

# Consolidated Financial Statements

City of Moncton

December 31, 2023

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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, 2023
- the consolidated statement of operations 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, 2023, 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.

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

### ***Emphasis of Matter – Restatement of Financial Statements***

We draw attention to Note 2 to the financial statements which explains that certain comparative information presented for the year ended December 31, 2022 has been restated.



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Note 2 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified with respect of this matter.

***Other Matter – Restatement of Financial Statements***

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

Our opinion is not modified with respect to this matter.

***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.



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We also:

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 8, 2024

# City of Moncton

## Consolidated Statement of Operations

Year Ended December 31

|  | PSA<br>Budget<br>(Schedule 5) | 2023<br>Actual       | 2022<br>Actual<br>(Restated -<br>Note 2) |
|--|-------------------------------|----------------------|--|
| <b>Revenue</b>   |                               |                      |  |
| Property Tax Warrant   | \$ 168,249,168                | \$ 168,249,168       | \$ 152,044,698                           |
| Community Funding and Equalization Grant<br>from Provincial Government         | 2,586,440                     | 2,586,440            | 3,224,771                                |
| Federals grant in lieu   | 3,738                         | 3,738                | 18                                       |
| Government transfers for operating (Schedule 1)                                | 1,760,134                     | 3,026,997            | 2,496,579                                |
| Other revenue from own sources (Schedule 1)                                    | 15,799,235                    | 23,157,690           | 21,835,178                               |
| Water and wastewater revenue (Schedule 1)                                      | 36,975,447                    | 38,587,922           | 37,234,402                               |
| Interest   | 1,111,598                     | 12,816,099           | 5,864,031                                |
|  | <u>226,485,760</u>            | <u>248,428,054</u>   | <u>222,699,677</u>                       |
| <b>Expenses (Schedule 2)</b>   |                               |                      |  |
| General government services  | 62,894,450                    | 72,901,643           | 62,593,950                               |
| Protection services  | 55,462,936                    | 57,236,744           | 50,241,008                               |
| Transportation services  | 35,321,334                    | 35,066,004           | 33,337,349                               |
| Environmental health and development services                                  | 14,212,069                    | 17,171,511           | 14,680,075                               |
| Recreation and cultural services   | 17,000,638                    | 19,967,125           | 19,833,918                               |
| Water and wastewater   | 27,193,342                    | 27,934,884           | 25,695,167                               |
|  | <u>212,084,769</u>            | <u>230,277,911</u>   | <u>206,381,467</u>                       |
| Annual surplus before capital contributions                                    | 14,400,991                    | 18,150,143           | 16,318,210                               |
| Other contributed assets for capital (Schedule 1)                              | 100,000                       | 13,424,329           | 6,175,015                                |
| Government transfers for capital (Schedule 1)                                  | 33,793,068                    | 11,571,631           | 16,655,632                               |
|  | <u>48,294,059</u>             | <u>43,146,103</u>    | <u>39,148,857</u>                        |
| Annual surplus   | 48,294,059                    | 43,146,103           | 39,148,857                               |
| Accumulated surplus, beginning of year   | 873,261,937                   | 873,261,937          | 839,179,747                              |
| Adjustment on adoption of the asset retirement<br>obligation standard (Note 2) | -                             | -                    | (5,066,667)                              |
| Accumulated surplus, beginning of year, as<br>restated                         | <u>873,261,937</u>            | <u>873,261,937</u>   | <u>834,113,080</u>                       |
| Accumulated surplus, end of year   | <u>\$921,555,996</u>          | <u>\$916,408,040</u> | <u>\$873,261,937</u>                     |


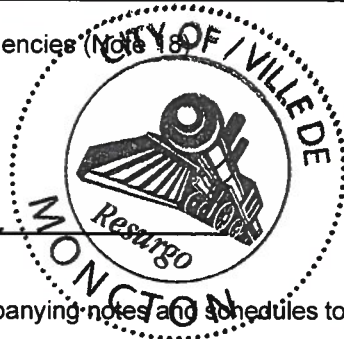
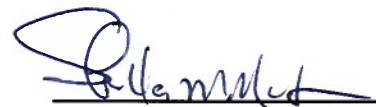
See accompanying notes and schedules to the consolidated financial statements.

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

|  | <u>2023</u>          | <u>2022</u><br>(Restated -<br>Note 2) |
|--|----------------------|---------------------------------------|
| <b>Financial assets</b>                    |                      |                                       |
| Cash and cash equivalents                  | \$67,664,862         | \$78,385,374                          |
| Restricted cash (Note 3)                   | 9,159,386            | 8,373,602                             |
| Receivables (Note 4)                       | 25,693,963           | 28,050,440                            |
| Mortgage receivable (Note 5)               | 1                    | 1                                     |
| Land and land development (Note 6)         | 33,301,036           | 28,813,215                            |
| Unamortized debenture discounts            | 1,118,766            | 1,297,010                             |
| Accrued pension asset (Note 11)            | 51,418,400           | 46,441,100                            |
|  | <u>188,356,414</u>   | <u>191,360,742</u>                    |
| <b>Liabilities</b>                         |                      |                                       |
| Payables and accruals (Note 8)             | 53,995,481           | 37,148,686                            |
| Forgivable loan payable (Note 9)           | -                    | 257,771                               |
| Long-term and other debt (Note 10)         | 144,999,000          | 167,695,000                           |
| Post employment benefits payable (Note 12) | 13,908,200           | 13,161,600                            |
| Asset retirement obligation (Note 14)      | 5,500,000            | 5,500,000                             |
|  | <u>218,402,681</u>   | <u>223,763,057</u>                    |
| <b>Net debt</b>                            | <u>(30,046,267)</u>  | <u>(32,402,315)</u>                   |
| <b>Non-financial assets</b>                |                      |                                       |
| Tangible capital assets (Note 13)          | 941,257,032          | 901,267,547                           |
| Inventory of supplies                      | 3,557,744            | 2,950,968                             |
| Prepays                                    | 1,639,531            | 1,445,737                             |
|  | <u>946,454,307</u>   | <u>905,664,252</u>                    |
| <b>Accumulated surplus</b>                 | <u>\$916,408,040</u> | <u>\$873,261,937</u>                  |

Commitments and contingencies (Note 18)

On behalf of the council

See accompanying notes and schedules to the consolidated financial statements.

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**City of Moncton**  
**Consolidated Statement of Changes in Net Debt**  
Year Ended December 31

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|  | <u>2023</u>                  | <u>2022</u><br>(Restated -<br>Note 2) |
|--|------------------------------|---------------------------------------|
| <b>Annual surplus</b>  | <b>\$43,146,103</b>          | <b>\$39,148,857</b>                   |
| Acquisition and donation of tangible capital assets                            | (81,631,294)                 | (45,809,353)                          |
| Proceeds on disposal of tangible capital assets                                | 311,277                      | 152,572                               |
| Amortization of tangible capital assets  | 40,925,421                   | 39,503,056                            |
| Loss on tangible capital assets  | 405,111                      | 988,667                               |
| Change in inventory of supplies  | (606,776)                    | (581,999)                             |
| Change in prepaids   | (193,794)                    | (198,196)                             |
|  | <u>(40,790,055)</u>          | <u>(5,945,253)</u>                    |
| Decrease in net debt   | <b>2,356,048</b>             | <b>33,203,604</b>                     |
| Net debt, beginning of year  | <b>(32,402,315)</b>          | <b>(60,105,919)</b>                   |
| Adjustment on adoption of the asset retirement<br>obligation standard (Note 2) | -                            | (5,500,000)                           |
| <b>Net debt, end of year</b>   | <b><u>(\$30,046,267)</u></b> | <b><u>(\$32,402,315)</u></b>          |

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See accompanying notes and schedules to the consolidated financial statements.



# City of Moncton

## Consolidated Statement of Cash Flows

Year Ended December 31

|   | <u>2023</u>          | <u>2022</u>          |
|---|----------------------|----------------------|
| <b>Net cash inflow (outflow) related to the following activities:</b> |                      |                      |
| <b>Operating activities</b>   |                      |                      |
| <b>Annual surplus</b>   | <b>\$43,146,103</b>  | <b>\$39,148,857</b>  |
| Items not affecting cash:   |                      |                      |
| Amortization of tangible capital assets                               | 40,925,421           | 39,503,056           |
| Cost of land sales  | 2,579,790            | 4,553,533            |
| Loss on sale of tangible capital assets                               | 405,111              | 988,667              |
| Donated infrastructure  | (10,368,296)         | (5,774,577)          |
| Change in accrued pension asset                                       | (4,977,300)          | (7,617,400)          |
| Change in post employment benefits                                    | 746,600              | 629,500              |
| Change in debenture discounts   | 178,244              | 118,297              |
| Loan forgiveness  | (257,771)            | (1,940,264)          |
| <b>Changes in non-cash working capital:</b>                           |                      |                      |
| Change in receivables   | 2,356,477            | 9,824,484            |
| Change in payables and accruals                                       | 16,846,795           | (4,821,635)          |
| Change in inventory of supplies                                       | (606,776)            | (581,999)            |
| Change in prepaids  | (193,794)            | (198,196)            |
| <b>Net cash provided by operating activities</b>                      | <b>90,780,604</b>    | <b>73,832,323</b>    |
| <b>Capital transactions</b>   |                      |                      |
| Acquisition of tangible capital assets                                | (71,262,998)         | (40,034,776)         |
| Proceeds on sale of tangible capital assets                           | 311,277              | 152,572              |
| <b>Net cash used for capital transactions</b>                         | <b>(70,951,721)</b>  | <b>(39,882,204)</b>  |
| <b>Financing activities</b>   |                      |                      |
| Advances (repayment) on line of credit                                | 3,685,000            | (4,230,000)          |
| Issuance of long-term and other debt                                  | -                    | 11,097,000           |
| Repayment of long-term and other debt                                 | (26,381,000)         | (27,541,000)         |
| <b>Net cash used for financing activities</b>                         | <b>(22,696,000)</b>  | <b>(20,674,000)</b>  |
| <b>Investing activities</b>   |                      |                      |
| Purchases in land and land development                                | (7,067,611)          | (3,565,221)          |
| <b>Net cash used for investing activities</b>                         | <b>(7,067,611)</b>   | <b>(3,565,221)</b>   |
| <b>Increase (decrease) in cash and cash equivalents</b>               | <b>(9,934,728)</b>   | <b>9,710,898</b>     |
| <b>Cash and cash equivalents at beginning of year</b>                 | <b>86,758,976</b>    | <b>77,048,078</b>    |
| <b>Cash and cash equivalents at end of year</b>                       | <b>\$ 76,824,248</b> | <b>\$ 86,758,976</b> |
| <b>Summary of cash and cash equivalents:</b>                          |                      |                      |
| Cash  | \$67,664,862         | \$ 78,385,374        |
| Restricted cash   | 9,159,386            | 8,373,602            |
| <b>Cash and cash equivalents at end of year</b>                       | <b>\$ 76,824,248</b> | <b>\$ 86,758,976</b> |

See accompanying notes and schedules to the consolidated financial statements.

