

Consolidated Financial Statements

City of Moncton

December 31, 2021

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KPMG LLP
774 Main Street, Suite 600, PO Box 827
Moncton NB E1C 8N6
Canada
Tel 506-856-4400
Fax 506-856-4499

INDEPENDENT AUDITORS' REPORT

To Her Worship the Mayor and Member of City Council

Opinion

We have audited the accompanying consolidated financial statements of City of Moncton (the "Entity"), which comprise:

- the consolidated statement of financial position as at end of December 31, 2021
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes and schedules to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at end of December 31, 2020 and its consolidated results of operations, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other 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 Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are/is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.



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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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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 represents the underlying transactions and events in a manner that achieves fair presentation.
- 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.

KPMG LLP

Chartered Professional Accountants

Moncton, Canada

April 21, 2022

City of Moncton

Consolidated Statement of Operations

Year Ended December 31

	PSA <u>Budget</u> (Schedule 5)	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Revenue			
Property Tax Warrant	\$ 146,196,825	\$146,359,497	\$ 143,724,755
Community Funding and Equalization Grant from Provincial Government	3,589,492	3,589,488	3,109,004
Federals grant in lieu	19,641	19,641	17
Government transfers for operating (Schedule 1)	1,755,843	5,909,357	5,134,703
Other revenue from own sources (Schedule 1)	9,866,379	18,000,726	12,764,851
Water and wastewater revenue (Schedule 1)	35,670,817	36,094,827	36,707,446
Interest	827,496	2,492,277	2,795,982
	<u>197,926,493</u>	<u>212,465,813</u>	<u>204,236,758</u>
Expenses (Schedule 2)			
General government services	54,940,124	62,803,421	56,192,057
Protection services	44,156,113	44,108,040	42,227,306
Transportation services	29,571,961	28,809,690	28,068,649
Environmental health and development services	11,238,425	12,408,928	11,811,501
Recreation and cultural services	16,386,965	16,859,310	16,105,777
Water and wastewater	26,023,183	25,280,049	24,868,392
	<u>182,316,771</u>	<u>190,269,438</u>	<u>179,273,682</u>
Annual surplus before capital contributions	15,609,722	22,196,375	24,963,076
Other contributed assets for capital (Schedule 1)	–	8,453,429	7,901,906
Government transfers for capital (Schedule 1)	33,905,081	24,341,195	16,204,000
Annual surplus	49,514,803	54,990,999	49,068,982
Accumulated surplus, beginning of year	<u>784,188,748</u>	<u>784,188,748</u>	<u>735,119,766</u>
Accumulated surplus, end of year	<u>\$ 833,703,551</u>	<u>\$ 839,179,747</u>	<u>\$ 784,188,748</u>

See accompanying notes and schedules to the consolidated financial statements.

City of Moncton

Consolidated Statement of Financial Position

Year Ended December 31


	<u>2021</u>	<u>2020</u>
Financial assets		
Cash and cash equivalents	\$ 56,277,385	\$ 49,678,033
Restricted cash (Note 2)	5,015,693	4,333,721
Receivables (Note 3)	37,874,924	29,884,867
Mortgage receivable (Note 4)	1	1
Long-term investments (Note 5)	-	6,778,286
Land and land development (Note 6)	29,801,527	30,581,020
Unamortized debenture discounts	1,415,307	1,517,430
Accrued pension asset (Note 11)	<u>38,823,700</u>	<u>32,146,000</u>
	<u>169,208,537</u>	<u>154,919,358</u>
Liabilities		
Payables and accruals (Note 8)	41,970,321	31,929,843
Forgivable loan payable (Note 9)	2,198,035	3,527,888
Long-term debt (Note 10)	172,614,000	200,245,918
Post employment benefits payable (Note 12)	<u>12,532,100</u>	<u>11,929,400</u>
	<u>229,314,456</u>	<u>247,633,049</u>
Net debt	<u>(60,105,919)</u>	<u>(92,713,691)</u>
Non-financial assets		
Tangible capital assets (Note 13)	895,669,156	873,215,753
Inventory of supplies	2,368,969	2,806,014
Prepays	<u>1,247,541</u>	<u>880,672</u>
	<u>899,285,666</u>	<u>876,902,439</u>
Accumulated surplus	<u>\$ 839,179,747</u>	<u>\$ 784,188,748</u>

Commitments and contingencies (Note 17)

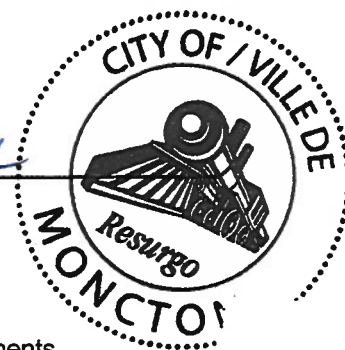
On behalf of the council



 Mayor



 Deputy Clerk



See accompanying notes and schedules to the consolidated financial statements.

City of Moncton

Consolidated Statement of Changes in Net Debt

Year Ended December 31

2021

2020

Annual surplus	\$ 54,990,999	\$ 49,068,982
Acquisition and donation of tangible capital assets	(61,206,058)	(53,273,842)
Proceeds on disposal of tangible capital assets	406,425	366,707
Amortization of tangible capital assets	38,573,632	37,170,567
(Gain) loss on tangible capital assets	(227,402)	21,667
Change in prepaids	(366,869)	(45,038)
Change in inventory of supplies	437,045	(709,585)
	<u>(22,383,227)</u>	<u>(16,469,524)</u>
Decrease in net debt	32,607,772	32,599,458
Net debt, beginning of year	<u>(92,713,691)</u>	<u>(125,313,149)</u>
Net debt, end of year	<u>\$ (60,105,919)</u>	<u>\$(92,713,691)</u>

See accompanying notes and schedules to the consolidated financial statements.

City of Moncton

Consolidated Statement of Cash Flows

Year Ended December 31

2021

2020

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

Operating activities

Annual surplus	\$ 54,990,999	\$ 49,068,982
Items not affecting cash:		
Amortization of tangible capital assets	38,573,632	37,170,567
Amortization on Land Development Costs	6,003,149	4,121,304
(Gain) loss on sale of tangible capital assets	(227,402)	21,667
Donated infrastructure	(7,611,966)	(6,737,070)
Change in accrued pension asset	(6,677,700)	(6,818,100)
Change in other post employment benefits	602,700	557,300
Change in debenture discounts	102,123	(30,800)
Loan forgiveness	(1,329,853)	(1,052,548)

Changes in non-cash working capital:

Change in receivables	(7,990,057)	(3,279,248)
Change in payables and accruals	10,040,479	(6,690,046)
Change in supplies inventory	437,045	(709,584)
Change in prepaids	(366,869)	(45,038)

Net cash provided by operating activities

86,546,280 65,577,386

Capital transactions

Acquisition of tangible capital assets	(53,594,092)	(46,536,773)
Proceeds on sale of tangible capital assets	406,425	366,707

Net cash used for capital transactions

(53,187,667) (46,170,066)

Financing activities

Issuance of long-term debt	14,415,000	42,282,918
Repayment of long-term debt	(42,046,918)	(40,054,273)

Net cash provided by (used for) financing activities

(27,631,918) 2,228,645

Investing activities

Purchases in land and land development	(5,223,656)	(4,915,810)
Change in long-term investments	6,778,286	(729,480)

Net cash used for investing activities

1,554,630 (5,645,290)

Increase in cash and cash equivalents

7,281,324 15,990,675

Cash and cash equivalents at beginning of year

54,011,754 38,021,079

Cash and cash equivalents at end of year

\$61,293,078 \$ 54,011,754

Summary of cash and cash equivalents:

Cash	\$ 56,277,385	\$ 49,678,033
Restricted cash	5,015,693	4,333,721
Cash and cash equivalents at end of year	\$ 61,293,078	\$ 54,011,754

See accompanying notes and schedules to the consolidated financial statements.

