

**TOWN OF WOODSTOCK  
WOODSTOCK, NEW BRUNSWICK**

**Report And Consolidated Financial Statements**

**For The Year Ended December 31, 2018**

***Oulton Parkinson Walker Derrah  
Chartered Professional Accountants***

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**INDEPENDENT AUDITOR'S REPORT**

To His Worship The Mayor and Councillors  
Town of Woodstock

**Opinion**

We have audited the consolidated financial statements of the Town of Woodstock, which comprise the consolidated statement of financial position as at December 31, 2018 and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town of Woodstock as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

continued



**INDEPENDENT AUDITOR'S REPORT** (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

April 16, 2019

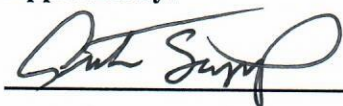


**TOWN OF WOODSTOCK**  
**Consolidated Statement of Financial Position**  
**As At December 31, 2018**

|  | 2018<br>\$         | 2017<br>\$         |
|--|--------------------|--------------------|
| <b>FINANCIAL ASSETS</b>  |                    |                    |
| Cash (note 3)  | 1,556,433          | 933,965            |
| Receivables  |                    |                    |
| General and utility (note 4)   | 162,973            | 129,328            |
| Federal government and its agencies (note 5)   | 129,763            | 75,266             |
| Province of New Brunswick (note 6)   | 6,825              | -                  |
| Investments (note 7)   | 754,714            | 773,604            |
|  | <u>2,610,708</u>   | <u>1,912,163</u>   |
| <b>LIABILITIES</b>   |                    |                    |
| Short term financing (note 14)   | 481,608            | 557,952            |
| Payables and accrued liabilities (note 8)  | 567,998            | 519,805            |
| Deferred revenue - fitness memberships (note 9)  | 28,485             | 37,145             |
| Deferred government transfers - Gas Tax (note 10)  | 840,282            | 617,537            |
| Long term debt (note 11)   | 2,953,000          | 2,852,000          |
| Accrued net pension fund (asset) liability (note 12)   | (453,800)          | (94,500)           |
| Accrued retirement allowance, sick leave and<br>post-retirement benefits liability (note 13) | 2,885,348          | 2,822,377          |
|  | <u>7,302,921</u>   | <u>7,312,316</u>   |
| <b>NET DEBT</b>  | <u>(4,692,213)</u> | <u>(5,400,153)</u> |
| <b>NON-FINANCIAL ASSETS</b>  |                    |                    |
| Tangible capital assets (note 21)  |                    |                    |
| Cost   | 68,812,655         | 67,111,112         |
| Accumulated amortization   | (28,026,896)       | (26,397,046)       |
|  | <u>40,785,759</u>  | <u>40,714,066</u>  |
| Supplies inventory   | 28,248             | 21,805             |
|  | <u>40,814,007</u>  | <u>40,735,871</u>  |
| <b>ACCUMULATED SURPLUS</b>   | <u>36,121,794</u>  | <u>35,335,718</u>  |

**CONTINGENT LIABILITY (note 20)**

Approved by:



Mayor



Clerk/Treasurer

**TOWN OF WOODSTOCK**  
**Consolidated Statement of Operations**  
**For The Year Ended December 31, 2018**

|   | Page | 2018<br>Budget<br>\$ | 2018<br>Actual<br>\$ | 2017<br>Actual<br>\$ |
|---|------|----------------------|----------------------|----------------------|
| <b>Revenue</b>                                |      |                      |                      |                      |
| Warrant of assessment - property taxes        |      | 7,146,479            | 7,146,479            | 7,219,548            |
| Community funding and equalization grant      |      | 773,482              | 788,219              | 658,177              |
| Sale of services                              | 22   | 1,136,260            | 1,152,240            | 1,100,229            |
| Service to other governments                  |      |                      |                      |                      |
| Province of New Brunswick                     | 22   | 548,620              | 556,462              | 563,207              |
| Other revenue from own sources                | 22   | 346,155              | 567,688              | 861,647              |
| Other government transfers                    |      |                      |                      |                      |
| General fund                                  | 22   | 592,392              | 674,793              | 270,334              |
| Water and sewer fund                          | 27   | 174,593              | 174,593              | 49,084               |
| Water and sewer                               | 27   | 1,177,769            | 1,202,957            | 1,212,572            |
|   |      | <u>11,895,750</u>    | <u>12,263,431</u>    | <u>11,934,798</u>    |
| <b>Expenditure</b>                            |      |                      |                      |                      |
| General government                            | 23   | 960,063              | 937,684              | 964,644              |
| Protective                                    | 24   | 2,921,073            | 2,852,955            | 2,607,790            |
| Transportation                                | 25   | 2,099,498            | 2,329,769            | 2,186,317            |
| Environmental health                          | 25   | 344,892              | 361,785              | 313,869              |
| Environmental development                     | 25   | 339,763              | 258,223              | 281,000              |
| Recreation and cultural                       | 26   | 3,108,397            | 3,549,594            | 3,627,112            |
| Water and sewer                               | 27   | 1,174,677            | 1,187,345            | 1,168,511            |
|   |      | <u>10,948,363</u>    | <u>11,477,355</u>    | <u>11,149,243</u>    |
| <b>Annual Surplus</b>                         |      | 947,387              | 786,076              | 785,555              |
| <b>Accumulated Surplus, beginning of year</b> |      | -                    | 35,335,718           | 34,550,163           |
| <b>Accumulated Surplus, end of year</b>       |      | -                    | <u>36,121,794</u>    | <u>35,335,718</u>    |

**TOWN OF WOODSTOCK**  
**Consolidated Statement of Changes in Net Debt**  
**For The Year Ended December 31, 2018**

|   | 2018<br>\$  | 2017<br>\$  |
|---|-------------|-------------|
| <b>Annual Surplus</b>                               | 786,076     | 785,555     |
| Acquisition of tangible capital assets              | (1,798,453) | (1,369,811) |
| Net proceeds on disposal of tangible capital assets | 7,250       | 288,828     |
| Amortization of tangible capital assets             | 1,721,510   | 1,675,907   |
| Net gain on sale of tangible capital assets         | (2,000)     | (60,136)    |
| Increase in supplies inventory                      | (6,443)     | (2,081)     |
| <b>Decrease In Net Debt</b>                         | 707,940     | 1,318,262   |
| <b>Net Debt, beginning of year</b>                  | (5,400,153) | (6,718,415) |
| <b>Net Debt, end of year</b>                        | (4,692,213) | (5,400,153) |



