	10,572
	20,000	11,157	10,572
	2,582,459	2,510,595	2,308,660

TOWN OF WOODSTOCK
Supplementary Schedule Of Expenditure Accounts
For The Year Ended December 31, 2015

	2015 Budget \$	2015 Actual \$	2014 Actual \$
Transportation			
Common services			
Administration	72,030	68,205	40,988
General equipment	156,500	122,077	144,814
Workshop, yards and buildings	14,500	21,270	19,077
	<u>243,030</u>	<u>211,552</u>	<u>204,879</u>
Road transport			
Roads and streets			
Summer maintenance	423,000	449,751	391,235
Payroll benefits	200,925	193,820	220,949
Pension/benefits liability adjustment	(70,882)	(70,882)	(68,541)
Storm sewers and culverts	11,000	11,444	17,078
Snow and ice removal	345,000	446,573	486,058
Insurance	15,500	11,320	14,749
	<u>924,543</u>	<u>1,042,026</u>	<u>1,061,528</u>
Street lighting - electricity and repairs	149,500	146,847	156,407
Traffic services - street signs	6,500	9,000	4,507
Airport	6,250	7,756	7,556
Taxes and sundry	64,000	45,987	38,451
Amortization	569,594	569,594	567,604
	<u>1,963,417</u>	<u>2,032,762</u>	<u>2,040,932</u>
Environmental Health			
Dump	500	71	62
Waste collection and disposal	313,500	303,716	314,652
	<u>314,000</u>	<u>303,787</u>	<u>314,714</u>
Environmental Development			
Community planning	184,411	144,561	154,259
Pension/benefits liability adjustment	(9,236)	(9,236)	(8,768)
Industrial park	4,250	2,889	2,861
Tourism			
Tourism committee	154,180	100,069	89,864
Pension/benefits liability adjustment	(5,912)	(5,912)	(5,510)
Promotion, events and other	12,500	19,182	15,824
Decorative lighting	5,000	6,290	5,578
Amortization	7,248	7,248	7,425
	<u>352,441</u>	<u>265,091</u>	<u>261,533</u>

TOWN OF WOODSTOCK
General Fund
Supplementary Schedule Of Expenditure Accounts
For The Year Ended December 31, 2015

	2015 Budget \$	2015 Actual \$	2014 Actual \$
Recreation And Cultural			
Recreation			
Administration	162,783	195,092	154,038
Pension/benefits liability adjustment	(14,008)	(14,008)	(13,085)
Parks and playgrounds	194,130	198,627	182,154
Programs and other	43,500	499,095	370,625
Employment programs	-	30,866	41,582
	<u>386,405</u>	<u>909,672</u>	<u>735,314</u>
AYR Motor Centre			
Administration	378,900	417,814	397,565
Pension/benefits liability adjustment	(37,355)	(37,355)	(36,103)
Electricity	346,000	387,099	254,571
Swimming pool	266,940	260,106	229,318
Arena	221,400	298,979	190,261
Fitness centre	63,000	91,324	68,360
Field house	111,300	88,972	-
Concessions	69,500	82,743	55,597
	<u>1,419,685</u>	<u>1,589,682</u>	<u>1,159,569</u>
Cultural buildings and facilities			
Library	68,900	80,408	55,754
Other charges			
Interest on short term financing	-	29,740	-
Interest on long term debt	61,350	61,350	62,750
Amortization	474,887	474,887	318,491
	<u>536,237</u>	<u>565,977</u>	<u>381,241</u>
	<u>2,411,227</u>	<u>3,145,739</u>	<u>2,331,878</u>

TOWN OF WOODSTOCK
Water And Sewer Funds
Supplementary Schedule Of Revenue And Expenditure Accounts
For The Year Ended December 31, 2015

	2015 Budget \$	2015 Actual \$	2014 Actual \$
Revenue			
Sale of water	442,180	414,229	400,346
Sewer rates	611,820	622,188	623,222
Connection and services	14,200	11,950	10,400
Interest	-	15,660	21,181
	<u>1,068,200</u>	<u>1,064,027</u>	<u>1,055,149</u>
Other government transfers			
Gas Tax Fund	257,934	257,934	493,264
Regional Development Corporation	440,000	440,000	-
	<u>697,934</u>	<u>697,934</u>	<u>493,264</u>
Expenditure			
Water supply			
Administration	78,215	75,253	64,207
Transmission and distribution	242,346	235,905	258,956
Pension/benefits liability adjustment	(18,156)	(18,156)	(16,424)
Power and pumping	134,050	144,384	131,643
Billing, collection and other	12,000	14,356	10,854
	<u>448,455</u>	<u>451,742</u>	<u>449,236</u>
Sewer collection and disposal			
Administration	78,215	75,253	64,207
Sewer collection system	267,339	221,728	207,998
Pension/benefits liability adjustment	(18,156)	(18,156)	(16,296)
Sewer treatment and disposal	157,750	201,514	169,930
Billing, collection and other	12,000	14,841	13,601
	<u>497,148</u>	<u>495,180</u>	<u>439,440</u>
Administration transfers	<u>(70,000)</u>	<u>(70,008)</u>	<u>(70,008)</u>
Other charges			
Interest on long term debt	5,000	8,549	32,990
Amortization	224,665	224,665	232,271
Debenture issue expense	-	2,635	-
Discounts on rates	25,000	30,491	29,784
	<u>254,665</u>	<u>266,340</u>	<u>295,045</u>
	<u>1,130,268</u>	<u>1,143,254</u>	<u>1,113,713</u>

TOWN OF WOODSTOCK
Reserves Transfer Resolutions
For The Year Ended December 31, 2015

COUNCIL RESOLUTIONS TO TRANSFER FUNDS FOR YEAR ENDING DECEMBER 31, 2015:

DECEMBER 21, 2015

- #222-2015 To transfer \$11,000 from Utility Operating Fund to Utility Capital Reserve Fund for Wastewater Treatment Plant (to reserve funds for future capital costs for the Waste Water Treatment Plant).
Councillor Sutherland, Councillor Bradbury. **Carried.**

- #223-2015 To transfer \$114,000 from Utility Operating Fund to Utility Capital Reserve Fund for Water Exploration (to reserve funding budgeted in 2015 and not expended). Councillor Sutherland, Councillor Leonard. **Carried.**



MAYOR



CLERK/TREASURER