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2023

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

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### 1. Summary of significant accounting policies

#### Basis of presentation

The consolidated financial statements of the City 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 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 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.

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2023

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

#### d) Non-financial assets

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

#### i) Tangible capital assets

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

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

#### e) 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.

#### f) 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. 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.

#### g) 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.

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2023

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

#### h) Long-term debt

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

#### i) 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.

#### j) Asset retirement obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

A liability for the removal of asbestos and other hazardous materials in several of the buildings owned by the City has also been recognized based on estimated future expenses on closure of the site and post-closure care.

The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies outlined in (d)(i).

#### k) Budget

The budget figures contained in these consolidated financial statements were approved by Council on November 10, 2022 and the Minister of Local Government approved the General and Utility Operating Budgets on December 16, 2022, and the Capital Budget on January 9, 2023.

#### 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.

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2023

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

m) **Segmented information**

The City is a diversified municipal unit that provides a wide range of services to its residents. For management reporting purposes, the City's operations and activities are organized and reported by function. This presentation was created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations. Municipal services are provided by departments as follows:

General government services

This department is responsible for the overall governance and financial administration of the Municipality. This includes council functions, general and financial management, legal matters and compliance with legislation as well as civic relations.

Protective services

This department is responsible for the provision of policing services, fire protection, emergency measures, animal control and other protective measures.

Transportation services

This department is responsible for common services, roads and streets maintenance, street lighting, traffic services, parking and other transportation related functions.

Environmental health services and development services

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

Recreation and cultural services

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

Water and wastewater systems

This department is responsible for the provision of water and 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.

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2023

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### 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 consolidated statement of financial position 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.

#### 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. 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.

In addition, the City's implementation of PS3280 – *Asset Retirement Obligations* has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

Actual results could differ from these estimates.

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2023

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

s) **Financial instruments**

The City's financial instruments include cash and cash equivalents, restricted cash, receivable, mortgage receivable, payables and accruals, forgivable loan payable and long-term and other debt.

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The City has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest method.

As all financial instruments are measured at cost or amortized cost, there have been no re-measurement gains or losses. Therefore, the statement of remeasurement gains (losses) has been excluded.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the consolidated statement of operations.

2. **Change in accounting policies:**

a) **PS 3450 – Financial Instruments:**

On January 1, 2023, the City adopted Public Accounting Standards PS 3450 – *Financial Instruments* and PS 2601 – *Foreign Currency Translation*. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the City's accounting policy choices (see Note 1 - Significant Accounting Policies).

The City also adopted PS 3450 – *Financial Instruments* and PS 2601 – *Foreign Currency Translation*, effective January 1, 2023. No significant changes were required as a result of implementing these new standards.

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# City of Moncton

## Notes to the Consolidated Financial Statements

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### 2. Change in accounting policies (continued):

#### b) PS 3280 – Asset Retirement Obligations:

On January 1, 2023, the City also adopted Public Accounting Standard PS 3280 – *Asset Retirement Obligations*. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method, the assumptions used on initial recognition are those as of the date of adoption of the standard. In accordance with the provisions of this new standard, the City reflected the following adjustments on January 1, 2023:

- Asset retirement obligation:
  - An increase of \$5,500,000 to the buildings and leasehold improvement costs, representing the original estimate of the obligation and an accompanying increase of \$5,066,667 to accumulated amortization.
  - An asset retirement obligation in the amount of \$5,500,000 representing the original obligation.
  - A decrease to the opening accumulated surplus of \$5,066,667 as a result of the recognition of the liability and accompanying \$5,066,667 increase in depreciation expense and accretion expense for the previous years since the buildings were purchased.

The City did not discount the value of the asset retirement obligation as the timeline of retirement activities are not known or well-defined.

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### 3. Restricted cash

Restricted cash is comprised of the following:

|  | <u>2023</u>        | <u>2022</u>        |
|--|--------------------|--------------------|
| Deposits on program funding - Transportation             |                    |                    |
| Discovery Centre   | 411,062            | \$389,824          |
| Deposit on Gas Tax program funding                       | 5,306,349          | 4,267,454          |
| Events Moncton   | 944,641            | 473,290            |
| Deposits on land - MID                                   | 397,771            | 542,646            |
| Cash held to pay performance rebates on land sales - MID | <u>2,099,563</u>   | <u>2,700,388</u>   |
|  | <u>\$9,159,386</u> | <u>\$8,373,602</u> |



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# City of Moncton

## Notes to the Consolidated Financial Statements

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### 4. Receivables

|   | <u>2023</u>         | <u>2022</u>         |
|---|---------------------|---------------------|
| <b><u>Capital Receivables</u></b>                     |                     |                     |
| Federal/Provincial government - capital contributions | \$4,146,966         | \$7,044,314         |
| Warren Gate Investments Inc.                          | -                   | 260,458             |
| Private/Other Capital Contribution                    | 321,830             | 321,830             |
| Fondation Odyssée Inc.                                | 1,965,095           | -                   |
|   | <u>6,433,891</u>    | <u>7,626,602</u>    |
| <b><u>Operating receivables</u></b>                   |                     |                     |
| Federal/Provincial government - HST                   | 3,324,548           | 2,309,923           |
| Federal/Provincial government - Operating             | 826,187             | 1,895,939           |
| Moncton Wildcats Junior Hockey Club Limited           | -                   | 1,700,066           |
| Other - various (net of allowance)                    | 1,638,967           | 332,942             |
| ASM Global  | 1,183,955           | 1,153,829           |
| Curl Moncton  | 1,136,692           | 1,136,692           |
| Moncton Arena Partners                                | 1,098,507           | 699,496             |
| Shopper's Drug Mart                                   | 285,760             | 194,707             |
| Moncton High School Field Committee                   | 268,610             | 268,610             |
| Town of Riverview                                     | 199,445             | 69,278              |
| Local improvements                                    | 174,827             | 168,240             |
| City of Dieppe  | 171,148             | 104,915             |
| Royal Oaks Estates Inc                                | 98,736              | 98,736              |
| Moncton Squash Club                                   | 96,672              | 106,672             |
| Mountainway Developments Inc.                         | 79,373              | 45,783              |
| Friends of the Zoo                                    | 75,000              | 18,049              |
| Magnetic Hill Wharf Village                           | 49,546              | 29,583              |
| Université de Moncton                                 | 44,945              | 3,650               |
| Gulf Fisheries Centre                                 | -                   | 58,750              |
| Indoor Sports Management                              | 9,387               | 30,699              |
| Sewer construction improvements                       | 7,284               | 17,228              |
|   | <u>10,769,589</u>   | <u>10,443,787</u>   |
| Water and wastewater receivables                      | 8,090,658           | 8,793,232           |
| Moncton Industrial Development Limited receivables    | 399,825             | 1,186,819           |
|   | <u>\$25,693,963</u> | <u>\$28,050,440</u> |

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2023

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### 5. 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.

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### 6. Land and land development

The City has invested in land and land development costs of **\$80,700,984** (2022 - \$73,633,374) consisting of the Caledonia Industrial Park of **\$32,783,511** (2022 - \$32,249,657), Moncton Industrial Park of **\$13,135,107** (2022 - \$12,574,201), West TCH Land **\$3,026,206** (2022 - \$767,706), New Business Park Development of **\$19,941,014** (2022 - \$19,892,080) and other land of **\$11,815,146** (2022 - \$8,149,730) for a future industrial park. Land and land development costs net of the cost of lots sold to date is **\$33,301,036** (2022 - \$28,813,215).

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### 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.

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### 8. Payables and accruals

|  | 2023                       | 2022                        |
|--|----------------------------|-----------------------------|
| Accounts payable and commitments   | <b>\$ 31,132,782</b>       | \$16,271,493                |
| Payable to the Policing Authority  | <b>13,616,530</b>          | 13,630,723                  |
| Contractors' holdbacks   | <b>6,209,872</b>           | 3,543,272                   |
| Interest on long-term debt   | <b>338,157</b>             | 399,454                     |
| Moncton Industrial Development Limited payables,<br>accruals and deposit on land | <b>2,662,879</b>           | 3,268,483                   |
| Local improvement deposits   | <b>35,261</b>              | 35,261                      |
|  | <b><u>\$53,995,481</u></b> | <b><u>\$ 37,148,686</u></b> |

Payables and accruals include an amount for contaminated sites of **\$602,500** (2022 \$8,000). The amount is an estimate done by the internal environmental engineers.

