
**TOWN OF WOODSTOCK
WOODSTOCK, NEW BRUNSWICK**

Report And Consolidated Financial Statements

For The Year Ended December 31, 2021

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NICHOLSON & BEAUMONT
CHARTERED PROFESSIONAL ACCOUNTANTS

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, 2021 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, 2021, 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.

Woodstock, NB
August 5, 2022



Chartered Professional Accountants

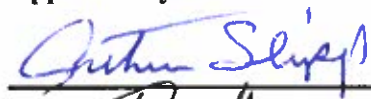
TOWN OF WOODSTOCK
Consolidated Statement of Operations
For The Year Ended December 31, 2021

	Page	2021 Budget \$	2021 Actual \$	2020 Actual \$
Revenue				
Warrant of assessment - property taxes		7,493,382	7,524,900	7,472,215
Community funding and equalization grant		880,163	897,119	873,649
Sale of services	22	691,450	823,381	687,272
Service to other governments				
Province of New Brunswick	22	611,003	630,899	615,743
Other revenue from own sources	22	482,377	705,809	393,425
Other government transfers				
General fund	22	315,154	966,637	507,722
Water and sewer fund	27	1,815,335	1,815,335	438,103
Water and sewer	27	1,314,250	1,336,277	1,335,806
		<u>13,603,114</u>	<u>14,700,357</u>	<u>12,323,935</u>
Expenditure				
General government	23	906,144	1,071,843	1,023,849
Protective	24	3,424,801	3,705,978	3,440,247
Transportation	25	2,239,172	2,242,217	2,235,455
Environmental health	25	394,375	405,075	394,320
Environmental development	25	410,124	366,267	348,247
Recreation and cultural	26	3,316,669	3,341,849	3,216,782
Water and sewer	27	1,338,459	1,221,561	1,351,797
		<u>12,029,744</u>	<u>12,354,790</u>	<u>12,010,697</u>
Annual Surplus		1,573,370	2,345,567	313,238
Accumulated Surplus, beginning of year		-	36,728,061	36,414,823
Accumulated Surplus, end of year		-	<u>39,073,628</u>	<u>36,728,061</u>

TOWN OF WOODSTOCK
Consolidated Statement of Financial Position
As At December 31, 2021

	2021	2020
	\$	\$
FINANCIAL ASSETS		
Cash (note 3)	1,750,534	886,299
Receivables		
General and utility (note 4)	276,977	132,562
Federal government and its agencies (note 5)	103,078	493,892
Province of New Brunswick (note 6)	523,555	20,226
Investments (note 7)	923,123	827,588
	<u>3,577,267</u>	<u>2,360,567</u>
LIABILITIES		
Short term financing (note 14)	2,366,189	2,487,397
Payables and accrued liabilities (note 8)	1,460,526	1,490,937
Deferred revenue - fitness memberships (note 9)	12,752	13,761
Deferred government transfers - Gas Tax (note 10)	1,371,248	868,284
Long term debt (note 11)	2,189,000	2,272,000
Accrued net pension fund (asset) liability (note 12)	(1,226,300)	(1,006,400)
Accrued retirement allowance, sick leave and post-retirement benefits liability (note 13)	3,642,523	3,405,137
	<u>9,815,938</u>	<u>9,531,116</u>
NET DEBT	<u>(6,238,671)</u>	<u>(7,170,549)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (note 20)		
Cost	78,360,117	75,237,393
Accumulated amortization	(33,064,679)	(31,353,910)
	45,295,438	43,883,483
Supplies inventory	16,861	15,127
	<u>45,312,299</u>	<u>43,898,610</u>
ACCUMULATED SURPLUS	<u>39,073,628</u>	<u>36,728,061</u>

Approved by:


 _____ Mayor


 _____ Clerk

The notes to financial statements are an integral part of this statement.

