

GREATER SHEDIAC
SEWERAGE
COMMISSION
DES ÉGOUTS
SHEDIAC ET BANLIEUES



2021 Annual General Meeting

THE GREATER SHEDIAC SEWERAGE COMMISSION

2021 ANNUAL GENERAL MEETING

MEETING NO. 698

DATE: WEDNESDAY, APRIL 21, 2021
LOCATION: MULTIPURPOSE CENTRE, SHEDIAC, NB
HOUR: 6:00 P.M.

AGENDA

- 1. OFFICIAL OPENING**
- 2. APPROVAL OF THE AGENDA**
- 3. APPROVAL OF THE MINUTES OF THE 2020 ANNUAL GENERAL MEETING**
- 4. PRESENTATION OF THE 2020 AUDITED FINANCIAL STATEMENTS**
- 5. PRESENTATION OF THE 2020 ANNUAL REPORT**
- 6. RATIFICATION OF MEMBERS' ACTIONS**
- 7. PUBLIC PARTICIPATION**
- 8. ADJOURNMENT**

THE GREATER SHEDIAC SEWERAGE COMMISSION

2020 ANNUAL GENERAL MEETING

Meeting No. 688, held on Wednesday, November 18, 2020

at 6:00 p.m., in Shediac, NB

at the Multipurpose Centre

Members present:

H.J. (Harry) McInroy,	chairperson
Susan Cormier,	vice-chairperson
Marie Ann Cormier,	treasurer
Jean-Charles Dugas,	secretary
Raymond Cormier,	member
Sylvie Collette-Boudreau,	member

Also present:

Stephanie Bernard	Office Manager
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And:

Stephen Lund,	Deloitte Private
Chris Gallant,	Englobe Corp.
4 members of the public	

MINUTES

1. OFFICIAL OPENING

The annual general meeting of the Commission is officially called to order by the chairperson, H.J. (Harry) McInroy at 6:00 p.m. He wishes a warm welcome to all who are present.

2. APPROVAL OF THE AGENDA

20-69 Moved by:	Raymond Cormier
Seconded by:	Marie Ann Cormier

That the agenda, of the annual general meeting, dated November 18, 2020, be approved as submitted.

Motion Carried

3. APPROVAL OF THE MINUTES OF THE 2019 ANNUAL GENERAL MEETING

20-70 Moved by: Susan Cormier
Seconded by: Jean-Charles Dugas

That the minutes of the annual general meeting, meeting No. 666, held on Thursday, April 25, 2019, be approved as submitted.

Motion Carried

4. PRESENTATION OF THE 2019 AUDITED FINANCIAL STATEMENTS

Mr. Stephen Lund, of Deloitte Private, presented the audited financial statements for the year ended December 31, 2019.

5. PRESENTATION OF THE 2019 ANNUAL REPORT

The chairperson, H.J. (Harry) McInroy, read his portion of the report and the office manager summarized the remainder of it.

6. RATIFICATION OF MEMBERS' ACTIONS

20-71 Moved by: Sylvie Collette-Boudreau
Seconded by: Marie Ann Cormier

That all actions, procedures, contracts, regulations, nominations, elections and past payments, undertaken or performed by the members since the last annual general meeting of the Greater Shediac Sewerage Commission, held on April 25, 2019, as they appear in the minutes of the regular meetings of the Commission, or in any other book or record of the Commission be approved, ratified and confirmed.

Motion Carried

8. PUBLIC PARTICIPATION

Roger Caissie, mayor of the Town of Shediac, addressed the floor. He pointed out that upgrades to the infrastructure in the west end of the Town of Shediac were planned for the year 2020 in the Commission's five-year plan, however, this work did not materialize. He asked if the Commission was still planning on completing this work and if the Commission was financially capable of carrying it out. The chairperson confirmed that the work is still included in our five-year plan and the Commission continues to be in a financial position that allows them to carry out the upgrades.

9. ADJOURNMENT

H. J. (Harry) McInroy moved that the meeting be adjourned at 6:20 p.m.


Chairperson

Financial statements of The Greater Shediac Sewerage Commission

December 31, 2020

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Independent Auditor's Report

To the Shareholders of
The Greater Shediac Sewerage Commission

Opinion

We have audited the financial statements of The Greater Shediac Sewerage Commission (the "Commission"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations and accumulated surplus, change in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2020, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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 Commission'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 Commission or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 GAAS 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.

As part of an audit in accordance with Canadian GAAS, 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 Commission'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 Commission'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 Commission 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.

Deloitte LLP

Chartered Professional Accountants
April 19, 2021

The Greater Shediac Sewerage Commission
Statement of operations and accumulated surplus
Year ended December 31, 2020

	Budget 2020	Actual 2020	2019
	\$	\$	\$
	(Unaudited)		
Revenue			
Sewerage fees	2,438,667	2,442,616	2,357,086
Amortization of deferred grants	—	99,908	79,705
Interest on term deposits	12,500	34,427	61,194
Interest on receivable	60,500	29,515	45,850
Miscellaneous revenue	9,500	—	21,958
Sewer certificate and hook-up fees	10,100	15,700	9,100
Gain (loss) on replacement of tangible capital assets	—	8,309	(19,158)
	2,531,267	2,630,475	2,555,735
Expenses			
Amortization of tangible capital assets	—	887,994	841,667
Salaries and benefits	509,181	510,810	494,273
Interest expense and debt charges	360,337	186,301	192,691
Electricity	160,000	146,034	160,396
Discount on sewerage fees	137,508	137,700	137,966
Engineering and professional fees	94,450	72,282	190,463
Office supplies, postage and telecommunications	50,150	58,748	59,439
Repairs and maintenance - lift station	50,500	55,493	32,785
Property taxes	46,000	46,577	45,512
Repairs and maintenance - lines, manholes and laterals	42,000	45,761	19,123
Insurance	42,900	41,453	38,971
Repairs and maintenance - machinery and equipment	10,500	27,197	24,295
Salaries - honorarium and expenses	36,000	26,574	23,669
Bad debts	7,000	22,335	14,160
Flushing and video	21,000	22,240	9,155
Vehicle	18,000	13,162	18,836
Bank charges and credit card charges	26,255	13,025	18,831
Infiltration study	10,000	11,472	11,359
Purification treatment, grit removal and lab test	7,000	5,873	6,922
Small tools, safety and testing equipment	14,175	3,240	4,146
Repairs and maintenance - treatment disposal	50,500	2,927	40,408
Seminar and courses	8,800	617	2,900
	1,702,256	2,337,815	2,387,967
Annual surplus	829,011	292,660	167,768
Accumulated surplus, beginning of year	—	15,719,370	15,551,602
Accumulated surplus, end of year	829,011	16,012,030	15,719,370