**TOWN OF WOODSTOCK**  
**Consolidated Statement of Cash Flows**  
**For The Year Ended December 31, 2018**

|  | 2018<br>\$         | 2017<br>\$         |
|--|--------------------|--------------------|
| <b>Operating</b>   |                    |                    |
| Annual surplus   | 786,076            | 785,555            |
| Amortization expense                                       | 1,721,510          | 1,675,907          |
| Accounts receivable  | (94,967)           | 12,064             |
| Payables and accruals                                      | 48,193             | (188,024)          |
| Deferred revenue   | (8,660)            | 4,549              |
| Deferred government transfers - Gas Tax Fund               | 222,745            | 325,238            |
| Change in accrued pension, retirement benefits liabilities | (296,329)          | (294,488)          |
| Supplies inventory   | (6,443)            | (2,081)            |
| Gain on sale of tangible capital assets                    | (2,000)            | (60,136)           |
|  | <u>2,370,125</u>   | <u>2,258,584</u>   |
| <b>Capital transactions</b>                                |                    |                    |
| Acquisition of tangible capital assets                     | (1,798,453)        | (1,369,811)        |
| Proceeds on sale of tangible capital assets                | 7,250              | 288,828            |
|  | <u>(1,791,203)</u> | <u>(1,080,983)</u> |
| <b>Financing transactions</b>                              |                    |                    |
| Long-term debt - issued                                    | 476,000            | -                  |
| Long-term debt retirement                                  | (375,000)          | (366,000)          |
|  | <u>101,000</u>     | <u>(366,000)</u>   |
| <b>Investing transactions</b>                              |                    |                    |
| Investments  | 18,890             | (332,723)          |
| <b>Increase in cash</b>                                    | 698,812            | 478,878            |
| <b>Cash, beginning of year</b>                             | <u>376,013</u>     | <u>(102,865)</u>   |
| <b>Cash (net short term financing), end of year</b>        | <u>1,074,825</u>   | <u>376,013</u>     |
| <b>Comprised of:</b>                                       |                    |                    |
| Cash   | 1,556,433          | 933,965            |
| Short term financing                                       | (481,608)          | (557,952)          |
|  | <u>1,074,825</u>   | <u>376,013</u>     |

**TOWN OF WOODSTOCK**  
**Notes To Consolidated Financial Statements**  
**For The Year Ended December 31, 2018**

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**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 18, 2017 and the Minister of Local Government on January 20, 2018.

**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. Property tax revenue is recorded in period for which the tax is levied.

**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, 2018**

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**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, short term financing 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:

| <b>Asset type</b>                       | <b>Years</b> |
|---|--------------|
| 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, 2018**

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**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, 2018**

|  | 2018<br>\$       | 2017<br>\$     |
|--|------------------|----------------|
| <b>3. Cash</b>   |                  |                |
| Cash - restricted (Gas Tax Funds)                      | 840,282          | 617,537        |
| Cash - restricted (Debenture financing) - note 14      | 476,000          | -              |
| Cash - restricted (Town/Rotary fundraising) - note 19  | -                | 19,931         |
| Cash - unrestricted                                    | 240,151          | 296,497        |
|  | <u>1,556,433</u> | <u>933,965</u> |
| <b>4. Receivables - general and utilities</b>          |                  |                |
| General operating                                      | 112,237          | 72,280         |
| Water and sewer accounts                               | 40,736           | 28,275         |
| General capital  | 10,000           | 28,773         |
|  | <u>162,973</u>   | <u>129,328</u> |
| <b>5. Due from Federal government and its agencies</b> |                  |                |
| Federation of Canadian Municipalities                  | 16,686           | -              |
| Canada Revenue Agency (HST refund)                     | 113,077          | 75,266         |
|  | <u>129,763</u>   | <u>75,266</u>  |
| <b>6. Due from Province of New Brunswick</b>           |                  |                |
| Department of transportation and infrastructure        | <u>6,825</u>     | <u>-</u>       |
| <b>7. Investments</b>                                  |                  |                |
| Reserves (note 24)                                     | 751,757          | 770,729        |
| Florence Bull Trust                                    | 1,000            | 1,000          |
| F.O. Creighton Trust                                   | 1,957            | 1,875          |
|  | <u>754,714</u>   | <u>773,604</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.  
Interest rate prime less 1.8% floating (3.95% - 1.8% = 2.15% at December 31, 2018).

**TOWN OF WOODSTOCK**  
**Notes To Consolidated Financial Statements**  
**For The Year Ended December 31, 2018**

|                     | 2018<br>\$     | 2017<br>\$     |
|---------------------|----------------|----------------|
| <b>8. Payables</b>  |                |                |
| General operating   | 421,813        | 338,074        |
| Capital projects    | 77,185         | 130,731        |
| Accrued liabilities |                |                |
| Payroll             | 69,000         | 51,000         |
|                     | <u>567,998</u> | <u>519,805</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      |          |        |               |              | 2018             | 2017             |
|---------------------------------------|----------|--------|---------------|--------------|------------------|------------------|
| Debenture #                           | O.I.C. # | Issued | Interest Rate | Due Date     | \$               | \$               |
| AYR Motor Centre, Library and Theatre |          |        |               |              |                  |                  |
| BJ31                                  | 13-0053  | 2013   | 1.25-4.15%    | Nov 20, 2028 | 1,424,000        | 1,543,000        |
| AYR Motor Centre, Library and Theatre |          |        |               |              |                  |                  |
| BU26                                  | 13-0053  | 2018   | 2.55-3.4%     | Dec 21, 2028 | 476,000          | -                |
| Town Hall                             |          |        |               |              |                  |                  |
| AZ34                                  | 07-0072  | 2008   | 2.10-5.55%    | Dec 22, 2023 | 819,000          | 960,000          |
| Wastewater Treatment Plant            |          |        |               |              |                  |                  |
| BM27                                  | 04-28,39 | 2015   | 0.95-1.8%     | July 6, 2020 | 234,000          | 349,000          |
|                                       |          |        |               |              | <u>2,953,000</u> | <u>2,852,000</u> |

Approximate principal payments required during the next five years:

|      | General<br>\$ | Water/Sewer<br>\$ |
|------|---------------|-------------------|
| 2019 | 312,000       | 116,000           |
| 2020 | 324,000       | 118,000           |
| 2021 | 336,000       | -                 |
| 2022 | 351,000       | -                 |
| 2023 | 366,000       | -                 |



**TOWN OF WOODSTOCK**  
**Notes To Consolidated Financial Statements**  
**For The Year Ended December 31, 2018**

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**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 Canadian Western Trust (effective March 1, 2016) as custodian with investment management of the fund provided by Morneau Shepell Asset & Risk Management Ltd. (MS ARM) (effective March 1, 2016).

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, 2017 (prepared September, 2018) showed the Town fulfilled its pension obligations for 2017. The 2018 actuarial evaluation will be completed in September 2019.

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, 2017 valuation to determine the estimated position of the plan for accounting purposes as at December 31, 2018. Pension fund assets are valued at market values.