TOWN OF WOODSTOCK
Consolidated Statement of Changes in Net Debt
For The Year Ended December 31, 2021

	2021 \$	2020 \$
Annual Surplus	2,345,567	313,238
Acquisition of tangible capital assets	(3,217,238)	(4,968,041)
Net proceeds on disposal of tangible capital assets	49,308	-
Amortization of tangible capital assets	1,767,928	1,753,736
Net gain on sale of tangible capital assets	(11,953)	-
(Increase) decrease in supplies inventory	(1,734)	(1,151)
Decrease (Increase) In Net Debt	931,878	(2,902,218)
Net Debt, beginning of year	(7,170,549)	(4,268,331)
Net Debt, end of year	(6,238,671)	(7,170,549)

TOWN OF WOODSTOCK
Consolidated Statement of Cash Flows
For The Year Ended December 31, 2021

	2021	2020
	\$	\$
Operating		
Annual surplus	2,345,567	313,238
Amortization expense	1,767,928	1,753,736
Accounts receivable	(256,930)	(320,185)
Payables and accruals	(30,412)	867,813
Deferred revenue	(1,009)	(24,733)
Deferred government transfers - Gas Tax Fund	502,964	(197,841)
Change in accrued pension, retirement benefits liabilities	17,486	33,844
Supplies inventory	(1,734)	(1,151)
Gain on sale of tangible capital assets	(11,953)	-
	<u>4,331,907</u>	<u>2,424,721</u>
Capital transactions		
Acquisition of tangible capital assets	(3,217,238)	(4,968,041)
Proceeds on sale of tangible capital assets	49,308	-
	<u>(3,167,930)</u>	<u>(4,968,041)</u>
Financing transactions		
Long-term debt - issued	290,000	189,000
Long-term debt retirement	(373,000)	(442,000)
	<u>(83,000)</u>	<u>(253,000)</u>
Investing transactions		
Investments	(95,534)	(106,352)
Increase (decrease) in cash	985,443	(2,902,672)
Cash, beginning of year	<u>(1,601,098)</u>	<u>1,301,574</u>
Cash (net short term financing), end of year	<u>(615,655)</u>	<u>(1,601,098)</u>
Comprised of:		
Cash	1,750,534	886,299
Short term financing	(2,366,189)	(2,487,397)
	<u>(615,655)</u>	<u>(1,601,098)</u>

The notes to financial statements are an integral part of this statement.

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2021

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 November 30, 2020 and the Minister of Local Government on December 8, 2020.

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, 2021

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:

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

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

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2021

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, 2021

	2021	2020
	\$	\$
3. Cash		
Cash - restricted (Gas Tax Funds)	1,371,248	868,284
Cash - unrestricted	379,286	18,015
	<u>1,750,534</u>	<u>886,299</u>
4. Receivables - general and utilities		
General operating	175,932	103,521
Water and sewer accounts	101,045	29,041
	<u>276,977</u>	<u>132,562</u>
5. Due from Federal government and its agencies		
Canada Revenue Agency (HST refund)	103,078	493,892
6. Due from Province of New Brunswick		
Department of transportation and infrastructure	44,159	20,226
Regional Development Corporation	479,396	-
	<u>523,555</u>	<u>20,226</u>
7. Investments		
Reserves (note 23)	920,045	824,556
Florence Bull Trust	1,000	1,000
F.O. Creighton Trust	2,078	2,032
	<u>923,123</u>	<u>827,588</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 (2.45% - 1.8% = 0.65% at December 31, 2021).

	2021	2020
	\$	\$
8. Payables		
General operating	410,515	349,210
Capital projects	812,063	960,376
Accrued liabilities		
Pension	62,717	75,351
Payroll	175,231	106,000
	<u>1,460,526</u>	<u>1,490,937</u>

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2021

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

Debenture #	O.I.C. #	Issued	Interest Rate	Due Date	2021 \$	2020 \$
AYR Motor Centre, Library and Theatre						
BJ31	13-0053	2013	1.25-4.15%	Nov 20, 2028	1,047,000	1,176,000
AYR Motor Centre, Library and Theatre						
BU26	13-0053	2018	2.55-3.4%	Dec 21, 2028	347,000	391,000
Town Hall						
AZ34	07-0072	2008	2.10-5.55%	Dec 22, 2023	353,000	516,000
Protective/Transportation						
BY28	20-0031	2020	0.5-1.1%	Nov 26, 2025	152,000	189,000
BZ23	20-0044	2021	0.3-1.35%	June 17, 2026	290,000	-
					<u>2,189,000</u>	<u>2,272,000</u>

Approximate principal payments required during the next five years:

	General \$	Water/Sewer \$
2022	446,000	-
2023	462,000	-
2024	287,000	-
2025	294,000	-
2026	265,000	-

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2021

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 LifeWorks (Canada) Ltd. (effective March 1, 2016).