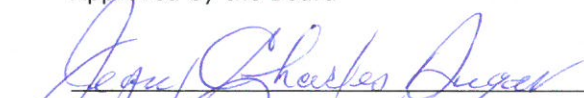
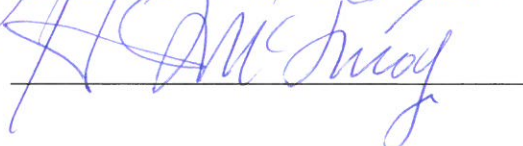
The accompanying notes are an integral part of the financial statements.

The Greater Shediac Sewerage Commission
Statement of financial position
As at December 31, 2020

	Notes	2020 \$	2019 \$
Financial assets			
Cash		2,600,849	2,523,801
Restricted cash and term deposits		237,556	239,460
Receivables			
Trade and other receivables	3	500,606	158,854
Harmonized sales tax receivable		130,845	262,312
		<u>3,469,856</u>	<u>3,184,427</u>
Liabilities			
Accounts payable and accrued liabilities	5	317,419	659,815
Deferred tangible capital assets grants		4,950,197	4,605,590
Debentures	6	4,572,000	4,745,000
		<u>9,839,616</u>	<u>10,010,405</u>
Net debt		6,369,760	6,825,978
Non-financial assets			
Tangible capital assets	7	36,201,040	35,529,540
Accumulated amortization	7	(13,872,341)	(13,035,990)
		<u>22,328,699</u>	<u>22,493,550</u>
Inventory of supplies		53,091	51,801
		<u>22,381,790</u>	<u>22,545,351</u>
Accumulated surplus		16,012,030	15,719,370

The accompanying notes are an integral part of the financial statements.

Approved by the Board

 , Director
 , Director

The Greater Shediac Sewerage Commission
Statement of change in net debt
Year ended December 31, 2020

	2020	2019
	\$	\$
Annual surplus	292,660	167,768
(Gains) losses on replacement of tangible capital assets	(8,309)	19,158
Acquisition of tangible capital assets	(714,837)	(1,907,848)
Amortization of tangible capital assets	887,994	841,667
	457,508	(879,255)
Acquisition of inventory of supplies	(53,091)	(51,801)
Consumption of inventory of supplies	51,801	60,882
Decrease (increase) in net debt	456,218	(870,174)
Net debt, beginning of the year	(6,825,978)	(5,955,804)
Net debt, end of the year	(6,369,760)	(6,825,978)

The accompanying notes are an integral part of the financial statements.

The Greater Shediac Sewerage Commission
Statement of cash flows
Year ended December 31, 2020

	2020	2019
	\$	\$
Operating activities		
Annual surplus	292,660	167,768
(Gain) loss on replacement of tangible capital assets	(8,309)	19,158
Amortization of tangible capital assets	887,994	841,667
	1,172,345	1,028,593
Change in other balances related to operations		
Trade and other receivables	(341,752)	653,239
Inventory of supplies	(1,290)	9,081
Harmonized sales tax receivable	131,467	237,098
Deferred tangible capital assets grants	344,607	1,463,527
Accounts payable and accrued liabilities	(342,396)	(478,106)
	(209,364)	1,884,839
	962,981	2,913,432
Capital activities		
Acquisitions of tangible capital assets	(714,837)	(1,907,848)
	(714,837)	(1,907,848)
Financing activities		
Issuance of debenture	257,000	—
Repayment of debenture	(430,000)	(168,000)
	(173,000)	(168,000)
Net increase in cash	75,144	837,584
Cash, beginning of year	2,763,261	1,925,677
Cash, end of year	2,838,405	2,763,261
Cash and equivalents consists of		
Cash	2,600,849	2,523,801
Restricted cash and term deposits	237,556	239,460
	2,838,405	2,763,261

The accompanying notes are an integral part of the financial statements.

The Greater Shediac Sewerage Commission

Notes to the financial statements

December 31, 2020

1. Purpose of the organization

The Greater Shediac Sewerage Commission (the "Commission") was incorporated as a Commission by the Province of New Brunswick Municipalities Act and was approved for a status as a Commission. As a Commission, it is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act.

The Commission operates waste water treatment plants in Boudreau-Quest and Scoudouc LSD, New Brunswick and provides waste water treatment for the town of Shediac, Scoudouc LSD, Scoudouc Road LSD, Pointe-du-Chene LSD, part of Shediac Cape LSD and the regions of Cap Bimet/Boudreau-Ouest.

2. Significant Accounting policies

The financial statements of the Commission are prepared in accordance with Canadian public sector accounting standards ("PSAS") and reflect the accounting policies enumerated below.

