

Consolidated Financial Statements

City of Moncton

December 31, 2022

Contents

	Page
Independent Auditors' Report	1, 2, 3
Consolidated Statement of Operations and Accumulated Surplus	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Changes in Net Debt	6
Consolidated Statement of Cash Flows	7
Notes to the Consolidated Financial Statements	8 - 23
Schedule 1: Consolidated Schedule of Revenues	24
Schedule 2: Consolidated Schedule of Expenses	25 - 26
Schedule 3: Schedule of Segment Disclosure	27
Schedule 4: Schedule of Reserve Funds	28 - 30
Schedule 5: Schedule of Operating Budget to PSA budget	31
Schedule 6: Schedule of Reconciliation of Annual Surplus	32
Schedule 7: Schedule of Government Transfers	33
Schedule 8: Schedule of Statement of Controlled Entity	34
Schedule 9: Reconciliation of Funding Deficit	35



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INDEPENDENT AUDITOR'S REPORT

To Her Worship the Mayor and Member of City Council

Opinion

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

- the consolidated statement of financial position as at end of December 31, 2022
- 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 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, 2022, 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 "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's 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 ethical responsibilities in accordance with these requirements.



Page 2

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian 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.

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.



Page 3

- 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 represent 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

May 1, 2023

City of Moncton
Consolidated Statement of Operations
Year Ended December 31

	PSA <u>Budget</u> (Schedule 5)	2022 <u>Actual</u>	2021 <u>Actual</u>
Revenue			
Property Tax Warrant	\$152,044,698	\$152,044,698	\$146,359,497
Community Funding and Equalization Grant from Provincial Government	3,224,771	3,224,771	3,589,488
Federals grant in lieu	18	18	19,641
Government transfers for operating (Schedule 1)	1,761,711	2,496,579	5,909,357
Other revenue from own sources (Schedule 1)	14,485,657	21,835,178	18,000,726
Water and wastewater revenue (Schedule 1)	36,159,738	37,234,402	36,094,827
Interest	824,829	5,864,031	2,492,277
	<u>208,501,422</u>	<u>222,699,677</u>	<u>212,465,813</u>
Expenses (Schedule 2)			
General government services	55,600,024	62,593,950	62,803,421
Protection services	48,924,443	50,241,008	44,108,040
Transportation services	31,197,791	33,337,349	28,809,690
Environmental health and development services	12,742,154	14,680,075	12,408,928
Recreation and cultural services	17,704,984	19,833,918	16,859,310
Water and wastewater	26,265,162	25,695,167	25,280,049
	<u>192,434,558</u>	<u>206,381,467</u>	<u>190,269,438</u>
Annual surplus before capital contributions	16,066,864	16,318,210	22,196,375
Other contributed assets for capital (Schedule 1)	100,000	6,175,015	8,453,429
Government transfers for capital (Schedule 1)	20,363,485	16,655,632	24,341,195
	<u>36,530,349</u>	<u>39,148,857</u>	<u>54,990,999</u>
Annual surplus	36,530,349	39,148,857	54,990,999
Accumulated surplus, beginning of year	839,179,747	839,179,747	784,188,748
Accumulated surplus, end of year	<u>\$875,710,096</u>	<u>\$878,328,604</u>	<u>\$839,179,747</u>

See accompanying notes and schedules to the consolidated financial statements.

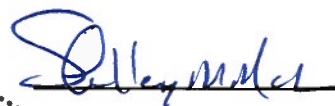
City of Moncton
Consolidated Statement of Financial Position
Year Ended December 31

	<u>2022</u>	<u>2021</u>
Financial assets		
Cash and cash equivalents	\$66,860,374	\$56,277,385
Restricted cash (Note 2)	8,373,602	5,015,693
Receivables (Note 3)	28,050,440	37,874,924
Mortgage receivable (Note 4)	1	1
Land and land development (Note 5)	28,813,215	29,801,527
Unamortized debenture discounts	1,297,010	1,415,307
Accrued pension asset (Note 10)	46,441,100	38,823,700
	<u>179,835,742</u>	<u>169,208,537</u>
Liabilities		
Payables and accruals (Note 7)	37,148,686	41,970,321
Forgivable loan payable (Note 8)	257,771	2,198,035
Long-term debt (Note 9)	156,170,000	172,614,000
Post employment benefits payable (Note 11)	13,161,600	12,532,100
	<u>206,738,057</u>	<u>229,314,456</u>
Net debt	<u>(26,902,315)</u>	<u>(60,105,919)</u>
Non-financial assets		
Tangible capital assets (Note 12)	900,834,214	895,669,156
Inventory of supplies	2,950,968	2,368,969
Prepays	1,445,737	1,247,541
	<u>905,230,919</u>	<u>899,285,666</u>
Accumulated surplus	<u>\$878,328,604</u>	<u>\$839,179,747</u>

Commitments and contingencies (Note 16), Subsequent Events (Note 18)

On behalf of the council





See accompanying notes and schedules to the consolidated financial statements.



City of Moncton
Consolidated Statement of Changes in Net Debt

Year Ended December 31

2022**2021**

Annual surplus	\$39,148,857	\$54,990,999
Acquisition and donation of tangible capital assets	(45,809,353)	(61,206,058)
Proceeds on disposal of tangible capital assets	152,572	406,425
Amortization of tangible capital assets	39,503,056	38,573,632
(Gain) Loss on tangible capital assets	988,667	(227,402)
Change in prepaids	(198,196)	(366,869)
Change in inventory of supplies	(581,999)	437,045
	<u>(5,945,253)</u>	<u>(22,383,227)</u>
Decrease (increase) in net debt	33,203,604	32,607,772
Net debt, beginning of year	<u>(60,105,919)</u>	<u>(92,713,691)</u>
Net debt, end of year	<u>\$(26,902,315)</u>	<u>\$(60,105,919)</u>

See accompanying notes and schedules to the consolidated financial statements.