Actuarial valuations for funding purposes are performed annually (triennially to December 31, 2007) by LifeWorks 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 was prepared by the Town's actuary, LifeWorks, as of December 31, 2021 (prepared April, 2022).

Actuarial valuations for accounting purposes are required triennially in accordance with Public Sector Accounting Standards. The Town's actuary performed an actuarial valuation to determine the position of the plan for accounting purposes as at December 31, 2021. Pension fund assets are valued at market values.

Results of the actuary's valuation are as follows: (page 13)

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2021

12. Pension Plan Asset/Liability (continued)

	2021	2020
	\$	\$
Plan Assets, January 1	17,966,300	16,713,100
Contributions - Town	663,800	686,600
Contributions - employees	362,100	360,100
Benefit payments	(1,089,600)	(799,900)
Expected earnings on market-related value	842,900	791,300
Actuarial experience gain/(loss) during period	120,300	215,100
Plan Assets, December 31	<u>18,865,800</u>	<u>17,966,300</u>
Accrued benefit obligation, January 1	18,223,300	17,833,900
Current service cost	705,700	688,300
Benefit payments	(1,089,600)	(799,900)
Interest on accrued benefit obligation	847,500	835,600
Net actuarial experience loss	(802,100)	(334,600)
Accrued benefit obligation, December 31	<u>17,884,800</u>	<u>18,223,300</u>
Unamortized actuarial (gains) losses, January 1	1,263,400	1,948,400
Amortization of actuarial gains/(losses)	(95,700)	(135,300)
Actuarial (gain) loss at end of period	(922,400)	(549,700)
Unamortized actuarial loss (gain), December 31	<u>245,300</u>	<u>1,263,400</u>
Net pension fund liability comprised of:		
Accrued benefit obligation	17,884,800	18,223,300
Less plan assets	<u>(18,865,800)</u>	<u>(17,966,300)</u>
Actuarial deficit	(981,000)	257,000
Unamortized experience gain (losses)	<u>(245,300)</u>	<u>(1,263,400)</u>
Net pension fund (asset) liability	<u>(1,226,300)</u>	<u>(1,006,400)</u>
Town portion of Plan expenses		
Current-period benefit cost	343,600	338,300
Amortization of actuarial losses	95,700	135,300
Interest on accrued benefit obligation	847,500	835,600
Expected return on assets	<u>(842,900)</u>	<u>(791,300)</u>
Pension benefit expense (per actuarial calculations)	<u>443,900</u>	<u>517,900</u>
Pension benefit expense (per statement of operations)		
Town's contributions during year	574,624	673,714
Pension liability adjustment	<u>(219,900)</u>	<u>(178,800)</u>
	<u>354,724</u>	<u>494,914</u>

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

Discount rate	5.00% per year
Inflation rate	2.00% per year
Expected rate of return on assets	4.70% per year
Salary scale	3.00% per year
Average retirement age	Varies by age/employment category
Estimated average remaining service life (EARSL)	13.2 years

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2021

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 LifeWorks in accordance with Public Sector 3250 Accounting Standards (triennially) as at the measurement date of December 31, 2021.

	2021	2020
	\$	\$
Accrued benefit liability January 1	3,874,600	3,607,000
Current service cost	276,900	251,200
Interest on obligation	74,800	89,100
Benefit payments	(43,200)	(20,500)
Amortization of (gains)/ losses	(32,000)	(52,200)
Accrued benefit liability December 31	<u>4,151,100</u>	<u>3,874,600</u>
Restricted cash for retirement benefits	<u>508,577</u>	<u>469,463</u>
Net accrued benefit liability	<u>3,642,523</u>	<u>3,405,137</u>
Allocation of accrued benefits		
Retirement allowance/sick leave	1,393,200	1,263,700
Post retirement life insurance	193,600	185,400
Post retirement health insurance	2,564,300	2,425,500
	<u>4,151,100</u>	<u>3,874,600</u>

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2021

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

	2021	2020
	\$	\$
Town portion of benefit expenses		
Current-period benefit cost	276,900	251,200
Interest cost	74,800	89,100
Amortization of losses	(32,000)	(52,200)
Retirement benefits expense	<u>319,700</u>	<u>288,100</u>

Significant assumptions used in the actuarial valuation for the Post-employment Benefits are:

Discount rate	2.54% per year
Salary scale/Medical inflation	3%/5% per year
Average retirement age	Varies by age/employment category
Demographic	Same as for pension plan actuarial valuations at December 31, 2019
Actuarial cost method	Projected unit credit prorated on service
Estimated average remaining service life (EARSL)	
Retirement allowance/sick leave	9.6 years
Post-retirement health care/life insurance	8.0 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 with an authorized limit of \$3,900,000. The facility can be used to provide interim financing for capital expenditures.