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2023

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### 9. Forgivable loan payable

On July 12, 2018, the Province of New Brunswick (Regional Development Corporation) ("RDC") issued a forgivable loan to the City 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.

|   |                  |
|---|------------------|
|   | <b>2023</b>      |
| Forgivable loan, ending balance December 31, 2022 | \$ 257,771       |
| Forgiveness amount - 2023                         | <u>(257,771)</u> |
| Forgivable loan, ending balance December 31, 2023 | <u>\$ -</u>      |

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**City of Moncton**  
**Notes to the Consolidated Financial Statements**  
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| <b>10. Long-term and other debt</b>                                    |   | <u>2023</u>                 | <u>2022</u>                 |
|--|---|-----------------------------|-----------------------------|
| <b><u>New Brunswick Municipal Financing Corporation Debentures</u></b> |   |                             |                             |
| BI9  | 1.35% - 3.25%, due 2023, OIC #09-0025, #10-0018, #11,0038, #12-0016   | \$ -                        | \$ 688,000                  |
| BI10   | 1.35% - 3.25%, due 2023, OIC #09-0025, #12-0016   | -                           | 173,000                     |
| BJ10   | 1.25% - 3.70%, due 2023, OIC #09-0025, #10-0018, #10-0068, #11-0038 #12-0016, #13-0010                      | -                           | 1,095,000                   |
| BJ11   | 1.25% - 3.70%, due 2023, OIC #06-0019, #08-0014, #09-0025, #10-0018 #11-0038, #12-0016                      | -                           | 406,000                     |
| BK6  | 1.15% - 3.45%, due 2024, OIC #06-0019, # 09-0025, #10-0018, #11-0038, #12-0016, #13-0010, #13-0012          | <b>282,000</b>              | 560,000                     |
| BK7  | 1.15% - 3.45%, due 2024, OIC #08-0014, #09-0025, #10-0018, #11-0038, #12-0016, #13-0010                     | <b>324,000</b>              | 644,000                     |
| BL8  | 1.20% - 3.10%, due 2024, OIC #10-0018, #11-0038, #12-0016, #13-0010 #14-0019                                | <b>306,000</b>              | 603,000                     |
| BL9  | 1.20% - 3.70%, due 2034, OIC #05-0016, #06-0019, #07-0015, #09-0025, #10-0018, #11-0038, #13-0010, #14-0019 | <b>12,290,000</b>           | 13,272,000                  |
| BM8  | 0.95% - 2.80%, due 2025, OIC #08-0014, #09-0025, #09-0072, #10-0018, #11-0038, #12-0016, #13-0012, #14-0019 | <b>1,668,000</b>            | 2,471,000                   |
| BN6  | 1.05% - 3.90%, due 2035, OIC #11-0038, #12-0016, #13-0010, #14-0019, #15-0020                               | <b>2,234,000</b>            | 3,250,000                   |
| BO8  | 1.45% - 2.90%, due 2026, OIC #09-0025, #11-0038, #12-0016, #13-0010, #13-0012, #14-0019, #15-0020, #15-0041 | <b>1,645,000</b>            | 2,167,000                   |
| BP8  | 1.20%-2.95%, due 2026, OIC#10-0018,#11-0038,#12-0016,#13-0010, #14-0019, #15-0020, #16-0018                 | <b>2,146,000</b>            | 2,825,000                   |
| BQ8  | 1.20%-2.70%, due 2027, OIC#12-0016,#13-0010,#14-0019,#15-0020, #15-0041, #16-0018, #16-0027                 | <b>1,900,000</b>            | 2,349,000                   |
| BR6  | 1.65%-2.90%, due 2027, OIC#12-0016,#13-0010,#14-0019,#15-0020 #16-0018, #17-0008                            | <b>3,805,000</b>            | 4,697,000                   |
| 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 | <b>50,846,000</b>           | 54,990,000                  |
| BU7  | 2.55%-3.40%, due 2028, OIC#14-0019,#15-0020,#15-0041,#16-0018,#17-0008 #18-0041                             | <b>2,688,000</b>            | 3,717,000                   |
| BU8  | 2.55%-3.40%, due 2028, OIC#13-0010,#14-0019,#15-0020,#16-0018 #17-0008, #18-0014                            | <b>5,013,000</b>            | 6,007,000                   |
| BW11   | 1.95%-2.45%, due 2029, OIC#14-0019,#15-0020,#16-0018,#17-0008 #18-0014, #19-0013                            | <b>7,461,000</b>            | 9,283,000                   |
| BW12   | 1.95%-2.10%, due 2024, OIC#16-0018,#17-0008,#18-0014,#19-0013   | <b>1,840,000</b>            | 3,643,000                   |
| BX7  | 0.90%-2.05%, due 2030, OIC#15-0020,#17-0008,#18-0014,#19-0013 #19-0031,#19-0065                             | <b>4,230,000</b>            | 5,051,000                   |
| BY11   | 0.50%-1.80%, due 2030, OIC#15-0020,#16-0018,#17-0008,#18-0014, #19-0013,#19-0031,#20-0009                   | <b>6,931,000</b>            | 8,076,000                   |
| BX8  | 0.90%-1.5%, due 2025, OIC#17-0008,#18-0014,#19-0013   | <b>2,368,000</b>            | 3,530,000                   |
| BY12   | 0.50%-1.10%, due 2025, OIC#17-0008,#18-0014,#19-0013,#20-0009   | <b>2,266,000</b>            | 3,385,000                   |
| CA9  | 0.855%-2.378%, due 2031, OIC#15-0020,#18-0014,#19-0013,#19-0065,#20-0009,#21-0005                           | <b>6,008,000</b>            | 6,972,000                   |
| CA10   | 0.855%-2.1786%, due 2026, OIC#17-008,#18-0014,#20-0009,#21-0005   | <b>3,940,000</b>            | 5,219,000                   |
| CC4  | 4.70%-4.266%, due 2032, OIC#19-0013,#19-0065,#20-0009,#21-0005,#22-0003                                     | <b>5,461,000</b>            | 6,031,000                   |
| CC5  | 4.70%-3.953%, due 2027, OIC#18-0014,#19-0013,#20-0009,#21-0005,#22-0003                                     | <b><u>4,137,000</u></b>     | <b><u>5,066,000</u></b>     |
|  |   | <b>129,789,000</b>          | 156,170,000                 |
|  | Line of credit - MID, prime less one percent, due on demand   | <b><u>15,210,000</u></b>    | <b><u>11,525,000</u></b>    |
|  |   | <b><u>\$144,999,000</u></b> | <b><u>\$167,695,000</u></b> |

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2023

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### 10. Long-term and other debt (continued)

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

|      |               |      |               |
|------|---------------|------|---------------|
| 2024 | \$ 23,567,000 | 2027 | \$ 12,701,000 |
| 2025 | 19,874,000    | 2028 | 10,221,000    |
| 2026 | 15,401,000    |      |               |

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, 2023, the City has an approval to borrow up to an additional **\$87,365,000**.

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### 11. Accrued pension asset

Pension benefits are provided to employees of The City under the Pension Plan for the Employees of the City amended and assented to February 26, 1998. Employees contribute to the plan, which provides for service pensions based on length of service and rate of pay (a defined benefit plan). The City's contribution limits were initially fixed by legislation at 6.65% of employee earnings plus a lump sum amount of \$25,000 per annum. Effective 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 **\$4,946,400** (2022 - \$4,604,100). Total benefit payments to retirees during the year were **\$15,249,000** (2022 - \$14,841,700). A separate pension fund is maintained. The City is in a net funded position at December 31, 2023, as follows:

|                                  | <u>2023</u>          | <u>2022</u>   |
|----------------------------------|----------------------|---------------|
| Fair market value of plan assets | <b>\$334,617,000</b> | \$312,885,100 |
| Accrued benefit obligation       | <b>(269,148,400)</b> | (254,978,800) |
| Funded status                    | <b>65,468,600</b>    | 57,906,300    |
| Unamortized actuarial gain       | <b>(8,708,100)</b>   | (9,321,300)   |
| Valuation allowance              | <b>(5,342,100)</b>   | (2,143,900)   |
| Accounting pension asset         | <b>\$ 51,418,400</b> | \$ 46,441,100 |

Actuarial valuations for accounting purposes are performed triennially using the projected benefit method prorated on services. The accrued benefit obligation shown for 2023 is based on the pension valuation performed by the City's actuaries, Mercer Canada, carried out effective December 31, 2023.

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**City of Moncton**  
**Notes to the Consolidated Financial Statements**  
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**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>2023</u> | <u>2022</u> |
|------------------------------------|-------------|-------------|
| (a) Discount rate                  | 6.25%       | 6.50%       |
| (b) Rate of compensation increases | 2.50%       | 2.70%       |
| (c) Rate of inflation              | 2.00%       | 2.20%       |

|                |  |
|----------------|--|
| Mortality      | 115% of the rates of the CPM-2014 Public table |
| Retirement age | Age-related tables                             |

|  | <u>2023</u>         | <u>2022</u>          |
|--|---------------------|----------------------|
| Current period benefit cost  | \$ 7,284,300        | \$ 8,315,200         |
| Amortization of actuarial gains  | <u>(1,706,900)</u>  | <u>(4,178,800)</u>   |
|  | 5,577,400           | 4,136,400            |
| Less: employee contributions   | <u>(4,946,400)</u>  | <u>(4,604,081)</u>   |
| Pension expense (recovery)   | 631,000             | (467,681)            |
| Interest cost on the average accrued benefit obligation                | 16,303,400          | 15,585,100           |
| Expected return on average plan assets                                 | <u>(20,163,500)</u> | <u>(20,274,600)</u>  |
|  | (3,229,100)         | (5,157,181)          |
| Increase in valuation allowance provided against accrued benefit asset | <u>3,198,200</u>    | <u>2,143,900</u>     |
| Total recovery related to pension                                      | <u>\$(30,900)</u>   | <u>\$(3,013,281)</u> |

The employer contribution expense of **\$4,946,400** is included in the statement of operations as a component of department expenses. The change in pension asset of **\$4,977,300** is recorded in the general government services.

|  | Percentage of Plan Assets |                |
|--|---------------------------|----------------|
|  | <u>2023</u>               | <u>2022</u>    |
| <b>Benefits plan assets consist of:</b>                          |                           |                |
| Bonds  | 30.00%                    | 30.00%         |
| Canadian and foreign equities                                    | 38.50%                    | 38.50%         |
| Infrastructure / sustainable small opportunities                 | 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> |