City of Moncton

Consolidated Statement of Cash Flows

Year Ended December 31

2022

2021

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

Operating activities

Annual surplus	\$39,148,857	\$54,990,999
Items not affecting cash:		
Amortization of tangible capital assets	39,503,056	38,573,632
Amortization on Land Development Costs	4,553,534	6,003,149
(Gain) / Loss on sale of tangible capital assets	988,667	(227,402)
Donated infrastructure	(5,774,577)	(7,611,966)
Change in accrued pension asset	(7,617,400)	(6,677,700)
Change in other post employment benefits	629,500	602,700
Change in debenture discounts	118,297	102,123
Loan forgiveness	(1,940,264)	(1,329,853)
Changes in non-cash working capital:		
Change in receivables	9,824,484	(7,990,057)
Change in payables and accruals	(4,821,635)	10,040,479
Change in supplies inventory	(581,999)	437,045
Change in prepaids	(198,196)	(366,869)
Net cash provided by operating activities	73,832,324	86,546,280
Capital transactions		
Acquisition of tangible capital assets	(40,034,776)	(53,594,092)
Proceeds on sale of tangible capital assets	152,572	406,425
Net cash used for capital transactions	(39,882,204)	(53,187,667)
Financing activities		
Issuance of long-term debt	11,097,000	14,415,000
Repayment of long-term debt	(27,541,000)	(42,046,918)
Net cash provided by (used for) financing activities	(16,444,000)	(27,631,918)
Investing activities		
Purchases in land and land development	(3,565,222)	(5,223,656)
Change in long-term investments	-	6,778,286
Net cash used for investing activities	(3,565,222)	1,554,630
Increase in cash and cash equivalents	13,940,898	7,281,324
Cash and cash equivalents at beginning of year	61,293,078	54,011,754
Cash and cash equivalents at end of year	\$75,233,976	\$61,293,078
Summary of cash and cash equivalents:		
Cash	\$66,860,374	\$56,277,385
Restricted cash	8,373,602	5,015,693
Cash and cash equivalents at end of year	\$75,233,976	\$61,293,078

See accompanying notes and schedules to the consolidated financial statements.

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2022

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 Wastewater 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, 2022

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, 2022

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 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.

k) **Budget**

The budget figures contained in these consolidated financial statements were approved by Council on November 5, 2021 and the Minister of Local Government approved the General and Utility Operating Budgets on November 18, 2021, and the Capital Budget on January 10, 2022.

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, 2022

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, 2022

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 public sector accounting policies 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, 2022

2. Restricted cash

Restricted cash is comprised of the following:

	2022	2021
Deposits on program funding – Transportation		
Discovery Centre	\$389,824	\$381,140
Deposit on Gas Tax program funding	4,267,454	497,955
Tourism Accommodation Levy	-	2,281,530
Events Moncton	473,290	-
Deposits on land - MID	542,646	203,400
Cash held to pay performance rebates on land sales - MID	2,700,388	1,651,668
	<u>\$8,373,602</u>	<u>\$5,015,693</u>

3. Receivables

Capital Receivables

	2022	2021
Federal/Provincial government - capital contributions	\$7,044,314	\$17,653,967
Warren Gate Investments Inc.	260,458	260,458
Private/Other Capital Contribution	321,830	321,830
	<u>7,626,602</u>	<u>18,236,255</u>

Operating receivables

Federal/Provincial government - HST	2,309,923	2,791,732
Federal/Provincial government - Operating	1,895,939	7,418
Moncton Wildcats Junior Hockey Club Limited	1,700,066	1,778,315
ASM Global	1,153,829	837,705
Curl Moncton	1,136,692	1,136,692
Moncton Arena Partners	699,496	622,100
Other – various (net of allowance)	332,942	920,560
Moncton High School Field Committee	268,610	418,610
Shopper's Drug Mart	194,707	98,321
Local improvements	168,240	48,568
Moncton Squash Club	106,672	116,672
City of Dieppe	104,915	45,848
Royal Oaks Estates Inc	98,736	98,736
Town of Riverview	69,278	1,179,518
Gulf Fisheries Centre	58,750	58,750
Mountainway Developments Inc.	45,783	40,211
Indoor Sports Management	30,699	9,387
Magnetic Hill Wharf Village	29,583	27,495
Friends of the Zoo	18,049	107,400
Sewer construction improvements	17,228	38,870
Université de Moncton	3,650	1,924
Moncton Football Assoc Incorporated	-	100
Magic Mountain Water Park Ltd.	-	9,737
Théâtre Capitol Theatre Inc.	-	8,384
	<u>10,443,787</u>	<u>10,403,053</u>
Water and wastewater receivables	8,793,232	8,508,813
Moncton Industrial Development Limited receivables	1,186,819	726,803
	<u>\$28,050,440</u>	<u>\$37,874,924</u>

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2022

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. Land and land development

The City has invested in land and land development costs of \$73,633,374 consisting of the Caledonia Industrial Park of \$32,249,657, Moncton Industrial Park of \$12,574,201, West TCH Land \$767,706, New Business Park Development of \$19,892,080 and other land of \$8,149,730 for a future industrial park. Land and land development costs net of the cost of lots sold to date is \$28,813,215.

6. 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.

In 2021, The City of Moncton 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, 2022, \$13,206,296 (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.

The principal for the loans are repaid from net earnings on land sales.

7. Payables and accruals

	2022	2021
Accounts payable and commitments	\$16,271,493	\$24,375,524
Payable to the Policing Authority	13,630,723	10,617,243
Contractors' holdbacks	3,543,272	4,463,065
Interest on long-term debt	399,454	423,810
Moncton Industrial Development Limited payables, accruals and deposit on land	3,268,483	2,055,418
Local improvement deposits	35,261	35,261
	<u>\$37,148,686</u>	<u>\$41,970,321</u>

Payables and accruals include an amount for contaminated sites of (\$436,760) (2021 \$444,760). The amount is an estimate done by the internal environmental engineers.

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2022

8. 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.