The focus of PSAS financial statements is on the financial position of the Commission and the changes thereto. The statement of financial position includes all of the assets and liabilities of the Commission.

Budget

The budget figures contained in these financial statements were approved by Council on November 30, 2019 and submitted to the Minister of Environment and Local Government and have not been audited.

Cash and restricted cash

Cash includes cash on hand and cash in banks not subject to other restriction. Cash that has been internally restricted by the board of directors for future projects has been presented separately.

Financial instruments

The Commission's financial assets and liabilities are initially measured at fair value and subsequently carried at amortized cost.

Inventory of supplies

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

Tangible capital assets

Tangible capital assets are measured 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:

Land improvements	10-60 Years
Buildings and structures	20-50 years
Office equipment	5 years
Motor vehicles	8 years
Heavy equipment	15 years
Machinery, equipment and bidding forms	5-60 years
Sewer pipes	25-60 years
Manholes	40 years

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

2. Significant Accounting policies (continued)

Accrued sick leave

The Commission provides for sick leave that accumulates at \$1.50/day per month worked for full-time employees. The employees can accumulate up to a maximum of 185 days. On retirement or resignation after being employed, any employee having accrual sick leave will receive an allowance equal to 5% of accrued sick days for each year of work at a rate of 50% of the base salary at the date of termination.

The sick leave is an unfunded benefit. As such, there are no applicable assets. Benefits are paid out of annual surplus as they come due. The liability as at December 31, 2020 of \$71,844 (\$72,900 in 2019) is presented in accounts payable and accrued liabilities.

Deferred revenues

Deferred revenues include grants, contributions and other amounts received from third parties for the acquisition of capital assets. Revenue is recognized on the same basis as the amortization expense related to the acquired capital assets or recognized as a direct increase in net assets for assets that will not be amortized.

Revenue recognition

The Commission recognizes revenues from sewerage fees and other sources as the services are rendered, the price is fixed or determinable and collection is reasonably assured. Interest income is recognized on an accrual basis.

Government transfers are recognized in the period in which the events giving rise to the transfer occur, providing transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Use of estimates

The preparation of the financial statements in conformity with PSAS requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results may differ from those estimates.

3. Trade and other receivables

	2020	2019
	\$	\$
Trade	239,033	196,267
Tangible capital assets grants receivables	390,648	71,934
Allowance for doubtful accounts	(129,075)	(109,347)
	500,606	158,854

4. Bank loan

The Commission has an authorized line of credit of \$500,000, bearing interest at prime rate, and renewable annually. The Commission has \$500,000 available on the line of credit as at December 31, 2020 (\$500,000 in 2019).

5. Accounts payable and accrued liabilities

	2020	2019
	\$	\$
Future employees benefits (Note 8)	71,844	72,369
Trade and holdbacks	222,502	568,216
Vacation accrued	4,893	6,407
Accrued expenses	11,180	6,823
Deposit in trust	7,000	6,000
	317,419	659,815

6. Debentures

	2020	2019
	\$	\$
Debenture BE38 (Scoudouc Road LSD), interest varying from 1.65% to 4.25% maturing in 2021	1,945,000	2,019,000
Debenture BK41 (Gould Beach Road & Lift Station #6), interest varying from 1.15% to 4.15% maturing in 2034	1,075,000	1,104,000
Debenture BT38 (Cap-Bimet/Boudreau-Ouest), interest varying from 2.1% to 3.7% maturing in 2038	877,000	913,000
Debenture BJ46 (Head Office), interest varying from 1.25% to 4.4% maturing in 2033	418,000	443,000
Debenture BX42 (Cap-Bimet/Boudreau-Ouest), interest varying from 0.9% to 2.95% maturing in 2040	257,000	—
Debenture BC43 (Cap-Bimet/Boudreau-Ouest), interest varying from 1.5% to 4.55% maturing in 2020	—	266,000
	4,572,000	4,745,000

In 2020, debenture BC43 matured with a final amount due of \$257,000. This debenture which was refinanced and replaced with debenture BX42.

In 2021, debenture BE38 will mature with a final amount due of \$1,945,000.

Approval of the Municipal Capital Borrowing Board has been obtained for the debenture reported on the Statement of Financial Position. Principal repayments required during the next five years are as follows:

	\$
2021	2,048,000
2022	105,000
2023	109,000
2024	112,000
2025	115,000

7. Tangible capital assets

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
	\$	\$	\$	\$
Land	54,651	—	54,651	54,651
Art work	3,442	—	3,442	3,442
Land improvements	3,721,292	1,522,713	2,198,579	2,277,955
Buildings and structures	12,924,879	6,116,945	6,807,934	7,145,843
Office equipment	55,329	46,508	8,821	12,641
Motor vehicles	135,056	47,318	87,738	59,364
Heavy equipments	429,182	149,507	279,675	305,059
Software	21,389	21,389	—	1
Machinery, equipment and bidding forms	2,523,566	954,531	1,569,035	1,611,992
Sewer pipes	12,821,704	3,764,290	9,057,414	9,086,621
Manholes	3,150,183	1,249,140	1,901,043	1,935,981
Assets under construction	360,367	—	360,367	—
	36,201,040	13,872,341	22,328,699	22,493,550

8. Future employee benefits

Under the sick leave benefits plan, unused sick leave benefits can be accumulated, and employees may become entitled to a cash payment upon leaving the Commission's employment.

The liability as at December 31, 2020 of \$71,844 (\$72,369 in 2019) is recorded in accounts payable and accrued liabilities.

9. Sewer capital reserve fund and capital fund

An amount of \$800,000 (\$525,000 in 2019) was transferred from the operating fund to the capital fund. The transfer was authorized based on authorizing motion 20-91, meeting no. 691, dated December 16, 2020.