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**City of Moncton**  
**Notes to the Consolidated Financial Statements**  
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**12. Sick and other post-employment liabilities**

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

|                                       | <u>2023</u>                 | <u>2022</u>         |
|---------------------------------------|-----------------------------|---------------------|
| <b>Employee benefits obligations</b>  |                             |                     |
| Vested benefits                       | <b>\$6,982,100</b>          | \$6,399,800         |
| Unamortized actuary gains             | <b>1,860,700</b>            | 2,042,300           |
| Non-vested benefits                   | <b>4,443,100</b>            | 4,107,800           |
| Unamortized actuary losses non-vested | <b>622,300</b>              | 611,700             |
| Accrued employee benefit obligation   | <u><b>\$13,908,200</b></u>  | <u>\$13,161,600</u> |
| <br>                                  |                             |                     |
| Accrued employee benefit obligation   | <b>13,908,200</b>           | 13,161,600          |
| Less funded amount                    | <u><b>(10,128,211)</b></u>  | <u>(8,633,911)</u>  |
| Unfunded employee benefit obligation  | <b>3,779,989</b>            | 4,527,689           |
| Less non-vested benefits              | <u><b>(5,065,400)</b></u>   | <u>(4,719,500)</u>  |
| <b>Vested benefits funded</b>         | <u><b>\$(1,285,411)</b></u> | <u>\$(191,811)</u>  |
| <br>                                  |                             |                     |
| <b>Benefit expense in the year</b>    | <u><b>\$1,301,800</b></u>   | <u>\$1,640,500</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 increase 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% (2022 - 2.70%)
- the discount rate used to determine the accrued benefit obligation is 4.10% (2022 - 4.35%);
- retirement age is 65 (2022 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.

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2023

### 13. Consolidated tangible capital assets

2023

| Cost                               | 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 | Assets under Construction | 2023                 |
| Balance, beginning of year         | \$34,627,336           | \$228,800,716                        | \$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               | \$1,508,647,589      |
| Additions and transfers            | 177,715                | 4,901,464                            | 6,299,612              | 1,049,770                       | 5,179,816           | 40,862,912               | 709,835            | 18,203,255                         | 6,540,638                                | 18,813,352           | 4,927,574                 | 107,665,943          |
| Transfers from WIP                 | -                      | -                                    | -                      | -                               | -                   | (17,194,091)             | -                  | -                                  | -  | -                    | (8,840,558)               | (26,034,649)         |
| Disposals and transfers            | -                      | -                                    | (1,456,969)            | -                               | -                   | -                        | -                  | (3,455,740)                        | -  | (688,353)            | -                         | (5,601,062)          |
| <b>Balance, end of year</b>        | <b>34,805,051</b>      | <b>233,702,180</b>                   | <b>78,920,555</b>      | <b>18,399,593</b>               | <b>89,819,299</b>   | <b>44,304,286</b>        | <b>13,183,543</b>  | <b>417,144,722</b>                 | <b>109,031,387</b>                       | <b>543,918,777</b>   | <b>1,448,428</b>          | <b>1,584,677,821</b> |
| <b>Accumulated Amortization</b>    |                        |                                      |                        |                                 |                     |                          |                    |                                    |  |                      |                           |                      |
| Balance, beginning of year         | -                      | (73,617,021)                         | (51,175,679)           | (14,610,694)                    | (44,631,516)        | -                        | (9,361,728)        | (193,427,838)                      | (51,198,135)                             | (169,357,431)        | -                         | (607,380,042)        |
| Amortization                       | -                      | (6,174,966)                          | (4,272,767)            | (1,198,544)                     | (4,611,202)         | -                        | (373,446)          | (12,912,543)                       | (3,794,168)                              | (7,587,785)          | -                         | (40,925,421)         |
| Disposals and transfers            | -                      | -                                    | 1,415,576              | -                               | -                   | -                        | -                  | 2,908,209                          | -  | 560,889              | -                         | 4,884,674            |
| <b>Balance, end of year</b>        | <b>-</b>               | <b>(79,791,987)</b>                  | <b>(64,032,870)</b>    | <b>(15,809,238)</b>             | <b>(49,242,718)</b> | <b>-</b>                 | <b>(9,735,174)</b> | <b>(203,432,172)</b>               | <b>(54,992,303)</b>                      | <b>(176,384,327)</b> | <b>-</b>                  | <b>(643,420,789)</b> |
| <b>Net Book Value, end of year</b> | <b>\$34,805,051</b>    | <b>\$153,910,193</b>                 | <b>\$24,887,685</b>    | <b>\$2,590,355</b>              | <b>\$40,576,581</b> | <b>\$44,304,286</b>      | <b>\$3,448,369</b> | <b>\$213,712,550</b>               | <b>\$54,039,084</b>                      | <b>\$367,534,450</b> | <b>\$1,448,428</b>        | <b>\$941,257,032</b> |

\*During the year, the City received donated infrastructure of \$10,368,296 from subdivision developers.



# City of Moncton Notes to the Consolidated Financial Statements

December 31, 2023

## 13. Consolidated tangible capital assets (continued)

2022

|  | 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 | Assets under Construction | 2022                 |
| Cost   |                        |                                      |                        |                                 |                     |                          |                    |                                    |  |                      |                           |                      |
| Balance, beginning of year   | \$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      |
| Adjustment relating to recognition of asset retirement obligation (Note 2) | -                      | 5,500,000                            | -                      | -                               | -                   | -                        | -                  | -                                  | -  | -                    | -                         | 5,500,000            |
| Balance, beginning of year, as restated                                    | 33,879,164             | 226,163,960                          | 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                | 1,468,735,575        |
| 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           |
| Transfers from WIP   | -                      | -                                    | -                      | -                               | -                   | (7,580,868)              | -                  | -                                  | -  | -                    | (16,484,075)              | (24,064,943)         |
| Disposals and transfers  | -                      | -                                    | (371,890)              | -                               | -                   | -                        | -                  | (4,310,831)                        | -  | (784,619)            | -                         | (5,467,340)          |
| <b>Balance, end of year</b>  | <b>34,627,336</b>      | <b>229,230,716</b>                   | <b>74,077,912</b>      | <b>17,349,823</b>               | <b>84,639,483</b>   | <b>20,635,465</b>        | <b>12,473,708</b>  | <b>402,397,207</b>                 | <b>102,490,749</b>                       | <b>525,793,778</b>   | <b>5,361,412</b>          | <b>1,509,077,589</b> |
| <b>Accumulated Amortization</b>  |                        |                                      |                        |                                 |                     |                          |                    |                                    |  |                      |                           |                      |
| Balance, beginning of year   | -                      | (62,785,014)                         | (47,662,643)           | (13,368,115)                    | (40,101,192)        | -                        | (9,000,113)        | (184,494,406)                      | (48,483,713)                             | (161,671,225)        | -                         | (567,566,421)        |
| Adjustment relating to recognition of asset retirement obligation (Note 2) | -                      | (5,066,667)                          | -                      | -                               | -                   | -                        | -                  | -                                  | -  | -                    | -                         | (5,066,667)          |
| Balance, beginning of year, as restated                                    | -                      | (67,851,681)                         | (47,662,643)           | (13,368,115)                    | (40,101,192)        | -                        | (9,000,113)        | (184,494,406)                      | (48,483,713)                             | (161,671,225)        | -                         | (572,633,088)        |
| 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)         |
| Disposals and transfers  | -                      | -                                    | 371,890                | -                               | -                   | -                        | -                  | 3,295,711                          | -  | 658,501              | -                         | 4,326,102            |
| <b>Balance, end of year</b>  | <b>-</b>               | <b>(74,047,021)</b>                  | <b>(51,175,679)</b>    | <b>(14,610,694)</b>             | <b>(44,631,516)</b> | <b>-</b>                 | <b>(9,361,728)</b> | <b>(193,427,838)</b>               | <b>(51,198,135)</b>                      | <b>(165,357,431)</b> | <b>-</b>                  | <b>(607,810,042)</b> |
| <b>Net book value, end of year</b>   | <b>\$34,627,336</b>    | <b>\$155,183,695</b>                 | <b>\$22,902,233</b>    | <b>\$2,739,129</b>              | <b>\$40,007,967</b> | <b>\$20,635,465</b>      | <b>\$3,111,980</b> | <b>\$208,969,369</b>               | <b>\$51,292,614</b>                      | <b>\$356,436,347</b> | <b>\$5,361,412</b>        | <b>\$901,267,547</b> |

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

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2023

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### 14. Asset retirement obligation:

The City's asset retirement obligation consists of the following obligations:

The City owns and operates several buildings that are known to have asbestos and other hazardous materials, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS3280 – *Asset Retirement Obligations*, the City recognized an obligation relating to the removal and post-removal care in these buildings as estimated at January 1, 2022. The timing of post-closure care cannot yet be reasonably estimated, so no discounting has been applied to the liability.

The transition and recognition of asset retirement obligations involved an accompanying increase to the buildings and leasehold improvement capital assets and the restatement of prior year numbers (see Note 2).

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### 15. 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 2023, 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.

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### 16. 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*.

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### 17. 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.

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2023

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### 18. 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 2023 this approximated **\$635,768** and approximately **49.3%** 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) 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. The initial term of the agreement and required monthly payment ended on October 15, 2022. An option for a ten-year renewal was exercised on October 15, 2022 by the City expressing its desire to exercise its option to renew the agreement for a further ten years, and 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 obligations will become liabilities in the future when the terms of the contract are met.

#### 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, 2023, 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.
- c) The City was the recipient of approximately \$117,572,000 new property assessment of which 79% represents new residential property while the remaining 21% represents non-residential assessment. This change was based on the Government of New Brunswick's Local Governance Reform which involved moving from 104 local governments down to 77 which took 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.