	2022
Forgivable loan, ending balance December 31, 2021	\$ 2,198,035
Forgiveness amount - 2022	<u>(1,940,264)</u>
Forgivable loan, ending balance December 31, 2022	\$ 257,771

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2022

9. Long-term debt		2022	2021
New Brunswick Municipal Financing Corporation Debentures			
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
BH12	1.35%-3.1% due 2022, OIC#06-19,#08-14, #09-0025, #09-0072, #10-0018, #11-0038, #12-0016	-	205,000
BH13	1.35%-3.1% due 2022 OIC#06-19, #07-15, #08-14, #09-0025, #10-0018, #11-0038	-	1,044,000
BI9	1.35% - 3.25%, due 2023, OIC #09-0025, #10-0018, #11,0038, #12-0016	688,000	1,366,000
BI10	1.35% - 3.25%, due 2023, OIC #09-0025, #12-0016	173,000	343,000
BJ10	1.25% - 3.70%, due 2023, OIC #09-0025, #10-0018, #10-0068, #11-0038 #12-0016, #13-0010	1,095,000	2,152,000
BJ11	1.25% - 3.70%, due 2023, OIC #06-0019, #08-0014, #09-0025, #10-0018 #11-0038, #12-0016	406,000	798,000
BK6	1.15% - 3.45%, due 2024, OIC #06-0019, #09-0025, #10-0018, #11-0038, #12-0016, #13-0010, #13-0012	560,000	830,000
BK7	1.15% - 3.45%, due 2024, OIC #08-0014, #09-0025, #10-0018, #11-0038, #12-0016, #13-0010	644,000	954,000
BL8	1.20% - 3.10%, due 2024, OIC #10-0018, #11-0038, #12-0016, #13-0010 #14-0019	603,000	892,000
BL9	1.20% - 3.70%, due 2024, OIC #05-0016, #06-0019, #07-0015, #09-0025, #10-0018, #11-0038, #13-0010, #14-0019	13,272,000	14,227,000
BM8	0.95% - 2.80%, due 2025, OIC #08-0014, #09-0025, #09-0072, #10-0018, #11-0038, #12-0016, #13-0012, #14-0019	2,471,000	3,256,000
BN6	1.05% - 3.90%, due 2035, OIC #11-0038, #12-0016, #13-0010, #14-0019, #15-0020	3,250,000	4,240,000
BO8	1.45% - 2.90%, due 2026, OIC #09-0025, #11-0038, #12-0016, #13-0010, #13-0012, #14-0019, #15-0020, #15-0041	2,167,000	2,678,000
BP8	1.20%-2.95%, due 2026, OIC#10-0018,#11-0038,#12-0016,#13-0010, #14-0019, #15-0020, #16-0018	2,825,000	3,489,000
BQ8	1.20%-2.70%, due 2027, OIC#12-0016,#13-0010,#14-0019,#15-0020, #15-0041, #16-0018, #16-0027	2,349,000	3,098,000
BR6	1.65%-2.90%, due 2027, OIC#12-0016,#13-0010,#14-0019,#15-0020 #16-0018, #17-0008	4,697,000	5,677,000
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	54,990,000	59,017,000
BU7	2.55%-3.40%, due 2028, OIC#14-0019,#15-0020,#15-0041,#16-0018,#17-0008 #18-0041	3,717,000	4,718,000
BU8	2.55%-3.40%, due 2028, OIC#13-0010,#14-0019,#15-0020,#16-0018 #17-0008, #18-0014	6,007,000	6,972,000
BW11	1.95%-2.45%, due 2029, OIC#14-0019,#15-0020,#16-0018,#17-0008 #18-0014, #19-0013	9,283,000	11,070,000
BW12	1.95%-2.10%, due 2024, OIC#16-0018,#17-0008,#18-0014,#19-0013	3,643,000	5,412,000
BX7	.90%-2.05%, due 2030, OIC#15-0020,#17-0008,#18-0014,#19-0013 #19-0031,#19-0065	5,051,000	5,863,000
BY11	0.50%-1.80%, due 2030, OIC#15-0020,#16-0018,#17-0008,#18-0014, #19-0013,#19-0031,#20-0009	8,076,000	9,215,000
BX8	0.90%-1.5%, due 2025, OIC#17-0008,#18-0014,#19-0013	3,530,000	4,679,000
BY12	.50%-1.10%, due 2025, OIC#17-0008,#18-0014,#19-0013,#20-0009	3,385,000	4,498,000
CA9	0.855%-2.378%, due 2031, OIC#15-0020,#18-0014,#19-0013,#19-0065,#20-0009,#21-0005	6,972,000	7,928,000
CA10	0.855%-2.1786%, due 2026, OIC#17-008,#18-0014,#20-0009,#21-0005	5,219,000	6,487,000
CC4	4.70%-4.266%, due 2032, OIC#19-0013,#19-0065,#20-0009,#21-0005,#22-0003	6,031,000	-
CC5	4.70%-3.953%, due 2027, OIC#18-0014,#19-0013,#20-0009,#21-0005,#22-0003	5,066,000	-
		\$ 156,170,000	\$ 172,614,000

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2022

9. Long-term debt (continued)

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

2023	\$ 26,381,000	2026	\$ 15,401,000
2024	23,567,000	2027	12,701,000
2025	19,874,000		

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, 2022, the City has an approval to borrow up to an additional **\$80,950,000**.

10. 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 **\$4,604,100** (2021 - \$4,607,800). Total benefit payments to retirees during the year were **\$14,841,700** (2021 - \$14,595,000). A separate pension fund is maintained. The City is in a net funded position at December 31, 2022, as follows:

	<u>2022</u>	<u>2021</u>
Fair market value of plan assets	\$312,885,100	\$352,378,500
Accrued benefit obligation	(254,978,800)	(272,147,500)
Funded status	57,906,300	80,231,000
Unamortized actuarial gain	(9,321,300)	(41,407,300)
Valuation allowance	(2,143,900)	-
Accounting pension asset	\$46,441,100	\$38,823,700

Actuarial valuations for accounting purposes are performed triennially using the projected benefit method prorated on services. The accrued benefit obligation shown for 2022 is based on the pension valuation performed by the City's actuaries, Mercer Canada, carried out effective December 31, 2022.

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2022

10. 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>2022</u>	<u>2021</u>
(a) Discount rate	6.50%	5.80%
(b) Rate of compensation increases	2.70%	2.50%
(c) Rate of inflation	2.20%	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>2022</u>	<u>2021</u>
Current period benefit cost	\$ 8,315,200	\$ 8,740,200
Amortization of actuarial (gains) losses	<u>(4,178,800)</u>	<u>(2,938,100)</u>
	4,136,400	5,802,100
Less: employee contributions	<u>(4,604,081)</u>	<u>(4,607,600)</u>
Pension (recovery) / expense	(467,681)	1,194,500
Interest cost on the average accrued benefit obligation	15,585,100	15,052,900
Expected return on average plan assets	<u>(20,274,600)</u>	<u>(18,317,300)</u>
	(5,157,181)	(2,069,900)
Increase in valuation allowance provided against accrued benefit asset	<u>2,143,900</u>	-
Total recovery related to pension	<u><u>\$ (3,013,281)</u></u>	<u><u>\$ (2,069,900)</u></u>

The employer contribution expense of **\$4,604,100** is included in the statement of operations as a component of department expenses. The change in pension asset of **\$7,617,400** is recorded in the general government services.