A total amount of \$Nil (\$100,000 in 2019) was transferred from the operating fund to the operating reserve fund, with the approval of the 2020 budget.

There was also a transfer of \$19,697 for an operation reserve fund, with the approval of the 2020 budget.

The Greater Shediac Sewerage Commission

Notes to the financial statements

December 31, 2020

10. Water and sewer fund surplus/deficit

The Municipalities Act requires that any Water and Sewer Fund deficit amounts be absorbed by surpluses in the ensuing four years. The cumulative surplus/deficit is as follows:

	2020	2019
	\$	\$
2020 Deficit	(134,529)	—
2019 Deficit	(81,004)	(81,004)
2018 Deficit	(49,649)	(49,649)
2017 Deficit	(11,820)	(11,820)
2016 Surplus	19,010	19,010
	<u>(257,992)</u>	<u>(123,463)</u>

11. Financial instruments and risk management

Market risk

Market risk is the risk that the fair value or future cash flows of the Commission's financial instruments will fluctuate because of changes in market prices. The Commission's debentures are at fixed rates of interest and it is not exposed to other price risks.

Credit risk

Credit risk arises from the potential that a debtor will be unable to meet its obligations. The Commission conducts a thorough assessment of its debtors prior to granting credit and actively monitors the financial health of its debtors on a continuous basis. Credit risk arises primarily from cash and accounts receivable. There are no significant concentrations of credit risk.

Liquidity risk

The Commission's objective is to have sufficient liquidity to meet its liabilities when due. The Commission monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2020, the most significant financial liabilities are accounts payable and accrued liabilities, and debentures.

12. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.

13. Pandemic risk

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic, which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus, including the announcement of a state of emergency in the Province of New Brunswick on March 22, 2020. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Organization in future fiscal years.

The Greater Shediac Sewerage Commission
Schedule 1 - regulatory reporting requirements
Statement of sewer capital reserve

Year ended December 31, 2020
(Unaudited)

	2020	2019
	\$	\$
Assets		
Cash	72,874	101,467
Restricted cash and term deposits	237,556	239,460
Due (to) from capital	—	(4,254)
Due to operating	(29,791)	(8,934)
Accumulated surplus	280,639	327,739
Revenue		
Transfers from operating fund	19,697	16,048
Interest earned	6,054	7,624
Annual surplus	25,751	23,672

The accompanying notes are an integral part of the financial statements.

The Greater Shediac Sewerage Commission
Schedule 2 - regulatory reporting requirements
Statement of operating reserve fund

Year ended December 31, 2020
(Unaudited)

	2020	2019
	\$	\$
Revenue		
Transfers from operating fund	—	—
Transfers to operating fund	—	100,000
Annual surplus (deficit)	—	100,000

The accompanying notes are an integral part of the financial statements.

The Greater Shediac Sewerage Commission
Schedule 3 - regulatory reporting requirements
Reconciliation of annual surplus (deficit)

Year ended December 31, 2020
(Unaudited)

	General operating fund \$	General capital fund \$	Sewer capital reserve fund \$	Operation reserve fund \$	2020 Total \$
2020 Annual fund surplus (deficit)	1,048,259	(761,653)	6,054	—	292,660
Adjustments to 2020 annual surplus (deficit) for funding requirements					
Second previous year's deficit	49,649	—	—	—	49,649
Transfers between funds					
Transfer from general operating fund to general capital fund	(800,000)	800,000	—	—	—
Transfer from general operating fund to sewer capital reserve fund	(19,697)	—	19,697	—	—
Transfer from general operating fund to operation reserve fund	—	—	—	—	—
Transfer from operation reserve fund to general operating fund	—	—	—	—	—
Net change in debentures	(164,000)	164,000	—	—	—
Amortization expense	—	887,994	—	—	887,994
Total adjustments to 2020 annual surplus (deficit)	(934,048)	1,851,994	19,697	—	937,643
2020 annual surplus (deficit)	114,211	1,090,341	25,751	—	1,230,303
	General operating fund \$	General capital fund \$	Sewer capital reserve fund \$	Operation reserve fund \$	2019 Total \$
2019 Annual fund surplus (deficit)	716,224	(736,175)	7,624	—	(12,327)
Adjustments to 2019 annual surplus (deficit) for funding requirements					
Second previous year's surplus	11,820	—	—	—	11,820
Transfers between funds					
Transfer from general operating fund to general capital fund	(525,000)	525,000	—	—	—
Transfer from general operating fund to sewer capital reserve fund	(16,048)	—	16,048	—	—
Transfer from general operating fund to operation reserve fund	—	—	—	—	—
Transfer from operation reserve fund to general operating fund	(100,000)	—	—	100,000	—
Debenture principal repayments	(168,000)	168,000	—	—	—
Amortization expense	—	841,667	—	—	841,667
Total adjustments to annual surplus (deficit)	(797,228)	1,534,667	16,048	100,000	853,487
2019 annual surplus (deficit)	(81,004)	798,492	23,672	100,000	841,160

The accompanying notes are an integral part of the financial statements.