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2021

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

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

1. Summary of significant accounting policies

Basis of presentation

The consolidated financial statements of the Corporation of the City of Moncton have been prepared in accordance with Canadian public sector accounting standards. These consolidated financial statements include the additional disclosure requirements by the Department of Local Government of New Brunswick.

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

a) **Basis of consolidation**

These consolidated financial statements reflect the assets, liabilities, revenues, expenses, changes in accumulated surplus and change in financial position of the reporting entity. The City of Moncton 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 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 are recognized as deferred revenue where transfer stipulations have not been met and revenue is recognized as the stipulations are settled.

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.

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2021

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:

Asset type	Years
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.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

f) Inventories of 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 and land development

Land held for resale in Moncton Industrial Development Limited is carried at the lower of cost and net realizable value. Moncton Industrial Development Limited sole business purpose is to sell commercial land for development purpose. 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 expensed as cost of lot sales.

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.

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2021

1. Summary of significant accounting policies (continued)

i) Long-term debt

Long-term debt is recorded net of any related sinking fund balances.

j) Employee future benefits

The City and its employees contribute to the City of Moncton Municipal Pension Plan, a jointly trusted 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.

k) Budget

The budget figures contained in these consolidated financial statements were approved by Council on November 6, 2020 and the Minister of Local Government approved the General and Utility Operating Budgets on December 7, 2020, and the Capital Budget on January 11, 2021.

l) 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 wastewater 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 wastewater 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 Local Governance 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.

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2021

1. Summary of significant accounting policies (continued)

m) Segmented information

The City of Moncton 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 wastewater services including the maintenance and operation of the underground networks, treatment plants, reservoirs and lagoons.

n) Revenue recognition

Taxation Revenue represents annual levy administered and collected by the Province of New Brunswick on behalf of all New Brunswick Municipalities for municipal services they are recorded as warrant of assessment as the funds are received to the City.

Government Transfers are recognized as revenue in the period that the transfer is authorized, eligibility criteria, if any, have been met by the City, and a reasonable estimate of the amount to be received can be made.

Fee and charge revenue for building permits; water and wastewater, and transportation are recorded on the accrual basis and recognized as earned which is usually when services are provided or facilities are utilized.

Other revenues are recorded when it is earned, and collection is reasonably assured.

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2021

1. Summary of significant accounting policies (continued)

o) 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 acquired in the current year are accrued at the balance sheet date.

p) Trusts Funds

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

q) Liability for contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the City:
 - is directly responsible; or
 - accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

r) 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.

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2021

2. Restricted cash

Restricted cash is comprised of the following:

	<u>2021</u>	<u>2020</u>
Deposits on program funding – Transportation		
Discovery Centre	\$ 381,140	\$ 377,727
Deposit on Gas Tax program funding	497,955	1,477,507
Tourism Accommodation Levy	2,281,530	1,297,829
Deposits on land - MID	203,400	153,206
Cash held to pay performance rebates on land sales - MID	1,651,668	1,027,452
	<u>\$ 5,015,693</u>	<u>\$ 4,333,721</u>

3. Receivables

Capital Receivables

	<u>2021</u>	<u>2020</u>
Federal/Provincial government - capital contributions	\$17,653,967	\$ 8,583,263
Warren Gate Investments Inc.	260,458	260,458
Private/Other Capital Contribution	321,830	–
Moncton Industrial Development	–	14,398
	<u>18,236,255</u>	<u>8,858,119</u>

Operating receivables

Federal/Provincial government - HST	2,791,732	1,514,733
Moncton Wildcats Junior Hockey Club Limited	1,778,315	1,853,898
Town of Riverview	1,179,518	23,450
Curl Moncton	1,136,692	1,136,692
Other – various (net of allowance)	920,560	1,046,003
ASM Global	837,705	–
Moncton Arena Partners	622,100	81,684
Moncton High School Field Committee	418,610	568,610
Moncton Squash Club	116,672	116,672
Friends of the Zoo	107,400	50,000
Royal Oaks Estates Inc	98,736	98,736
Shoppers Drug Mart	98,321	51,292
Gulf Fisheries Centre	58,750	–
Local improvements	48,568	179,636
City of Dieppe	45,848	131,760
Mountainway Developments Inc.	40,211	–
Sewer construction improvements	38,870	46,665
Magnetic Hill Wharf Village	27,495	24,399
Magic Mountain Water Park Ltd.	9,737	138,973
Indoor Sports Management	9,387	12,438
Théâtre Capitol Theatre Inc.	8,384	8,381
Federal/Provincial government - Operating	7,418	3,509,490
Universite de Moncton	1,924	10,620
Moncton Football Assoc Incorporated	100	75,063
	<u>10,403,053</u>	<u>10,679,195</u>
Water and wastewater receivables	8,508,813	9,730,569
Moncton Industrial Development Limited receivables	726,803	616,984
	<u>\$37,874,924</u>	<u>\$ 29,884,867</u>

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2021

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

In 2020, the long-term investment of **\$6,778,286** represented amounts deposited for the benefit of the City with a Third Party in accordance with the Moncton Place lease agreement. Under the lease agreement, monthly deposits were 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 ending in 2021.

In 2021, the City exercised its option to purchase City Hall at an amount of **\$7,104,646** plus HST and utilized the proceeds from this long term investments for this purchase.

6. Land and land development

The City has invested in land and land development costs of **\$70,068,152** consisting of the Caledonia Industrial Park of **\$32,224,735**, Moncton Industrial Park of **\$12,194,412**, West TCH Land **\$767,706**, New Business Park Development of **\$19,466,745** and other land **\$5,414,554** for a future industrial park. Land and land development costs net of the cost of lots sold to date is **\$29,801,527**.

7. Bank indebtedness

Bank indebtedness for operating purposes is within the limit prescribed by the Local Governance Act, and the Municipal Capital Borrowing Board has approved the short-term borrowing outstanding in the Capital Fund at the end of the year. 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.

During the year, The City of Moncton has secured a guarantee to Moncton Industrial Development by way of credit facility with the Royal Bank of Canada with a limit of **\$22** million to assist in providing cash flow requirements for Moncton Industrial Development as needed throughout the year. The line of credit bears interest at the bank prime rate less one percent with repayment done on demand. As at December 31, 2021, **\$15,755,000** was outstanding on the line of credit which is included in cash and cash equivalents in the statement of financial position.

