



Grant Thornton

Consolidated Financial Statements

City of Moncton

December 31, 2013

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Grant Thornton

## Independent auditors' report

To His Worship the Mayor  
And Members of City Council

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We have audited the consolidated statement of financial position of the City of Moncton as at December 31, 2013 and the consolidated statement of operations and accumulated surplus, the consolidated statement of changes in net debt and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

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

### **Auditors' responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the City's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**Opinion**

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City of Moncton as at December 31, 2013 and the results of its operations, change in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Grant Thornton LLP*

Moncton, New Brunswick

April 22, 2014

Chartered Accountants

# City of Moncton Consolidated Statement of Financial Position

Year Ended December 31

2013

2012

## Financial assets

Cash and cash equivalents	\$ 9,931,367	\$ 246,003
Restricted cash (Note 2)	622,904	664,310
Receivables (Note 3)	27,778,329	32,171,336
Mortgage receivable (Note 4)	1	1
Long-term investments (Note 5)	2,945,319	2,591,231
Land and land development	16,025,180	17,346,225
Unamortized debenture discounts	<u>1,199,891</u>	<u>1,181,050</u>
	<u>58,502,991</u>	<u>54,200,156</u>

## Liabilities

Payables and accruals (Note 7)	29,757,431	27,419,675
Deferred government transfers (Note 8)	2,334,480	3,215,575
Long-term debt (Note 9)	148,072,994	148,880,246
Accrued pension liability (Note 10)	3,495,500	3,152,900
Other post employment liabilities (Note 11)	<u>8,865,900</u>	<u>9,180,505</u>
	<u>192,526,305</u>	<u>191,848,901</u>

## Net debt

(134,023,314)      (137,648,745)

## Non-financial assets

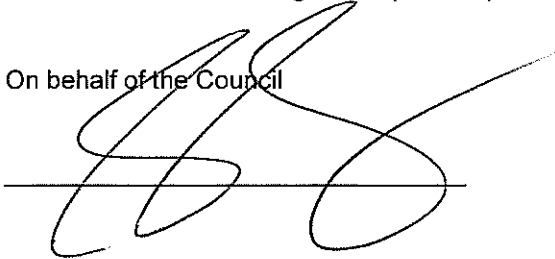
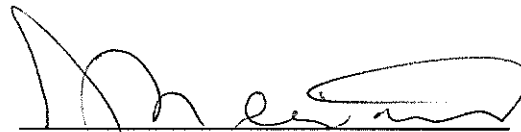
Tangible capital assets (Note 12)	627,388,179	591,207,973
Inventory of supplies	2,139,775	2,285,247
Prepays	<u>186,514</u>	<u>619,467</u>
	<u>629,714,468</u>	<u>594,112,687</u>

## Accumulated surplus

\$ 495,691,154      \$ 456,463,942

Commitments and contingencies (Note 13)

On behalf of the Council

See accompanying notes and schedules to the consolidated financial statements.

# City of Moncton

## Consolidated Statement of Operations and Accumulated Surplus

Year Ended December 31

2013

2012

	PSAB <u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Revenue</b>			
Warrant of assessment	\$ 114,663,008	<b>\$ 114,663,008</b>	\$ 108,844,734
Unconditional transfers from Provincial Government	10,423,174	<b>10,423,174</b>	11,247,642
Federals grant in lieu	15,841	<b>15,841</b>	29,859
Government transfers for operating (Page 21)	868,308	<b>874,397</b>	879,274
Other revenue from own sources (Page 21)	11,330,671	<b>12,351,081</b>	11,172,490
Water and sewerage revenue (Page 21)	30,638,886	<b>29,810,117</b>	29,349,955
Interest	<u>590,000</u>	<u><b>1,218,684</b></u>	<u>1,116,372</u>
	<u>168,529,888</u>	<u><b>169,356,302</b></u>	<u>162,640,326</u>
<b>Expenses (Pages 22 - 23)</b>			
General government services	45,561,021	<b>46,202,349</b>	44,487,665
Protection services	32,570,004	<b>32,266,025</b>	31,816,243
Transportation services	27,325,289	<b>26,664,620</b>	23,380,317
Environmental health and development services	6,080,944	<b>5,827,672</b>	5,690,075
Recreation and cultural services	18,793,573	<b>18,816,643</b>	18,338,174
Water and sewer	<u>25,947,012</u>	<u><b>25,679,996</b></u>	<u>24,903,010</u>
	<u>156,277,843</u>	<u><b>155,457,305</b></u>	<u>148,615,484</u>
 Annual surplus before capital contributions	 12,252,045	 <b>13,898,997</b>	 14,024,842
Other contributed assets for capital (Page 21)	700,000	<b>9,910,091</b>	10,647,040
Government transfers for capital (Page 21)	<u>6,062,852</u>	<u><b>15,418,124</b></u>	<u>17,204,559</u>
 Annual surplus	 19,014,897	 <b>39,227,212</b>	 41,876,441
 Accumulated surplus, beginning of year	 <u>-</u>	 <u><b>456,463,942</b></u>	 <u>414,587,501</u>
 Accumulated surplus, end of year	 <u>\$ -</u>	 <u><b>\$ 495,691,154</b></u>	 <u>\$ 456,463,942</u>

See accompanying notes and schedules to the consolidated financial statements.

# City of Moncton

## Consolidated Statement of Changes in Net Debt

Year Ended December 31

2013

2012

	PSAB Budget		
Annual surplus	\$ 19,014,897	<b>\$ 39,227,212</b>	\$ 41,876,441
Acquisition of tangible capital assets	(48,800,000)	<b>(60,200,924)</b>	(65,345,411)
Proceeds on disposal of tangible capital assets	-	<b>129,861</b>	613,212
Amortization of tangible capital assets	23,556,556	<b>23,556,556</b>	22,203,445
(Gain) loss on sale of tangible capital assets	-	<b>334,301</b>	(259,250)
	<u>(25,243,444)</u>	<u><b>(36,180,206)</b></u>	<u>(42,788,004)</u>
Change in prepaid expenses	-	<b>432,953</b>	162,183
Change in supplies inventory	-	<b>145,472</b>	(264,094)
	<u>-</u>	<u><b>578,425</b></u>	<u>(101,911)</u>
Decrease (increase) decrease in net debt	(6,228,547)	<b>3,625,431</b>	(1,013,474)
Net debt, beginning of year	<u>(137,648,745)</u>	<u><b>(137,648,745)</b></u>	<u>(136,635,271)</u>
<b>Net debt, end of year</b>	<u><b>\$ (143,877,292)</b></u>	<u><b>\$ (134,023,314)</b></u>	<u><b>\$ (137,648,745)</b></u>

See accompanying notes and schedules to the consolidated financial statements.