The Greater Shediac Sewerage Commission
Schedule 4 - regulatory reporting requirements
Operating funds supplementary schedule of revenue and expenditures
December 31, 2020

	Budget \$ (Unaudited)	2020 Actual \$	2019 Actual \$
Revenue			
<i>Sales of services</i>			
Sewerage services	2,438,667	2,439,942	2,352,688
Connection charge	4,200	7,800	3,300
	2,442,867	2,447,742	2,355,988
<i>Other revenue from own sources</i>			
Interest on accounts receivable	60,500	29,515	45,850
Interest on investments	12,500	10,249	18,486
Certificates	5,900	7,900	5,800
Miscellaneous income	9,500	2,675	4,397
	88,400	50,339	74,533
	2,531,267	2,498,081	2,430,521
Expenditures			
<i>Administration and general</i>			
Personnel			
Salaries	197,488	194,194	191,421
Honorarium	28,000	25,300	20,780
Directors expenses	8,000	1,274	4,825
Other benefits	2,000	581	701
Seminar and courses	2,800	96	1,181
	238,288	221,445	218,908
Other			
Property taxes	46,000	46,577	45,512
Insurance	42,900	41,453	38,971
Office expenses	32,350	41,995	35,198
Office building	15,800	14,470	17,065
Audit expenses	15,000	13,948	18,276
Professional fees	23,000	10,454	11,708
Legal fees	22,000	5,543	26,944
Office equipment	2,000	2,283	7,176
	199,050	176,723	200,850
	437,338	398,168	419,758
<i>Sewerage collection system</i>			
Personnel			
Salaries	123,877	126,696	120,097
Seminar and courses	2,500	412	1,910
	126,377	127,108	122,007
Other			
Lines, laterals and MH	42,000	45,761	19,123
Flushing and video	21,000	22,240	9,155
Infiltration study	10,000	11,472	11,359
Engineering	10,700	10,388	3,963
Maintenance vehicles	9,000	6,578	9,418
Maintenance equipment	10,500	4,469	7,937
Tools, tests and safety	5,670	879	1,233
	108,870	101,787	62,188
	235,247	228,895	184,195

The Greater Shediac Sewerage Commission
Schedule 4 - regulatory reporting requirements (continued)
Operating funds supplementary schedule of revenue and expenditures
December 31, 2020

	Budget	2020	2019
	\$	Actual	Actual
	(Unaudited)	\$	\$
<i>Sewerage lift stations</i>			
Personnel			
Salaries	123,877	126,697	120,094
Seminar and courses	2,500	412	1,943
	126,377	127,109	122,037
Other			
Lift stations	40,000	70,170	35,592
Electricity	62,000	41,325	57,643
Engineering	18,750	7,243	12,181
Maintenance vehicles	9,000	6,585	9,418
Tools, test and safety	5,670	708	1,232
Buildings and fences	10,500	52	8,671
	145,920	126,083	124,737
	272,297	253,192	246,774
<i>Sewerage treatment and disposal</i>			
Personnel			
Salaries	61,939	63,315	60,047
Seminar and courses	1,000	206	957
	62,939	63,521	61,004
Other			
Electricity	98,000	104,709	102,753
Treatment equipment	40,000	8,755	36,493
Lab test	7,000	5,873	6,922
Engineering	5,000	24,704	117,391
Building and fences	10,500	2,166	8,795
Tools, test and safety	2,835	473	503
	163,335	146,680	272,857
	226,274	210,201	333,861

GREATER SHEDIAC
SEWERAGE
COMMISSION
DES ÉGOUTS
SHEDIAC ET BANLIEUES

2020 Annual Report

THE GREATER SHEDIAC SEWERAGE COMMISSION

2020 ANNUAL REPORT

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- Schedule C - Rates – Shediac area, Pointe du Chêne LSD, Scoudouc LSD**
- Schedule D - Rates – CB/BO area**
- Schedule E - Rates – Scoudouc Road area**

Past Chairpersons

▪ Laurie Williams	1969 - 1972
▪ Alfred Léger	1972 - 1976
▪ James Bateman	1976 - 1981
▪ Jamie Storey	1981 - 1988
▪ Valmon Thibodeau	1988 - 1992
▪ Ernest Drapeau	1992 - 1997
▪ Jean-Guy Lirette	1997 - 2001
▪ Yvon Gautreau	2001 - 2007
▪ Maurice Cormier	2007 - 2008
▪ Roland Belliveau	2008 - 2014
▪ Roger Caissie	2014 - October 2018
▪ H.J. (Harry) McInroy	November 2018 - present

Members of the Commission

▪ H.J. (Harry) McInroy,	Chairperson
▪ Laura Gallant,	Vice-chairperson (until May 2020)
▪ Marie Ann Cormier	Treasurer
▪ Susan Cormier	Secretary (until May 2020) Vice-Chairperson (starting June 2020)
▪ Raymond Cormier	Member
▪ Jean-Charles Dugas,	Member (until June 2020) Secretary (starting June 2020)
▪ Sylvie Colette-Boudreau	Member (starting June 2020)

General Committee

All members are part of the committee.

Employees

▪ Joey Frenette,	General Manager and level II Wastewater Treatment and Collection Operator
▪ Stephanie Bernard,	Office Manager
▪ Janice Bernard,	Accounting Clerk
▪ Nicole LeBlanc,	Administrative Secretary
▪ Gilles LeBlanc,	Level II Wastewater Treatment and Collection Operator
▪ Cory Babineau,	Level II Wastewater Treatment and Collection Operator

Chairperson's Report

The GSSC continued throughout 2020 to make major investments for substantial upgrades to the infrastructure of its sewerage collection system. As well, planning and positioning for future collection and treatment requirements for the Greater Shediac area highlighted the year.

Projects and Infrastructure Investments

The Long-Term Study of the eastern section of our collection system and our treatment facility was approved by the Department of Environment and Local Government.

The Greater Shediac Sewerage Commission's (GSSC) existing Cap-Brule Wastewater Treatment Facility (WWTF) has reached its design life. Although the existing facility still meets all present-day effluent requirements as part of the Province's Approval to Operate, the GSSC has made significant investments in long-term planning over the past several years to prepare for the appropriate funding program opportunity to advance its plan to upgrade the WWTP for service into the decades ahead. As a result of this preparedness, the Government of Canada awarded the investment of more than \$16.1 million in this project through the Rural and Northern Communities Infrastructure Stream of the Investing in Canada infrastructure program. The Province of New Brunswick is also contributing \$10.7 million and the Greater Shediac Sewerage Commission will be investing \$5.3 million.