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2021

8. Payables and accruals

	<u>2021</u>	<u>2020</u>
Accounts payable and commitments	\$ 24,375,524	\$ 22,307,576
Payable to the Policing Authority	10,617,243	4,533,333
Contractors' holdbacks	4,463,065	3,306,792
Interest on long-term debt	423,810	462,333
Moncton Industrial Development Limited payables, accruals and deposit on land	2,055,418	1,284,548
Local improvement deposits	<u>35,261</u>	<u>35,261</u>
	<u>\$ 41,970,321</u>	<u>\$ 31,929,843</u>

Payables and accruals include an amount for contaminated sites of \$444,760 (2020 - (\$429,760)). The amount is an estimate done by the internal environmental engineers.

9. Forgivable loan payable

On July 12, 2018, the Province of New Brunswick (Regional Development Corporation) ("RDC") issued a forgivable loan to the City of Moncton in the amount of \$10,994,646 for Moncton's Downtown Event Centre (the "project").

Forgiveness

Based on the agreement in place, RDC will forgive the loan in the following manner:

Initial forgiveness

Completion and commissioning of the project	36%
Completion and commissioning of the project on or before the date agreed by the parties	7%
Completion of the project within the budget agreed by the parties	7%

Total initial forgiveness

50%

From 2018 to 2032 inclusive, RDC will grant additional forgiveness, up to a maximum of 50% of the Principal Sum, in annual increments equal to the amount of the tax revenue generated by the Project.

The forgivable loan is non-interest bearing unless the City defaults on the agreement, at which time the forgiveness of the loan will cease immediately and interest at a rate of 3% per annum calculated semi-annually, will be charged on the outstanding loan balance from date of advance.

On or before January 31, 2033, any principal amount remaining will need to be repaid with interest.

Forgivable loan, ending balance December 31, 2020	<u>2021</u> \$ 3,527,888
Forgiveness amount - 2021	<u>(1,329,853)</u>
Forgivable loan, ending balance December 31, 2021	\$ 2,198,035

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2021

10. Long-term debt		2021	2020
New Brunswick Municipal Financing Corporation			
Debentures:			
BE21	1.65% - 4.25%, due 2021, OIC #08-0014, #09-0025, #10-0018	\$ -	\$ 1,593,000
BE22	1.65% - 4.25%, due 2021, OIC #09-0025, #10-0018	-	612,000
BF9	1.35% - 3.45%, due 2021, OIC #09-0025, #10-0018	-	713,000
BG10	1.65% - 3.4% due 2022, OIC#06-19, #08-14, #09-0025, #10-0018, #10-0068, #11-0038, #11-0100	1,506,000	2,985,000
BH12	1.35%-3.1% due 2022, OIC#06-19, #08-14, #09-0025, #09-0072, #10-0018, #11-0038, #12-0016	205,000	404,000
BH13	1.35%-3.1% due 2022 OIC#06-19, #07-15, #08-14, #09-0025, #10-0018, #11-0038	1,044,000	2,058,000
BI9	1.35% - 3.25%, due 2023, OIC #09-0025, #10-0018, #11,0038, #12-0016	1,366,000	2,024,000
BI10	1.35% - 3.25%, due 2023, OIC #09-0025, #12-0016	343,000	508,000
BJ10	1.25% - 3.70%, due 2023, OIC #09-0025, #10-0018, #10-0068, #11-0038 #12-0016, #13-0010	2,152,000	3,176,000
BJ11	1.25% - 3.70%, due 2023, OIC #06-0019, #08-0014, #09-0025, #10-0018 #11-0038, #12-0016	798,000	1,178,000
BK6	1.15% - 3.45%, due 2024, OIC #06-0019, # 09-0025, #10-0018, #11-0038, #12-0016, #13-0010, #13-0012	830,000	1,092,000
BK7	1.15% - 3.45%, due 2024, OIC #08-0014, #09-0025, #10-0018, #11-0038, #12-0016, #13-0010	954,000	1,255,000
BL8	1.20% - 3.10%, due 2024, OIC #10-0018, #11-0038, #12-0016, #13-0010 #14-0019	892,000	1,174,000
BL9	1.20% - 3.70%, due 2034, OIC #05-0016, #06-0019, #07-0015, #09-0025, #10-0018, #11-0038, #13-0010, #14-0019	14,227,000	15,157,000
BM8	0.95% - 2.80%, due 2025, OIC #08-0014, #09-0025, #09-0072, #10-0018, #11-0038, #12-0016, #13-0012, #14-0019	3,256,000	4,025,000
BL9	1.20% - 3.70%, due 2035, OIC #05-0016, #06-0019, #07-0015, #09-0025, #10-0018, #11-0038, #13-0010, #14-0019	4,240,000	5,207,000
BP8	1.45% - 2.90%, due 2026, OIC #09-0025, #11-0038, #12-0016, #13-0010, #13-0012, #14-0019, #15-0020, #15-0041	2,678,000	3,564,000
BP8	1.20%-2.95%, due 2026, OIC#10-0018, #11-0038, #12-0016, #13-0010, #14-0019, #15-0020, #16-0018	3,489,000	4,261,000
BQ8	1.20%-2.70%, due 2027, OIC#12-0016, #13-0010, #14-0019, #15-0020, #15-0041, #16-0018, #16-0027	3,098,000	3,834,000
BR6	1.65%-2.90%, due 2027, OIC#12-0016, #13-0010, #14-0019, #15-0020 #16-0018, #17-0008	5,677,000	6,636,000
BT8	2.10%-3.70%, due 2038, OIC#10-0018, #11-0038, #12-0016, #13-0010, #14-0019, #15-0020, #15-0054, #16-0018, #17-0008	59,017,000	62,934,000
BU7	2.55%-3.40%, due 2028, OIC#14-0019, #15-0020, #15-0041, #16-0018, #17-0008 #18-0041	4,718,000	5,692,000
BU8	2.55%-3.40%, due 2028, OIC#13-0010, #14-0019, #15-0020, #16-0018 #17-0008, #18-0014	6,972,000	7,911,000
BW11	1.95%-2.45%, due 2029, OIC#14-0019, #15-0020, #16-0018, #17-0008 #18-0014, #19-0013	11,070,000	12,823,000
BW12	1.95%-2.10%, due 2024, OIC#16-0018, #17-0008, #18-0014, #19-0013	5,412,000	7,147,000
BX7	.90%-2.05%, due 2030, OIC#15-0020, #17-0008, #18-0014, #19-0013 #19-0031, #19-0065	5,863,000	6,666,000
BY11	0.50%-1.80%, due 2030, OIC#15-0020, #16-0018, #17-0008, #18-0014, #19-0013, #19-0031, #20-0009	9,215,000	10,348,000
BX8	0.90%-1.5%, due 2025, OIC#17-0008, #18-0014, #19-0013	4,679,000	5,816,000
BY12	.50%-1.10%, due 2025, OIC#17-0008, #18-0014, #19-0013, #20-0009	4,498,000	5,605,000
CA9	0.855%-2.378%, due 2031, OIC#15-0020, 18-0014, 19-0013, 19-0065, 20-0009, 21-0005	7,928,000	-
CA10	0.855%-2.1786%, due 2026, OUC#17-008, 18-0014, 20-0009, 21-0005	6,487,000	-
		\$ 172,614,000	\$ 186,398,000

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2021

10. Long-term debt (continued)	<u>2021</u>	<u>2020</u>
<u>Scotiabank Bankers Acceptance - Moncton Industrial Development Limited</u>		
Expiry date of April 30, 2022	—	13,847,918
	<u>\$ 172,614,000</u>	<u>\$200,245,918</u>

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

2022	\$ 27,541,000	2025	\$ 18,239,000
2023	24,882,000	2026	13,698,000
2024	21,997,000		

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. At December 31, 2021, the City has an approval to borrow up to an additional **\$26,908,000**.