The Municipality has ministerial authority for short-term borrowings as follows:

- General Capital Fund, M.O. # 19-0028 \$2,100,000 Recreation and Cultural Services
- General Capital Fund, M.O. # 21-0040 \$550,000 Recreation and Cultural Services
- Utility Capital Fund, M.O. # 19-0071 \$200,000 Environmental Health Services
- Utility Capital Fund, M.O. # 18-0039 \$600,000 Environmental Health Services
- Utility Capital Fund, M.O. # 18-0040 \$700,000 Environmental Health 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.

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2021

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:

	2021	2020
	\$	\$
2021 Surplus (Deficit) (note 22)	311,713	-
2020 Surplus (Deficit)	933	933
2019 Surplus (Deficit)	-	9,319
	<u>312,646</u>	<u>10,252</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 2021 was \$nil (2020\$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 operated a fundraising account for the AYR Motor Centre, Library and WHS Theatre expansion project. Donations received for the project were receipted by the Town and included in revenue from donations - capital projects. The final donation was received in 2020.

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2021

	20. Schedule of Tangible Capital Assets										2020 Total \$	
	Land \$	Land improve- ments \$	Buildings \$	Vehicles \$	Machinery and equipment \$	Roads and streets \$	Infrastructure Treatment facilities \$	Water & sewer \$	Small equipment \$	Assets under Construction \$		
COST												
Balance, beginning of year	3,314,100	1,305,626	24,833,792	854,502	2,785,044	19,547,572	5,627,415	10,229,459	1,955,247	4,784,636	75,237,393	70,269,353
Add:												
Additions during the year	329,994	3,415	37,444	314,563	123,838	474,380	-	-	76,193	1,857,411	3,217,238	4,968,040
Transfer completed construction	-	-	14,329	-	-	-	-	-	12,384	(26,713)	-	-
Less:												
Disposals during year	-	-	-	(94,514)	-	-	-	-	-	-	(94,514)	-
BALANCE, END OF YEAR	3,644,094	1,309,041	24,885,565	1,074,551	2,908,882	20,021,952	5,627,415	10,229,459	2,043,824	6,615,334	78,360,117	75,237,393
ACCUMULATED AMORTIZATION												
Balance, beginning of year	-	916,907	8,363,501	571,992	1,794,024	11,916,528	1,642,479	4,810,390	1,338,089	-	31,353,910	29,600,174
Add:												
Amortization during year	-	50,218	615,244	89,021	122,841	557,927	97,764	139,455	95,458	-	1,767,928	1,753,736
Less:												
Accumulated amortization on disposals	-	-	-	(57,159)	-	-	-	-	-	-	(57,159)	-
BALANCE, END OF YEAR	-	967,125	8,978,745	603,854	1,916,865	12,474,455	1,740,243	4,949,845	1,433,547	-	33,064,679	31,353,910
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	3,644,094	341,916	15,906,820	470,697	992,017	7,547,497	3,887,172	5,279,614	610,277	6,615,334	45,295,438	43,883,483
Consists of:												
General Fund Assets	3,581,518	341,916	15,906,820	451,340	974,152	7,547,497	-	-	610,277	2,554,602	31,968,122	30,909,827
Water & Sewer Fund Assets	62,576	-	-	19,357	17,865	-	3,887,172	5,279,614	-	4,060,732	13,327,316	12,973,656
BALANCE, END OF YEAR	3,644,094	341,916	15,906,820	470,697	992,017	7,547,497	3,887,172	5,279,614	610,277	6,615,334	45,295,438	43,883,483