	Percentage of Plan Assets	
	<u>2022</u>	<u>2021</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)	14.00%	14.00%
	<u>100.00%</u>	<u>100.00%</u>

City of Moncton
Notes to the Consolidated Financial Statements
December 31, 2022

11. 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>2022</u>	<u>2021</u>
Employee benefits obligations		
Vested benefits	\$6,399,800	\$8,002,500
Unamortized actuary gains	2,042,300	338,100
Non-vested benefits	4,107,800	5,342,300
Unamortized actuary gains (losses) non-vested	<u>611,700</u>	<u>(1,150,800)</u>
Accrued employee benefit obligation	<u>\$13,161,600</u>	<u>\$12,532,100</u>
Accrued employee benefit obligation	13,161,600	12,532,100
Less funded amount	<u>(8,633,911)</u>	<u>(7,613,574)</u>
Unfunded employee benefit obligation	4,527,689	4,918,526
Less non-vested benefits	<u>(4,719,500)</u>	<u>(4,191,500)</u>
Vested benefits (funded)/unfunded	<u>\$(191,811)</u>	<u>\$727,026</u>
Benefit expense in the year	<u>\$1,640,500</u>	<u>\$1,693,300</u>

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 2.70% (2021 - 2.50%)
- the discount rate used to determine the accrued benefit obligation is 4.35% (2021 – 2.40%);
- retirement age is 65 (2021 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, 2022

12. Consolidated tangible capital assets

	General Capital Assets							Water and Wastewater 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&W Buildings and Leasehold Improvements	Water and Wastewater Construction	Assets under Construction	2022	2021
Cost	\$ 33,879,164	220,663,960	68,480,672	16,455,438	81,917,847	19,253,259	12,473,708	379,188,234	102,490,749	506,587,057	21,845,487	1,463,235,575	1,404,430,247
Additions and transfers	748,172	3,066,756	5,969,130	894,385	2,721,636	8,963,074	-	27,519,804	-	19,991,340	-	69,874,297	78,481,244
Transfers from WIP	-	-	-	-	-	(7,580,868)	-	-	-	-	(16,484,075)	(24,064,943)	(17,275,186)
Disposals and transfers	-	-	(371,890)	-	-	-	-	(4,310,831)	-	(784,619)	-	(5,467,340)	(2,400,528)
Closing cost	34,627,336	223,730,716	74,077,912	17,349,823	84,639,483	20,635,465	12,473,708	402,397,207	102,490,749	525,793,778	5,361,412	1,503,577,589	1,463,235,777
Accumulated amortization	-	(62,785,214)	(47,662,643)	(13,368,115)	(40,101,192)	-	(9,000,113)	(184,494,406)	(48,483,713)	(161,671,225)	-	(567,566,621)	(531,214,494)
Opening accumulated Amortization	-	(6,195,340)	(3,884,926)	(1,242,579)	(4,530,324)	-	(361,615)	(12,229,143)	(2,714,422)	(8,344,707)	-	(39,503,056)	(38,573,632)
Amortization	-	-	-	-	-	-	-	3,295,711	-	658,501	-	4,326,102	2,221,505
Disposals and transfers	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing accum'd amortization	-	(68,980,554)	(51,175,679)	(14,610,694)	(44,631,516)	-	(9,361,728)	(193,427,838)	(51,198,135)	(169,357,431)	-	(602,743,575)	(567,566,621)
Asset net book value	\$ 34,627,336	\$ 154,750,162	\$ 22,902,233	\$ 2,739,129	\$ 40,007,967	\$ 20,635,465	\$ 3,111,980	\$ 208,969,369	\$ 51,292,614	\$ 356,436,347	\$ 5,361,412	\$ 900,834,014	\$ 895,669,156

*During the year, the City received donated infrastructure of \$5,774,576 from subdivision developers.

City of Moncton

Notes to the Consolidated Financial Statements

December 31, 2022

13. 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 2022, 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.

14. Water and wastewater fund surplus/deficit

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

15. Water cost transfer

The City's water cost transfer for fire protection is within the maximum allowable by Regulation 81-195 under the *Local Governance Act* based upon the applicable percentage of water system expenditures for the population.

16. 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 2022 this approximated **\$609,774** and approximately **48.9%** was recovered from the Province under a sub-lease for its proportionate share of the costs. The lease expires in 2053.
- (b) The City has been committed under an agreement with Moncton 4Ice Sports Inc. (the Service Provider) with an initial term of 20 years that required 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. As of October 15, 2022, a 10-year extension was exercised and the City now resumes with no further service fee payments required but continues to support operating losses and/or is entitled to operating profits as per the initial agreement. The City of Moncton has the option to purchase the facility for the sum of one dollar at the end of said renewal term.
- (c) City Council has approved total commitments of **\$5,470,620** 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, 2022

16. 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, 2022, **\$2,000,000** 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, 2022, 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.

17. Subsequent events

- (a) The City of Moncton entered into a Rapid Housing Initiative Agreement on February 6th, 2023, with Canada Mortgage and Housing Corporation (CMHC) The agreement provides that the City of Moncton is the recipient of **\$5,000,000** whereby the City must redistribute these funds to various organizations within the community to help fund affordable housing initiatives within the City based on set criteria. These initiatives must be completed, and the funds be distributed before December 31, 2024.
- (b) As of January 1, 2023, the City of Moncton will be the recipient of approximately **\$114,000,000** in new property assessments of which 67% represents new residential property while the remaining 34% represents non-residential. This change is based on the Government of New Brunswick's Local Governance Reform which involves moving from 104 local governments down to 77 which is set to take place on January 1, 2023.