11. Accrued pension asset

Pension benefits are provided to employees of The City of Moncton under the Pension Plan for the Employees of the City of Moncton 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 March 2014, the City's contribution limit was increased to 10% of employee earnings.

Employees make contributions equal to 10% of earnings, and the City contributes an equal amount. The contribution by the City in the year was **\$4,607,800** (2020 - \$4,500,700). Total benefit payments to retirees during the year were **\$14,595,000** (2020 - \$12,974,700). A separate pension fund is maintained. The City is in a net funded position at December 31, 2021, as follows:

	<u>2021</u>	<u>2020</u>
Fair market value of plan assets	\$ 352,378,500	\$ 329,785,200
Accrued benefit obligation	(272,147,500)	(271,904,200)
Funded status	80,231,000	57,881,000
Unamortized actuarial gain	(41,407,300)	(25,735,000)
Accounting pension asset	\$ 38,823,700	\$ 32,146,000

Actuarial valuations for accounting purposes are performed triennially using the projected benefit method prorated on services. The accrued benefit obligation shown for 2021 is extrapolated from the pension valuation performed by the City's actuaries, William M. Mercer Limited, carried out effective December 31, 2019.

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2021

11. Accrued pension asset (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>2021</u>	<u>2020</u>
(a) Discount rate	5.80%	5.60%
(b) Rate of compensation increases	2.50%	2.50%
(c) Rate of inflation	2.00%	2.00%
Mortality	115% of the rates of the CPM-2014 Public mortality table with MI-2017 projections scale	
Retirement age	Age-related tables	
	<u>2021</u>	<u>2020</u>
Current period benefit cost	\$ 8,740,200	\$ 7,897,300
Amortization of actuarial (gains) losses	<u>(2,938,100)</u>	<u>(2,670,800)</u>
	5,802,100	5,226,500
Less: employee contributions	<u>(4,607,600)</u>	<u>(4,500,700)</u>
Pension (recovery) / expense	1,194,500	725,800
Interest recovery on the average accrued benefit asset	<u>(3,264,400)</u>	<u>(3,043,200)</u>
Total recovery related to pension	<u>\$ (2,069,900)</u>	<u>\$ (2,317,400)</u>

Current period pension benefits are allocated to their respective service line based on the employees in each service line. Actuarial gains and losses and interest gains or expenses are presented in general government services.

	Percentage of Plan Assets	
	<u>2021</u>	<u>2020</u>
Benefits plan assets consist of:		
Bonds	30.00%	30.00%
Canadian and foreign equities	38.50%	38.50%
Infrastructure	10.50%	10.50%
Hedge Fund	7.00%	7.00%
Other (Private equity, Private debt, Opportunistic fixed income)	<u>14.00%</u>	<u>14.00%</u>
	<u>100.00%</u>	<u>100.00%</u>

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2021

12. Sick and other post-employment liabilities

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

	<u>2021</u>	<u>2020</u>
Employee benefits obligations:		
Vested benefits	\$ 8,002,500	\$ 8,518,900
Unamortized actuary gains (losses)	338,100	(236,300)
Non-vested benefits	5,342,300	5,311,200
Unamortized actuary losses non-vested	<u>(1,150,800)</u>	<u>(1,664,400)</u>
Accrued employee benefit obligation	\$ 12,532,100	\$ 11,929,400
Accrued employee benefit obligation	\$ 12,532,100	\$ 11,929,400
Less funded amount	<u>(7,613,574)</u>	<u>(6,942,896)</u>
Unfunded employee benefit obligation	4,918,526	4,986,504
Less non-vested benefits	<u>(4,191,500)</u>	<u>(3,646,800)</u>
Vested benefits to be funded from future revenue	\$ 727,026	\$ 1,339,704
Benefit expense in the year	\$ 1,693,300	\$ 1,506,800

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 2.50% (2020 - 2.50%);
- the discount rate used to determine the accrued benefit obligation is 2.40% (2020 - 1.80%);
- retirement age is 65 (2020 age 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, 2021

13. Consolidated tangible capital assets

	General Capital Assets						Water and Wastewater Assets					
	Land	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer, Hardware and Software	Land and Improvements	Construction under	Road, Streets, Sidewalks, Culverts	W&W Buildings and Leasehold Improvements	Water and Wastewater	Assets under Construction	2021	2020
Cost												
Opening cost	\$ 33,703,792	\$ 208,097,904	\$ 68,261,174	\$ 15,497,486	\$ 76,351,545	\$ 12,141,531	\$ 372,994,775	\$ 102,490,749	\$ 495,731,318	\$ 6,686,265	\$ 1,404,430,247	\$ 1,355,659,410
Additions and transfers	175,372	12,566,056	1,917,730	957,952	5,566,302	15,594,822	6,715,755	-	11,035,939	23,951,316	78,481,244	65,274,057
Transfers from WIP	-	-	-	-	-	(8,483,094)	-	-	-	(8,792,092)	(17,275,186)	(12,000,215)
Disposals and transfers	-	-	(1,698,032)	-	-	-	(522,298)	-	(180,200)	-	(2,400,528)	(4,503,005)
Closing cost	33,879,164	220,663,960	68,480,872	16,455,438	81,917,847	19,253,259	379,188,234	102,490,749	506,587,057	21,845,489	1,463,235,777	1,404,430,247
Accumulated amortization												
Opening accumulated Amortization	-	(56,763,169)	(45,373,005)	(12,164,722)	(35,792,930)	-	(173,191,928)	(44,755,504)	(154,534,738)	-	(531,214,494)	(498,158,658)
Amortization	-	(6,022,045)	(3,987,669)	(1,203,393)	(4,308,262)	-	(11,706,359)	(3,728,209)	(7,256,080)	-	(38,573,632)	(37,170,467)
Disposals and transfers	-	-	1,698,031	-	-	-	403,881	-	119,593	-	2,221,505	4,114,631
Closing accum'd amortization	-	(62,785,214)	(47,662,643)	(13,368,115)	(40,101,192)	-	(184,494,406)	(48,483,713)	(161,671,225)	-	(567,566,621)	(531,214,494)
Asset net book value	\$ 33,879,164	\$ 157,878,746	\$ 22,818,229	\$ 3,087,323	\$ 41,816,655	\$ 19,253,259	\$ 194,693,828	\$ 54,007,036	\$ 344,915,832	\$ 21,845,489	\$ 895,669,156	\$ 873,215,753

*During the year, the City received donated infrastructure of \$7,611,970 from subdivision developers.