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2021

21. Schedule of Segment Disclosure

	General	Protective	Transportation	Environmental Health	Environmental Development	Recreation and Culture	Water and Sewer	2021 Consolidated	2020 Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue									
Property tax warrant	489,838	2,960,439	1,626,309	357,675	337,707	1,752,932	-	7,524,900	7,472,215
Equalization grant	58,398	352,944	193,889	42,642	40,261	208,985	-	897,119	873,649
Sale of services	-	-	-	-	-	823,381	-	823,381	687,272
Services to other	-	276,370	65,589	-	-	288,940	-	630,899	615,743
Governments	-	-	-	-	-	-	1,317,192	1,317,192	1,310,090
Water and sewer fees	39,360	237,888	334,760	-	27,137	327,492	1,815,335	2,781,972	945,825
Government transfers	170,261	469,936	2,689	-	-	62,923	19,085	724,894	419,141
Other	757,857	4,297,577	2,223,236	400,317	405,105	3,464,653	3,151,612	14,700,357	12,323,935
Expenses									
Salaries and benefits	579,939	2,807,548	835,000	-	171,344	1,548,507	373,273	6,315,611	6,148,824
Pension/benefits	1,429	8,149	2,608	-	518	3,537	1,245	17,486	33,843
liability adjustment	322,929	770,910	690,960	405,075	187,773	1,062,533	595,135	4,035,315	3,779,375
Goods and services	60,852	107,887	670,455	-	6,632	670,194	251,908	1,767,928	1,753,736
Amortization	63,836	614	2,028	-	-	57,078	-	123,556	113,267
Interest	42,858	10,870	41,166	-	-	-	-	94,894	181,652
Other	1,071,843	3,705,978	2,242,217	405,075	366,267	3,341,849	1,221,561	12,354,790	12,010,697
	(313,986)	591,599	(18,981)	(4,758)	38,838	122,804	1,930,051	2,345,567	313,238

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2021

22. Reconciliation of Annual Surplus

	General Operating Fund \$	Water & Sewer Operating Fund \$	General Capital Fund \$	Water & Sewer Capital Fund \$	General Reserve Funds \$	Water & Sewer Reserve Funds \$	Total \$
2021 annual surplus (deficit)	1,432,567	364,013	(1,020,013)	1,564,512	2,962	1,526	2,345,567
Adjustments to annual surplus (deficit) for funding requirements							
Second previous year's surplus (deficit)	(76,529)	9,319	-	-	-	-	(67,210)
Transfers between funds							
General to water & sewer	125,000	(125,000)	-	-	-	-	-
Water & sewer to general	(188,004)	188,004	-	-	-	-	-
General to reserve	(325,000)	-	-	-	325,000	-	-
General to capital fund	(419,810)	-	419,810	-	-	-	-
Water & sewer to capital fund	-	(25,868)	-	25,868	-	-	-
Water & sewer to reserve	-	(100,000)	-	-	-	100,000	-
Reserve to general capital	-	-	334,000	-	(334,000)	-	-
Long-term debt principal repayment	(373,000)	-	373,000	-	-	-	-
Amortization expense	-	-	1,516,020	251,908	-	-	1,767,928
Provision for post-retirement benefits and sick leave	16,241	1,245	-	-	-	-	17,486
Total adjustments to 2021 surplus (deficit)	(1,241,102)	(52,300)	2,642,830	277,776	(9,000)	100,000	1,718,204
2021 annual surplus (deficit) per PNB requirements	191,465	311,713	1,622,817	1,842,288	(6,038)	101,526	4,063,771

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2021

23. Statement of Reserves

	General Operating Reserve \$	General Capital Reserve \$	Water and Sewer Operating Reserve \$	Water and Sewer Capital Reserve \$	2021 Total \$	2020 Total \$
Assets						
Investments	1,188	509,288	50,941	358,628	920,045	824,556
Accumulated Surplus	1,188	509,288	50,941	358,628	920,045	824,556
Revenue						
Transfers	-	325,000	-	100,000	425,000	100,000
Interest	7	2,955	16	1,510	4,488	6,311
	7	327,955	16	101,510	429,488	106,311
Expenditures	-	334,000	-	-	334,000	-
Annual Surplus (Deficit)	7	(6,045)	16	101,510	95,488	106,311

COUNCIL RESOLUTION TO TRANSFER FUNDS FOR YEAR ENDING DECEMBER 31, 2021:

DECEMBER 15, 2021

- #-255-2021 To transfer \$100,000 from Utility Operating fund to the Utility General Capital Reserve.
- To transfer \$325,000 from General Operating Fund to the General Capital Reserve.
- To transfer \$334,000 from the General Capital Reserve Fund to the General Capital Fund.
Councillor Lenard, Councillor Bradbury. Carried.