The project will include the construction of new highly advanced wastewater facilities for screening and grit removal with blowers, UV disinfection, a moving bed biofilm reactor, a new pumped outfall to the Northumberland Strait, a new influent pumping station, refurbishment of the three existing lagoon cells, and 2,500 metres of on-site wastewater piping.

In order for the GSSC to finance its portion of this environmental stewardship project and future important projects such as the Scoudouc WWTP upgrades, major lift station upgrades etc., the creation of an Environmental Improvement Fee (EIF) is required and will be included with the yearly sewer bill. The fee per unit/household will be \$25.00 for the year 2021, \$50.00 for the year 2022, and \$75.00 for the year 2023 and subsequent years.

The Long-term protection of the Shediac Bay is the responsibility of all of us. The GSSC, in partnership with the Federal and Provincial Governments, is proud to be part of this initiative and has allocated funding to upgrade the existing treatment process to a state-of-the-art wastewater treatment facility, offering tertiary treatment and clean effluent for our growing communities for years to come.

In addition to ongoing projects of maintenance and repair, the sanitary collection system on Brown Street was replaced in conjunction with capital works undertaken by the Town of Shediac. In addition, a stand-by generator was installed at Lift Station No. 8 at 123 Pointe du Chêne Road

Budget and Personnel Matters

The board adopted the 2021 budget of \$2,746,967.00

A restructuring of the GSSC Management staff resulted in the elimination of the General Manager and Office Manager titles, having those positions newly established as Director, Operations, and Assistant Director, Administration.

Board member Laura Gallant resigned in May, 2020 and Sylvie Collette-Boudreau, representing the Town of Shediac, joined the Board in June, 2020.

Our Board of Commissioners consists of;

Chairperson ... H.J. (Harry) McInroy
Vice Chair ... Susan Cormier
Secretary ... Jean Charles Dugas
Treasurer ... Marie Ann Cormier
Member ... Sylvie Collette-Boudreau
Member ... Raymond Cormier

From the onset of the COVID - 19 pandemic throughout the balance of 2020, COVID -19 Protocols were in place to ensure the safety of our employees and clients.

My appreciation to Commission Board members for their commitment and support.

On behalf of the Board, I extend appreciation to our staff for its capable and committed service over this past year.

H.J. (Harry) McInroy
Chairperson

Activities in 2020

The Greater Shediac Sewerage Commission was created in 1969. In 2020, the Commission completed its 51st year of service to the citizens. The present report retraces the main events of the Commission in 2020 and summarizes the infrastructure projects and capital investments undertaken during the past ten (10) years. As you will notice in the report, the Greater Shediac Sewerage Commission invested a total amount of **\$10,659,563.40** during this period, representing an average investment of **\$1,065,956** per year.

Members' Activities

The Greater Shediac Sewerage Commission held eleven (11) regular meetings, three (3) special meetings, and one (1) annual general meeting in 2020. The Commission adopted a total of ninety-four (94) resolutions at these meetings. The General Committee held three (3) meetings. In total, eighteen (18) meetings were held in 2020.

Staff Activities

With the arrival of the Covid-19 pandemic, the Commission experienced several challenges as many other organizations did. The administrative staff, however, ensured that levels of service were maintained during this period of uncertainty all while protecting ratepayers' safety as well as their own. The head office did close to the public for a period of two months. The board of directors realized that this could affect the ability of certain people to pay their bill in addition to other financial burdens being experienced. A decision was made to not charge interest to ratepayers for a period of four months. A rise in the real estate market also resulted in a major increase in change of ownership of properties serviced by the Commission. This resulted in an important increase in related administrative tasks.

Operations and maintenance staff has kept busy with regular maintenance and preventive maintenance of the wastewater collection and treatment systems. They continue to update their safety training on a yearly basis, and have provided insight to the engineers regarding the design of the CBWWTP upgrades project.

Activities and investments of the past ten (10) years

2011	Screw pumps	\$	336,831.00
2012	Forcemain - Gould Beach Road	\$	223,515.00
2012	Head Office	\$	975,058.00
2012	Flow meters	\$	13,112.00
2012	SCADA System - Phase 1	\$	184,104.00
2013	SCADA System - Phase 2	\$	50,809.00
2013	Lift Station No. 6 & Forcemain realignment	\$	1,007,548.00
2014	SCADA System - Phase 2	\$	165,055.00
2014	Acquisition of truck 3/4 ton 4x4 diesel with plow	\$	49,533.00
2014	Acquisition of truck 3/4 ton 4x4 with plow	\$	39,431.00
2015	West Shediak Improvements - Sewer main	\$	599,390.87
2015	Manhole infiltration reduction	\$	321,027.22
2015	Replacement of sewer mains - Main Street	\$	34,119.09
2015	Baffles -Lift stations' wet wells	\$	20,479.63
2015	Land acquisition in Scoudouc	\$	9,256.20
2015	Computerize collection system master plan	\$	46,574.31
2016	Acquisition of tractor	\$	30,512.59
2016	Replacement of sanitary sewer - Chesley Street	\$	125,935.74
2016	Install electronic temperature monitoring equipment	\$	12,399.19
2017	Pointe-du-Chêne Sanitary Sewer Improvements	\$	1,373,354.69
2017	Lift Station Upgrades	\$	867,495.70
2017	Shediak East Long-Term Wastewater Strategy	\$	86,036.78
2017	Replacement of sewer mains – Main Street	\$	159,587.89
2017	Aquatech SJ-1650	\$	247,134.89
2018	Parlee Beach	\$	2,779,166.56
2018	Wayne Street	\$	61,483.04
2018	Tipperary Street	\$	87,433.18
2018	Truck – Silverado 1500	\$	23,575.98
2019	Gallagher & Centennial	\$	320,594.33
2019	Kubota Tractor	\$	68,205.52
2019	Lift Station Upgrades	\$	54,409.17
2019	Vcam 6 Control Module	\$	9,488.19
2020	Brown Street	\$	247,486.54
2020	Acquisition of truck 3/4 ton 4x4 with plow	\$	29,150.06