# City of Moncton

## Consolidated Statement of Cash Flows

Year Ended December 31

2013

2012

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

### Operating activities

Annual surplus	\$ 39,227,212	\$ 41,876,441
<b>Items not affecting cash:</b>		
Amortization of tangible capital assets	23,556,556	22,203,445
Gain on sale of tangible capital assets	334,301	(259,250)
Change in accrued pension liability	342,600	(401,800)
Change in other post employment benefits	(314,605)	502,900
<b>Changes in non-cash working capital:</b>		
Change in receivables	4,393,007	1,727,764
Change in payables and accruals	2,337,756	(775,988)
Change in supplies inventory	145,472	(264,094)
Change in prepaid expenses	432,953	162,183
Change in land and land development	1,321,045	909,930
Change in debenture discounts	(18,841)	(64,607)
<b>Net cash provided by operating activities</b>	<u>71,757,456</u>	<u>65,616,924</u>

### Capital activities

Acquisition of tangible capital assets	(60,200,924)	(65,345,411)
Change in deferred government transfers	(881,095)	1,119,288
Proceeds on sale of tangible capital assets	129,861	613,212
<b>Net cash used for capital activities</b>	<u>(60,952,158)</u>	<u>(63,612,911)</u>

### Financing activities

Issuance of long-term debt	28,938,000	28,131,000
Repayment of long-term debt	(29,745,252)	(23,293,302)
<b>Net cash used for financing activities</b>	<u>(807,252)</u>	<u>4,837,698</u>

### Investing activities

Change in investments	(354,088)	(320,097)
<b>Net cash used for investing activities</b>	<u>(354,088)</u>	<u>(320,097)</u>

<b>Increase in cash and cash equivalents</b>	<b>9,643,958</b>	<b>6,521,614</b>
<b>Cash and cash equivalents (deficiency) at beginning of year</b>	<u>910,313</u>	<u>(5,611,301)</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 10,554,271</u>	<u>\$ 910,313</u>

### Summary of cash and cash equivalents:

Cash	\$ 9,931,367	\$ 246,003
Restricted cash	<u>622,904</u>	<u>664,310</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 10,554,271</u>	<u>\$ 910,313</u>

See accompanying notes and schedules to the consolidated financial statements.



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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2013

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The Corporation of the City of Moncton (the "City") is incorporated and operates under the provisions of the Province of New Brunswick Municipalities Act.

The City provides municipal services such as police, fire, public works, engineering, parks and recreation, community development and other general government operations.

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### 1. Summary of significant accounting policies

The consolidated financial statements of the City are the representations of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the City are as follows:

a) **Reporting entity**

These consolidated financial statements reflect the assets, liabilities, revenues, expenses, changes in fund balances and change in financial position of the reporting entity. The City is comprised of all organizations, local boards and commissions that are owned or controlled by the City and are, therefore, accountable to the Council for the administration of their financial affairs and resources. In addition to the City's municipal government operations, they include the operations of Moncton Industrial Development Limited ("MID") and the Water and Light Department ("utility operations").

Inter-departmental and organizational transactions and balances are eliminated.

b) **Government transfers**

Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Transfers received for which expenses are not yet incurred are included in deferred revenue.

c) **Deferred revenue**

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or the tangible capital assets are acquired. In addition all funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenues until used for the purpose specified.

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2013

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1. **Summary of significant accounting policies** (continued)

d) **Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the consolidated change in net financial assets for the year.

e) i) **Tangible capital assets**

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful lives as follows:

<b>Asset type</b>	<b>Years</b>
Land improvements	15-25 years
Buildings and leasehold improvements	10-50 years
Vehicles and equipment	5-30 years
Computer hardware and software	5 years
Roads, streets, sidewalks and culverts	20-50 years
Parking lots	30 years
Water and wastewater networks	30-80 years

Interest on debt used to purchase tangible capital assets is not capitalized.

ii) **Assets under construction**

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

iii) **Contribution of tangible capital assets**

Contributed capital assets are recorded into revenues at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, which are then recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

f) **Inventories of materials and supplies**

Inventories of materials and supplies consist mainly of parts and road maintenance materials and are valued at the lower of cost and net realizable value.

g) **Land inventory and development costs**

Land held for resale in MID is carried at the lower of cost and net realizable value. Development costs are carried at the lower of cost and net realizable value as well. Cost includes amounts for land acquisition and improvements to prepare the land for sale or servicing. Land and development costs are being amortized against the cost of lot sales.

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2013

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1. **Summary of significant accounting policies** (continued)

h) **Cash and cash equivalents**

Cash and cash equivalents are comprised of cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

i) **Employee future benefits**

The City and its employees contribute to the City of Moncton Municipal Pension Plan, a jointly trustee pension plan. The Plan provides for service pensions based on length of service and rate of pay (a defined benefit plan).

In addition to the Municipal Pension Plan, other retirement benefits also accrue to the City's employees. The City allows a portion of unused sick benefits which have vested to be paid to employees upon retirement or resignation. The costs of these benefits are actuarially determined based on service and best estimate of retirement ages and expected future salary increases. The obligation under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits. The City also provides continuation of unused sick banks which do not vest to be used during the employees' period of employment.

j) **Budget**

The budget figures contained in these consolidated financial statements were approved by Council on February 18, 2013 and the Minister of Local Government approved the General Operating Budget on June 24, 2013, Capital Budget on March 26, 2013 and Utility Operating Budget on June 24, 2013.

k) **Reserves and funds**

Certain amounts, as approved by City Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/from reserves and reserve funds are recorded as an adjustment within accumulated surplus. Schedule 4 "Schedule of Reserve Funds" to the consolidated financial statements is included to show the reserve fund balances as supplementary information.

i. **Operating funds**

Operating funds are established for general, and sewer operations of the City. Operating funds are used to record the costs associated with providing City services.

ii. **Capital funds**

Capital funds are established for general, water, and sewer capital. Capital funds track the acquisition cost of various capital assets and the financing of those assets, including related debt.

iii. **Reserve funds**

Under the Municipalities Act of New Brunswick, Council may establish discretionary reserves for each fund listed above. In addition the Community Planning Act requires that a statutory Land Reserve be established and maintained for the purposes of acquiring and developing land held for public purposes.

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2013

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1. **Summary of significant accounting policies (continued)**

l) **Segmented information**

The City is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the City'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 Municipality. 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 and development services

This department is responsible for the provision of waste collection and disposal for planning and zoning, community development, tourism and other municipal development and promotion services.

Recreation and cultural services

This department is responsible for the maintenance and operation of recreational and cultural facilities, including the swimming pool, arena, parks and playgrounds and other recreational and cultural facilities.

Water 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.

m) **Revenue recognition**

These revenues are recorded on the accrual basis and recognized as earned which is usually when services are provided or facilities are utilized.

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2013

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1. **Summary of significant accounting policies** (continued)

n) **Expenses recognition**

Expenses are recognized in the period that the goods and services were acquired and a liability was incurred. Expenses are recorded on an accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the balance sheet date.

o) **Trusts funds**

There are no trusts funds included in these financial statements as there are currently no trust funds administered by the City.

p) **Use of estimates**

The preparation of consolidated financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. As such, actual results could differ from the estimates. Areas requiring the greatest degree of estimation include provision for future employee benefits, valuation of donated capital assets, assessment of contingency liabilities, and allowance for doubtful accounts receivable.