Notable changes were made for the 2023 taxation year. Flexibility was given to Local Governments to set a local non-residential property tax rates within a range from 1.4 to 1.7 times the residential tax rate, whereas this was stable at 1.5 in prior years. Another change will be with the Equalization Funding Grant which is set to see a new revised formula that will also take place ensuring that communities that need support receive adequate funding, while those that are viable and financially stronger are not recipients of equalization funding.

At this point, there have not been any transfers of assets or liabilities relating to the local district as these remain the responsibility of the provincial government through the Department of Transportation and Infrastructure.

City of Moncton

Schedule 1: Consolidated Schedule of Revenues

Year ended December 31, 2022

	2022	2022	2021
	Budget	Actual	Actual
Government transfers for operating			
Canadian Museum Association – Provincial Heritage Canada	\$60,000	\$145,000	\$60,000
Immigration, Refugees and Citizenship Canada	-	249,269	170,168
Dept. of Transportation- Designated highway	1,026,198	993,362	1,016,312
GNB- Social Development	-	183,875	-
GNB- COVID Safe Restart	-	-	3,902,563
GNB- Office of the Fire Marshall	-	239,204	-
Other Local Governments – Fire LSD Contract	675,513	685,869	660,314
	<u>\$1,761,711</u>	<u>\$2,496,579</u>	<u>\$5,909,357</u>
Other revenue from own sources			
Licenses and permits- building permits	\$1,612,740	\$2,755,559	\$2,442,008
Other	559,575	822,699	721,333
Fines and fees	339,000	68,053	84,297
Parking	2,048,189	1,305,320	1,404,271
Rent	16,179	16,179	16,179
Miscellaneous	463,999	491,617	504,604
Protection	71,500	-	50
Transportation -other	113,025	213,699	123,599
Public transit	4,084,285	4,257,541	3,128,241
Magnetic Hill Zoo	2,129,046	2,298,111	1,668,932
Magnetic Hill Park	173,032	163,564	86,972
Other recreational	1,124,259	2,945,010	1,457,057
Coliseum - Agrena	1,705,811	2,659,767	738,720
Gain (loss) on sale and write-off of tangible assets	-	(1,141,238)	(179,023)
Cash received in lieu	-	154,683	19,680
Other / Misc. Income	-	152,572	406,425
Water and wastewater other revenue	45,017	58,590	21,937
MID –land and other	-	4,613,452	5,355,444
	<u>\$14,485,657</u>	<u>\$21,835,178</u>	<u>\$18,000,726</u>
Water and wastewater revenue			
Water user charges	\$19,148,593	\$19,612,653	\$20,254,311
Wastewater user charges	8,796,155	8,870,491	7,418,408
Wastewater treatment levy	8,214,990	8,751,258	8,422,108
	<u>\$36,159,738</u>	<u>\$37,234,402</u>	<u>\$36,094,827</u>
Other contributions for capital			
Donated assets – developers	\$ -	\$5,774,576	\$7,611,970
Organizations and individuals	100,000	311,414	699,350
Local improvement and branch sewer recoveries	-	89,025	142,109
	<u>\$100,000</u>	<u>\$6,175,015</u>	<u>\$8,453,429</u>
Government transfers for capital			
Department of Transportation and Infrastructure	\$400,000	\$1,740,380	\$4,765,445
ACOA	-	186,000	-
Province of New Brunswick – Transit & Home Funding	-	3,974,042	-
Province of New Brunswick – COVID Safe Restart	-	1,798,899	-
Canada Community Building Funding	6,629,217	5,340,690	10,239,212
Federal Rail Safety Infrastructure	-	-	212,600
Regional Development Corporation	-	405,999	-
Infrastructure Canada-Green and Inclusive Building Fund	1,040,000	-	-
Infrastructure Bi-lateral Agreement	9,859,195	-	6,912,309
Province of New Brunswick – Forgivable Loan	-	1,940,265	1,329,853
Provincial contributions – MID	361,443	836,707	460,990
Federal/Provincial contributions - water and wastewater	2,073,630	432,650	420,786
	<u>\$20,363,485</u>	<u>\$16,655,632</u>	<u>\$24,341,195</u>

City of Moncton

Schedule 1: Consolidated Schedule of Expenses

Year ended December 31, 2022

2022

2022

2021

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
General government services			
Mayor and Councillors	\$756,511	\$770,776	\$653,515
City Manager and Internal Audit	464,340	276,042	170,223
Corporate services	153,267	154,784	148,488
Finance and administration	1,913,615	1,381,531	1,472,187
Information systems	2,340,697	2,046,116	2,025,399
Human resources	1,328,513	1,409,127	1,184,905
Legislative services	1,058,210	1,095,681	967,949
City Hall building	395,965	460,242	1,056,449
Corporate communications	996,772	801,759	842,166
Other general administration	4,348,224	4,855,209	4,124,270
Service Moncton	112,495	115,288	107,311
Grants	2,225,051	4,234,913	4,063,518
Corporate planning and policy development	363,834	265,430	344,369
Moncton Industrial Development Limited	763,810	686,028	902,516
	<u>\$17,221,304</u>	<u>\$18,552,926</u>	<u>\$18,063,265</u>
Amortization of tangible assets	\$39,503,056	\$39,503,056	\$38,573,632
Amortization of development costs - MID	-	4,553,533	6,003,150
Interest	4,281,675	6,560,073	4,645,436
Pension	(7,617,400)	(7,617,400)	(6,677,700)
Post-retirement liabilities	1,746,389	1,355,552	1,413,595
Contaminated sites expense	-	(436,760)	444,760
Deferred facility and energy maintenance cost	465,000	122,970	337,283
	<u>\$55,600,024</u>	<u>\$62,593,950</u>	<u>\$62,803,421</u>
Protection services			
Police	\$27,690,034	\$27,864,289	\$23,312,372
Fire	17,379,015	18,434,044	17,481,107
Building inspection	1,754,192	1,589,150	1,502,928
Other protective services	2,101,202	2,353,525	1,811,633
	<u>\$48,924,443</u>	<u>\$50,241,008</u>	<u>\$44,108,040</u>
Transportation services			
Engineering administration	\$2,103,740	\$1,645,257	\$1,771,132
Facilities	1,478,115	1,522,141	1,280,273
Roads, streets and equipment	10,753,451	13,112,460	10,678,851
Street lighting	2,733,013	2,693,321	2,621,867
Traffic and parking	1,318,062	1,441,731	1,420,085
Public transit	11,851,677	11,922,632	10,191,392
Other transportation	959,733	999,807	846,090
	<u>\$31,197,791</u>	<u>\$33,337,349</u>	<u>\$28,809,690</u>
Environmental health and development services			
Garbage and waste collection	\$3,508,614	\$3,452,382	\$3,441,858
Planning commission	90,292	90,238	80,265
Development	4,888,192	4,341,515	4,002,633
Magnetic Hill Zoo	3,268,429	3,529,609	3,009,040
Magnetic Hill Park and Magnetic Hill Concert Site	439,504	381,298	325,121
Immigration	129,253	433,935	267,694
Tourism	417,870	2,451,098	1,282,317
	<u>\$12,742,154</u>	<u>\$14,680,075</u>	<u>\$12,408,928</u>