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2023

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### 18. Commitments and contingencies (continued)

#### Contingencies (continued)

- d) The City entered into a Rapid Housing Initiative Agreement on February 6th, 2023, with Canada Mortgage and Housing Corporation (CMHC). The agreement provides that the City 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. At December 31, 2023 \$2,019,185 remains to be distributed.
- e) On November 15, 2023, the City entered into an agreement with CMHC for \$15,597,510 through the Federal Housing Accelerator Fund (HAF) that provides incentive funding to local governments encouraging initiatives aimed at increasing the housing supply. It also supports the development of complete, low-carbon and climate-resilient communities that are affordable, inclusive, equitable and diverse.

The City has applied and was successful in receiving this funding under HAF and, in support of its application, has submitted a proposed action plan that sets out the action items, initiatives and targets that the City will undertake and/or achieve to remove systemic barriers to housing supply and boost supply in the Community.

The funding cannot be used for any other purpose except for costs associated with the permitted use of funds as outlined below;

- Investments in HAF action plans
- Investments in affordable housing
- Investments in housing-related infrastructure
- Investments in community-related infrastructure that supports housing

All costs associated with this program is included in environmental health and development services and the funding is included under the Federal Housing Accelerator Fund within the government transfers in the consolidated statement of operations. CMHC advanced the City \$3,899,375 and on December 31, 2023, \$3,897,688 remains.

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### 19. Financial instruments

#### Risk management

The City has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk, and interest rate risk.

#### Credit risk

Credit risk is the risk of a financial loss to the City if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the City consisting of cash and cash equivalents, restricted cash, receivables, and mortgage receivable. The City is exposed to credit risk on its receivable and mortgage receivable as disclosed in Notes 4 and 5. Allowances for doubtful accounts are provided for potential losses that have been incurred at the reporting date. The amounts disclosed on the consolidated statement of financial position are net of these allowances for doubtful accounts. Management believes its allowance for doubtful accounts is sufficient on its receivables and has a collection recovery procedure to mitigate its credit risk.

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# City of Moncton

## Notes to the Consolidated Financial Statements

December 31, 2023

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### 19. Financial instruments (continued)

#### **Liquidity risk**

Liquidity risk is the risk that the City will not be able to meet its financial obligations as they become due. The City's objective is to have sufficient liquidity to meet these liabilities when due. The City monitors its cash balance and cash flows generated from operations to meet its liquidity requirements. The liquidity risk arises from the financial liabilities consisting of payables and accruals as disclosed in Note 8 and long-term and other debt as disclosed in Note 10.

#### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The long-term debt is at fixed interest rates and are paid based on the contractual requirements of the debt instrument. A change in market interest rates does not impact cash flows to service debt. The operating line of credit is subject to floating interest rates. A change in the variable rate can impact cash flow to service the debt when such debt is outstanding.

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### 20 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, 2023

|   | 2023                | 2023                | 2022                |
|---|---------------------|---------------------|---------------------|
|   | <u>Budget</u>       | <u>Actual</u>       | <u>Actual</u>       |
| <b>Government transfers for operating</b>                 |                     |                     |                     |
| Canadian Museum Association - Provincial                  | \$60,000            | \$70,000            | \$145,000           |
| Heritage Canada   | -                   | 64,900              | -                   |
| ACOA  | -                   | 146,441             | -                   |
| Regional Development Corporation                          | -                   | 89,858              | -                   |
| Immigration, Refugees and Citizenship Canada              | -                   | 382,209             | 249,269             |
| Dept. of Transportation - Designated highway              | 675,513             | 661,772             | 993,362             |
| GNB - Social Development                                  | -                   | -                   | 183,875             |
| GNB - Other Departments                                   | -                   | 430,593             | -                   |
| GNB - Office of the Fire Marshall                         | -                   | 125,471             | 239,204             |
| Other Local Governments - Fire LSD Contract               | 1,024,621           | 1,055,753           | 685,869             |
|   | <u>\$1,760,134</u>  | <u>\$3,026,997</u>  | <u>\$2,496,579</u>  |
| <b>Other revenue from own sources</b>                     |                     |                     |                     |
| Licenses and permits - building permits                   | \$2,062,740         | \$2,146,016         | \$2,755,559         |
| other   | 625,514             | 716,900             | 822,699             |
| Fines and fees  | 339,000             | 161,993             | 68,053              |
| Parking   | 2,339,402           | 1,542,394           | 1,305,320           |
| Rent  | 16,179              | 8,679               | 16,179              |
| Miscellaneous   | 363,230             | 524,353             | 491,618             |
| Transportation - other                                    | 107,025             | 130,653             | 213,699             |
| Public transit  | 4,709,209           | 5,512,640           | 4,257,541           |
| Magnetic Hill Zoo   | 2,121,016           | 2,480,385           | 2,298,111           |
| Magnetic Hill Park  | 190,317             | 175,003             | 163,564             |
| Other recreational  | 1,166,450           | 4,397,873           | 2,945,010           |
| Coliseum - Agrena   | 1,721,485           | 3,016,080           | 2,659,767           |
| Loss on disposal of tangible assets                       | -                   | (405,111)           | (988,667)           |
| Cash received in lieu                                     | -                   | 39,087              | 154,683             |
| Water and wastewater other revenue                        | 37,668              | 21,272              | 58,590              |
| Land and other - MID                                      | -                   | 2,689,473           | 4,613,452           |
|   | <u>\$15,799,235</u> | <u>\$23,157,690</u> | <u>\$21,835,178</u> |
| <b>Water and wastewater revenue</b>                       |                     |                     |                     |
| Water user charges  | \$19,551,772        | \$20,528,060        | \$19,612,653        |
| Wastewater user charges                                   | 8,785,325           | 9,090,686           | 8,870,491           |
| Wastewater treatment levy                                 | 8,638,350           | 8,969,176           | 8,751,258           |
|   | <u>\$36,975,447</u> | <u>\$38,587,922</u> | <u>\$37,234,402</u> |
| <b>Other contributions for capital</b>                    |                     |                     |                     |
| Donated assets - developers                               | \$ -                | \$10,368,296        | \$5,774,576         |
| Organizations and individuals                             | 100,000             | 2,852,740           | 311,414             |
| Local improvement and branch sewer recoveries             | -                   | 203,293             | 89,025              |
|   | <u>\$100,000</u>    | <u>\$13,424,329</u> | <u>\$6,175,015</u>  |
| <b>Government transfers for capital</b>                   |                     |                     |                     |
| Department of Transportation and Infrastructure           | \$4,970,000         | \$290,479           | \$1,740,380         |
| ACOA  | -                   | 778,075             | 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                         | 5,179,051           | 5,620,822           | 5,340,690           |
| Transport Canada  | -                   | 33,792              | -                   |
| Regional Development Corporation                          | -                   | 537,791             | 838,650             |
| Infrastructure Canada - Green and Inclusive Building Fund | 9,500,000           | -                   | -                   |
| Infrastructure Bi-lateral Agreement                       | 14,144,017          | 2,811,158           | -                   |
| Province of New Brunswick - Forgivable Loan               | -                   | 257,771             | 1,940,264           |
| Provincial contributions - MID                            | -                   | 1,241,743           | 836,707             |
|   | <u>\$33,793,068</u> | <u>\$11,571,631</u> | <u>\$16,655,632</u> |

# City of Moncton

## Schedule 2: Consolidated Schedule of Expenses

Year ended December 31, 2023

2023

2023

2022

|  | <u>Budget</u>              | <u>Actual</u>              | <u>Actual</u>              |
|--|----------------------------|----------------------------|----------------------------|
| <b>General government services</b>                   |                            |                            |                            |
| Mayor and Councillors                                | \$791,414                  | \$806,699                  | \$770,776                  |
| City Manager and Internal Audit                      | 722,618                    | 532,358                    | 276,042                    |
| Corporate services                                   | 162,154                    | 160,200                    | 154,784                    |
| Finance and administration                           | 1,969,845                  | 1,605,119                  | 1,381,531                  |
| Information systems                                  | 2,372,452                  | 2,338,351                  | 2,046,116                  |
| Human resources                                      | 1,543,780                  | 1,461,299                  | 1,409,127                  |
| Legislative services                                 | 1,331,350                  | 1,144,544                  | 1,095,681                  |
| City Hall building                                   | 456,571                    | 404,506                    | 460,242                    |
| Corporate communications                             | 1,051,197                  | 888,750                    | 801,759                    |
| Other general administration                         | 4,749,160                  | 6,662,081                  | 4,855,209                  |
| Service Moncton                                      | 112,150                    | 162,828                    | 115,288                    |
| Grants   | 2,365,591                  | 4,437,546                  | 4,234,913                  |
| Corporate planning and policy development            | 380,097                    | 368,171                    | 265,430                    |
| Selling, general and administration - MID            | <u>693,329</u>             | <u>626,958</u>             | <u>686,028</u>             |
|  | <b>\$18,701,708</b>        | <b>\$21,599,410</b>        | <b>\$18,552,926</b>        |
| <br>   |                            |                            |                            |
| Amortization of tangible assets                      | 40,602,342                 | 40,925,421                 | 39,503,056                 |
| Cost of land sales                                   | -                          | 2,579,790                  | 4,553,533                  |
| Interest   | 6,356,311                  | 10,501,636                 | 6,560,073                  |
| Pension  | (4,977,300)                | (4,977,300)                | (7,617,400)                |
| Post-retirement liabilities                          | 1,746,389                  | 998,689                    | 1,355,552                  |
| Contaminated sites expense                           | -                          | 594,500                    | (436,760)                  |
| Deferred facility and energy maintenance cost        | <u>465,000</u>             | <u>679,497</u>             | <u>122,970</u>             |
|  | <b><u>\$62,894,450</u></b> | <b><u>\$72,901,643</u></b> | <b><u>\$62,593,950</u></b> |
| <br>   |                            |                            |                            |
| <b>Protection services</b>                           |                            |                            |                            |
| Police   | \$32,116,420               | \$32,078,803               | \$27,864,289               |
| Fire   | 18,001,204                 | 18,961,909                 | 18,434,044                 |
| Building inspection                                  | 1,980,682                  | 1,720,540                  | 1,589,150                  |
| Other protective services                            | <u>3,364,630</u>           | <u>4,475,492</u>           | <u>2,353,525</u>           |
|  | <b><u>\$55,462,936</u></b> | <b><u>\$57,236,744</u></b> | <b><u>\$50,241,008</u></b> |
| <br>   |                            |                            |                            |
| <b>Transportation services</b>                       |                            |                            |                            |
| Engineering administration                           | \$2,583,462                | \$2,264,672                | \$1,645,257                |
| Facilities   | 1,597,260                  | 1,723,641                  | 1,522,141                  |
| Roads, streets and equipment                         | 12,443,690                 | 12,133,587                 | 13,112,460                 |
| Street lighting                                      | 2,807,955                  | 2,771,994                  | 2,693,321                  |
| Traffic and parking                                  | 1,405,342                  | 1,773,296                  | 1,441,731                  |
| Public transit                                       | 13,442,854                 | 13,341,695                 | 11,922,632                 |
| Other transportation                                 | <u>1,040,771</u>           | <u>1,057,119</u>           | <u>999,807</u>             |
|  | <b><u>\$35,321,334</u></b> | <b><u>\$35,066,004</u></b> | <b><u>\$33,337,349</u></b> |
| <br>   |                            |                            |                            |
| <b>Environmental health and development services</b> |                            |                            |                            |
| Garbage and waste collection                         | \$3,651,225                | \$3,588,900                | \$3,452,382                |
| Planning commission                                  | 705,863                    | 101,714                    | 90,238                     |
| Development  | 5,418,986                  | 5,028,276                  | 4,341,515                  |
| Magnetic Hill Zoo                                    | 3,483,319                  | 3,899,352                  | 3,529,609                  |
| Magnetic Hill Park and Magnetic Hill Concert Site    | 404,216                    | 423,028                    | 381,298                    |
| Immigration  | 262,181                    | 493,035                    | 433,935                    |
| Tourism  | <u>286,279</u>             | <u>3,637,206</u>           | <u>2,451,098</u>           |
|  | <b><u>\$14,212,069</u></b> | <b><u>\$17,171,511</u></b> | <b><u>\$14,680,075</u></b> |