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2. **Restricted cash** 2013 2012

Restricted cash is comprised of the following:

Deposits on program funding – Transportation		
Discovery Centre	\$ 153,535	\$ 153,535
Deposits on land	64,189	190,978
Cash held to pay performance rebates on land sales	340,180	262,297
Cash held for transition fund	<u>65,000</u>	<u>57,500</u>
	<u>\$ 622,904</u>	<u>\$ 664,310</u>

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2013

3. Receivables	<u>2013</u>	<u>2012</u>
Sewer construction improvements	\$ 21,348	\$ 53,783
City of Dieppe	373,696	236,912
Town of Riverview	150,461	128,440
Local improvements	126,943	151,789
Federal/Provincial government - capital and operating contributions	12,554,715	17,692,887
Federal/Provincial government - HST	2,092,898	1,617,752
Beausejour Gymnos	49,049	21,578
Canadian Football League	3,705	-
Magic Mountain Water Park Ltd.	56,500	56,500
Théâtre Capitol Theatre Inc.	168,796	182,888
Moncton Wildcats Junior Hockey Club Limited	22,880	21,446
Moncton Arena Partners	246,757	216,401
Rotary Club of Moncton, New Brunswick Inc.	80,000	100,000
Moncton Squash Club	103,172	108,172
Indoor Sports Management	61,182	99,962
Moncton Football Association Incorporated	310,246	350,607
Bernice MacNaughton High School Field of Dreams Committee	250,000	-
Harrison Trimble High School - Woody Hayes Field Committee	250,000	-
Jardine Auctioneers	112,916	-
Atlantic Nationals Automotive Extravaganza Ltd.	-	15,000
Other - various (net of allowance)	961,218	723,807
Water and sewer receivables	9,770,645	10,378,472
Moncton Industrial Development Limited receivables	11,202	14,940
	<u>\$ 27,778,329</u>	<u>\$ 32,171,336</u>

### 4. Mortgage receivable

The mortgage receivable of \$1.9 million is non-interest bearing with no set terms for repayment and represents a security position from the Théâtre Capitol Theatre Inc. as a result of the transfer of the Theatre property to that Corporation in 1999 equal to the City's net contribution to the refurbishment of the Theatre. An allowance provision has been recorded effectively reducing the carrying value to \$1 given that the mortgage continues without interest and without any terms for repayment. The City's legal position continues with a \$1.9 million first claim on the Theatre facility.

### 5. Long-term investments

The long-term investment of \$2,945,319 represents amounts deposited for the benefit of the City with Maritime Life Assurance Company in accordance with the Moncton Place lease agreement. Under the lease agreement, monthly deposits are to be invested to build a fund of \$7 million over 25 years that will be available for the City to use at its discretion in pursuing various options for the premises. The interest rate being applied is 10.135% and is fixed for the entire 25 years.

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2013

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### 6. Bank indebtedness

Bank indebtedness for operating purposes is within the limit prescribed by the Municipalities Act. The credit facility with the City's bank has combined authorizing borrowing limit of \$25 million for the City operations excluding Moncton Industrial Development Limited.

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7. Payables and accruals	<u>2013</u>	<u>2012</u>
Accounts payable and commitments	\$ 16,025,473	\$ 14,597,235
Payable to the Policing Authority	5,898,545	5,149,379
Contractors' holdbacks	6,812,943	6,425,602
Interest on long-term debt	479,579	540,422
Moncton Industrial Development Limited payables, accruals and deposit on land	505,630	671,776
Local improvement deposits	<u>35,261</u>	<u>35,261</u>
	<u>\$ 29,757,431</u>	<u>\$ 27,419,675</u>

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### 8. Deferred government transfers

Deferred government transfers represent Department of Transportation and gas tax amounts held at year end to be applied to approved projects. These deferred contributions consist of the following:

	<u>2013</u>	<u>2012</u>
Federal contributions - Gas tax	\$ 2,334,480	\$ 1,819,363
Provincial contribution - Department of Transportation	<u>-</u>	<u>1,396,212</u>
	<u>\$ 2,334,480</u>	<u>\$ 3,215,575</u>

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2013

9. Long-term debt	<u>2013</u>	<u>2012</u>
<u>New Brunswick Municipal Financing Corporation</u>		
<u>Debentures:</u>		
AO3 3.05% - 5.0%, due 2013, OIC #01-0015	\$ -	\$ 818,100
AP11 2.75% - 5.125%, due 2013, OIC #01-0015, #02-0018	-	798,000
AP12 2.75% - 5.125%, due 2013, OIC #01-0015	-	573,000
AQ1 2.75% - 5.5%, due 2014, OIC #02-0018	<b>956,100</b>	1,863,000
AR9 2.75% - 4.8%, due 2014, OIC #02-0018, #03-0017	<b>912,000</b>	1,783,000
AR10 2.75% - 4.8%, due 2014, OIC #02-0018	<b>411,000</b>	803,000
AS1 2.85% - 4.35%, due 2015, OIC #03-0017, #03-0020, #04-0010	<b>1,804,000</b>	2,653,000
AT12 3.75% - 4.375%, due 2015, OIC #03-0017, #04-0010	<b>1,780,000</b>	2,616,000
AT13 3.75% - 4.375%, due 2015, OIC #03-0017	<b>823,000</b>	1,211,000
AU1 4.15% - 4.7%, due 2015, OIC #04-0010, #05-0016	<b>4,117,000</b>	5,378,000
AV13 4.15% - 4.45%, due 2015, OIC #05-0016	<b>1,249,000</b>	1,632,000
AV14 4.15% - 4.45%, due 2015, OIC #04-0010	<b>3,025,000</b>	3,951,000
AW1 4.3% - 4.55%, due 2016, OIC #00-0018, #03-0017, #04-0010, #05-0016, #06-0019	<b>5,430,000</b>	6,644,000
AX12 4.45% - 4.85%, due 2017, OIC #06-0019	<b>3,234,000</b>	3,954,000
AY5 3.3% - 4.85%, due 2018, OIC #05-0016, #06-0019, #07-0015, #07-0093	<b>6,701,000</b>	7,943,000
AY6 3.3% - 4.85%, due 2018, OIC #05-0016	<b>4,094,000</b>	4,812,000
AZ10 2.1% - 5.55%, due 2018, OIC #04-0010, #05-0016	<b>3,300,000</b>	3,903,000
BA7 0.95% - 5%, due 2019, OIC #05-0016, #06-0019, #07-0015, #08-0014	<b>9,058,000</b>	10,839,000
BA8 0.95% - 5%, due 2019, OIC #06-0019	<b>1,939,000</b>	2,235,000
BC5 1.5% - 4.55%, due 2020, OIC #07-0015, #08-0014, #09-0025	<b>11,423,000</b>	12,877,000
BC6 1.5% - 4.55%, due 2020, OIC #07-0015	<b>3,467,000</b>	3,896,000
BD11 1.5% - 3.85%, due 2020, OIC #07-0015, #08-0014	<b>7,008,000</b>	7,937,000
BE21 1.65% - 4.25%, due 2021, OIC #08-0014, #09-0025, #10-0018	<b>12,768,000</b>	14,439,000
BE2-2 1.65% - 4.25%, due 2021, OIC #09-0025, #10-0018	<b>4,391,000</b>	4,870,000
BF9 1.35% - 3.45%, due 2021, OIC #09-0025, #10-0018	<b>5,186,000</b>	5,777,000
BG10 1.65% - 3.4% due 2022, OIC #06-19, #08-14, #09-0025, #10-0018, #10-0068, #11-0038, #11-0100	<b>13,828,000</b>	15,415,000
BH12 1.35%-3.1% due 2022, OIC #06-19, #08-14, #09-0025, #09-0072, #10-0018, #11-0038, #12-0016	<b>2,616,000</b>	3,011,000
BH13 1.35%-3.1% due 2022 OIC #06-19, #07-15, #08-14, #09-0025, #10-0018, #11-0038	<b>8,782,000</b>	9,705,000
BI9 1.35% - 3.25%, due 2023, OIC #09-0025, #10-0018, #11,0038, #12-0016	<b>7,926,000</b>	-
BI10 1.35% - 3.25%, due 2023, OIC #09-0025, #12-0016	<b>1,562,000</b>	-
BJ10 1.25% - 3.70%, due 2023, OIC #09-0025, #10-0018, #10-0068, #11-0038, #12-0016, #13-0010	<b>11,454,000</b>	-
BJ11 1.25% - 3.70%, due 2023, OIC #06-0019, #08-0014, #09-0025, #10-0018, #11-0038, #12-0016	<b>3,596,000</b>	-
	<b><u>142,840,100</u></b>	<b><u>142,336,100</u></b>
<u>Maritime Life Assurance Company</u>		
Mortgage payable, 8.186%, due 2019.	<b>836,562</b>	944,146
<u>Scotiabank Bankers Acceptance - Moncton Industrial Development Limited</u>		
Credit facility at banker's acceptance per annum, maturing in 2017 with principal repayments based on lot sales.	<b>4,396,332</b>	-
Repaid during the year.	-	5,600,000
	<b><u>\$ 148,072,994</u></b>	<b><u>\$ 148,880,246</u></b>