MAYOR


CLERK

TOWN OF WOODSTOCK
Notes To Consolidated Financial Statements
For The Year Ended December 31, 2021

24. Operating Budget to PSA Budget

	Operating Budget General	Operating Budget Water & Sewer	Capital revenue/Amortization TCA	Pension/Retirement Benefits	Transfers	Total
	\$	\$	\$	\$	\$	\$
Revenue						
Property tax warrant and federal grant	7,493,382	-	-	-	-	7,493,382
Services provided to other government	611,003	-	-	-	-	611,003
Sales of services and other fees	691,450	-	-	-	-	691,450
Equalization grant	880,163	-	-	-	-	880,163
Other revenue from own sources	140,946	-	341,431	-	-	482,377
Other transfers	197,000	188,000	2,058,489	-	(313,000)	2,130,489
Water and sewer user fees	-	1,314,250	-	-	-	1,314,250
Surplus/deficit of second previous year	-	9,319	-	-	(9,319)	-
	10,013,944	1,511,569	2,399,920	-	(322,319)	13,603,114
Expenditures						
General government services	789,083	-	60,852	6,429	49,780	906,144
Protective services	3,511,651	-	107,887	34,149	(228,886)	3,424,801
Transportation services	1,568,081	-	670,455	10,608	(9,972)	2,239,172
Environmental health services	394,375	-	-	-	-	394,375
Environmental development services	369,474	-	6,632	1,518	32,500	410,124
Recreational and cultural services	2,558,860	-	670,194	9,537	78,078	3,316,669
Fiscal services						
Retirement benefits	46,000	4,000	-	(50,000)	-	-
Long-term debt repayments	589,000	-	-	-	(589,000)	-
Interest - General Fund	109,500	-	-	-	(109,500)	-
Interest - Water and Sewer Fund	-	-	-	-	-	-
Transfer from General Operating Fund to General Capital Fund	1,391	-	-	-	(1,391)	-
PILT adjustment	-	-	-	-	-	-
Deficit of second previous year	76,529	-	-	-	(76,529)	-
Transfer from Water and Sewer Operating Fund to Water and Sewer Capital Fund	-	301,263	-	-	(301,263)	-
Transfer from Water and Sewer Operating Water and Sewer	-	1,206,306	251,908	5,245	(125,000)	1,338,459
	10,013,944	1,511,569	1,767,928	17,486	(1,281,183)	12,029,744
Surplus (Deficit)	-	-	631,992	(17,486)	958,864	1,573,370

TOWN OF WOODSTOCK
Supplementary Schedule Of Revenue Accounts
For The Year Ended December 31, 2021

	2021 Budget \$	2021 Actual \$	2020 Actual \$
Sale of Services			
AJR Motor Centre			
Swimming pool	87,000	104,226	80,438
Arena	176,000	148,702	170,860
Fitness centre	65,000	65,462	64,978
Field house	55,000	83,118	44,201
Concessions, events and other	51,150	72,618	43,458
	<u>434,150</u>	<u>474,126</u>	<u>403,935</u>
Other recreation programs and activities			
Summer and youth programs	21,000	39,984	24,437
Daycare and after school	203,000	279,595	239,490
Adult programs and other grants	33,300	29,676	19,410
	<u>257,300</u>	<u>349,255</u>	<u>283,337</u>
	<u>691,450</u>	<u>823,381</u>	<u>687,272</u>
Province of New Brunswick			
Fire	257,064	276,370	271,822
Roads and streets	65,000	65,589	65,584
Ajr Motor Centre - LSD levy	288,939	288,940	278,337
	<u>611,003</u>	<u>630,899</u>	<u>615,743</u>
Other Revenue From Own Sources			
Licenses and permits	60,500	74,537	30,217
Police programs and other services	18,000	127,113	26,071
Recreation fundraising and donations	-	31,253	7,527
Interest	10,000	7,632	8,381
Fire department fundraising (note 18)	316,431	316,431	48,411
Fire and other services	19,306	23,798	32,650
Miscellaneous	25,000	41,482	38,446
Donations - parks and fields	25,000	25,000	25,000
Donations - community projects	-	38,415	105,027
Donations - capital projects (note 19)	-	-	63,500
Gain on disposal of tangible capital assets	-	11,953	-
Transfers from other agencies - property tax	8,140	8,195	8,195
	<u>482,377</u>	<u>705,809</u>	<u>393,425</u>
Other Government Transfers			
Employment programs	72,000	114,316	109,700
Covid-19	-	604,667	-
DTI - Designated Highways	44,158	44,158	278,022
Gas Tax Revenue	159,919	159,919	120,000
NB Power rebate	39,077	39,077	-
Regional Development Corporation	-	4,500	-
	<u>315,154</u>	<u>966,637</u>	<u>507,722</u>