Results of the extrapolation are as follows: (page 13)

**TOWN OF WOODSTOCK**  
**Notes To Consolidated Financial Statements**  
**For The Year Ended December 31, 2018**

**12. Pension Plan Asset/Liability (continued)**

|  | 2018<br>\$        | 2017<br>\$        |
|--|-------------------|-------------------|
| <b>Plan Assets, January 1</b>                                | 15,695,200        | 14,690,800        |
| Contributions - Town   | 717,500           | 694,500           |
| Contributions - employees                                    | 319,900           | 307,800           |
| Benefit payments   | (960,500)         | (960,500)         |
| Expected earnings on market-related value                    | 770,900           | 750,300           |
| Actuarial experience gain/(loss) during period               | -                 | 212,300           |
| <b>Plan Assets, December 31</b>                              | <u>16,543,000</u> | <u>15,695,200</u> |
| <b>Accrued benefit obligation, January 1</b>                 | 16,229,100        | 15,323,400        |
| Current service cost   | 618,600           | 542,800           |
| Benefit payments   | (960,500)         | (960,500)         |
| Interest on accrued benefit obligation                       | 786,800           | 770,800           |
| Net actuarial experience loss                                | -                 | 552,600           |
| <b>Accrued benefit obligation, December 31</b>               | <u>16,674,000</u> | <u>16,229,100</u> |
| <b>Unamortized actuarial (gains) losses, January 1</b>       | 628,400           | 307,400           |
| Amortization of actuarial gains/(losses)                     | (43,600)          | (19,300)          |
| Actuarial loss at end of period                              | -                 | 340,300           |
| <b>Unamortized actuarial loss (gain), December 31</b>        | <u>584,800</u>    | <u>628,400</u>    |
| <b>Net pension fund liability comprised of:</b>              |                   |                   |
| Accrued benefit obligation                                   | 16,674,000        | 16,229,100        |
| Less plan assets   | (16,543,000)      | (15,695,200)      |
| Actuarial deficit  | 131,000           | 533,900           |
| Unamortized experience gain (losses)                         | (584,800)         | (628,400)         |
| <b>Net pension fund (asset) liability</b>                    | <u>(453,800)</u>  | <u>(94,500)</u>   |
| <b>Town portion of Plan expenses</b>                         |                   |                   |
| Current-period benefit cost                                  | 289,200           | 224,400           |
| Amortization of actuarial losses                             | 43,600            | 19,300            |
| Interest on accrued benefit obligation                       | 786,800           | 770,800           |
| Expected return on assets                                    | (770,900)         | (750,300)         |
| <b>Pension benefit expense (per actuarial calculations)</b>  | <u>348,700</u>    | <u>264,200</u>    |
| <b>Pension benefit expense (per statement of operations)</b> |                   |                   |
| Town's contributions during year                             | 636,949           | 636,939           |
| Pension liability adjustment                                 | (359,300)         | (419,700)         |
|  | <u>277,649</u>    | <u>217,239</u>    |

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

|  |                                   |
|--|-----------------------------------|
| Discount rate                                    | 4.90% per year                    |
| Inflation rate                                   | 2.15% per year                    |
| Expected rate of return on assets                | 4.90% per year                    |
| Salary scale/Medical inflation                   | 3.50% per year                    |
| Average retirement age                           | Varies by age/employment category |
| Estimated average remaining service life (EARSL) | 14.4 years                        |



**TOWN OF WOODSTOCK**  
**Notes To Consolidated Financial Statements**  
**For The Year Ended December 31, 2018**

**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, 2016. The results were projected forward to December 31, 2018 using the December 31, 2016 data to determine the fiscal 2018 accrued benefits liability.

|  | 2018<br>\$       | 2017<br>\$       |
|--|------------------|------------------|
| <b>Accrued benefit liability January 1</b>     | 3,224,800        | 3,054,100        |
| Current service cost                           | 210,900          | 198,200          |
| Interest on obligation                         | 80,500           | 104,600          |
| Benefit payments                               | (26,700)         | (124,200)        |
| Amortization of (gains)/ losses                | (84,700)         | (7,900)          |
| <b>Accrued benefit liability December 31</b>   | <u>3,404,800</u> | <u>3,224,800</u> |
| <b>Restricted cash for retirement benefits</b> | <u>519,452</u>   | <u>402,423</u>   |
| <b>Net accrued benefit liability</b>           | <u>2,885,348</u> | <u>2,822,377</u> |
| <b>Allocation of accrued benefits</b>          |                  |                  |
| Retirement allowance/sick leave                | 942,700          | 793,500          |
| Post retirement life insurance                 | 155,700          | 144,000          |
| Post retirement health insurance               | 2,306,400        | 2,287,300        |
|  | <u>3,404,800</u> | <u>3,224,800</u> |



**TOWN OF WOODSTOCK**  
**Notes To Consolidated Financial Statements**  
**For The Year Ended December 31, 2018**

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

|   | 2018<br>\$     | 2017<br>\$     |
|---|----------------|----------------|
| <b>Town portion of benefit expenses</b> |                |                |
| Current-period benefit cost             | 210,900        | 198,200        |
| Interest cost                           | 80,500         | 104,600        |
| Amortization of losses                  | (84,700)       | (7,900)        |
| <b>Retirement benefits expense</b>      | <b>206,700</b> | <b>294,900</b> |

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

|  |  |
|--|--|
| Discount rate                                    | 3.07% per year   |
| Salary scale/Medical inflation                   | 3.5%/5% per year   |
| Average retirement age                           | Varies by age/employment category                                  |
| Demographic                                      | Same as for pension plan actuarial valuations at December 31, 2017 |
| Actuarial cost method                            | Projected unit credit prorated on service                          |
| Estimated average remaining service life (EARS�) | 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. Debenture financing of \$476,000 was received December 21, 2018 and the interim borrowing was paid out in February 2019.

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.

|  | 2018<br>\$     | 2017<br>\$     |
|--|----------------|----------------|
| Interim borrowing for capital projects - Town/Rotary project | 481,608        | 557,952        |
|  | <u>481,608</u> | <u>557,952</u> |

**TOWN OF WOODSTOCK**  
**Notes To Consolidated Financial Statements**  
**For The Year Ended December 31, 2018**

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**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:

|                                  | 2018          | 2017            |
|----------------------------------|---------------|-----------------|
|                                  | \$            | \$              |
| 2018 Surplus (Deficit) (note 23) | 20,903        | -               |
| 2017 Surplus (Deficit)           | (7,285)       | (7,285)         |
| 2016 Surplus (Deficit)           | -             | (15,978)        |
|                                  | <u>13,618</u> | <u>(23,263)</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 2018 was \$nil (2017\$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 (account was closed in 2018). Donations received for the project are receipted by the Town and included in revenue from donations - capital projects.

In 2016 the WHS Theatre expansion project was completed and the asset was transferred to the Province of New Brunswick as the facility is part of school property owned by the Province.

**20. Contingent Liability**

A notice of action was filed against the Town in 2018 seeking an undetermined amount of compensation. Management has determined that the likelihood of a loss is not determinable as this proceeding is at a very early stage. Counsel for the Town of Woodstock in this matter are unable to provide an opinion regarding the outcome of this case until documentary discovery and examinations for discovery have taken place. Therefore, it is not possible at this time for management to determine the outcome of this action, the amount of the loss, if any, or the timing of resolution of the matter.