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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2013

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### 9. Long-term debt (continued)

The loan with Maritime Life Assurance Company is amortized over twenty-three and three quarter years and matures on November 1, 2019. The loan bears a fixed rate of interest of 8.186% and is secured by leaseholds and a collateral mortgage on certain lands adjacent to City Hall.

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

2014	\$ 25,211,572	2017	\$ 18,690,294
2015	23,099,309	2018	16,185,684
2016	21,423,859		

Approval of the Municipal Capital Borrowing Board has been obtained for the debenture debt reported and all the long-term debt has been approved by an Order-in-Council of the Provincial Legislature.

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### 10. Accrued pension liability

Pension benefits are provided to employees of the City under the Pension Plan for the Employees of the City amended and assented to February 26, 1998. Employees contribute to the plan, which provides for service pensions based on length of service and rate of pay (a defined benefit plan). The City's contribution limits were initially fixed by legislation at 6.65% of employee earnings plus a lump sum amount of \$25,000 per annum. Effective January 2007, the City's contribution limit was increased to 9% of employee earnings.

Effective March 7, 2014, the City's contribution limit will be increased to 10% of employee earnings. An amendment is pending regarding changes to benefits adopted by the Pension Board on October 31, 2013. This amendment is not considered in this valuation.

Employees make contributions equal to 9% of earnings, and the City contributes an equal amount. The contribution by the City in the year was \$3,376,800 (2012 - \$3,062,900). Total benefit payments to retirees during the year were \$9,700,300 (2012 - \$10,023,100). A separate pension fund is maintained. The City is in a net funded position for accounting purposes at December 31, 2013, as follows:

	<u>2013</u>	<u>2012</u>
Fair market value of plan assets	\$ 195,939,900	\$ 178,402,900
Accrued benefit obligation	<u>(189,239,700)</u>	<u>(184,014,100)</u>
	6,700,200	(5,611,200)
Unamortized actuarial gains (losses)	<u>10,195,700</u>	<u>(2,458,300)</u>
Accounting pension liability	<u>\$ (3,495,500)</u>	<u>\$ (3,152,900)</u>

Actuarial valuations for accounting purposes are performed annually using the projected benefit method prorated on services. The 2013 expenditure/expense is based on an actuarial valuation for accounting purposes conducted as at June 30, 2012 and extrapolated to December 31, 2012 reflecting December 31, 2012 assumptions and actual cash flows. The accrued benefit obligation as at December 31, 2013 is based on another actuarial valuation conducted as at June 30, 2013 and extrapolated to December 31, 2013 reflecting December 31, 2013 assumptions and actual cash flows. There is a net unamortized actuarial gains to be amortized on a straight-line basis over the expected average remaining service life of the employee group (16 years).

# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2013

### 10. Accrued Pension liability (continued)

The actuarial valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, wage and salary increases and employee turnover and mortality. The assumptions used reflect the City's best estimates:

	<u>2013</u>	<u>2012</u>
(a) Discount rate	6.75%	6.25%
(b) Rate of compensation increases	2.65%	2.65%
(c) Rate of inflation	2.10%	2.25%

(a) Mortality CPM – 2014 Public mortality table with CPM-B projection scale AA.

Retirement age 60% at earliest retirement age without reduction and remainder at age 65.

	<u>2013</u>	<u>2012</u>
Current period benefit cost	\$ 6,766,000	\$ 6,093,300
Amortization of actuarial gains	<u>(14,600)</u>	<u>(367,500)</u>
	6,751,400	5,725,800
Less: employee contributions	<u>(3,376,800)</u>	<u>(3,063,700)</u>
Pension expense	3,374,600	2,662,100
Interest cost on the average accrued benefit obligation (asset)	<u>344,800</u>	<u>(1,000)</u>
<b>Total expenses related to pension</b>	<b><u>\$ 3,719,400</u></b>	<b><u>\$ 2,661,100</u></b>

The employer contribution expense of \$3,376,800 is included in the consolidated statement of operations as a component of department expenses. The change in pension liability of \$342,600 is recorded in the general government services.

	Percentage of Plan Assets	
Benefit plan assets consist of:	<u>2013</u>	<u>2012</u>
Bonds	41.20%	50.20%
Canadian equities	18.70%	17.30%
International equities	38.70%	30.50%
Short-term investments	<u>1.40%</u>	<u>2.00%</u>
	<u>100.0%</u>	<u>100.0%</u>

# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2013

### 11. Sick and other post-employment liabilities

The City provides various groups of employees in accordance with applicable collective agreements the ability to accumulate sick bank benefits payable either upon retirement or resignation.

	<u>2013</u>	<u>2012</u>
<b>Employee benefits obligations</b>		
Vested benefits	\$ 6,955,700	\$ 8,268,705
Unamortized actuary gains (losses) vested	429,500	(519,500)
Non-vested benefits	2,298,300	1,431,300
Unamortized actuary (losses) non-vested	<u>(817,600)</u>	<u>-</u>
<b>Accrued employee benefit obligation</b>	<b><u>\$ 8,865,900</u></b>	<b><u>\$ 9,180,505</u></b>
<b>Accrued employee benefit obligation</b>	<b>\$ 8,865,900</b>	<b>\$ 9,180,505</b>
Less: funded amount	<u>(2,178,923)</u>	<u>(1,803,972)</u>
Unfunded employee benefit obligation	6,686,977	7,376,533
Less: non-vested benefits	<u>(1,480,700)</u>	<u>(1,431,300)</u>
<b>Vested benefits to be funded from future revenue</b>	<b><u>\$ 5,206,277</u></b>	<b><u>\$ 5,945,233</u></b>

Vested benefits represent the City's liability for future employee benefits including sick leave banks and lump sum retirement payments in the year of retirement or resignation which are contractually required to be paid to an employee independent of his or her further employment. Non vested benefits represent the City's estimated liability of future costs related to benefits for employees that are conditional on his or her future employment.