TOWN OF WOODSTOCK
Supplementary Schedule Of Expenditure Accounts
For The Year Ended December 31, 2021

	2021 Budget \$	2021 Actual \$	2020 Actual \$
General Government			
Legislative			
Mayor	16,000	15,829	15,829
Councillors	50,000	46,095	47,672
	<u>66,000</u>	<u>61,924</u>	<u>63,501</u>
Administrative and other			
Office salaries and benefits	446,525	518,016	455,969
Pension/benefits liability adjustment	1,429	1,429	2,729
Office expense and other	71,675	89,776	56,971
Office building	37,600	29,195	33,161
Professional fees	28,000	77,640	40,606
Training and development	2,020	4,967	2,593
	<u>587,249</u>	<u>721,023</u>	<u>592,029</u>
Other general government services			
Conventions and delegations	4,040	5,606	5,257
Research and information	19,000	14,195	20,580
Regional Service District	3,857	3,857	3,747
Grants to organizations	15,000	37,891	113,033
	<u>41,897</u>	<u>61,549</u>	<u>142,617</u>
Other charges			
Assessment charge	100,366	100,366	100,117
Interest on long term debt	26,809	27,973	35,955
Bank charges and short term interest	22,971	35,863	13,149
Debenture issue expense	-	2,293	2,069
PILT adjustment	-	-	12,269
Amortization	60,852	60,852	62,143
	<u>210,998</u>	<u>227,347</u>	<u>225,702</u>
	<u>906,144</u>	<u>1,071,843</u>	<u>1,023,849</u>

TOWN OF WOODSTOCK
Supplementary Schedule Of Expenditure Accounts
For The Year Ended December 31, 2021

	2021 Budget \$	2021 Actual \$	2020 Actual \$
Protective			
Police			
Administration personnel	289,000	289,620	285,995
Crime control personnel	1,428,826	1,567,997	1,408,808
Employee benefits	444,000	436,509	470,749
Pension/benefits liability adjustment	6,551	6,551	12,558
Office, insurance and other	117,300	191,344	124,854
Training	6,670	9,100	15,809
Station and building	70,800	78,873	68,157
Automotive equipment	67,000	76,539	59,319
Prisoners	25,000	20,889	26,598
Dispatch and service agreements	117,500	118,161	75,011
Interest on long term debt	614	614	-
Amortization	35,722	35,722	39,781
	<u>2,608,983</u>	<u>2,831,919</u>	<u>2,587,639</u>
Fire			
Fire fighting force			
Drivers	433,175	426,622	477,485
Volunteers	90,000	87,184	86,838
Pension/benefits liability adjustment	1,598	1,598	3,374
Fire alarm systems	67,000	59,250	64,071
Training and development	4,830	1,770	3,556
Station, building and insurance	42,400	47,229	38,316
Fighting equipment-trucks and uniforms	42,150	47,282	39,994
New equipment	45,000	120,346	59,692
Amortization	72,165	72,165	62,107
	<u>798,318</u>	<u>863,446</u>	<u>835,433</u>
Emergency measures and other			
Animal control	17,500	10,613	17,175
	<u>17,500</u>	<u>10,613</u>	<u>17,175</u>
	<u>3,424,801</u>	<u>3,705,978</u>	<u>3,440,247</u>

TOWN OF WOODSTOCK
Supplementary Schedule Of Expenditure Accounts
For The Year Ended December 31, 2021