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2021

14. Short-term borrowings compliance

Operating borrowing

As prescribed in the *Local Governance Act*, borrowing to finance General Fund operations is limited to 4% of the Municipality's operating budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2021, the Municipality has complied with these restrictions.

Inter-fund borrowing

The Municipal Financial Reporting Manual required that short term inter-fund borrowings be repaid in the next year unless the borrowing is for a capital project. The amounts payable between Funds are following the requirements.

15. Water and wastewater fund surplus/deficit

The City employs an annual balanced budget approach is within the allowable practice under the *Local Governance Act*.

16. Water cost transfer

The City's water cost transfer for fire protection is within the maximum allowable by Regulation 2020-52 under the *Local Governance Act* based upon the applicable percentage of water system expenditures for the population.

17. Commitments and contingencies

Commitments

- (a) Under the terms of a lease for the City library and now assigned to SOT NLNB Inc. the City is responsible for the proportionate share of the common area operating costs. In 2021 this approximated **\$612,607** and approximately **46.1%** was recovered from the Province under a sub-lease for its proportionate share of the costs. The lease expires in 2053.
- (b) 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 was for twenty years with a ten year renewal option. The City renewed its service level agreement with Moncton 4Ice Sports Inc. for an additional 10-years, ending in 2032. The current service fee expires in October 2022 upon which a new service fee will be determined between the parties for the next 10 years.
- (c) City Council has approved total commitments of **\$3,402,420** to community organizations.
- (d) In 2017, the City entered into a new 10-year agreement for radio equipment with New Brunswick Trunked Mobile Radio (NBTMR) for a system access subscription fee, at a recurring monthly cost of **\$5,290**, for a total projected operating cost of **\$634,897**, plus HST at 15%.
- (e) City has entered into a number of multi-year contracts for the delivery of services, the construction of assets, business improvement grants, and operating leases. These contract obligation will become liabilities in the future when the terms of the contract are met.

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2021

17. Commitments and contingencies (continued)

- (f) City Council has approved a total commitment of **\$6,000,000** over 3 years to the Rising Tide Community Initiatives Inc. At December 31, 2021, **\$4,000,000** remains unpaid.

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 expired on December 31, 2015. City Council reinstated the fixed loan guarantee that is to be reviewed on an annual basis. At December 31, 2021, the guarantee stands at **\$150,000**.
- b) 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.

18. Reclassification

Certain amounts in the prior year presented have been reclassified to conform to the current year financial statement presentation. These reclassifications have not any impact on previously reported Surplus.

City of Moncton

Schedule 1: Consolidated Schedule of Revenues

Year ended December 31, 2021	2021	2021	2020
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Government transfers for operating			
Canadian Museum Association – Provincial	\$ 60,000	\$ 60,000	\$ 60,000
Heritage Canada	–	100,000	100,000
Immigration, Refugees and Citizenship Canada	–	170,168	112,271
Other Local Governments	1,016,309	1,016,312	931,040
Province of New Brunswick- Destinations Canada	–	–	167,000
Province of New Brunswick- COVID Safe Restart	–	3,902,563	2,565,378
Province of New Brunswick- Municipal Transit	–	–	500,000
Dept. of Transportation- Designated highway	679,534	660,314	699,014
	<u>\$ 1,755,843</u>	<u>\$ 5,909,357</u>	<u>\$ 5,134,703</u>
Other revenue from own sources			
Licenses and permits- building permits	\$ 1,452,740	\$ 2,442,008	\$ 1,361,051
- other	531,750	721,333	604,774
Fines and fees	339,000	84,297	204,829
Parking	1,781,954	1,404,271	1,387,121
Rent	16,179	16,179	33,687
Miscellaneous	449,760	504,604	434,723
Protection	31,500	50	–
Transportation -other	113,025	123,599	111,763
Public transit	2,776,988	3,128,241	2,619,379
Magnetic Hill Zoo	1,273,856	1,668,932	1,185,482
Magnetic Hill Park	75,803	86,972	72,835
Other recreational	421,834	1,457,057	845,446
Coliseum - Agrena	556,972	738,720	714,969
Gain (loss) on sale and write-off of tangible assets	–	(179,023)	(388,374)
Cash received in lieu	–	19,680	59,394
Other / Misc. Income	–	406,425	677,735
Water and wastewater other revenue	45,018	21,937	32,686
MID –land and other	–	5,355,444	2,807,351
	<u>\$ 9,866,379</u>	<u>\$ 18,000,726</u>	<u>\$ 12,764,851</u>
Water and wastewater revenue			
Water user charges	\$ 19,957,177	\$ 20,254,311	\$ 20,531,502
Wastewater user charges	7,333,800	7,418,408	7,814,264
Wastewater treatment levy	8,379,840	8,422,108	8,361,680
	<u>\$ 35,670,817</u>	<u>\$ 36,094,827</u>	<u>\$ 36,707,446</u>
Other contributions for capital			
Donated assets – developers	\$ –	\$ 7,611,970	\$ 6,737,071
Organizations and individuals	–	699,350	1,140,913
Local improvement and branch sewer recoveries	–	142,109	23,922
	<u>\$ –</u>	<u>\$ 8,453,429</u>	<u>\$ 7,901,906</u>
Government transfers for capital			
Department of Transportation and Infrastructure	\$ 430,000	\$ 4,765,445	\$ 208,447
Infrastructure Canada – gas tax funding	5,082,000	10,239,212	5,027,163
Federal Rail Safety Infrastructure	–	212,600	974,587
Regional Development Corporation	–	–	2,433,763
Infrastructure Bi-lateral Agreement	13,965,977	6,912,309	3,190,735
Province of New Brunswick – Forgivable Loan	–	1,329,853	1,052,548
Provincial contributions - MID	427,104	460,990	676,647
Federal/Provincial contributions - water and wastewater	14,000,000	420,786	2,640,110
	<u>\$ 33,905,081</u>	<u>\$ 24,341,195</u>	<u>\$ 16,204,000</u>