**TOWN OF WOODSTOCK**  
**Notes To Consolidated Financial Statements**  
**For The Year Ended December 31, 2018**

**21. Schedule of Tangible Capital Assets**

|  | Land<br>\$       | Land<br>improve-<br>ments<br>\$ | Buildings<br>\$   | Vehicles<br>\$ | Machinery<br>and<br>equipment<br>\$ | Infrastructure             |                               |                        | Small<br>equipment<br>\$ | Assets<br>under<br>Construction<br>\$ | 2018<br>Total<br>\$ | 2017<br>Total<br>\$ |
|--|------------------|---------------------------------|-------------------|----------------|-------------------------------------|----------------------------|-------------------------------|------------------------|--------------------------|---------------------------------------|---------------------|---------------------|
|  |                  |                                 |                   |                |                                     | Roads and<br>streets<br>\$ | Treatment<br>facilities<br>\$ | Water &<br>sewer<br>\$ |                          |                                       |                     |                     |
| <b>COST</b>                                      |                  |                                 |                   |                |                                     |                            |                               |                        |                          |                                       |                     |                     |
| Balance, beginning of year                       | 3,215,150        | 1,099,230                       | 24,257,609        | 776,781        | 2,568,011                           | 17,583,746                 | 5,627,415                     | 9,702,334              | 1,607,834                | 673,002                               | 67,111,112          | 66,066,101          |
| Add:   |                  |                                 |                   |                |                                     |                            |                               |                        |                          |                                       |                     |                     |
| Additions during the year                        | 98,950           | 185,166                         | 140,461           | 142,251        | 24,611                              | 773,687                    | -                             | 46,579                 | 172,155                  | 214,593                               | 1,798,453           | 1,369,811           |
| Transfer completed construction                  | -                | 10,429                          | 17,493            | -              | -                                   | -                          | -                             | -                      | 58,800                   | (86,722)                              | -                   | -                   |
| Less:  |                  |                                 |                   |                |                                     |                            |                               |                        |                          |                                       |                     |                     |
| Disposals during year                            | -                | -                               | -                 | (31,910)       | (65,000)                            | -                          | -                             | -                      | -                        | -                                     | (96,910)            | (324,800)           |
| <b>BALANCE, END OF YEAR</b>                      | <b>3,314,100</b> | <b>1,294,825</b>                | <b>24,415,563</b> | <b>887,122</b> | <b>2,527,622</b>                    | <b>18,357,433</b>          | <b>5,627,415</b>              | <b>9,748,913</b>       | <b>1,838,789</b>         | <b>800,873</b>                        | <b>68,812,655</b>   | <b>67,111,112</b>   |
| <b>ACCUMULATED AMORTIZATION</b>                  |                  |                                 |                   |                |                                     |                            |                               |                        |                          |                                       |                     |                     |
| Balance, beginning of year                       | -                | 747,479                         | 6,544,793         | 405,523        | 1,632,843                           | 10,278,254                 | 1,347,384                     | 4,410,828              | 1,029,942                | -                                     | 26,397,046          | 24,817,247          |
| Add:   |                  |                                 |                   |                |                                     |                            |                               |                        |                          |                                       |                     |                     |
| Amortization during year                         | -                | 51,684                          | 602,719           | 85,868         | 115,484                             | 536,107                    | 98,365                        | 128,791                | 102,492                  | -                                     | 1,721,510           | 1,675,907           |
| Less:  |                  |                                 |                   |                |                                     |                            |                               |                        |                          |                                       |                     |                     |
| Accumulated amortization on disposals            | -                | -                               | -                 | (26,660)       | (65,000)                            | -                          | -                             | -                      | -                        | -                                     | (91,660)            | (96,108)            |
| <b>BALANCE, END OF YEAR</b>                      | <b>-</b>         | <b>799,163</b>                  | <b>7,147,512</b>  | <b>464,731</b> | <b>1,683,327</b>                    | <b>10,814,361</b>          | <b>1,445,749</b>              | <b>4,539,619</b>       | <b>1,132,434</b>         | <b>-</b>                              | <b>28,026,896</b>   | <b>26,397,046</b>   |
| <b>NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS</b> | <b>3,314,100</b> | <b>495,662</b>                  | <b>17,268,051</b> | <b>422,391</b> | <b>844,295</b>                      | <b>7,543,072</b>           | <b>4,181,666</b>              | <b>5,209,294</b>       | <b>706,355</b>           | <b>800,873</b>                        | <b>40,785,759</b>   | <b>40,714,066</b>   |
| <b>Consists of:</b>                              |                  |                                 |                   |                |                                     |                            |                               |                        |                          |                                       |                     |                     |
| General Fund Assets                              | 3,251,524        | 495,662                         | 17,268,051        | 422,391        | 806,018                             | 7,543,072                  | -                             | -                      | 706,355                  | -                                     | 30,493,073          | 30,511,167          |
| Water & Sewer Fund Assets                        | 62,576           | -                               | -                 | -              | 38,277                              | -                          | 4,181,666                     | 5,209,294              | -                        | 800,873                               | 10,292,686          | 10,202,899          |
|  | <b>3,314,100</b> | <b>495,662</b>                  | <b>17,268,051</b> | <b>422,391</b> | <b>844,295</b>                      | <b>7,543,072</b>           | <b>4,181,666</b>              | <b>5,209,294</b>       | <b>706,355</b>           | <b>800,873</b>                        | <b>40,785,759</b>   | <b>40,714,066</b>   |



**TOWN OF WOODSTOCK**  
**Notes To Consolidated Financial Statements**  
**For The Year Ended December 31, 2018**

**22. Schedule of Segment Disclosure**

|                             | General<br>\$ | Protective<br>\$ | Transportation<br>\$ | Environmental<br>Health<br>\$ | Environmental<br>Development<br>\$ | Recreation<br>and Culture<br>\$ | Water and<br>Sewer<br>\$ | 2018<br>Consolidated<br>\$ | 2017<br>Consolidated<br>\$ |
|-----------------------------|---------------|------------------|----------------------|-------------------------------|------------------------------------|---------------------------------|--------------------------|----------------------------|----------------------------|
| <b>Revenue</b>              |               |                  |                      |                               |                                    |                                 |                          |                            |                            |
| Property tax warrant        | 724,523       | 2,614,649        | 1,732,508            | 310,551                       | 312,029                            | 1,452,219                       | -                        | 7,146,479                  | 7,219,548                  |
| Equalization grant/         |               |                  |                      |                               |                                    |                                 |                          |                            |                            |
| Fed. grant in lieu of taxes | 79,912        | 288,382          | 191,086              | 34,252                        | 34,415                             | 160,172                         | -                        | 788,219                    | 658,177                    |
| Sale of services            | -             | -                | -                    | -                             | -                                  | 1,152,240                       | -                        | 1,152,240                  | 1,100,229                  |
| Services to other           |               |                  |                      |                               |                                    |                                 |                          |                            |                            |
| Governments                 | -             | 230,161          | 65,842               | -                             | -                                  | 260,459                         | -                        | 556,462                    | 563,207                    |
| Water and sewer fees        | -             | -                | -                    | -                             | -                                  | -                               | 1,186,407                | 1,186,407                  | 1,190,940                  |
| Government transfers        | -             | -                | 420,243              | -                             | -                                  | 254,550                         | 174,593                  | 849,386                    | 319,418                    |
| Other                       | 115,180       | 192,481          | 2,000                | -                             | -                                  | 258,027                         | 16,550                   | 584,238                    | 883,279                    |
|                             | 919,615       | 3,325,673        | 2,411,679            | 344,803                       | 346,444                            | 3,537,667                       | 1,377,550                | 12,263,431                 | 11,934,798                 |
| <b>Expenses</b>             |               |                  |                      |                               |                                    |                                 |                          |                            |                            |
| Salaries and benefits       | 484,990       | 2,403,097        | 875,125              | -                             | 149,833                            | 1,517,495                       | 328,366                  | 5,758,906                  | 5,499,323                  |
| Pension/benefits            |               |                  |                      |                               |                                    |                                 |                          |                            |                            |
| liability adjustment        | (25,146)      | (132,899)        | (46,312)             | -                             | (9,237)                            | (61,332)                        | (21,403)                 | (296,329)                  | (294,488)                  |
| Goods and services          | 302,836       | 446,694          | 825,048              | 361,785                       | 110,995                            | 1,360,694                       | 641,005                  | 4,049,057                  | 4,014,836                  |
| Amortization                | 65,201        | 118,544          | 638,275              | -                             | 6,632                              | 658,898                         | 233,960                  | 1,721,510                  | 1,675,907                  |
| Interest                    | 73,464        | -                | -                    | -                             | -                                  | 73,839                          | 5,417                    | 152,720                    | 138,492                    |
| Other                       | 36,339        | 17,519           | 37,633               | -                             | -                                  | -                               | -                        | 91,491                     | 93,497                     |
|                             | 937,684       | 2,852,955        | 2,329,769            | 361,785                       | 258,223                            | 3,549,594                       | 1,187,345                | 11,477,355                 | 11,127,567                 |
|                             | (18,069)      | 472,718          | 81,910               | (16,982)                      | 88,221                             | (11,927)                        | 190,205                  | 786,076                    | 807,231                    |