City of Moncton**Schedule 2: Consolidated Schedule of Expenses, continued**

Year Ended December 31

2022**2022****2021**

	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Recreation and cultural services			
Parks and Leisure services	\$7,667,717	\$8,004,091	\$7,276,011
Library	486,772	467,503	445,287
Capitol Theatre grant	499,335	636,428	562,634
Senior's Citizens	102,899	100,380	98,917
Events and venues	1,590,681	2,129,890	1,116,235
Museum	1,279,855	1,259,117	1,073,415
Moncton Stadium	74,260	74,260	51,574
Arenas	2,361,493	2,605,945	2,979,668
William House / Treitz Haus	134,808	106,949	137,309
Avenir Centre	308,987	283,708	278,086
Coliseum - Agrena	2,988,176	3,977,328	2,668,691
Other cultural programs and services	210,001	188,319	171,483
	<u>\$17,704,984</u>	<u>\$19,833,918</u>	<u>\$16,859,310</u>
Water and wastewater expenses			
Water supply			
Administration	\$4,486,567	\$4,206,549	\$4,377,577
Interest	1,278,248	1,432,234	1,357,757
Transmission and distribution	3,916,147	3,475,519	3,164,942
Purification and source of supply	3,876,154	4,031,471	3,734,590
Power and pumping	729,691	603,655	588,343
	<u>\$14,286,807</u>	<u>\$13,749,428</u>	<u>\$13,223,209</u>
Wastewater collection and disposal			
Pumping	\$ 280,915	\$ 326,260	\$ 274,888
Wastewater Collection	10,979,884	10,789,661	11,012,898
Interest	717,556	829,818	769,054
	<u>\$11,978,355</u>	<u>\$11,945,739</u>	<u>\$12,056,840</u>
Total water and wastewater	<u>\$26,265,162</u>	<u>\$25,695,167</u>	<u>\$25,280,049</u>

City of Moncton Schedule 3: Schedule of Segment Disclosure

December 31, 2022

	General Government	Protection	Transportation	Environmental Health & Development	Recreation and cultural	Water & Wastewater	MID	2022 Consolidated	2021 Consolidated
Revenues									
Property Tax Warrant *	\$ 152,044,698	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 152,044,698	\$ 146,359,497
Community Funding and Equalization Grant from Provincial Government *	3,224,771	-	-	-	-	-	-	3,224,771	3,589,488
Federal grant in lieu	18	-	-	-	-	-	-	18	19,641
Government transfers for operating	-	1,232,566	685,869	334,269	243,875	-	-	2,496,579	5,909,357
Other revenue from own sources	5,307,655	84,347	4,656,111	4,919,245	2,195,777	58,591	4,613,452	21,835,178	18,000,726
Water and wastewater user fees	-	-	-	-	-	37,234,402	-	37,234,402	36,094,827
Interest	5,600,495	-	-	-	-	263,536	-	5,864,031	2,492,277
	166,177,637	1,316,913	5,341,980	5,253,514	2,439,652	37,556,529	4,613,452	222,699,677	212,465,813
Expenses									
Salaries and benefits	11,194,624	17,564,556	16,930,916	4,053,372	7,875,347	3,222,665	294,648	61,136,128	58,924,363
Goods and services	6,672,274	32,676,452	16,406,433	10,626,703	11,958,571	20,210,450	4,944,913	103,495,796	90,481,258
Amortization*	39,503,056	-	-	-	-	-	-	39,503,056	38,573,632
Interest	6,142,612	-	-	-	-	2,262,052	417,461	8,822,125	6,772,247
Pension**	(7,617,400)	-	-	-	-	-	-	(7,617,400)	(6,677,700)
Deferred facility and energy	122,970	-	-	-	-	-	-	122,970	337,283
Maintenance cost	(436,760)	-	-	-	-	-	-	(436,760)	444,760
Contaminated sites expense	1,355,552	-	-	-	-	-	-	1,355,552	1,413,595
Post-retirement liabilities**	56,936,928	50,241,008	33,337,349	14,680,075	19,833,918	25,695,167	5,657,022	206,381,467	190,269,438
	109,240,709	(48,924,095)	(27,995,369)	(9,426,561)	(17,394,266)	11,861,362	(1,043,570)	16,318,210	22,196,375
Annual surplus (deficit) before capital contributions									
Other contributions for capital*	6,175,015	-	-	-	-	-	-	6,175,015	8,453,429
Government transfers for capital*	15,818,925	-	-	-	-	-	836,707	16,655,632	24,341,195
	\$ 131,234,649	\$ (48,924,095)	\$ (27,995,369)	\$ (9,426,561)	\$ (17,394,266)	\$ 11,861,362	\$ (206,863)	\$ 39,148,857	\$ 54,990,999