Total for the period of 2011 to 2020

\$ 10,659,563.40

Summary of future infrastructure projects:

See Schedule A - Five-year plan 2021-2025

The Greater Shediac Sewerage Commission
Five-Year Plan 2021-2025

Schedule A

No.	Activities	2020	2021	2022	2023	2024	2025	Total for 2021-2025
1	Improvement of Infrastructure							
	a. Lift station no. 13 - new building + new pumps and electrical				\$210,000			\$210,000
	b. Lift station no. 5 - Phase II - increase retention, new pumps + mechanical				\$320,000			\$320,000
	c. Lift station no. 12 - phase II - mechanical, electrical, increase retention, section for main						\$500,000	\$500,000
	d. Lift station no. 9 - increase retention + generator + flow meter		\$170,000					\$170,000
	e. Lift station no. 14 - new pumps, generator and general electrical		\$200,000					\$200,000
	f. Lift station no. 8 - new pumps, mechanical					\$40,000		\$40,000
	g. Lift station no. 8 - generator	\$100,000	\$10,000					\$110,000
	h. Lift station no. 1 - new pumps, mechanical					\$55,000		\$55,000
	i. Lift station no. 4 - Add retention, new pumps, valve on for main						\$400,000	\$400,000
	SUBTOTAL	\$100,000	\$380,000	\$0	\$530,000	\$95,000	\$900,000	\$1,905,000
2	Extension of existing services							
	a. Extension Scoudouc LSD - Highway 132 at Malakoff Road						\$3,200,000	\$3,200,000
	SUBTOTAL	\$0	\$0	\$0	\$0	\$0	\$3,200,000	\$3,200,000
3	Elimination of infiltration							
	a. Inflow and Infiltration Study							
	b. Sewer Main Renewal- Lift station no. 2 - for main	\$10,000	\$50,000	\$50,000	\$10,000	\$10,000		\$130,000
	Sewer Main Renewal- Dupuis Street							
	Sewer Main Renewal- Inglis, Grand Pre and Main Street (Easement to Route 133)							
	Sewer Main Renewal- Lift station no. 1 - for main		\$2,880,000	\$320,000				\$3,200,000
	c. Sewer Main Renewal- Centennial Drive							
	Sewer Main Renewal- Belle Isle Street							
	Sewer Main Renewal- Shore Drive						\$1,600,000	\$1,600,000
	Sewer Main Renewal- Hamilton Street							
4	Sewer Main Renewal- Calder Street							
	Sewer Main Renewal- Comeau Street							
	Sewer Main Renewal- Pointe-du-Chêne area		\$1,200,000		\$2,600,000	\$260,000		\$2,860,000
	f. Sewer Main Renewal - St-Joseph Street, Shediac		\$105,000	\$15,000				\$120,000
	g. Sewer Main Renewal - Weldon Street		\$380,000	\$60,000				\$440,000
	h. Sewer Main Renewal - Pleasant Street			\$450,000	\$60,000			\$510,000
	i. Sewer Main Renewal - Collector to LS9 - Pointe du Chêne						\$175,000	\$175,000
	SUBTOTAL	\$10,000	\$4,615,000	\$895,000	\$2,670,000	\$1,870,000	\$345,000	\$10,395,000
	Equipment Replacement (trucks, tractors, flusher, etc.):							
	a. New 3/4 ton Pickup Truck			\$35,000				\$35,000
5	b. New 1/2 ton Pickup Truck					\$30,000		\$30,000
	c. New HD dump trailer					\$15,000		\$15,000
	SUBTOTAL	\$0	\$35,000	\$0	\$0	\$45,000	\$0	\$80,000
	Cap-Brûlé WWTP Upgrade							
	a. Phase 1	\$120,000	\$14,000,000	\$4,800,000	\$3,500,000			\$22,300,000
	b. Phase 2			\$200,000	\$2,465,000	\$435,000		\$3,100,000
	c. Phase 3				\$400,000	\$6,400,000		\$6,800,000
	SUBTOTAL	\$120,000	\$14,000,000	\$5,000,000	\$6,365,000	\$6,835,000	\$0	\$32,200,000
	YEARLY ESTIMATES	\$230,000	\$19,030,000	\$5,895,000	\$9,565,000	\$8,845,000	\$4,445,000	\$47,780,000

* Project to proceed should government subsidies become available
* timeline and scope may vary with availability of subsidies and/or our financial position
* Project to proceed in conjunction with Town of Shediac refurbishment projects

Signed by Chairperson: _____

Date: _____

LA COMMISSION DES ÉGOUTS SHEDIAC ET BANLIEUES / THE GREATER SHEDIAC SEWERAGE COMMISSION										Schedule/Annexe B	
DISTRIBUTION DES UNITÉS / DISTRIBUTION OF UNITS											
31-Dec-20											
RÉGIONS / AREAS	(1,2,4) Shediac	(3,6) Pointe du Chene DSL / LSD	(7,) Shediac Cape DSL / LSD	(5,) CRBE (original)	(81,) CRBE (nouveau / new)	(9,) Scoudouc DSL / LSD	(95,) Scoudouc Rd. DSL / LSD	Total			
Résidentiel/Residential	3,347	996	110	148	326	163	104	5,194			
Commercial /Commercial	805	366	4		6	6	6	1,193			
Industriel / Industrial	50					1		51			
Institutionnel /Institutional	771	8	33		1	6		819			
Total	4,973	1,370	147	148	333	176	110	7,257			