**TOWN OF WOODSTOCK**  
**Notes To Consolidated Financial Statements**  
**For The Year Ended December 31, 2018**

**23. Reconciliation of Annual Surplus**

|   | General<br>Operating<br>Fund<br>\$ | Water & Sewer<br>Operating<br>Fund<br>\$ | General<br>Capital<br>Fund<br>\$ | Water & Sewer<br>Capital<br>Fund<br>\$ | General<br>Reserve<br>Funds<br>\$ | Water & Sewer<br>Reserve<br>Funds<br>\$ | Total<br>\$ |
|---|------------------------------------|--|----------------------------------|--|-----------------------------------|---|-------------|
| <b>2018 annual surplus (deficit)</b>  | 1,257,271                          | 245,435                                  | (670,291)                        | (59,367)                               | 8,891                             | 4,137                                   | 786,076     |
| <b>Adjustments to annual surplus<br/>(deficit) for funding requirements</b> |                                    |  |                                  |  |                                   |   |             |
| Second previous year's<br>surplus (deficit)                                 | 16,775                             | (15,978)                                 | -                                | -                                      | -                                 | -                                       | 797         |
| Transfers between funds   |                                    |  |                                  |  |                                   |   |             |
| General to water & sewer  | 100,000                            | (100,000)                                | -                                | -                                      | -                                 | -                                       | -           |
| Water & sewer to general  | (188,004)                          | 188,004                                  | -                                | -                                      | -                                 | -                                       | -           |
| Reserve to general capital  | -                                  | -  | 43,000                           | -                                      | (43,000)                          | -                                       | -           |
| General to capital fund   | (682,073)                          | -  | 682,073                          | -                                      | -                                 | -                                       | -           |
| Water & sewer to capital fund   | -                                  | (149,155)                                | -                                | 149,155                                | -                                 | -                                       | -           |
| Water & sewer to reserve  | -                                  | (11,000)                                 | -                                | -                                      | -                                 | 11,000                                  | -           |
| Long-term debt principal repayment  | (260,000)                          | (115,000)                                | 260,000                          | 115,000                                | -                                 | -                                       | -           |
| Amortization expense  | -                                  | -  | 1,487,550                        | 233,960                                | -                                 | -                                       | 1,721,510   |
| Provision for post-retirement<br>benefits and sick leave                    | (274,926)                          | (21,403)                                 | -                                | -                                      | -                                 | -                                       | (296,329)   |
| <b>Total adjustments to 2018<br/>surplus (deficit)</b>                      | (1,288,228)                        | (224,532)                                | 2,472,623                        | 498,115                                | (43,000)                          | 11,000                                  | 1,425,978   |
| <b>2018 annual surplus (deficit) per<br/>PNB requirements</b>               | (30,957)                           | 20,903                                   | 1,802,332                        | 438,748                                | (34,109)                          | 15,137                                  | 2,212,054   |

**TOWN OF WOODSTOCK**  
**Notes To Consolidated Financial Statements**  
**For The Year Ended December 31, 2018**

**24. Statement of Reserves**

|   | General<br>Operating<br>Reserve<br>\$ | General<br>Capital<br>Reserve<br>\$ | Water and Sewer<br>Operating<br>Reserve<br>\$ | Water and Sewer<br>Capital<br>Reserve<br>\$ | 2018<br>Total<br>\$ | 2017<br>Total<br>\$ |
|---|---------------------------------------|-------------------------------------|---|---|---------------------|---------------------|
| <b>Assets</b>                           |                                       |                                     |   |   |                     |                     |
| Investments                             | 1,145                                 | 461,555                             | 50,593  | 238,464                                     | 751,757             | 770,729             |
| <b>Accumulated Surplus</b>              | 1,145                                 | 461,555                             | 50,593  | 238,464                                     | 751,757             | 770,729             |
| <b>Revenue</b>                          |                                       |                                     |   |   |                     |                     |
| Transfers                               | -                                     | -                                   | -   | 11,000                                      | 11,000              | 328,428             |
| Interest                                | 20                                    | 8,871                               | 94  | 4,043                                       | 13,028              | 4,261               |
|   | 20                                    | 8,871                               | 94  | 15,043                                      | 24,028              | 332,689             |
| <b>Expenditures</b>                     | -                                     | 43,000                              | -   | -   | 43,000              | -                   |
| <b>Annual Surplus (Deficit)</b>         | 20                                    | (34,129)                            | 94  | 15,043                                      | (18,972)            | 332,689             |
| <b>Allocated by Council as follows:</b> |                                       |                                     |   |   |                     |                     |
| Recreation projects                     | 1,145                                 | -                                   | -   | -   | 1,145               | 1,125               |
| Fire truck                              | -                                     | 24,953                              | -   | -   | 24,953              | 24,509              |
| Police radios                           | -                                     | -                                   | -   | -   | -                   | 23,000              |
| Land sale hospital property             | -                                     | 386,608                             | -   | -   | 386,608             | 378,970             |
| Library renovations                     | -                                     | -                                   | -   | -   | -                   | 20,000              |
| Recreation and parks                    | -                                     | 11,349                              | -   | -   | 11,349              | 11,248              |
| Industrial park                         | -                                     | 38,645                              | -   | -   | 38,645              | 37,958              |
| Water and sewer operating               | -                                     | -                                   | 50,593  | -   | 50,593              | 50,499              |
| Wastewater plant                        | -                                     | -                                   | -   | 91,886                                      | 91,886              | 79,448              |
| Water exploration                       | -                                     | -                                   | -   | 118,396                                     | 118,396             | 116,291             |
| Other capital projects                  | -                                     | -                                   | -   | 28,182                                      | 28,182              | 27,681              |
| <b>Accumulated Surplus</b>              | 1,145                                 | 461,555                             | 50,593  | 238,464                                     | 751,757             | 770,729             |