*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, 2022

	General Operating Reserve	General Capital Reserve	W&S Operating Reserve	W&S Capital Reserve	Reserve for Land Development Fund	2022 Total
Assets						
Interest bearing, loan to City of Moncton revenue fund	5,547,069	79,745,535	1,265,062	17,397,664	356,453	104,311,783
Accumulated surplus	\$5,547,069	\$79,745,535	\$1,265,062	\$17,397,664	\$356,453	\$104,311,783
Revenue						
Interest	238,837	2,574,200	40,921	533,902	10,457	3,398,317
Proceeds on sale of assets	-	152,571	-	-	-	152,571
Cash received in lieu of land	-	-	-	-	154,683	154,683
Other Government transfers	-	3,974,042	-	-	-	3,974,042
Transfer from Water and General Operating Funds	462,000	12,667,828	10,000	2,880,000	-	16,019,828
	700,837	19,368,641	50,921	3,413,902	165,140	23,699,441
Expenses						
Transfer for Development Costs	-	-	-	-	(2,805)	(2,805)
Transfer to Water and General Operating Funds	(2,125,510)	(2,679,497)	-	-	-	(4,805,007)
Transfer to Water and General Capital Funds	-	(2,084,935)	-	(190,000)	-	(2,274,935)
	(2,125,510)	(4,764,432)	-	(190,000)	(2,805)	(7,082,747)
Annual surplus (deficit)	(1,424,673)	14,604,209	50,921	3,223,902	162,335	16,616,694
Accumulated surplus, beginning of year	\$ 6,971,742	\$ 65,171,326	\$ 1,214,141	\$ 14,173,762	\$ 256,619	\$ 87,787,590
Accumulated surplus, end of year	\$ 5,547,069	\$ 79,775,535	\$ 1,265,062	\$ 17,397,664	\$ 418,954	\$ 104,404,284

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

December 31, 2022

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


Public Council Session on February 22, 2022:

- Moved by Councillor LeBlanc, seconded by Councillor Kingston that \$328,000 be transferred from the General Operating Fund to the General Operating Reserve Fund.
- Moved by Councillor Edgett, seconded by Councillor Kingston that \$12,667,828 be transferred from the General Operating Fund to the General Capital Reserve Fund.
- Moved by Councillor Edgett, seconded by Councillor Steeves that \$10,000 be transferred from the Water and Wastewater Operating Fund to the Utility Operating Reserve Fund.
- Moved by Councillor LeBlanc, seconded by Councillor Kingston that \$1,880,000 be transferred from the Water and Wastewater Operating Fund to the Utility Capital Reserve Fund.

Public Council Session on December 5, 2022:

- Moved by Deputy Mayor Butler, seconded by Councillor Edgett that \$190,000 be transferred from the Water and Wastewater Capital Reserve Fund to the Water and Wastewater Capital Fund.
- Moved by Councillor Richard, seconded by Deputy Mayor Butler that \$1,519,801.76 be transferred from the General Capital Reserve Fund to the General Capital Fund.
- Moved by Deputy Mayor Butler, seconded by Councillor Richard that \$152,570.99 be transferred from the General Operating Fund to the General 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



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

December 31, 2022

Statements of Reserves

Council Resolutions regarding transfers to and from reserves:

Public Council Session on December 5, 2022 (continued):

Moved by Councillor Edgett, seconded by Deputy Mayor Butler that \$679,496.60 be transferred from the General Capital Reserve Fund to the General Capital Fund.

Moved by Councillor Richard, seconded by Councillor Edgett that \$395,438.87 be transferred from the General Capital Reserve Fund to the General Capital Fund.

Moved by Councillor Léger, seconded by Councillor LeBlanc that \$134,000 be transferred from the General Operating Fund to the General Operating Reserve Fund.

Moved by Councillor Edgett, seconded by Councillor LeBlanc that \$400,000 be transferred from the General Operating Reserve Fund to the General Operating Fund.

Moved by Councillor Léger, seconded by Councillor Richard that \$3,974,042 be transferred from the General Operating Fund to the General Capital Reserve Fund.

Moved by Councillor Edgett, seconded by Councillor Kingston that \$108,253.56 be transferred from the General Capital Reserve Fund to the General Capital Fund.

Moved by Councillor Léger, seconded by Deputy Mayor Butler that \$61,440.99 be transferred from the General Capital Reserve Fund to the General Capital 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, 2022

Statements of Reserves

Council Resolutions regarding transfers to and from reserves:

Public Council Session on December 5, 2022 (continued):

Moved by Deputy Mayor Butler, seconded by Councillor Thériault that \$160,510 be transferred from the General Operating Reserve Fund to the General Operating Fund.

Moved by Councillor Léger, seconded by Councillor LeBlanc that \$2,000,000 be transferred from the General Capital Reserve Fund to the General Operating Fund.

Moved by Councillor Edgett, seconded by Councillor LeBlanc that \$65,000 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.

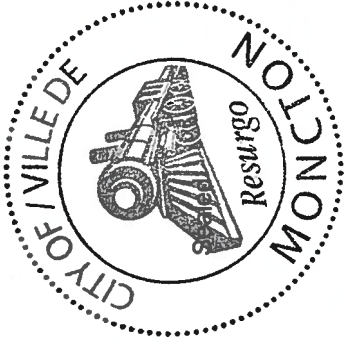
Public Council Session on December 19, 2022:

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

Moved by Councillor Leger, seconded by Councillor Richard that \$1,500,000 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



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

December 31, 2022

	Operating Budget General	Operating Budget Water & Wastewater	Capital Fund Budget	MID	Amortization & Pension & Post Employment Adjustments	Transfers	Total
Revenue	\$ -	\$ -	\$ -	\$ 402,367	\$ -	\$ (402,367)	\$ -
Grant from City of Moncton							
Province of New Brunswick							
Warrant for property taxes	152,044,698	-	-	-	-	-	152,044,698
Community Funding and Equalization Grant	3,224,771	-	-	-	-	-	3,224,771
Federal grant in lieu	18	-	-	-	-	-	18
Government transfers for operating	1,761,711	-	-	-	-	-	1,761,711
Government transfers for capital	-	-	20,002,042	361,443	-	-	20,363,485
Other contributions and transfers for capital	-	-	9,499,192	-	-	(9,399,192)	100,000
Other revenue from own sources	14,440,640	45,017	-	-	-	-	14,485,657
Water and wastewater rates	-	36,159,738	-	-	-	-	36,159,738
Water supply for fire protection	-	3,589,474	-	-	-	(3,589,474)	-
Interest	374,829	450,000	-	-	-	-	824,829
Deficit - previous year's deficit	4,107,711	309,333	-	-	-	(4,417,044)	-
	175,954,378	40,553,562	29,501,234	763,810	-	(17,808,077)	228,964,907
Expenses							
General government services	20,021,883	-	-	763,810	31,885,656	2,928,675	55,600,024
Protective services	52,513,917	-	-	-	-	(3,589,474)	48,924,443
Transportation services	37,719,791	-	-	-	-	(6,522,000)	31,197,791
Environmental health & development services	14,855,908	-	-	-	-	(2,113,754)	12,742,154
Recreation and cultural services	17,749,176	-	-	-	-	(44,192)	17,704,984
Water and wastewater	-	24,869,358	-	-	-	1,395,804	26,265,162
Fiscal services							
Long-term debt repayments	15,816,200	11,798,400	-	-	-	(27,614,600)	-
Interest	4,281,675	1,995,804	-	-	-	(6,277,479)	-
Transfer to the Operating Reserve	328,000	10,000	-	-	-	(338,000)	-
Transfer to the Capital Reserve	12,667,828	1,880,000	-	-	-	(14,547,828)	-
	175,954,378	40,553,562	29,501,234	763,810	31,885,656	(56,722,848)	192,434,558
Surplus (deficit) for the year	\$ -	\$ -	\$ 29,501,234	\$ -	\$ (31,885,656)	\$ 38,914,771	\$ 36,530,349