City of Moncton

Schedule 2: Consolidated Schedule of Expenses

Year Ended December 31	2021	2021	2020
	Budget	Actual	Actual
General government services			
Mayor and Councillors	\$ 719,427	\$ 653,515	\$ 578,292
City Manager and Internal Audit	458,070	170,223	214,099
Corporate services	145,513	148,488	149,049
Finance and administration	1,694,542	1,472,187	1,533,826
Information systems	2,227,436	2,025,399	2,046,723
Human resources	1,313,437	1,184,905	1,148,118
Legislative services	957,737	967,949	902,652
City Hall building	997,746	1,056,449	1,892,551
Corporate communications	913,745	842,166	762,331
Other general administration	3,890,735	4,124,270	3,575,454
Service Moncton	98,844	107,311	24,719
Grants	2,052,888	4,063,518	1,719,811
Corporate planning and policy development	355,349	344,369	345,175
Moncton Industrial Development Limited	816,718	902,516	974,175
	<u>\$ 16,642,187</u>	<u>\$ 18,063,265</u>	<u>\$ 15,866,975</u>
Amortization of tangible assets	38,573,632	38,573,632	37,170,567
Amortization of development costs - MID	-	6,003,150	4,121,304
Interest	4,455,432	4,645,436	4,936,983
Pension	(6,677,700)	(6,677,700)	(6,818,100)
Post-retirement liabilities	1,481,573	1,413,595	1,030,389
Contaminated sites expense	-	444,760	(429,760)
Deferred facility and energy maintenance cost	465,000	337,283	313,699
	<u>\$ 54,940,124</u>	<u>\$ 62,803,421</u>	<u>\$ 56,192,057</u>
Protection services			
Police	\$ 23,272,106	\$ 23,312,372	\$ 22,473,867
Fire	17,173,404	17,481,107	16,512,847
Building inspection	1,721,575	1,502,928	1,463,447
Other protective services	1,989,028	1,811,633	1,777,145
	<u>\$ 44,156,113</u>	<u>\$ 44,108,040</u>	<u>\$ 42,227,306</u>
Transportation services			
Engineering administration	\$ 1,884,832	\$ 1,771,132	\$ 1,534,439
Facilities	1,361,837	1,280,273	1,375,088
Roads, streets and equipment	10,702,011	10,678,851	9,713,509
Street lighting	2,655,656	2,621,867	2,611,950
Traffic and parking	1,444,027	1,420,085	1,681,601
Public transit	10,571,293	10,191,392	10,259,890
Other transportation	952,305	846,090	892,172
	<u>\$ 29,571,961</u>	<u>\$ 28,809,690</u>	<u>\$ 28,068,649</u>
Environmental health and development services			
Garbage and waste collection	\$ 3,466,811	\$ 3,441,858	\$ 3,418,471
Planning commission	80,265	80,265	71,093
Development	3,975,289	4,002,633	4,374,452
Magnetic Hill Zoo	2,850,948	3,009,040	2,498,807
Magnetic Hill Park and Magnetic Hill Concert Site	363,523	325,121	302,818
Immigration	120,871	267,694	118,288
Tourism	380,718	1,282,317	1,027,572
	<u>\$ 11,238,425</u>	<u>\$ 12,408,928</u>	<u>\$ 11,811,501</u>

City of Moncton

Schedule 2: Consolidated Schedule of Expenses, continued

Year Ended December 31

2021

2021

2020

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Recreation and cultural services			
Parks and Leisure services	\$ 7,040,410	\$ 7,276,011	\$ 7,060,942
Library	474,129	445,287	419,530
Capitol Theatre grant	499,335	562,634	854,132
Senior's Citizens	101,190	98,917	95,293
Events and venues	1,235,329	1,116,235	1,050,868
Museum	1,165,295	1,073,415	1,098,602
Avenir Centre	393,303	278,086	278,918
Arenas	2,770,809	2,979,668	2,482,199
Moncton Stadium	73,689	51,574	68,875
William House / Treitz Haus	96,509	137,309	110,891
Coliseum - Agrena	2,344,250	2,668,691	2,436,427
Other cultural programs and services	<u>192,217</u>	<u>171,483</u>	<u>149,100</u>
	<u>\$ 16,386,465</u>	<u>\$ 16,859,310</u>	<u>\$ 16,105,777</u>
Water and wastewater expenses			
Water supply			
Administration	\$ 4,422,395	\$ 4,377,577	\$ 4,576,164
Interest	1,428,249	1,357,757	1,763,036
Transmission and distribution	3,827,199	3,164,942	3,004,685
Purification and source of supply	719,068	610,872	1,089,716
Power and pumping	591,942	588,343	697,894
Water treatment charges	<u>2,884,817</u>	<u>3,123,718</u>	<u>2,314,067</u>
	<u>\$ 13,873,670</u>	<u>\$13,223,209</u>	<u>\$ 13,445,562</u>
Wastewater collection and disposal			
Administration	\$ 1,622,854	\$ 1,623,304	\$ 1,715,182
Interest	829,549	769,054	633,802
Maintenance	1,320,270	1,284,642	724,377
Wastewater treatment charges	<u>8,379,840</u>	<u>8,379,840</u>	<u>8,349,469</u>
	<u>\$ 12,152,513</u>	<u>\$ 12,056,840</u>	<u>\$11,422,830</u>
Total water and wastewater	<u>\$ 26,026,183</u>	<u>\$ 25,280,049</u>	<u>\$ 24,868,392</u>

City of Moncton Schedule 3: Schedule of Segment Disclosure

December 31, 2021

	General Government		Environmental Health & Development				Water & Wastewater		MID		2020 Consolidated	
Revenues												
Property Tax Warrant *	\$ 146,359,497	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 146,359,497	\$ 143,724,755	
Community Funding and Equalization												
Grant from Provincial Government *	3,589,488	-	-	-	-	-	-	-	-	3,589,488	3,109,004	
Federal grant in lieu	19,641	-	-	-	-	-	-	-	-	19,641	17	
Government transfers for operating	3,902,563	1,016,312	660,314	170,168	160,000	-	-	-	-	5,909,357	5,134,703	
Other revenue from own sources	767,865	84,347	4,656,111	4,919,245	2,195,777	5,355,444	21,937	5,355,444	18,000,726	36,094,827	12,764,851	
Water and wastewater user fees	-	-	-	-	-	-	36,094,827	-	-	36,094,827	36,707,446	
Interest	2,079,413	-	-	-	-	-	412,864	-	-	2,492,277	2,795,982	
	156,718,467	1,100,659	5,316,425	5,089,413	2,355,777	5,355,444	36,529,628	5,355,444	212,465,813	204,236,758		
Expenses												
Salaries and benefits	11,416,642	17,333,024	15,940,404	3,317,285	7,377,509	256,117	3,283,382	256,117	58,924,363	58,371,492	58,371,492	
Goods and services	5,744,107	26,775,016	12,869,286	9,091,643	9,481,801	6,649,549	19,869,856	6,649,549	90,481,258	82,301,574	82,301,574	
Amortization*	38,573,632	-	-	-	-	-	-	-	38,573,632	37,170,567	37,170,567	
Interest	4,341,887	-	-	-	-	-	2,126,811	303,549	6,772,247	7,333,821	7,333,821	
Pension**	(6,677,700)	-	-	-	-	-	-	-	(6,677,700)	(6,818,100)	(6,818,100)	
Maintenance cost	337,283	-	-	-	-	-	-	-	337,283	313,699	313,699	
Contaminated sites expense	444,760	-	-	-	-	-	-	-	444,760	(429,760)	(429,760)	
Post-retirement liabilities**	1,413,595	-	-	-	-	-	-	-	1,413,595	1,030,389	1,030,389	
	55,594,206	44,108,040	28,809,690	12,408,928	16,859,310	7,209,215	25,280,049	7,209,215	190,269,438	179,273,682		
Annual surplus (deficit) before capital contributions	101,124,261	(43,007,381)	(23,493,265)	(7,319,515)	(14,503,533)	(1,853,771)	11,249,579	(1,853,771)	22,196,375	24,963,076	24,963,076	
Other contributions for capital*	7,992,439	-	-	-	-	-	-	460,990	8,453,429	7,901,906	7,901,906	
Government transfers for capital*	24,341,195	-	-	-	-	-	-	-	24,341,195	16,204,000	16,204,000	
	\$ 133,457,895	\$ (43,007,381)	\$ (23,493,265)	\$ (7,319,515)	\$ (14,503,533)	\$ (1,853,771)	\$ 11,249,579	\$ (1,853,771)	\$ 54,990,999	\$ 49,068,982		