**TOWN OF WOODSTOCK**  
**Notes To Consolidated Financial Statements**  
**For The Year Ended December 31, 2018**

**25. Operating Budget to PSA Budget**

|   | Operating<br>Budget<br>General<br>\$ | Operating<br>Budget<br>Water & Sewer<br>\$ | Capital revenue/<br>Amortization<br>TCA<br>\$ | Government<br>Transfer<br>of TCA<br>\$ | Pension/<br>Retirement<br>Benefits<br>\$ | Transfers<br>\$ | Total<br>\$ |
|---|--------------------------------------|--|---|--|--|-----------------|-------------|
| <b>Revenue</b>  |                                      |  |   |  |  |                 |             |
| Property tax warrant and federal grant  | 7,146,479                            | -  | -   | -                                      | -  | -               | 7,146,479   |
| Services provided to other government   | 567,926                              | -  | -   | -                                      | -  | -               | 567,926     |
| Sales of services and other fees  | 1,144,460                            | -  | -   | -                                      | -  | -               | 1,144,460   |
| Equalization grant  | 773,482                              | -  | -   | -                                      | -  | -               | 773,482     |
| Other revenue from own sources  | 58,440                               | -  | 260,209                                       | -                                      | -  | -               | 318,649     |
| Other transfers   | 100,000                              | 188,000                                    | 766,985                                       | -                                      | -  | (288,000)       | 766,985     |
| Water and sewer user fees   | -                                    | 1,177,769                                  | -   | -                                      | -  | -               | 1,177,769   |
| Surplus/deficit of second previous year   | 16,775                               | -  | -   | -                                      | -  | (16,775)        | -           |
|   | 9,807,562                            | 1,365,769                                  | 1,027,194                                     | -                                      | -  | (304,775)       | 11,895,750  |
| <b>Expenditures</b>   |                                      |  |   |  |  |                 |             |
| General government services   | 858,598                              | -  | 65,201  | -                                      | (15,146)                                 | 51,410          | 960,063     |
| Protective services   | 3,070,928                            | -  | 118,544                                       | -                                      | (80,399)                                 | (188,000)       | 2,921,073   |
| Transportation services   | 1,485,035                            | -  | 638,275                                       | -                                      | (23,812)                                 | -               | 2,099,498   |
| Environmental health services   | 344,892                              | -  | -   | -                                      | -  | -               | 344,892     |
| Environmental development services  | 342,368                              | -  | 6,632   | -                                      | (9,237)                                  | -               | 339,763     |
| Recreational and cultural services  | 2,443,148                            | -  | 658,898                                       | -                                      | (48,832)                                 | 55,183          | 3,108,397   |
| Transfer of tangible capital asset to<br>Prov. of NB - theatre (note 19)                              | -                                    | -  | -   | -                                      | -  | -               | -           |
| Fiscal services   |                                      |  |   |  |  |                 |             |
| Retirement benefits   | 97,500                               | 10,000                                     | -   | -                                      | (107,500)                                | -               | -           |
| Long-term debt repayments   | 259,000                              | 115,000                                    | -   | -                                      | -  | (374,000)       | -           |
| Interest - General Fund   | 106,593                              | -  | -   | -                                      | -  | (106,593)       | -           |
| Interest - Water and Sewer Fund   | -                                    | 6,671                                      | -   | -                                      | -  | (6,671)         | -           |
| Transfer from General Operating<br>Fund to General Capital Fund                                       | 799,500                              | -  | -   | -                                      | -  | (799,500)       | -           |
| Discount on Water and Sewer rates   | -                                    | 30,000                                     | -   | -                                      | -  | (30,000)        | -           |
| Deficit of second previous year   | -                                    | 15,978                                     | -   | -                                      | -  | (15,978)        | -           |
| Transfer from Water and Sewer Operating<br>Fund to Water and Sewer Capital Fund                       | -                                    | 125,000                                    | -   | -                                      | -  | (125,000)       | -           |
| Transfer from Water and Sewer Operating<br>Fund to Water and Sewer Capital Reserve<br>Water and Sewer | -                                    | 41,000                                     | -   | -                                      | -  | (41,000)        | -           |
|   | -                                    | 1,022,120                                  | 233,960                                       | -                                      | (11,403)                                 | (70,000)        | 1,174,677   |
|   | 9,807,562                            | 1,365,769                                  | 1,721,510                                     | -                                      | (296,329)                                | (1,650,149)     | 10,948,363  |
| <b>Surplus (Deficit)</b>  | -                                    | -  | (694,316)                                     | -                                      | 296,329                                  | 1,345,374       | 947,387     |

**TOWN OF WOODSTOCK**  
**Supplementary Schedule Of Revenue Accounts**  
**For The Year Ended December 31, 2018**

|   | 2018<br>Budget<br>\$ | 2018<br>Actual<br>\$ | 2017<br>Actual<br>\$ |
|---|----------------------|----------------------|----------------------|
| <b>Sale of Services</b>                           |                      |                      |                      |
| AYR Motor Centre                                  |                      |                      |                      |
| Swimming pool                                     | 139,550              | 135,336              | 135,020              |
| Arena   | 206,000              | 168,138              | 200,335              |
| Fitness centre                                    | 105,000              | 137,860              | 111,681              |
| Field house                                       | 80,000               | 81,550               | 88,003               |
| Concessions, events and other                     | 349,150              | 322,481              | 316,199              |
|   | <u>879,700</u>       | <u>845,365</u>       | <u>851,238</u>       |
| Other recreation programs and activities          |                      |                      |                      |
| Summer and youth programs                         | 67,000               | 58,602               | 47,491               |
| Daycare and after school                          | 155,000              | 178,974              | 160,499              |
| Adult programs and other grants                   | 34,560               | 69,299               | 41,001               |
|   | <u>256,560</u>       | <u>306,875</u>       | <u>248,991</u>       |
|   | <u>1,136,260</u>     | <u>1,152,240</u>     | <u>1,100,229</u>     |
| <b>Province of New Brunswick</b>                  |                      |                      |                      |
| Fire  | 230,161              | 230,161              | 238,911              |
| Roads and streets                                 | 58,000               | 65,842               | 65,330               |
| Ayr Motor Centre - LSD levy                       | 260,459              | 260,459              | 258,966              |
|   | <u>548,620</u>       | <u>556,462</u>       | <u>563,207</u>       |
| <b>Other Revenue From Own Sources</b>             |                      |                      |                      |
| Licenses and permits                              | 26,000               | 45,170               | 25,482               |
| Police programs and other services                | 10,000               | 18,852               | 7,806                |
| Recreation fundraising and donations              | -                    | 113,891              | 288,684              |
| Interest  | -                    | 27,462               | 13,014               |
| Fire department fundraising (note 18)             | 139,373              | 139,373              | -                    |
| Fire paging and other services                    | 19,306               | 34,256               | 43,085               |
| Miscellaneous                                     | 22,500               | 34,419               | 48,512               |
| Donations - Barney Wright Field                   | 21,000               | 21,000               | -                    |
| Donations - capital projects (note 19)            | 97,836               | 97,836               | 350,176              |
| Gain on disposal of capital assets                | 2,000                | 2,000                | 60,136               |
| Insurance proceeds - lightning strike             | -                    | -                    | 16,623               |
| Transfers from other agencies - community van     | -                    | 25,300               | -                    |
| Transfers from other agencies - property tax      | 8,140                | 8,129                | 8,129                |
|   | <u>346,155</u>       | <u>567,688</u>       | <u>861,647</u>       |
| <b>Other Government Transfers</b>                 |                      |                      |                      |
| Employment programs                               | -                    | 82,401               | 61,171               |
| DTI - Designated Highways                         | 403,557              | 403,557              | 164,163              |
| Federation of Cdn Municipalities-asset management | 16,686               | 16,686               | -                    |
| ACOA  | -                    | -                    | 45,000               |
| Woodstock Business Improvement Corp (B.I.A.)      | 10,000               | 10,000               | -                    |
| PNB - Barney Wright Field                         | 25,000               | 25,000               | -                    |
| Regional Development Corporation                  | 137,149              | 137,149              | -                    |
|   | <u>592,392</u>       | <u>674,793</u>       | <u>270,334</u>       |