	2021 Budget \$	2021 Actual \$	2020 Actual \$
Transportation			
Common services			
Administration	82,000	47,870	80,358
General equipment	169,700	205,175	134,080
Workshop, yards and buildings	17,750	23,863	16,364
	<u>269,450</u>	<u>276,908</u>	<u>230,802</u>
Road transport			
Roads and streets			
Summer maintenance	436,980	447,617	451,089
Payroll benefits	196,896	196,882	204,387
Pension/benefits liability adjustment	2,608	2,608	5,063
Storm sewers and culverts	6,000	2,186	4,417
Snow and ice removal	416,880	397,982	438,546
Insurance	15,200	14,178	12,684
	<u>1,074,564</u>	<u>1,061,453</u>	<u>1,116,186</u>
Street lighting - electricity and repairs	163,500	174,958	163,374
Traffic services - street signs	8,400	6,352	6,242
Airport	8,000	8,897	8,281
Taxes and sundry	42,775	41,166	46,661
Interest on long term debt	2,028	2,028	-
Amortization	670,455	670,455	663,909
	<u>2,239,172</u>	<u>2,242,217</u>	<u>2,235,455</u>
Environmental Health			
Waste collection and disposal	394,375	405,075	394,320
Environmental Development			
Community planning	160,724	177,681	194,909
Legal/land development	-	21,488	-
Pension/benefits liability adjustment	331	331	703
Industrial park	3,500	3,464	3,473
Tourism			
Tourism committee	103,700	81,995	92,857
Pension/benefits liability adjustment	187	187	377
Promotion, events and other	127,550	65,965	43,333
Decorative lighting	7,500	8,524	5,963
Amortization	6,632	6,632	6,632
	<u>410,124</u>	<u>366,267</u>	<u>348,247</u>

TOWN OF WOODSTOCK
General Fund
Supplementary Schedule Of Expenditure Accounts
For The Year Ended December 31, 2021

	2021 Budget \$	2021 Actual \$	2020 Actual \$
Recreation And Cultural			
Recreation			
Administration	293,605	278,079	269,246
Pension/benefits liability adjustment	1,290	1,290	1,085
Parks and playgrounds	251,210	264,345	215,610
Programs and other	34,000	62,223	19,629
Employment programs	-	114,316	109,700
	<u>580,105</u>	<u>720,253</u>	<u>615,270</u>
AYR Motor Centre			
Administration	719,585	676,920	671,929
Pension/benefits liability adjustment	2,247	2,247	5,643
Electricity	409,000	358,382	367,518
Swimming pool	234,560	225,912	216,785
Arena	232,100	237,111	222,553
Fitness centre	85,400	74,831	79,362
Field house	184,300	204,239	182,445
Concessions and events	20,500	12,535	22,178
	<u>1,887,692</u>	<u>1,792,177</u>	<u>1,768,413</u>
Cultural buildings and facilities			
Library	<u>121,600</u>	<u>102,147</u>	<u>103,788</u>
Other charges			
Interest on long term debt	57,078	57,078	62,039
Amortization	670,194	670,194	667,272
	<u>727,272</u>	<u>727,272</u>	<u>729,311</u>
	<u>3,316,669</u>	<u>3,341,849</u>	<u>3,216,782</u>

TOWN OF WOODSTOCK
Water And Sewer Funds
Supplementary Schedule Of Revenue And Expenditure Accounts
For The Year Ended December 31, 2021

	2021 Budget \$	2021 Actual \$	2020 Actual \$
Revenue			
Sale of water	600,000	589,468	595,271
Sewer rates	709,000	720,030	705,566
Connection and services	5,250	7,694	9,253
Interest	-	19,085	25,716
	<u>1,314,250</u>	<u>1,336,277</u>	<u>1,335,806</u>
Other government transfers			
Gas Tax Fund	80,865	80,865	438,103
Regional Development Corporation	1,734,470	1,734,470	-
	<u>1,815,335</u>	<u>1,815,335</u>	<u>438,103</u>
Expenditure			
Water supply			
Administration	110,359	108,856	96,312
Transmission and distribution	310,895	283,168	333,263
Pension/benefits liability adjustment	603	603	1,156
Power and pumping	175,850	138,060	146,617
Billing, collection and other	4,000	2,833	23,816
	<u>601,707</u>	<u>533,520</u>	<u>601,164</u>
Sewer collection and disposal			
Administration	109,357	108,871	96,122
Sewer collection system	284,145	247,495	274,844
Pension/benefits liability adjustment	642	642	1,155
Sewer treatment and disposal	211,700	187,982	203,209
Billing, collection and other	4,000	12,580	21,287
	<u>609,844</u>	<u>557,570</u>	<u>596,617</u>
Administration transfers	<u>(125,000)</u>	<u>(125,000)</u>	<u>(100,000)</u>
Other charges			
Interest on long term debt	-	-	2,124
Amortization	251,908	251,908	251,892
Interest on short term financing	-	3,563	-
	<u>251,908</u>	<u>255,471</u>	<u>254,016</u>
	<u>1,338,459</u>	<u>1,221,561</u>	<u>1,351,797</u>