*The property tax warrant, Community Funding and Equalization Grant from the Provincial Government, amortization, disposals and transfers, other contributions for capital and government transfers have been reported under General Government for segment disclosure.

**Annual cash contributions made by the City are recorded in salaries and benefits costs in each of the department. The change in the obligation is recorded in the general government department.

City of Moncton Schedule 4: Schedule & Statement of Reserve Funds

December 31, 2021

	General Operating Reserve	General Capital Reserve	W&S Operating Reserve	W&S Capital Reserve	Reserve for Land Development Fund	2021 Total
Assets						
Interest bearing, loan to City of Moncton revenue fund	\$ 6,971,742	\$ 65,171,326	\$ 1,214,141	\$ 14,173,762	\$ 194,118	\$ 87,725,089
Tangible capital assets	-	-	-	-	62,501	62,501
Accumulated surplus	\$ 6,971,742	\$ 65,141,326	\$ 1,214,141	\$ 14,173,762	\$ 256,619	\$ 87,787,590
Revenue						
Interest	99,560	1,088,014	37,560	170,082	3,478	1,398,694
Cash paid for development costs	-	-	-	-	19,680	19,680
Proceeds on sale of assets	-	406,425	-	-	-	406,425
Transfer from Water Operating Reserve Funds	-	-	-	1,500,000	-	1,500,000
Transfer from Water and General Operating Funds	553,000	20,978,652	10,000	2,240,000	-	23,781,652
	652,560	22,473,091	47,560	3,910,082	23,158	27,106,451
Expenses						
Transfer to General Operating Fund	(1,051,989)	-	-	-	-	(1,051,989)
Transfer to Water Capital Reserve Fund	-	-	(1,500,000)	-	-	(1,500,000)
Transfer to Water and General Operating & Capital Funds	-	(10,366,289)	-	(190,000)	-	(10,556,289)
	(1,051,989)	(10,366,289)	(1,500,000)	(190,000)	-	(13,108,278)
Annual surplus (deficit)	(399,429)	12,106,802	(1,452,440)	3,720,082	23,158	13,998,173
Accumulated surplus, beginning of year	\$ 7,371,171	\$ 53,064,524	\$ 2,666,581	\$ 10,453,680	\$ 233,461	\$ 73,789,417
Accumulated surplus, end of year	\$ 6,971,742	\$ 65,171,326	\$ 1,214,141	\$ 14,173,762	\$ 256,619	\$ 87,787,590

City of Moncton Schedule 4: Schedule & Statement of Reserve Funds

December 31, 2021

Statements of Reserves Council Resolutions regarding transfers to and from reserves:

Public Council Session on February 1, 2021:

Moved by Councillor Léger, seconded by Councillor Edgett that \$956,989 be transferred from the General Operating Reserve Fund to the General Operating Fund.

Moved by Councillor Léger, seconded by Councillor Lawrence that \$1,043,011 be transferred from the General Capital Reserve Fund to the General Operating Fund.

Public Council Session on February 16, 2021:

Moved by Councillor Lawrence, seconded by Councillor Edgett that \$358,000 be transferred from the General Operating Fund to the General Operating Reserve Fund.

Moved by Councillor Léger, seconded by Councillor Thériault that \$10,167,288 be transferred from the General Operating Fund to the General Capital Reserve Fund.

Moved by Councillor Léger, seconded by Councillor Lawrence that \$10,000 be transferred from the Water and Wastewater Operating Fund to the Utility Operating Reserve Fund.

Moved by Councillor Edgett, seconded by Councillor Léger that \$1,240,000 be transferred from the Water and Wastewater Operating Fund to the Utility Capital Reserve Fund.

Public Council Session on December 6, 2021:

Moved by Councillor Edgett, seconded by Councillor Léger that \$190,000 be transferred from the Water and Wastewater Capital Reserve Fund to the Water and Wastewater Capital Fund.

Moved by Councillor Edgett, seconded by Councillor Butler that \$337,283.42 be transferred from the General Capital Reserve Fund to the General Operating Fund.

I hereby certify that the above are true and exact copies of the resolutions adopted on each public council session date.


City Clerk



City of Moncton Schedule 4: Schedule & Statement of Reserve Funds

December 31, 2021

Statements of Reserves

Council Resolutions regarding transfers to and from reserves:

Public Council Session on December 6, 2021 (continued):

Moved by Councillor Butler, seconded by Councillor Kingston that \$79,847.74 be transferred from the General Capital Reserve Fund to the General Capital Fund.

Moved by Councillor Edgett, seconded by Councillor Léger that \$135,058.71 be transferred from the General Capital Reserve Fund to the General Capital Fund.

Moved by Deputy Mayor Léger, seconded by Councillor Richard that \$406,425.22 be transferred from the General Operating Fund to the General Capital Reserve Fund.

Moved by Deputy Mayor Léger, seconded by Councillor Edgett that \$1,666,443.35 be transferred from the General Capital Reserve Fund to the General Capital Fund.

Moved by Councillor Kingston, seconded by Councillor Edgett that \$195,000 be transferred from the General Operating Fund to the General Operating Reserve Fund.

Moved by Deputy Mayor Léger, seconded by Councillor Kingston that \$3,902,562.67 be transferred from the General Operating Fund to the General Capital Reserve Fund.

Moved by Councillor Richard seconded by Councillor Edgett that \$1,500,000 be transferred from the Utility Operating Reserve Fund to the Utility Capital Reserve Fund.

I hereby certify that the above are true and exact copies of the resolutions adopted on each public council session date.


City Clerk

Sealed



City of Moncton
Schedule 4: Schedule & Statement of Reserve Funds

December 31, 2021

Statements of Reserves

Council Resolutions regarding transfers to and from reserves:


Public Council Session on December 20, 2021:

Moved by Councillor Butler, seconded by Councillor Edgett that \$1,000,000 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund.

Moved by Councillor Richard, seconded by Deputy Mayor Léger that \$3,400,000 be transferred from the General Operating Fund to the General Capital Reserve Fund.

Moved by Deputy Mayor Léger, seconded by Councillor Edgett that \$95,000 be transferred from the General Operating Reserve Fund to the General Operating Fund.