The actuarial method used was the projected benefit method prorated on service to calculate the accrued benefit obligation. The valuation was based on a number of assumptions about future events, such as interest rates, wage and salary increases and employee turnover and retirement. The assumptions used reflect the City's best estimates.

The following summarizes the major assumptions in the valuation:

- annual salary increase is 2.65% (2012 - 3.25%);
- the discount rate used to determine the accrued benefit obligation is 3.75%;
- retirement age is 65; and
- estimated net excess utilization of rate of sick leave varies with age.

The sick leave is an unfunded benefit. Benefits are paid out of general revenue as they come due.

# City of Moncton Notes to the Consolidated Financial Statements

December 31, 2013

## 12. Consolidated tangible capital assets

	General Capital Assets							Water and Sewer Assets					
	Land	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer, Hardware and Software	Land Improvements	Asset under Construction	Parking Lots	Road, Streets, Sidewalks, Culverts	W&S Buildings and Leasehold Improvements	Water and Sewer Assets under Construction	2013	2012	
Cost													
Opening cost	\$ 18,434,809	\$ 71,954,131	\$ 47,120,028	\$ 8,061,732	\$ 35,723,139	\$ 12,664,871	\$ 11,770,231	\$ 251,938,096	\$ 47,386,231	\$ 366,912,454	\$ 35,760,663	\$ 907,726,385	\$ 843,604,534
Additions and transfers	222,801	1,879,327	4,233,842	366,106	3,304,575	8,477,340	68,898	12,323,850	-	22,348,545	6,975,640	60,200,924	65,345,411
Disposals and transfers	-	-	(1,501,516)	-	-	-	-	(1,520,002)	-	-	-	(3,021,518)	(1,223,560)
<b>Closing cost</b>	<b>19,657,610</b>	<b>73,833,458</b>	<b>49,852,354</b>	<b>8,427,838</b>	<b>39,027,714</b>	<b>21,142,211</b>	<b>11,839,129</b>	<b>262,741,944</b>	<b>47,386,231</b>	<b>389,260,999</b>	<b>42,736,303</b>	<b>964,905,791</b>	<b>907,726,385</b>
Accumulated amortization													
Opening accumulated Amortization	-	(28,666,687)	(30,339,177)	(6,435,305)	(13,642,484)	-	(5,696,579)	(102,012,687)	(23,926,503)	(105,798,990)	-	(316,518,412)	(295,184,565)
Amortization	-	(1,923,018)	(3,462,099)	(906,609)	(2,148,648)	-	(386,736)	(7,989,216)	(1,169,879)	(5,570,351)	-	(23,556,556)	(22,203,445)
Disposals	-	-	1,308,057	-	-	-	-	1,249,299	-	-	-	2,557,356	869,598
<b>Closing accumulated amortization</b>	<b>-</b>	<b>(30,589,705)</b>	<b>(32,493,219)</b>	<b>(7,341,914)</b>	<b>(15,791,132)</b>	<b>-</b>	<b>(6,083,315)</b>	<b>(108,752,604)</b>	<b>(25,096,382)</b>	<b>(111,369,341)</b>	<b>-</b>	<b>(337,517,612)</b>	<b>(316,518,412)</b>
<b>Asset net book value</b>	<b>\$ 19,657,610</b>	<b>\$ 43,243,753</b>	<b>\$ 17,359,135</b>	<b>\$ 1,085,924</b>	<b>\$ 23,236,582</b>	<b>\$ 21,142,211</b>	<b>\$ 5,755,814</b>	<b>\$ 153,989,340</b>	<b>\$ 22,289,849</b>	<b>\$ 277,891,658</b>	<b>\$ 42,736,303</b>	<b>\$ 627,388,179</b>	<b>\$ 591,207,973</b>

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2013

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### 13. Commitments and contingencies

#### Commitments

- (a) In 1996, the City entered into a new long-term lease agreement to lease the new City Hall complex, for 25 years, which includes an option to purchase. The minimum annual lease payments are as follows:

2014	\$ 1,389,384
2015	1,389,384
2016	1,473,671
2017	1,533,876
2018	1,533,876

In addition, an amount approximating \$74,688 per year is being allocated to the General Capital Reserve (formerly the City Hall Development Fund) and invested through an arrangement under the lease. These funds would be available under the lease agreement for the City to exercise various options at its discretion.

- (b) Under the terms of a lease for the City library which is now assigned to Fortis Properties Inc., the City is responsible for the proportionate share of the common area operating costs. In 2013 this approximated \$624,928 and approximately 46% was recovered from the Province under a sub-lease for its proportionate share of the costs. The lease expires in 2053.
- (c) Under a lease agreement for computers with Dell Financial Services Canada Limited, the City is committed to lease payments totaling \$189,635 in 2014, \$174,410 in 2015, \$114,128 in 2016, and \$29,823 in 2017, plus HST.
- (d) The City is committed under an agreement with Moncton 4Ice Sports Inc. (the Service Provider) to pay a service fee of \$119,430 per month for a total of \$1.433 million annually to provide and operate the 4Plex facility for the benefit of the citizens of Moncton. The initial term of the agreement is for 20 years with a 10 year renewal option. The City also has the ability to exercise purchase options after 20 and after 30 years.
- (e) The City is committed to provide \$500,000 to the Atlantic Ballet Theatre of Canada over a 10 year period of \$50,000 per year. At December 31, 2013, 3 installments remain.
- (f) City has entered into a number of multi year contracts for the delivery of services, the construction of assets, and operating leases. These contract obligations will become liabilities in the future when the terms of the contract are met.
- (g) Subsequent to December 31, 2013, the City has entered into an agreement to acquire a parcel of land, which is a portion of the former Highfield Square Property. The purchase price is \$12,500,000.

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2013

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### 13. Commitments and contingencies (continued)

#### Contingencies

- a) City Council has approved the extension of a \$150,000 loan guarantee for the Atlantic Ballet Theatre of Canada. This guarantee commenced on January 1, 2010 and loan guarantee will expire on December 31, 2014. At December 31, 2013, the guarantee stands at \$60,000.
- b) The City has an outstanding claim against it for approximately \$8.9 million for additional compensation for the expropriation of approximately 600 acres of wooded land on Berry Mills Road. The eventual outcome of this claim is not determinable at year end.
- c) In the normal course of the City's activities, the City is subject to a number of claims and litigation. The City intends to defend and negotiate such claims and litigation. The eventual outcome of these claims and litigation is not determinable at year end.
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### 14. Regulatory reporting

The Department of Local Government of New Brunswick has requested some disclosures in addition to Canadian Public Sector Accounting Standards for monitoring purposes. The City has provided these disclosure requirements in the consolidated financial statements provided to the Department of Local Government of New Brunswick.