The Greater Shediac Sewerage Commission / La Commission des Égouts Shediac et Banlieues					
Historical Sewerage Rate Structure / Structure Historique du Taux d'Égout					
Past 30 Years / 30 Dernières Années					
Shediac Region, Pointe-du-Chêne LSD, / Région de Shediac, DSL de Pointe-du-Chêne, and Scoudouc LSD/ et DSL de Scoudouc					
	Units /	Increase of units /	Gross Rate /	Discounts /	Net Rate/
Year / Année	Unités	Augmentation d'unités	Taux Brut	Escomptes	Taux Net
1990	3,775	#REF!	\$158.40	\$14.40	\$144.00
1991	3,830	1.46%	\$162.80	\$14.80	\$148.00
1992	3,871	1.07%	\$166.10	\$15.10	\$151.00
1993	3,972	2.61%	\$170.50	\$15.50	\$155.00
1994	4,000	0.70%	\$173.80	\$15.80	\$158.00
1995	4,125	3.13%	\$176.00	\$16.00	\$160.00
1996	4,160	0.85%	\$181.50	\$16.50	\$165.00
1997	4,250	2.16%	\$187.00	\$17.00	\$170.00
1998	4,340	2.12%	\$187.00	\$17.00	\$170.00
1999	4,475	3.11%	\$190.30	\$17.30	\$173.00
2000	4,525	1.12%	\$193.60	\$17.60	\$176.00
2001	4,535	0.22%	\$198.00	\$18.00	\$180.00
2002	4,610	1.65%	\$209.00	\$19.00	\$190.00
2003	4,725	2.49%	\$214.50	\$19.50	\$195.00
2004	4,775	1.06%	\$220.00	\$20.00	\$200.00
2005	4,940	3.46%	\$225.50	\$20.50	\$205.00
2006	5,075	2.73%	\$231.00	\$21.00	\$210.00
2007	5,175	1.97%	\$236.50	\$21.50	\$215.00
2008	5,340	3.19%	\$242.00	\$22.00	\$220.00
2009	5,400	1.12%	\$242.00	\$22.00	\$220.00
2010	5,475	1.39%	\$242.00	\$22.00	\$220.00
2011	5,805	6.03%	\$253.00	\$23.00	\$230.00
2012	5,893	1.52%	\$264.00	\$24.00	\$240.00
2013	5,922	0.49%	\$264.00	\$24.00	\$240.00
2014	6,125	3.31%	\$264.00	\$24.00	\$240.00
2015	6,156	0.50%	\$269.00	\$24.00	\$245.00
2016	6,299	2.27%	\$279.00	\$25.00	\$254.00
2017	6,373	1.16%	\$289.00	\$25.00	\$264.00
2018	6,415	0.65%	\$299.00	\$25.00	\$274.00
2019	6,538	1.88%	\$319.00	\$25.00	\$294.00
2020	6,732	2.88%	\$329.00	\$25.00	\$304.00

The Greater Shediac Sewerage Commission / La Commission des Égouts Shediac et Banlieues					
History of Sewerage Rates Structure / Structure Historique du Taux d'Égout					
Cap-Bimet/Boudreau-Ouest Area / Région Cap-Bimet/Boudreau-Ouest					
Year / Année	Units / Unités	Increase of units / Augmentation d'unités	Gross Rate / Taux Brut	Discounts / Escomptes	Net Rate/ Taux Net
2008	275		\$475.00	\$0.00	\$475.00
2009	272	-1.09%	\$475.00	\$0.00	\$475.00
2010	326	19.85%	\$475.00	\$0.00	\$475.00
2011	330	1.23%	\$475.00	\$0.00	\$475.00
2012	330	0.00%	\$483.00	\$0.00	\$483.00
2013	330	0.00%	\$483.00	\$0.00	\$483.00
2014	331	0.30%	\$483.00	\$0.00	\$483.00
2015	331	0.00%	\$486.00	\$17.00	\$469.00
2016	332	0.30%	\$493.00	\$18.00	\$475.00
2017	339	2.06%	\$500.00	\$18.00	\$482.00
2018	337	-0.59%	\$507.00	\$18.00	\$489.00
2019	334	-0.90%	\$521.00	\$18.00	\$503.00

The Greater Shediac Sewerage Commission / La Commission des Égouts Shediac et Banlieues					
History of Sewerage Rates Structure / Structure Historique du Taux d'Égout					
Scoudouc Road LSD / DSL de Scoudouc Road					
	Units /	Increase of units /	Gross Rate /	Discounts /	Net Rate/
Year / Année	Unités	Augmentation d'unités	Taux Brut	Escomptes	Taux Net
2010	92	Beginning	\$375.00	\$0.00	\$375.00
2011	95	3.26%	\$375.00	\$0.00	\$375.00
2012	97	2.11%	\$384.00	\$0.00	\$384.00
2013	99	2.06%	\$384.00	\$0.00	\$384.00
2014	98	-1.01%	\$384.00	\$0.00	\$384.00
2015	101	3.06%	\$387.00	\$17.00	\$370.00
2016	103	1.98%	\$394.00	\$18.00	\$376.00
2017	106	2.91%	\$401.00	\$18.00	\$383.00
2018	107	0.94%	\$408.00	\$18.00	\$390.00
2019	107	0.00%	\$422.00	\$18.00	\$404.00
2020	107	0.00%	\$429.00	\$18.00	\$411.00