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

December 31, 2022

	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 Funds	Reserve for Land Develop Fund	MID	Total All Funds
2022 annual surplus (deficit) per Local Governance Act	\$ (600,580)	\$ 41,361,073	\$ (1,424,673)	\$ 402,648	\$ 15,461,757	\$ 14,604,209	\$ 3,223,902	\$ 50,921	\$ 162,335	\$ 2,104,171	\$ 75,345,763
Adjustment to annual surplus (deficit) for funding Requirements											
Second previous year's deficit	(4,107,711)			(309,333)						(1,906,662)	(4,417,044)
MID - Grant	1,906,662										
Transfer of Fire Watercosts	3,490,953			(3,490,953)							
Transfer of Capital from Operating	8,340,000	(8,340,000)		600,000	(600,000)						
Transfer of Capital from Operating Library	44,192	(44,192)									
Reclass Capital Assets purchased from general fund	556,527										556,527
Transfer from Land Reserve for development											
Capital Theatre	(137,092)										(137,092)
Long term Debt principal repayment	15,772,000	(15,772,000)		11,769,000	(11,769,000)						
Adjust liability for contaminated sites	436,760										436,760
Loss from disposal of tangible Capital Assets	390,837	(1,141,238)									(1,141,238)
Provision for Retirement liability	390,837										390,837
Amortization Expense	7,617,400	(28,623,438)			(10,679,618)						(39,503,056)
Pension Expense											7,617,400
Total Adjustments to 2022 annual surplus (deficit)	34,310,528	(54,120,868)	-	8,568,714	(23,048,618)	-	-	-	-	(1,906,662)	(36,196,906)
2022 annual Surplus(deficit) per PSAB for the year	\$ 33,709,948	\$ (12,759,795)	\$ (1,424,673)	\$ 8,971,362	\$ (7,586,861)	\$ 14,604,209	\$ 3,223,902	\$ 50,921	\$ 162,335	\$ 197,509	\$ 39,148,857

City of Moncton Schedule 7: Schedule of Government Transfers

December 31, 2022

	<u>Budget</u>	<u>2022</u>	<u>2021</u>
TRANSFERS FOR OPERATING:			
Government Transfers for Operating			
Canadian Museum Association – Provincial Heritage Canada	\$60,000	\$145,000	\$60,000
Immigration, Refugees and Citizenship Canada	-	249,269	100,000
Dept. of Transportation- Designated Highway	1,026,198	993,362	170,168
Province of New Brunswick - Social Development	-	183,875	1,016,312
Province of New Brunswick - COVID Safe Restart	-	-	-
Province of New Brunswick - Office of the Fire Marshall	-	239,204	3,902,563
Other Local Governments – Fire LSD Contract	675,513	685,869	-
	<u>\$1,761,711</u>	<u>\$2,496,579</u>	<u>\$5,909,357</u>
TRANSFERS FOR CAPITAL:			
Government Transfers for Capital			
Department of Transportation and Infrastructure	\$400,000	\$1,740,380	\$4,765,445
Canada Community Building Funding	6,629,217	5,340,690	10,239,212
ACOA	-	186,000	-
Federal Rail Safety Infrastructure	-	-	212,600
Regional Development Corporation	-	405,999	-
Infrastructure Canada-Green and Inclusive Building Fund	1,040,000	-	-
Infrastructure Bi-lateral Agreement	9,859,195	-	6,912,309
Province of New Brunswick – Forgivable Loan	-	1,940,265	1,329,853
Province of New Brunswick - COVID Safe Restart	-	1,798,899	-
Government of Canada – Transit and Home	-	3,974,042	-
Provincial contributions - MID	361,443	836,707	460,990
Federal/Provincial contributions - water and wastewater	2,073,630	432,650	420,786
	<u>\$20,363,485</u>	<u>\$16,655,632</u>	<u>\$24,341,195</u>
	<u>\$22,125,196</u>	<u>\$19,152,211</u>	<u>\$30,250,552</u>
TOTAL GOVERNMENT TRANSFERS			

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

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

December 31, 2022

Statement of controlled entity, Moncton Industrial Development Limited

	<u>2022</u>	<u>2021</u>
Financial assets	\$33,243,068	\$32,383,398
Liabilities	(16,474,779)	(17,708,678)
Net debt	16,768,289	14,674,720
Non-financial assets	35,351	24,749
Accumulated surplus	\$16,803,640	\$14,699,469
Revenue	7,761,193	7,687,815
Expenses	(5,657,022)	(7,209,215)
Annual (deficit) surplus	\$2,104,171	\$478,600

City of Moncton
Schedule 9: Reconciliation of Funding Deficit
 December 31, 2022

Reconciliation of Funding Deficit – Other Vested Retirement Liability

	<u>2022</u>	<u>2021</u>
Liability at December 31, 2022	\$13,161,600	\$12,532,100
Amount of December 31, 2022 liability funded in the current year	(4,719,500)	(4,191,500)
Amounts funded in prior years	<u>(8,633,911)</u>	<u>(7,613,574)</u>
(Funded Balance) / Balance to be funded in future years	<u>\$(191,811)</u>	<u>\$727,026</u>