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### 15. Reclassification

Certain amounts in the prior year balances have been reclassified to conform to the current year Financial Statement presentation. These reclassifications have not any impact on previously reported Surplus.

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16. Tangible capital asset contributions from a third party	<u>2013</u>	<u>2012</u>
<u>Utility:</u>		
Water distribution	\$ 1,475,330	\$ 1,893,800
Sanitary sewer	<u>1,387,326</u>	<u>2,189,629</u>
	<u>2,862,656</u>	<u>4,083,429</u>
<u>Treasury:</u>		
Storm sewers	2,916,361	2,942,445
Road construction	2,552,931	2,210,288
Sidewalks	<u>515,171</u>	<u>471,346</u>
	<u>5,984,463</u>	<u>5,624,079</u>
	<u>\$ 8,847,119</u>	<u>\$ 9,707,508</u>

# City of Moncton

## Schedule 1: Consolidated Schedule of Revenues

Year ended December 31, 2013

2013

2013

2012

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Government transfers for capital</b>			
Department of Transportation	\$ 300,000	\$ 1,504,292	\$ 42,862
Infrastructure program	-	83,290	51,307
Canadian Heritage	-	-	1,000,000
Regional Development Corporation	-	2,093,055	-
Department of Transportation - designated highways	550,000	258,573	-
Infrastructure Canada - gas tax program	4,983,000	4,467,804	5,267,640
Other government	-	-	17,699
Moncton Industrial Development Limited - grants	229,852	255,022	269,155
Federal/Provincial contributions - water and sewer	-	6,756,088	10,555,896
	<u>\$ 6,062,852</u>	<u>\$ 15,418,124</u>	<u>\$ 17,204,559</u>
<b>Government transfers for operating</b>			
Provincial contributions	\$ 689,308	\$ 695,334	\$ 700,211
Other local governments	179,000	179,063	179,063
	<u>\$ 868,308</u>	<u>\$ 874,397</u>	<u>\$ 879,274</u>
<b>Other contributions for capital</b>			
Donated assets - developers (Note 16)	\$ -	\$ 8,847,119	\$ 9,707,508
Organizations and individuals	700,000	721,447	669,917
Local improvement and branch sewer recoveries	-	341,525	269,615
	<u>\$ 700,000</u>	<u>\$ 9,910,091</u>	<u>\$ 10,647,040</u>
<b>Other revenue from own sources</b>			
Licenses and permits - building permits	\$ 980,000	\$ 1,414,333	\$ 1,249,499
- other	841,109	816,726	610,913
Fines and fees	506,000	508,861	582,104
Parking	2,221,594	2,117,568	2,149,125
Rent	37,000	39,445	127,049
Miscellaneous	254,793	281,318	263,516
Protection	3,500	11,582	5,398
Transportation - other	153,000	142,487	159,546
Public transit	3,799,368	3,184,193	2,030,787
Magnetic Hill Zoo	1,077,000	1,271,535	1,118,642
Magnetic Hill Park	135,000	137,396	336,300
Other recreational	419,250	416,600	446,016
Coliseum - Agrena	884,557	549,671	1,026,255
(Loss) gain on sale of assets	-	(334,300)	259,250
Cash received in lieu	-	20,845	48,149
Water and sewer other revenue	18,500	36,473	36,466
Moncton Industrial Development Limited - land sales	-	1,736,348	723,475
	<u>\$ 11,330,671</u>	<u>\$ 12,351,081</u>	<u>\$ 11,172,490</u>
<b>Water and sewerage revenue</b>			
Water user charges	\$ 18,331,340	\$ 17,384,183	\$ 17,330,249
Sewer user charges	4,877,071	4,761,481	4,702,287
Sewer treatment levy	7,430,475	7,664,453	7,317,419
	<u>\$ 30,638,886</u>	<u>\$ 29,810,117</u>	<u>\$ 29,349,955</u>

# City of Moncton

## Schedule 2: Consolidated Schedule of Expenses

Year Ended December 31	2013	2013	2012
	Budget	Actual	Actual
<b>General government services</b>			
Mayor and Councillors	\$ 574,612	\$ 562,223	\$ 567,432
City Manager and Internal Audit	351,188	337,369	326,700
Corporate Services	148,651	142,709	145,403
Finance and administration	2,278,494	2,177,643	2,121,526
Information systems	1,824,494	1,816,835	1,686,190
Human resources	1,495,476	1,347,388	1,337,245
Legislative services	998,891	961,771	1,080,935
City Hall building	1,762,966	1,738,748	1,819,717
Corporate communications	771,742	762,470	784,897
Other general administration	3,884,016	3,792,742	3,834,334
Grants	1,089,126	1,129,693	1,354,192
Corporate planning and policy development	386,491	381,309	331,463
Moncton Industrial Development Limited	768,428	2,535,732	2,012,536
	<u>16,334,575</u>	<u>17,686,632</u>	<u>17,402,570</u>
Amortization	23,553,165	23,556,556	22,203,445
Interest	3,784,108	3,867,230	4,142,341
Pension	342,600	342,600	(401,800)
Post-retirement liabilities	1,081,573	392,017	853,701
Maintenance facilities	465,000	357,314	287,408
	<u>\$ 45,561,021</u>	<u>\$ 46,202,349</u>	<u>\$ 44,487,665</u>
<b>Protection services</b>			
Police	\$ 17,716,668	\$ 17,756,095	\$ 17,788,126
Fire	12,298,946	12,141,431	11,898,715
Building inspection	1,801,052	1,626,172	1,379,256
Other protective services	753,338	742,327	750,146
	<u>\$ 32,570,004</u>	<u>\$ 32,266,025</u>	<u>\$ 31,816,243</u>
<b>Transportation services</b>			
Engineering administration	\$ 2,034,782	\$ 2,052,719	\$ 1,813,260
Roads, streets and equipment	10,248,820	10,236,228	9,263,732
Street lighting	2,340,799	2,371,910	2,333,960
Traffic and parking	2,251,258	2,049,715	2,137,714
Public transit	9,966,699	9,487,819	7,366,954
Other transportation	482,931	466,229	464,697
	<u>\$ 27,325,289</u>	<u>\$ 26,664,620</u>	<u>\$ 23,380,317</u>
<b>Environmental health and development services</b>			
Garbage and waste collection	\$ 3,485,209	\$ 3,400,975	\$ 3,200,464
Planning commission grant	37,231	(7,019)	596,655
Development	1,728,671	1,554,845	1,060,225
Tourism	829,833	878,871	832,731
	<u>\$ 6,080,944</u>	<u>\$ 5,827,672</u>	<u>\$ 5,690,075</u>