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# City of Moncton

## Schedule 2: Consolidated Schedule of Expenses, continued

Year Ended December 31

2023

2023

2022

|   | <u>Budget</u>       | <u>Actual</u>       | <u>Actual</u>       |
|---|---------------------|---------------------|---------------------|
| <b>Recreation and cultural services</b>   |                     |                     |                     |
| Parks and Leisure services                | \$8,075,718         | \$8,661,456         | \$8,004,091         |
| Library                                   | 506,172             | 479,076             | 467,503             |
| Capitol Theatre grant                     | 499,335             | 633,659             | 636,428             |
| Senior's Citizens                         | 110,185             | 425,416             | 100,380             |
| Events and venues                         | 1,600,988           | 1,747,327           | 2,129,890           |
| Museum                                    | 1,344,215           | 1,404,997           | 1,259,117           |
| Moncton Stadium                           | 76,227              | 142,790             | 74,260              |
| Arenas                                    | 1,145,996           | 1,257,319           | 2,605,945           |
| William House / Treitz Haus               | 155,492             | 130,420             | 106,949             |
| Avenir Centre                             | 326,199             | 351,057             | 283,708             |
| Coliseum - Agrena                         | 2,946,046           | 4,529,591           | 3,977,328           |
| Other cultural programs and services      | 214,065             | 204,017             | 188,319             |
|   | <u>\$17,000,638</u> | <u>\$19,967,125</u> | <u>\$19,833,918</u> |
| <br>                                      |                     |                     |                     |
| <b>Water and wastewater</b>               |                     |                     |                     |
| <b>Water supply</b>                       |                     |                     |                     |
| Administration                            | \$4,438,790         | \$4,668,650         | \$4,206,549         |
| Interest                                  | 1,247,726           | 1,412,506           | 1,432,234           |
| Transmission and distribution             | 4,019,963           | 3,918,756           | 3,475,519           |
| Purification and source of supply         | 4,207,993           | 4,849,279           | 4,031,471           |
| Power and pumping                         | 723,115             | 866,841             | 603,655             |
|   | <u>\$14,637,587</u> | <u>\$15,716,032</u> | <u>\$13,749,428</u> |
| <br>                                      |                     |                     |                     |
| <b>Wastewater collection and disposal</b> |                     |                     |                     |
| Administration                            | \$1,623,248         | \$1,624,897         | \$1,683,602         |
| Maintenance and Collection                | 1,507,512           | 1,229,684           | 1,217,329           |
| Treatment Plant                           | 8,638,350           | 8,638,350           | 8,214,990           |
| Interest                                  | 786,645             | 725,921             | 829,818             |
|   | <u>\$12,555,755</u> | <u>\$12,218,852</u> | <u>\$11,945,739</u> |
| <br>                                      |                     |                     |                     |
| <b>Total water and wastewater</b>         | <u>\$27,193,342</u> | <u>\$27,934,884</u> | <u>\$25,695,167</u> |

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# City of Moncton Schedule 3: Schedule of Segment Disclosure

December 31, 2023

|   | General Government    |    | Protection             |    | Transportation         |    | Environmental Health & Development |    | Recreation and cultural |    | Water & Wastewater   |    | MID                |    | 2023 Consolidated    |                      | 2022 Consolidated |    |  |
|---|-----------------------|----|------------------------|----|------------------------|----|------------------------------------|----|-------------------------|----|----------------------|----|--------------------|----|----------------------|----------------------|-------------------|----|--|
|   |                       | \$ |                        | \$ |                        | \$ |                                    | \$ |                         | \$ |                      | \$ |                    | \$ |                      | \$                   |                   | \$ |  |
| <b>Revenues</b>   |                       |    |                        |    |                        |    |                                    |    |                         |    |                      |    |                    |    |                      |                      |                   |    |  |
| Property Tax Warrant *  | \$ 168,249,168        |    | \$ -                   |    | \$ -                   |    | \$ -                               |    | \$ -                    |    | \$ -                 |    | \$ -               |    | \$ -                 | \$ 168,249,168       | \$ 152,044,698    |    |  |
| Community Funding and Equalization Grant from Provincial Government * | 2,586,440             |    | -                      |    | -                      |    | -                                  |    | -                       |    | -                    |    | -                  |    | 2,586,440            | 3,224,771            | 18                |    |  |
| Federal grant in lieu   | 3,738                 |    | -                      |    | -                      |    | -                                  |    | -                       |    | -                    |    | -                  |    | 3,738                | 2,496,579            |                   |    |  |
| Government transfers for operating                                    | 654,892               |    | 1,181,224              |    | 661,772                |    | 432,109                            |    | 97,000                  |    | 21,272               |    | 2,689,473          |    | 3,026,997            | 23,157,690           | 21,835,178        |    |  |
| Other revenue from own sources  | 167,006               |    | 161,993                |    | 7,185,687              |    | 5,518,304                          |    | 7,413,955               |    | 38,587,922           |    | -                  |    | 38,587,922           | 37,234,402           |                   |    |  |
| Water and wastewater user fees  | -                     |    | -                      |    | -                      |    | -                                  |    | -                       |    | 292,397              |    | -                  |    | 292,397              | 12,816,099           | 5,864,031         |    |  |
| Interest  | 12,523,702            |    | -                      |    | -                      |    | -                                  |    | -                       |    | -                    |    | -                  |    | -                    | -                    | -                 |    |  |
|   | <b>184,184,946</b>    |    | <b>1,343,217</b>       |    | <b>7,847,459</b>       |    | <b>5,950,413</b>                   |    | <b>7,510,955</b>        |    | <b>38,901,591</b>    |    | <b>2,689,473</b>   |    | <b>248,428,054</b>   | <b>222,699,677</b>   |                   |    |  |
| <b>Expenses</b>   |                       |    |                        |    |                        |    |                                    |    |                         |    |                      |    |                    |    |                      |                      |                   |    |  |
| Salaries and benefits   | 12,367,781            |    | 18,066,125             |    | 18,422,994             |    | 4,552,007                          |    | 8,736,034               |    | 3,835,860            |    | 300,496            |    | 66,281,297           | 61,136,128           |                   |    |  |
| Goods and services  | 8,604,671             |    | 39,170,619             |    | 16,643,010             |    | 12,619,504                         |    | 11,231,091              |    | 21,960,593           |    | 2,906,252          |    | 113,135,740          | 103,495,796          |                   |    |  |
| Amortization*   | 40,925,421            |    | -                      |    | -                      |    | -                                  |    | -                       |    | -                    |    | -                  |    | 40,925,421           | 39,503,056           |                   |    |  |
| Interest  | 9,683,158             |    | -                      |    | -                      |    | -                                  |    | -                       |    | 2,138,431            |    | 818,478            |    | 12,640,067           | 8,822,125            |                   |    |  |
| Pension**   | (4,977,300)           |    | -                      |    | -                      |    | -                                  |    | -                       |    | -                    |    | -                  |    | (4,977,300)          | (7,617,400)          |                   |    |  |
| Deferred facility and maintenance cost                                | 679,497               |    | -                      |    | -                      |    | -                                  |    | -                       |    | -                    |    | -                  |    | 679,497              | 122,970              |                   |    |  |
| Contaminated sites  | 594,500               |    | -                      |    | -                      |    | -                                  |    | -                       |    | -                    |    | -                  |    | 594,500              | (436,760)            |                   |    |  |
| Post-retirement liabilities**   | 998,689               |    | -                      |    | -                      |    | -                                  |    | -                       |    | -                    |    | -                  |    | 998,689              | 1,355,552            |                   |    |  |
|   | <b>68,876,417</b>     |    | <b>57,236,744</b>      |    | <b>35,066,004</b>      |    | <b>17,171,511</b>                  |    | <b>19,967,125</b>       |    | <b>27,934,884</b>    |    | <b>4,025,226</b>   |    | <b>230,277,911</b>   | <b>206,381,467</b>   |                   |    |  |
| Annual surplus (deficit) before capital contributions                 | <b>115,308,529</b>    |    | <b>(55,893,527)</b>    |    | <b>(27,218,545)</b>    |    | <b>(11,221,098)</b>                |    | <b>(12,456,170)</b>     |    | <b>10,966,707</b>    |    | <b>(1,335,753)</b> |    | <b>18,150,143</b>    | <b>16,318,210</b>    |                   |    |  |
| Other contributions for capital*                                      | 13,424,329            |    | -                      |    | -                      |    | -                                  |    | -                       |    | -                    |    | -                  |    | 13,424,329           | 6,175,015            |                   |    |  |
| Government transfers for capital*                                     | 10,329,888            |    | -                      |    | -                      |    | -                                  |    | -                       |    | -                    |    | 1,241,743          |    | 11,571,631           | 16,655,632           |                   |    |  |
| Annual surplus (deficit) for the year                                 | <b>\$ 139,062,746</b> |    | <b>\$ (55,893,527)</b> |    | <b>\$ (27,218,545)</b> |    | <b>\$ (11,221,098)</b>             |    | <b>\$ (12,456,170)</b>  |    | <b>\$ 10,966,707</b> |    | <b>\$ (94,010)</b> |    | <b>\$ 43,146,103</b> | <b>\$ 39,148,857</b> |                   |    |  |