**TOWN OF WOODSTOCK**  
**Supplementary Schedule Of Expenditure Accounts**  
**For The Year Ended December 31, 2018**

|                                       | 2018<br>Budget<br>\$ | 2018<br>Actual<br>\$ | 2017<br>Actual<br>\$ |
|---------------------------------------|----------------------|----------------------|----------------------|
| <b>General Government</b>             |                      |                      |                      |
| Legislative                           |                      |                      |                      |
| Mayor                                 | 14,632               | 13,367               | 13,073               |
| Councillors                           | 43,793               | 41,970               | 41,046               |
|                                       | <u>58,425</u>        | <u>55,337</u>        | <u>54,119</u>        |
| Administrative and other              |                      |                      |                      |
| Office salaries and benefits          | 475,655              | 429,653              | 475,230              |
| Pension/benefits liability adjustment | (25,146)             | (25,146)             | (24,986)             |
| Office expense and other              | 50,970               | 60,188               | 56,900               |
| Office building                       | 41,905               | 33,647               | 36,741               |
| Solicitor                             | 5,000                | 3,029                | -                    |
| External audit                        | 40,000               | 40,369               | 39,879               |
| Training and development              | 1,500                | 2,939                | 997                  |
|                                       | <u>589,884</u>       | <u>544,679</u>       | <u>584,761</u>       |
| Other general government services     |                      |                      |                      |
| Conventions and delegations           | 10,000               | 18,826               | 12,982               |
| Research and information              | 37,347               | 36,480               | 35,325               |
| Regional Service District             | 7,952                | 8,504                | 8,437                |
| Grants to organizations               | 42,750               | 33,400               | 30,964               |
|                                       | <u>98,049</u>        | <u>97,210</u>        | <u>87,708</u>        |
| Other charges                         |                      |                      |                      |
| Assessment charge                     | 97,094               | 97,094               | 98,080               |
| Interest on long term debt            | 50,410               | 50,409               | 56,888               |
| Bank charges and short term interest  | 1,000                | 23,055               | 17,234               |
| Debenture issue expense               | -                    | 4,699                | -                    |
| Amortization                          | 65,201               | 65,201               | 65,854               |
|                                       | <u>213,705</u>       | <u>240,458</u>       | <u>238,056</u>       |
|                                       | <u>960,063</u>       | <u>937,684</u>       | <u>964,644</u>       |



**TOWN OF WOODSTOCK**  
**Supplementary Schedule Of Expenditure Accounts**  
**For The Year Ended December 31, 2018**

|  | 2018<br>Budget<br>\$ | 2018<br>Actual<br>\$ | 2017<br>Actual<br>\$ |
|--|----------------------|----------------------|----------------------|
| <b>Protective</b>                      |                      |                      |                      |
| Police                                 |                      |                      |                      |
| Administration personnel               | 317,752              | 298,321              | 308,496              |
| Crime control personnel                | 1,165,542            | 1,162,379            | 981,065              |
| Employee benefits                      | 387,660              | 412,191              | 388,794              |
| Pension/benefits liability adjustment  | (104,782)            | (104,782)            | (104,133)            |
| Office, insurance and other            | 134,600              | 103,517              | 101,042              |
| Training                               | 20,000               | 13,720               | 14,060               |
| Station and building                   | 74,750               | 56,220               | 66,292               |
| Automotive equipment                   | 55,500               | 53,231               | 43,022               |
| Prisoners                              | 21,300               | 35,623               | 11,097               |
| Dispatch and service agreements        | 69,900               | 69,154               | 67,598               |
| Amortization                           | 58,589               | 58,589               | 43,457               |
|  | <u>2,200,811</u>     | <u>2,158,163</u>     | <u>1,920,790</u>     |
| Fire                                   |                      |                      |                      |
| Fire fighting force                    |                      |                      |                      |
| Drivers                                | 477,924              | 474,713              | 466,943              |
| Volunteers                             | 35,000               | 35,944               | 35,500               |
| Pension/benefits liability adjustment  | (28,117)             | (28,117)             | (27,943)             |
| Fire alarm systems                     | 63,000               | 40,815               | 11,587               |
| Training and development               | 10,000               | 3,799                | 6,547                |
| Station, building and insurance        | 45,250               | 43,633               | 43,013               |
| Fighting equipment-trucks and uniforms | 36,500               | 37,343               | 40,924               |
| New equipment                          | 750                  | 15,010               | 24,099               |
| Amortization                           | 59,955               | 59,955               | 68,748               |
|  | <u>700,262</u>       | <u>683,095</u>       | <u>669,418</u>       |
| Emergency measures and other           |                      |                      |                      |
| Animal control                         | 20,000               | 11,697               | 17,582               |
|  | <u>2,921,073</u>     | <u>2,852,955</u>     | <u>2,607,790</u>     |

**TOWN OF WOODSTOCK**  
**Supplementary Schedule Of Expenditure Accounts**  
**For The Year Ended December 31, 2018**

|   | 2018<br>Budget<br>\$ | 2018<br>Actual<br>\$ | 2017<br>Actual<br>\$ |
|---|----------------------|----------------------|----------------------|
| <b>Transportation</b>                     |                      |                      |                      |
| Common services                           |                      |                      |                      |
| Administration                            | 78,039               | 78,160               | 76,066               |
| General equipment                         | 158,800              | 135,731              | 127,439              |
| Workshop, yards and buildings             | 16,000               | 16,167               | 19,427               |
|   | <u>252,839</u>       | <u>230,058</u>       | <u>222,932</u>       |
| Road transport                            |                      |                      |                      |
| Roads and streets                         |                      |                      |                      |
| Summer maintenance                        | 428,025              | 513,186              | 501,294              |
| Payroll benefits                          | 207,421              | 208,660              | 201,512              |
| Pension/benefits liability adjustment     | (46,312)             | (46,312)             | (46,025)             |
| Storm sewers and culverts                 | 10,000               | 8,000                | 8,000                |
| Snow and ice removal                      | 387,000              | 538,161              | 463,165              |
| Insurance                                 | 8,000                | 12,064               | 12,193               |
|   | <u>994,134</u>       | <u>1,233,759</u>     | <u>1,140,139</u>     |
| Street lighting - electricity and repairs | 149,000              | 156,665              | 155,150              |
| Traffic services - street signs           | 6,500                | 5,111                | 6,063                |
| Airport                                   | 6,250                | 7,411                | 9,767                |
| Taxes and sundry                          | 52,500               | 37,633               | 40,929               |
| Asset management plan                     | -                    | 20,857               | -                    |
| Amortization                              | 638,275              | 638,275              | 611,337              |
|   | <u>2,099,498</u>     | <u>2,329,769</u>     | <u>2,186,317</u>     |
| <b>Environmental Health</b>               |                      |                      |                      |
| Waste collection and disposal             | 344,892              | 361,785              | 313,869              |
| <b>Environmental Development</b>          |                      |                      |                      |
| Community planning                        | 173,701              | 124,863              | 145,518              |
| Legal/land development                    | -                    | 2,114                | 4,444                |
| Pension/benefits liability adjustment     | (5,622)              | (5,622)              | (5,587)              |
| Industrial park                           | 4,500                | 3,087                | 3,072                |
| Tourism                                   |                      |                      |                      |
| Tourism committee                         | 145,167              | 108,342              | 100,833              |
| Pension/benefits liability adjustment     | (3,615)              | (3,615)              | (3,592)              |
| Promotion, events and other               | 14,000               | 16,712               | 27,448               |
| Decorative lighting                       | 5,000                | 5,710                | 2,232                |
| Amortization                              | 6,632                | 6,632                | 6,632                |
|   | <u>339,763</u>       | <u>258,223</u>       | <u>281,000</u>       |