**City of Moncton**  
**Schedule 2: Consolidated Schedule of Expenses**  
**(continued)**

Year Ended December 31	2013	2013	2012
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
<b>Recreation and cultural services</b>			
Parks and Leisure Services	\$ 7,872,647	\$ 8,007,692	\$ 7,480,602
Events and Venues	1,877,000	1,993,266	1,729,640
Library	536,079	434,138	502,767
Magnetic Hill Park	424,901	359,580	723,374
Museum	657,102	567,005	508,147
Magnetic Hill Zoo	2,138,502	2,130,891	2,113,117
Program planning and development	174,090	141,876	124,682
Arenas	2,231,157	2,230,697	2,251,004
Coliseum - Agrena	2,235,243	2,144,866	1,992,191
Other cultural programs and services	159,142	126,883	170,170
Capitol Theatre grant	487,710	679,749	742,480
	<u>\$ 18,793,573</u>	<u>\$ 18,816,643</u>	<u>\$ 18,338,174</u>
<b>Water and sewer expenses</b>			
<b>Water supply</b>			
Administration	\$ 3,872,797	\$ 3,898,611	\$ 3,672,079
Interest	1,666,990	1,491,909	1,497,504
Transmission and distribution	3,828,662	4,036,532	3,817,846
Purification and source of supply	479,097	435,373	436,553
Power and pumping	568,760	505,201	495,814
Water treatment charges	4,565,800	4,510,670	4,502,772
	<u>14,982,106</u>	<u>14,878,296</u>	<u>14,422,568</u>
<b>Sewer collection and disposal</b>			
Administration	1,436,562	1,436,562	1,381,236
Interest	934,702	752,368	707,528
Maintenance	1,163,167	1,182,295	1,271,428
Sewer treatment charges	7,430,475	7,430,475	7,120,250
	<u>10,964,906</u>	<u>10,801,700</u>	<u>10,480,442</u>
	<u>\$ 25,947,012</u>	<u>\$ 25,679,996</u>	<u>\$ 24,903,010</u>

# City of Moncton Schedule 3: Schedule of Segment Disclosure

December 31, 2013

	General Government	Protection	Transportation	Environmental Health & Development	Recreation and cultural	Water & Sewer	MID	2013 Consolidated	2012 Consolidated
<b>Revenues</b>									
Warrant of assessment *	\$ 114,663,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,663,008	\$ 108,844,734
Unconditional transfers from Provincial Government *	10,423,174	-	-	-	-	-	-	10,423,174	11,247,642
Federal grant in lieu Government transfers for operating	15,841	-	-	-	-	-	-	15,841	29,859
Other revenue from own sources	7,307	179,063	695,334	-	-	-	-	874,397	879,274
Water and sewer user fees	-	2,751,503	5,444,248	-	2,375,202	36,473	1,736,348	12,351,081	11,172,490
Interest	677,377	-	-	-	-	29,810,117	-	29,810,117	29,349,955
	125,786,707	2,930,566	6,139,582	-	2,375,202	30,385,326	2,571	169,356,302	162,640,326
<b>Expenses</b>									
Salaries and benefits	10,239,869	17,113,384	13,799,402	856,253	8,751,457	3,060,620	-	53,820,985	49,435,340
Goods and services	5,268,485	15,152,641	12,865,218	4,971,419	10,065,186	20,375,099	2,535,592	71,223,640	70,177,425
Amortization*	23,553,026	-	-	-	-	-	3,530	23,556,556	22,203,445
Interest	3,546,336	-	-	-	-	2,244,277	320,894	6,111,507	6,347,373
Pension*	342,600	-	-	-	-	-	-	342,600	(401,800)
Post-retirement liabilities*	392,017	-	-	-	-	-	-	392,017	853,701
	43,342,333	32,266,025	26,664,620	5,827,672	18,816,643	25,679,996	2,860,016	155,457,305	148,615,484
Annual surplus (deficit) before capital contributions	82,444,374	(29,335,459)	(20,525,038)	(5,827,672)	(16,441,441)	4,705,330	(1,121,097)	13,898,997	14,024,842
Other contributions for capital*	9,910,091	-	-	-	-	-	-	9,910,091	10,647,040
Government transfers for capital*	15,418,124	-	-	-	-	-	-	15,418,124	17,204,559
Annual surplus (deficit) for the year	\$ 107,772,589	\$ (29,335,459)	\$ (20,525,038)	\$ (5,827,672)	\$ (16,441,441)	\$ 4,705,330	\$ (1,121,097)	\$ 39,227,212	\$ 41,876,441

\*The warrant of assessment, unconditional transfers from Provincial Government, amortization, change pension liability, post-retirement liabilities, other contributions for capital and government transfers for capital have been reported under General Government for segment disclosure.

# City of Moncton

## Schedule 4: Schedule of Reserve Funds

December 31, 2013

	General Operating Reserve	General Capital Reserve	W&S Operating Reserve	W&S Capital Reserve	Reserve for Land Develop Fund	2013 Total	2012 Total
Accumulated surplus, beginning of year	\$ 2,344,813	\$ 10,999,757	\$ 459,017	\$ 3,173,073	\$ 383,503	\$ 17,360,163	\$ 10,270,324
Transfers to/from Water and General Operating Funds							
Allocation from City of Moncton revenue fund	-	74,688	-	-	-	74,688	74,688
Appropriation from Utility Operating fund	-	-	1,300,000	220,000	-	1,520,000	250,000
Appropriation from General Operating fund	2,940,000	-	-	-	-	2,940,000	850,000
Appropriation from General Operating fund for equipment purchases	-	1,928,697	-	-	-	1,928,697	1,828,697
Appropriation from General Operating fund for capital purchases	-	2,505,012	-	-	-	2,505,012	3,940,691
Transfer to General Capital fund for Land purchase	-	-	-	-	(94,623)	(94,623)	(75,198)
Transfer to General Capital fund for equipment purchases	-	(2,204,051)	-	-	-	(2,204,051)	(609,321)
Transfer to General Capital fund for fuel dispenser purchases	-	(67,711)	-	-	-	(67,711)	-
Transfer to General Operating fund for deferred maintenance	(357,314)	-	-	-	-	(357,314)	(287,408)
Transfer to Utility Operating fund to fund deficit	-	-	(500,000)	-	-	(500,000)	-
	<u>2,582,686</u>	<u>2,236,635</u>	<u>800,000</u>	<u>220,000</u>	<u>(94,623)</u>	<u>5,744,698</u>	<u>5,972,149</u>
Interest	81,712	489,844	31,541	67,884	6,395	677,376	451,690
Proceeds on sale of assets	-	25,930	-	-	-	25,930	538,188
Cash received in lieu of land	-	-	-	-	20,845	20,845	127,812
Annual surplus (deficit)	<u>2,664,398</u>	<u>2,752,409</u>	<u>831,541</u>	<u>287,884</u>	<u>(67,383)</u>	<u>6,468,849</u>	<u>7,089,839</u>
<b>Accumulated surplus, end of year</b>	<b>\$ 5,009,211</b>	<b>\$ 13,752,166</b>	<b>\$ 1,290,558</b>	<b>\$ 3,460,957</b>	<b>\$ 316,120</b>	<b>\$ 23,829,012</b>	<b>\$ 17,360,163</b>