\*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 and Statement of Reserve Funds

December 31, 2023

|  | General<br>Operating<br>Reserve | General Capital<br>Reserve | W&S<br>Operating<br>Reserve | W&S Capital<br>Reserve | Reserve for Land<br>Development<br>Fund | 2023 Total          |
|--|---------------------------------|----------------------------|-----------------------------|------------------------|---|---------------------|
| <b>Assets</b>  |                                 |                            |                             |                        |   |                     |
| Interest bearing, loan to City of Moncton revenue fund | \$5,724,610                     | \$80,590,881               | \$1,650,701                 | \$11,184,740           | \$467,797                               | \$99,618,729        |
| <b>Accumulated surplus</b>                             | <b>\$5,724,610</b>              | <b>\$80,590,881</b>        | <b>\$1,650,701</b>          | <b>\$11,184,740</b>    | <b>\$467,797</b>                        | <b>\$99,618,729</b> |
| <b>Revenue</b>   |                                 |                            |                             |                        |   |                     |
| Interest   | 412,950                         | 5,359,122                  | 93,113                      | 1,085,071              | 27,704                                  | 6,977,960           |
| Proceeds on sale of assets                             | -                               | 311,277                    | -                           | -                      | -                                       | 311,277             |
| Cash received in lieu of land                          | -                               | -                          | -                           | -                      | 39,087                                  | 39,087              |
| Transfer from Water and General Operating Funds        | 1,777,123                       | 11,762,057                 | 490,526                     | 1,720,000              | -                                       | 15,749,706          |
|  | 2,190,073                       | 17,432,456                 | 583,639                     | 2,805,071              | 66,791                                  | 23,078,030          |
| <b>Expenses</b>  |                                 |                            |                             |                        |   |                     |
| Transfer for Development Costs                         | -                               | -                          | -                           | -                      | (17,948)                                | (17,948)            |
| Transfer to Water and General Operating Funds          | (2,012,532)                     | (2,679,497)                | (198,000)                   | -                      | -                                       | (4,890,029)         |
| Transfer to Water and General Capital Funds            | -                               | (13,937,613)               | -                           | (9,017,995)            | -                                       | (22,955,608)        |
|  | (2,012,532)                     | (16,617,110)               | (198,000)                   | (9,017,995)            | (17,948)                                | (27,863,585)        |
| <b>Annual surplus (deficit)</b>                        | <b>177,541</b>                  | <b>815,346</b>             | <b>385,639</b>              | <b>(6,212,924)</b>     | <b>48,843</b>                           | <b>(4,785,555)</b>  |
| Accumulated surplus, beginning of year                 | \$ 5,547,069                    | \$ 79,775,535              | \$ 1,265,062                | \$ 17,397,664          | \$ 418,954                              | \$ 104,404,284      |
| Accumulated surplus, end of year                       | \$ 5,724,610                    | \$ 80,590,881              | \$ 1,650,701                | \$ 11,184,740          | \$ 467,797                              | \$ 99,618,729       |

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# City of Moncton Schedule 4: Schedule and Statement of Reserve Funds

December 31, 2023

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

### Public Council Session on February 21, 2023:

Moved by Councillor Kingston, seconded by Councillor Edgett that \$1,464,623 be transferred from the General Operating Fund to the General Operating Reserve Fund.

Moved by Councillor LeBlanc, seconded by Councillor Léger that \$10,088,752 be transferred from the General Operating Fund to the General Capital Reserve Fund.

Moved by Councillor Edgett, seconded by Deputy Mayor Butler that \$292,526 be transferred from the Utility Operating Fund to the Utility Operating Reserve Fund.  
Moved by Councillor Léger, seconded by Councillor LeBlanc that \$1,220,000 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund.

### Public Council Session on December 4, 2023:

Moved by Councillor Edgett, seconded by Councillor Butler that \$155,000 be transferred from the Utility Capital Reserve Fund to the Utility Capital Fund.

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 Steeves, seconded by Councillor Richard that \$155,640.64 be transferred from the General Capital Reserve Fund to the General Capital Fund.

Moved by Councillor Léger, seconded by Councillor Richard that \$311,276.91 be made to the General Capital Reserve Fund from the General Operating Fund.

Moved by Councillor Edgett, seconded by Councillor LeBlanc that \$2,945,632.39 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

Sealed



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# City of Moncton Schedule 4: Schedule and Statement of Reserve Funds

December 31, 2023

## Statements of Reserves

### Council Resolutions regarding transfers to and from reserves:

#### Public Council Session on December 4, 2023 (continued):

Moved by Councillor Léger, seconded by Councillor LeBlanc that \$312,500 be made to the General Operating Reserve Fund from the General Operating Fund.

Moved by Councillor Edgett, seconded by Councillor Steeves that \$215,000 be transferred from the General Operating Reserve Fund to the General Operating Fund.

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

Moved by Councillor Butler, seconded by Councillor Edgett that \$597,532 be transferred from the General Operating Reserve Fund to the General Operating Fund.

Moved by Councillor Thériault, seconded by Councillor Léger that \$9,911,000 be transferred from the General Capital Reserve Fund to the General Capital Fund.

Moved by Councillor LeBlanc seconded by Councillor Butler that \$8,130,000 be transferred from the Utility Capital Reserve Fund to the Utility Capital Fund.


Moved by Councillor Léger, seconded by Councillor Richard that \$925,340.59 be transferred from the General Capital Reserve Fund to the General Capital Fund.

Moved by Councillor Butler seconded by Councillor Steeves that \$232,995.06 be transferred from the Utility Capital Reserve Fund to the Utility Capital Fund.

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

Moved by Councillor Léger, seconded by Councillor LeBlanc that \$3,840 be made to the General Capital Reserve Fund from the General Operating Fund.

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

  
City Clerk

Sealed



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# City of Moncton Schedule 4: Schedule and Statement of Reserve Funds

December 31, 2023

## Statements of Reserves

### Council Resolutions regarding transfers to and from reserves:

#### Public Council Session on December 18, 2023:

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

Moved by Councillor Léger, seconded by Councillor LeBlanc that \$1,200,000 be transferred from the General Operating Reserve Fund to the General Operating Fund.

Moved by Councillor Léger, seconded by Councillor Richard that \$1,669,464.93 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



Sealed

# City of Moncton

## Schedule 5: Schedule of Operating Budget to PSA budget

December 31, 2023

|   | Operating Budget   |                    | Capital Fund Budget  | MID                 | Amortization & Pension & Post Employment Adjustments |                      | Transfers            | Total       |
|---|--------------------|--------------------|----------------------|---------------------|--|----------------------|----------------------|-------------|
|   | General            | Water & Wastewater |                      |                     |  |                      |                      |             |
| <b>Revenue</b>                                | \$ -               | \$ -               | \$ -                 | \$ 415,841          | \$ -   | \$ -                 | \$ (415,841)         | \$ -        |
| Grant from City of Moncton                    |                    |                    |                      |                     |  |                      |                      |             |
| Province of New Brunswick                     |                    |                    |                      |                     |  |                      |                      |             |
| Warrant for property taxes                    | 168,249,168        | -                  | -                    | -                   | -  | -                    | -                    | 168,249,168 |
| Community Funding and Equalization Grant      | 2,586,440          | -                  | -                    | -                   | -  | -                    | -                    | 2,586,440   |
| Federal grant in lieu                         | 3,738              | -                  | -                    | -                   | -  | -                    | -                    | 3,738       |
| Government transfers for operating            | 1,760,134          | -                  | -                    | -                   | -  | -                    | -                    | 1,760,134   |
| Government transfers for capital              | -                  | -                  | 33,646,050           | 147,018             | -  | -                    | -                    | 33,793,068  |
| Other contributions and transfers for capital | -                  | -                  | 13,342,996           | -                   | -  | (13,242,996)         | -                    | 100,000     |
| Other revenue from own sources                | 15,761,567         | -                  | -                    | -                   | -  | -                    | -                    | 15,799,235  |
| Water and wastewater rates                    | -                  | 37,668             | -                    | -                   | -  | -                    | -                    | 36,975,447  |
| Water supply for fire protection              | -                  | 36,975,447         | -                    | -                   | -  | -                    | -                    | 36,975,447  |
| Interest                                      | 821,598            | 3,638,397          | -                    | -                   | -  | (3,638,397)          | -                    | 1,111,598   |
| Deficit - previous year's deficit             | (180,952)          | 290,000            | -                    | -                   | -  | -                    | 1,660                | -           |
|   | <b>189,001,693</b> | <b>41,120,804</b>  | <b>46,989,046</b>    | <b>562,859</b>      | <b>-</b>   | <b>(17,295,574)</b>  | <b>260,378,828</b>   |             |
| <b>Expenses</b>                               |                    |                    |                      |                     |  |                      |                      |             |
| General government services                   | 21,572,768         | -                  | -                    | 693,329             | 35,625,042   | -                    | 5,003,311            | 62,894,450  |
| Protective services                           | 59,101,333         | -                  | -                    | -                   | -  | -                    | (3,638,397)          | 55,462,936  |
| Transportation services                       | 41,843,334         | -                  | -                    | -                   | -  | -                    | (6,522,000)          | 35,321,334  |
| Environmental health & development services   | 16,869,642         | -                  | -                    | -                   | -  | -                    | (2,657,573)          | 14,212,069  |
| Recreation and cultural services              | 17,044,830         | -                  | -                    | -                   | -  | -                    | (44,192)             | 17,000,638  |
| Water and wastewater                          | -                  | 25,758,971         | -                    | -                   | -  | -                    | 1,434,371            | 27,193,342  |
| Fiscal services                               |                    |                    |                      |                     |  |                      |                      |             |
| Long-term debt repayments                     | 14,660,100         | 11,814,936         | -                    | -                   | -  | (26,475,036)         | -                    | -           |
| Interest                                      | 6,356,311          | 2,034,371          | -                    | -                   | -  | (8,390,682)          | -                    | -           |
| Transfer to the Operating Reserve             | 1,464,623          | 292,526            | -                    | -                   | -  | (1,757,149)          | -                    | -           |
| Transfer to the Capital Reserve               | 10,088,752         | 1,220,000          | -                    | -                   | -  | (11,308,752)         | -                    | -           |
|   | <b>189,001,693</b> | <b>41,120,804</b>  | <b>-</b>             | <b>693,329</b>      | <b>35,625,042</b>                                    | <b>(54,356,099)</b>  | <b>212,084,769</b>   |             |
| <b>Surplus (deficit) for the year</b>         | <b>\$ -</b>        | <b>\$ -</b>        | <b>\$ 46,989,046</b> | <b>\$ (130,470)</b> | <b>\$ (35,625,042)</b>                               | <b>\$ 37,060,525</b> | <b>\$ 48,294,059</b> |             |