**TOWN OF WOODSTOCK****General Fund****Supplementary Schedule Of Expenditure Accounts****For The Year Ended December 31, 2018**

|                                       | 2018<br>Budget<br>\$    | 2018<br>Actual<br>\$    | 2017<br>Actual<br>\$    |
|---------------------------------------|-------------------------|-------------------------|-------------------------|
| <b>Recreation And Cultural</b>        |                         |                         |                         |
| Recreation                            |                         |                         |                         |
| Administration                        | 218,856                 | 223,444                 | 211,204                 |
| Pension/benefits liability adjustment | (9,843)                 | (9,843)                 | (9,782)                 |
| Parks and playgrounds                 | 207,990                 | 209,086                 | 230,262                 |
| Programs and other                    | 68,500                  | 199,392                 | 348,244                 |
| Employment programs                   | -                       | 82,401                  | 61,171                  |
|                                       | <u>485,503</u>          | <u>704,480</u>          | <u>841,099</u>          |
| <br>AYR Motor Centre                  |                         |                         |                         |
| Administration                        | 515,925                 | 594,746                 | 583,460                 |
| Pension/benefits liability adjustment | (51,489)                | (51,489)                | (51,170)                |
| Electricity                           | 400,000                 | 419,290                 | 413,416                 |
| Swimming pool                         | 259,340                 | 245,835                 | 266,731                 |
| Arena                                 | 213,337                 | 262,876                 | 223,976                 |
| Fitness centre                        | 77,700                  | 50,360                  | 68,070                  |
| Field house                           | 192,500                 | 199,824                 | 202,718                 |
| Concessions and events                | 211,500                 | 292,735                 | 254,129                 |
|                                       | <u>1,818,813</u>        | <u>2,014,177</u>        | <u>1,961,330</u>        |
| <br>Cultural buildings and facilities |                         |                         |                         |
| Library                               | <u>90,000</u>           | <u>98,200</u>           | <u>98,924</u>           |
| <br>Other charges                     |                         |                         |                         |
| Interest on short term financing      | -                       | 18,656                  | 21,676                  |
| Interest on long term debt            | 55,183                  | 55,183                  | 57,699                  |
| Amortization                          | <u>658,898</u>          | <u>658,898</u>          | <u>646,384</u>          |
|                                       | <u>714,081</u>          | <u>732,737</u>          | <u>725,759</u>          |
|                                       | <u><u>3,108,397</u></u> | <u><u>3,549,594</u></u> | <u><u>3,627,112</u></u> |



**TOWN OF WOODSTOCK****Water And Sewer Funds****Supplementary Schedule Of Revenue And Expenditure Accounts****For The Year Ended December 31, 2018**

|                                       | 2018<br>Budget<br>\$ | 2018<br>Actual<br>\$ | 2017<br>Actual<br>\$ |
|---------------------------------------|----------------------|----------------------|----------------------|
| <b>Revenue</b>                        |                      |                      |                      |
| Sale of water                         | 496,949              | 479,692              | 485,712              |
| Sewer rates                           | 660,820              | 693,771              | 692,929              |
| Connection and services               | 20,000               | 12,944               | 12,299               |
| Interest                              | -                    | 16,550               | 21,632               |
|                                       | <u>1,177,769</u>     | <u>1,202,957</u>     | <u>1,212,572</u>     |
| <b>Other government transfers</b>     |                      |                      |                      |
| Gas Tax Fund                          | <u>174,593</u>       | <u>174,593</u>       | <u>49,084</u>        |
|                                       | <u>174,593</u>       | <u>174,593</u>       | <u>49,084</u>        |
| <b>Expenditure</b>                    |                      |                      |                      |
| Water supply                          |                      |                      |                      |
| Administration                        | 95,834               | 96,163               | 95,530               |
| Transmission and distribution         | 258,086              | 282,758              | 255,307              |
| Pension/benefits liability adjustment | (10,702)             | (10,702)             | (10,635)             |
| Power and pumping                     | 134,250              | 155,201              | 142,003              |
| Billing, collection and other         | 12,000               | 10,882               | 10,934               |
|                                       | <u>489,468</u>       | <u>534,302</u>       | <u>493,139</u>       |
| Sewer collection and disposal         |                      |                      |                      |
| Administration                        | 95,832               | 96,110               | 95,395               |
| Sewer collection system               | 279,455              | 224,610              | 265,756              |
| Pension/benefits liability adjustment | (10,701)             | (10,701)             | (10,635)             |
| Sewer treatment and disposal          | 144,663              | 159,555              | 142,778              |
| Billing, collection and other         | 12,000               | 10,882               | 9,471                |
|                                       | <u>521,249</u>       | <u>480,456</u>       | <u>502,765</u>       |
| Administration transfers              | <u>(100,000)</u>     | <u>(100,000)</u>     | <u>(100,000)</u>     |
| Other charges                         |                      |                      |                      |
| Interest on long term debt            | -                    | 5,417                | 6,671                |
| Amortization                          | 233,960              | 233,960              | 233,495              |
| Discounts on rates                    | 30,000               | 33,210               | 32,441               |
|                                       | <u>263,960</u>       | <u>272,587</u>       | <u>272,607</u>       |
|                                       | <u>1,174,677</u>     | <u>1,187,345</u>     | <u>1,168,511</u>     |

**TOWN OF WOODSTOCK**  
**Reserves Transfer Resolutions**  
**For The Year Ended December 31, 2018**

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**COUNCIL RESOLUTIONS TO TRANSFER FUNDS FOR YEAR ENDING DECEMBER 31, 2018:**

**DECEMBER 17, 2018**

- #296-2018      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 Leonard, Councillor Bradbury. **Carried.**
- #298-2018      To transfer \$43,000 from General Capital Reserve Fund to General Capital Fund. Councillor Sutherland, Councillor Bradbury. **Carried.**

  
\_\_\_\_\_  
MAYOR

  
\_\_\_\_\_  
CLERK