# City of Moncton Schedule 5: Schedule of Operating Budget to PSAB budget

December 31, 2013

	Operating Budget General	Operating Budget Water & Sewer	Capital Budget	MID	Amortization & Pension Adjustment	Transfers	Total
<b>Revenue</b>							
Grant from City of Moncton	\$ -	\$ -	\$ -	270,000	-	(270,000)	-
Warrant for property taxes	114,663,008	-	-	-	-	-	114,663,008
Unconditional grant	10,423,174	-	-	-	-	-	10,423,174
Federal grant in lieu	15,841	-	-	-	-	-	15,841
Government transfers for operating	868,308	-	-	-	-	-	868,308
Government transfers for capital	-	-	5,833,000	229,852	-	-	6,062,852
Other contributions and transfers	-	18,500	6,084,000	268,576	-	(5,652,576)	700,000
Other revenue from own sources	11,312,171	30,638,886	-	-	-	-	11,330,671
Water and sewerage rates	-	3,196,874	-	-	-	(3,196,874)	-
Water supply for fire protection	-	590,000	-	-	-	-	590,000
Interest	-	334,817	-	-	-	(1,762,578)	-
Second previous year's surplus	1,427,761	-	-	-	-	-	-
	<u>138,710,263</u>	<u>34,779,077</u>	<u>11,917,000</u>	<u>768,428</u>	<u>-</u>	<u>(10,882,028)</u>	<u>175,292,740</u>
<b>Expenses</b>							
General government services	16,647,720	-	-	768,428	23,895,765	4,249,108	45,561,021
Protective services	35,766,878	-	-	-	-	(3,196,874)	32,570,004
Transportation services	32,759,689	-	-	-	-	(5,434,400)	27,325,289
Environmental health & development services	7,758,972	-	-	-	-	(1,678,028)	6,080,944
Recreation and cultural services	18,793,573	-	-	-	-	-	18,793,573
Water and sewer	-	23,345,320	-	-	-	2,601,692	25,947,012
Fiscal services	-	-	-	-	-	(23,938,872)	-
Long-term debt repayments	16,825,072	7,113,800	-	-	-	(6,385,800)	-
Interest	3,784,108	2,601,692	-	-	-	-	-
Transfer from the General Operating fund to the General Capital fund	4,445,554	-	-	-	-	(4,445,554)	-
Funding current-year's capital projects – general	1,928,697	-	-	-	-	(1,928,697)	-
Transfer from the Water and Sewer Operating fund to the Water and Sewer Capital fund	-	1,520,000	-	-	-	(1,520,000)	-
	<u>138,710,263</u>	<u>34,580,812</u>	<u>-</u>	<u>768,428</u>	<u>(23,895,765)</u>	<u>(41,677,425)</u>	<u>156,277,843</u>
<b>Surplus (deficit) for the year</b>	<b>\$ -</b>	<b>\$ 198,265</b>	<b>\$ 11,917,000</b>	<b>\$ -</b>	<b>\$ (23,895,765)</b>	<b>\$ 30,795,397</b>	<b>\$ 19,014,897</b>

# City of Moncton

## Schedule 6: Schedule of Reconciliation of Annual Surplus

December 31, 2013

	General Fund	General Capital Fund	General Reserve Funds	W & S Current Fund	W & S Capital Fund	Capital Reserve Funds	W & S Reserve Fund	W & S General Op. Funds	Reserve for Land Dev. Fund	MID	Total All Funds
2013 annual fund surplus (deficit)	\$ 237,519	\$ 39,913,232	\$ 2,664,398	\$ 11,902	\$ 17,207,269	\$ 2,752,410	\$ 287,884	\$ 831,541	\$ (67,383)	\$ 807,332	\$ 64,646,104
<b>Adjustment to annual surplus (deficit) for funding Requirements</b>											
Second previous year's surplus	(1,427,761)	-	-	(334,817)	-	-	-	-	-	-	(1,762,578)
MID - Grant	1,670,017	-	-	-	-	-	-	-	-	(1,670,017)	-
Transfer of Fire Watercosts	3,238,755	-	-	(3,238,755)	-	-	-	-	-	-	-
Transfer of City Hall interest on investment	74,688	-	-	-	-	(74,688)	-	-	-	-	-
Transfer of Capital from Operating	5,434,400	(5,434,400)	-	-	-	-	-	-	-	-	-
Transfer of Capital from Operating library	210,494	(210,494)	-	-	-	-	-	-	-	-	-
Capitol Theatre	(192,039)	-	-	-	-	-	-	-	-	-	(192,039)
Long-term debt principal repayment	16,894,584	(16,894,584)	-	-	-	-	-	-	-	-	-
Long-term debt principal repayment	-	-	-	7,247,000	(7,247,000)	-	-	-	-	-	-
Write-down of leasehold improvements	-	105,555	-	-	-	-	-	-	-	-	105,555
Loss from disposal of tangible capital assets	-	(464,161)	-	-	-	-	-	-	-	-	(464,161)
Equipment sales pending council resolution	-	103,931	-	-	-	-	-	-	-	-	103,931
Provision for retirement liability	689,556	-	-	-	-	-	-	-	-	-	689,556
Amortization expense	-	(16,812,936)	-	-	(6,740,230)	-	-	-	-	(3,390)	(23,556,556)
Pension expense	(342,600)	-	-	-	-	-	-	-	-	-	(342,600)
<b>Total adjustments to 2013 annual surplus (deficit)</b>	<b>26,250,094</b>	<b>(39,607,089)</b>	<b>-</b>	<b>3,673,428</b>	<b>(13,987,230)</b>	<b>(74,688)</b>	<b>-</b>	<b>-</b>	<b>(1,673,407)</b>	<b>-</b>	<b>(25,418,892)</b>
<b>2013 annual surplus (deficit) per PSAB for the year</b>	<b>\$ 26,487,613</b>	<b>\$ 306,143</b>	<b>\$ 2,664,398</b>	<b>\$ 3,685,330</b>	<b>\$ 3,220,039</b>	<b>\$ 2,677,722</b>	<b>\$ 287,884</b>	<b>\$ 831,541</b>	<b>\$ (67,383)</b>	<b>\$ (866,075)</b>	<b>\$ 39,227,212</b>

# City of Moncton

## Schedule 7: Schedule of Government Transfers

December 31, 2013

	<u>Budget</u>	<u>2013</u>	<u>2012</u>
<b>Transfers for operating:</b>			
Provincial contributions	\$ 689,308	\$ 695,334	\$ 700,211
Other local governments	<u>179,000</u>	<u>179,063</u>	<u>179,063</u>
	<u>868,308</u>	<u>874,397</u>	<u>879,274</u>
<b>Transfers for capital:</b>			
Department of Transportation	300,000	1,504,292	42,862
Infrastructure program	-	83,290	51,307
Canadian Heritage	-	-	1,000,000
Regional Development Corporation	-	2,093,055	-
Department of Transportation - designated highways	550,000	258,573	-
Infrastructure Canada - gas tax funding	4,983,000	4,467,804	5,267,640
Other government	-	-	17,699
Provincial contributions - MID	229,852	255,022	269,155
Federal/Provincial contributions - water and sewer	-	6,756,088	10,555,896
	<u>6,062,852</u>	<u>15,418,124</u>	<u>17,204,559</u>
<b>Total government transfers</b>	<u>\$ 6,931,160</u>	<u>\$ 16,292,521</u>	<u>\$ 18,083,833</u>

Government transfers do not include grants in lieu of taxes received from the Federal and Provincial governments.