# City of Moncton

## Schedule 6: Schedule of Reconciliation of Annual Surplus

December 31, 2023

|   | 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     |
|---|-------------------|----------------------|-----------------------|--------------------|---------------------|-----------------------|-------------------------|-------------------------|-------------------------------|--------------------|---------------------|
| 2023 annual surplus (deficit) per Local Governance Act          | \$ (1,081,054)    | \$ 55,848,163        | \$ 177,541            | \$ 565,765         | \$ 26,242,391       | \$ 815,346            | \$ (6,212,924)          | \$ 385,639              | \$ 48,843                     | \$ 2,587,673       | \$ 79,377,383       |
| Adjustment to annual surplus (deficit) for funding requirements |                   |                      |                       |                    |                     |                       |                         |                         |                               |                    |                     |
| Second previous year's deficit                                  | 199,545           | -                    | -                     | (179,292)          | -                   | -                     | -                       | -                       | -                             | -                  | 20,253              |
| MID - Grant   | 2,265,847         | -                    | -                     | -                  | -                   | -                     | -                       | -                       | -                             | (2,265,847)        | -                   |
| Transfer of fire watercosts                                     | 3,898,609         | -                    | -                     | (3,898,609)        | -                   | -                     | -                       | -                       | -                             | -                  | -                   |
| Transfer of Capital from Operating                              | 8,340,000         | (8,340,000)          | -                     | 712,317            | (712,317)           | -                     | -                       | -                       | -                             | -                  | -                   |
| Transfer of Capital from Operating Library                      | 44,192            | (44,192)             | -                     | -                  | -                   | -                     | -                       | -                       | -                             | -                  | -                   |
| Reclass Events Moncton operating costs                          | 394,099           | -                    | -                     | -                  | -                   | -                     | -                       | -                       | -                             | -                  | 394,099             |
| Transfer from land reserve for development                      | -                 | -                    | -                     | -                  | -                   | -                     | -                       | -                       | -                             | -                  | -                   |
| Capital Theatre   | (134,323)         | -                    | -                     | -                  | -                   | -                     | -                       | -                       | -                             | -                  | (134,323)           |
| Long-term debt principal repayment                              | 14,627,000        | (14,627,000)         | -                     | 11,754,000         | (11,754,000)        | -                     | -                       | -                       | -                             | -                  | -                   |
| Adjust liability for contaminated sites                         | (594,500)         | -                    | -                     | -                  | -                   | -                     | -                       | -                       | -                             | -                  | (594,500)           |
| Loss from disposal of tangible capital assets                   | 747,700           | (716,388)            | -                     | -                  | -                   | -                     | -                       | -                       | -                             | -                  | (716,388)           |
| Provision for retirement liability                              | (16,667)          | (30,229,136)         | -                     | -                  | (10,679,618)        | -                     | -                       | -                       | -                             | -                  | (40,925,421)        |
| Amortization  | 4,977,300         | -                    | -                     | -                  | -                   | -                     | -                       | -                       | -                             | -                  | 4,977,300           |
| Pension   | -                 | -                    | -                     | -                  | -                   | -                     | -                       | -                       | -                             | -                  | -                   |
| <b>Total adjustments to 2023 annual surplus (deficit)</b>       | <b>34,748,802</b> | <b>(53,956,716)</b>  | <b>-</b>              | <b>8,388,416</b>   | <b>(23,145,935)</b> | <b>-</b>              | <b>-</b>                | <b>-</b>                | <b>-</b>                      | <b>(2,265,847)</b> | <b>(36,231,280)</b> |

2023 annual surplus (deficit) per PSAB for the year \$ 33,667,748 \$ 1,891,447 \$ 177,541 \$ 8,954,181 \$ 3,096,456 \$ 815,346 \$ (6,212,924) \$ 385,639 \$ 48,843 \$ 321,826 \$ 43,146,103

# City of Moncton

## Schedule 7: Schedule of Government Transfers

December 31, 2023

|   | <u>Budget</u>       | <u>2023</u>         | <u>2022</u>         |
|---|---------------------|---------------------|---------------------|
| <b>TRANSFERS FOR OPERATING:</b>                         |                     |                     |                     |
| <b>Government Transfers for Operating</b>               |                     |                     |                     |
| ACOA  | \$ -                | \$146,441           | \$ -                |
| Canadian Museum Association - Provincial                | 60,000              | 70,000              | 145,000             |
| Heritage Canada   | -                   | 64,900              | -                   |
| Immigration, Refugees and Citizenship Canada            | -                   | 382,209             | 249,269             |
| GNB - Dept. of Transportation- Designated Highway       | 675,513             | 661,772             | 993,362             |
| GNB - Social Development                                | -                   | -                   | 183,875             |
| GNB - Other Departments                                 | -                   | 430,593             | -                   |
| GNB - Office of the Fire Marshall                       | -                   | 125,471             | 239,204             |
| Regional Development Corporation                        | -                   | 89,858              | -                   |
| Other Local Governments - Fire LSD Contract             | 1,024,621           | 1,055,753           | 685,869             |
|   | <u>\$1,760,134</u>  | <u>\$3,026,997</u>  | <u>\$2,496,579</u>  |
| <b>TRANSFERS FOR CAPITAL:</b>                           |                     |                     |                     |
| <b>Government Transfers for Capital</b>                 |                     |                     |                     |
| Department of Transportation and Infrastructure         | \$4,970,000         | \$290,479           | \$1,740,380         |
| Canada Community Building Funding                       | 5,179,051           | 5,620,822           | 5,340,690           |
| ACOA  | -                   | 778,075             | 186,000             |
| Transport Canada  | -                   | 33,792              | -                   |
| Regional Development Corporation                        | -                   | 537,791             | 838,649             |
| Infrastructure Canada-Green and Inclusive Building Fund | 9,500,000           | -                   | -                   |
| Infrastructure Bi-lateral Agreement                     | 14,144,017          | 2,811,158           | -                   |
| Province of New Brunswick - Forgivable Loan             | -                   | 257,771             | 1,940,265           |
| Province of New Brunswick - COVID Safe Restart          | -                   | -                   | 1,798,899           |
| Province of New Brunswick - Transit and Home            | -                   | -                   | 3,974,042           |
| Provincial contributions - MID                          | -                   | 1,241,743           | 836,707             |
|   | <u>\$33,793,068</u> | <u>\$11,571,631</u> | <u>\$16,655,632</u> |
| <b>TOTAL GOVERNMENT TRANSFERS</b>                       | <u>\$35,553,202</u> | <u>\$14,598,628</u> | <u>\$19,152,211</u> |

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, 2023

Statement of controlled entity, Moncton Industrial Development Limited

|                      | <u>2023</u>       | <u>2022</u>       |
|----------------------|-------------------|-------------------|
| Financial assets     | \$ 37,142,653     | \$ 33,243,068     |
| Liabilities          | (17,872,879)      | (16,474,779)      |
| <b>Net assets</b>    | <b>19,269,774</b> | <b>16,768,289</b> |
| Non-financial assets | 121,540           | 35,351            |
| Accumulated surplus  | \$ 19,391,314     | \$ 16,803,640     |
| Revenue              | \$ 6,612,900      | \$ 7,761,193      |
| Expenses             | (4,025,226)       | (5,657,022)       |
| Annual surplus       | \$ 2,587,674      | \$ 2,104,171      |

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**City of Moncton**  
**Schedule 9: Reconciliation of Funding Deficit**

December 31, 2023

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Reconciliation of Funding Deficit – Other Vested Retirement Liability

|  | <u>2023</u>          | <u>2022</u>        |
|--|----------------------|--------------------|
| Liability at December 31, 2023                                   | \$13,908,200         | \$13,161,600       |
| Amount of December 31, 2023 liability funded in the current year | (5,065,400)          | (4,719,500)        |
| Amounts funded in prior years                                    | <u>(10,128,211)</u>  | <u>(8,633,911)</u> |
| Funded Balance   | <u>(\$1,285,411)</u> | <u>(\$191,811)</u> |

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