I hereby certify that the above are true and exact copies of the resolutions adopted on each public council session date.



City Clerk

Sealed



City of Moncton Schedule 5: Schedule of Operating Budget to PSA budget

December 31, 2021

	Operating Budget General	Operating Budget Water & Wastewater	Capital Fund Budget	MID	Amortization & Pension & Post Employment Adjustments	Transfers	Total
Revenue	\$ -	\$ -	\$ -	\$ 343,288	\$ -	\$ (343,288)	\$ -
Grant from City of Moncton Province of New Brunswick	146,196,825	-	-	-	-	-	146,196,825
Warrant for property taxes	3,589,492	-	-	-	-	-	3,589,492
Community Funding and Equalization Grant	19,641	-	-	-	-	-	19,641
Federal grant in lieu	1,755,843	-	-	-	-	-	1,755,843
Government transfers for operating	-	-	33,477,977	427,104	-	-	33,905,081
Government transfers for capital	-	-	6,743,587	-	-	(6,743,587)	-
Other contributions and transfers for capital	9,821,361	45,018	-	-	-	-	9,866,379
Other revenue from own sources	-	35,670,817	-	-	-	-	35,670,817
Water and wastewater rates	-	3,739,067	-	-	-	(3,739,067)	-
Water supply for fire protection	377,496	450,000	-	-	-	-	827,496
Interest	(513,696)	(183,366)	-	-	-	-	-
Deficit - previous year's deficit	161,246,962	39,721,536	40,221,564	770,392	-	(10,128,880)	231,831,574
Expenses							
General government services	18,125,042	-	-	816,718	31,895,932	4,102,432	54,940,124
Protective services	47,895,180	-	-	-	-	(3,739,067)	44,156,113
Transportation services	34,222,772	-	-	-	-	(4,650,811)	29,571,961
Environmental health & development services	13,085,391	-	-	-	-	(1,846,966)	11,238,425
Recreation and cultural services	16,431,157	-	-	-	-	(44,192)	16,386,965
Water and wastewater	-	24,065,385	-	-	-	1,957,798	26,023,183
Fiscal services							
Long-term debt repayments	16,506,700	12,148,353	-	-	-	(28,655,053)	-
Interest	4,455,432	2,257,798	-	-	-	(6,713,230)	-
Transfer from the General Operating fund to the General Operating Reserve	358,000	-	-	-	-	(358,000)	-
Transfer from the General Operating fund to the General Capital Reserve	8,106,874	-	-	-	-	(8,106,874)	-
Funding current year's capital projects - General	2,060,414	-	-	-	-	(2,060,414)	-
Transfer from the Water and Wastewater Operating fund to the Water and Wastewater Capital fund	-	1,250,000	-	-	-	(1,250,000)	-
Surplus (deficit) for the year	\$ -	\$ -	\$ 40,221,564	\$ (46,326)	\$ (31,895,932)	\$ 41,235,497	\$ 182,316,771
							49,514,803

City of Moncton Schedule 6: Schedule of Reconciliation of Annual Surplus

December 31, 2021

	General Fund	General Capital Fund	General Reserve Funds	W & S Current Fund	W & S Capital Fund	Capital Reserve Funds	W & S Cap.Reserve Fund	W & S General Op. Funds	Reserve for Land Develop Fund	MID	Total All Funds
2021 annual surplus (deficit) per Local Governance Act	\$ (199,545)	\$ 55,322,687	\$ (399,429)	\$ 179,292	\$ 17,029,001	\$ 12,106,802	\$ 3,720,082	\$(1,452,440)	\$ 23,158	\$ 478,600	\$ 86,808,208
Adjustment to annual surplus (deficit) for funding Requirements											
Second previous year's deficit	183,366	-	-	513,696	-	-	-	-	-	-	687,062
MID - Grant	1,481,765	-	-	-	-	-	-	-	-	(1,481,765)	-
Transfer of Fire Watercosts	3,394,080	-	-	(3,394,080)	-	-	-	-	-	-	-
Transfer of City Hall Interest on Investment	82,464	-	-	-	-	(82,464)	-	-	-	-	-
Transfer of Capital from Operating	5,773,316	(5,773,316)	-	240,000	(240,000)	-	-	-	-	-	-
Transfer of Capital from Operating Library	44,192	(44,192)	-	-	-	-	-	-	-	-	-
Capital Theatre	(62,534)	-	-	-	-	-	-	-	-	-	(62,534)
Long term Debt principal repayment	16,468,000	(16,468,000)	-	11,731,001	(11,731,001)	-	-	-	-	-	(444,760)
Adjust liability for contaminated sites	(444,760)	-	-	-	-	-	-	-	-	-	(179,023)
Loss from disposal of tangible Capital Assets	-	(179,023)	-	-	-	-	-	-	-	-	67,978
Provision for Retirement liability	67,978	-	-	-	-	-	-	-	-	-	(38,573,632)
Amortization Expense	-	(27,894,014)	-	-	(10,679,618)	-	-	-	-	-	6,877,700
Pension Expense	6,677,700	-	-	-	-	-	-	-	-	-	-
Total Adjustments to 2021 annual surplus (deficit)	33,885,567	(50,358,545)	-	9,090,617	(22,650,619)	(82,464)	-	-	-	(1,481,765)	(31,817,209)
2021 annual surplus(deficit) per PSAB for the year	\$ 33,488,022	\$ 4,964,142	\$ (399,429)	\$ 9,289,909	\$ (5,621,618)	\$ 12,024,338	\$ 3,720,082	\$(1,452,440)	\$ 23,188	\$(1,003,166)	\$ 54,990,999

City of Moncton
Schedule 8: Schedule of Statement of Controlled Entity

December 31, 2021

Statement of controlled entity, Moncton Industrial Development Limited

	<u>2021</u>	<u>2020</u>
Financial assets	\$ 32,383,398	\$ 32,378,662
Liabilities	<u>(17,708,678)</u>	<u>(18,185,427)</u>
Net debt	14,674,720	14,193,235
Non-financial assets	<u>24,749</u>	<u>27,634</u>
Accumulated surplus	<u>\$ 14,699,469</u>	<u>\$ 14,220,869</u>
Revenue	\$ 7,687,815	\$ 4,729,254
Expenses	<u>(7,209,215)</u>	<u>(5,516,837)</u>
Annual (deficit) surplus	<u>\$ 478,600</u>	<u>\$ (787,583)</u>

City of Moncton
Schedule 9: Reconciliation of Funding Deficit

December 31, 2021

Reconciliation of Funding Deficit – Other Vested Retirement Liability

	<u>2021</u>	<u>2020</u>
Liability at December 31, 2021	\$ 12,532,100	\$ 11,929,400
Amount of December 31, 2021 liability funded in the current year	(4,191,500)	(3,646,800)
Amounts funded in prior years	<u>(7,613,574)</u>	<u>(6,942,896)</u>
Balance to be funded in future years	<u>\$ 727,026</u>	<u>\$ 1,339,704</u>
