
Financial statements of
Greater Moncton Wastewater
Commission

December 31, 2025

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Independent Auditor's Report

To the Chairman and Members of
Greater Moncton Wastewater Commission

Report on the Audit of the Financial Statements Opinion

We have audited the financial statements of Greater Moncton Wastewater Commission (the "Commission") which comprise the statement of financial position as at December 31, 2025, and the statements of net financial assets and change in net financial assets, operations, changes in net assets and cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Greater Moncton Wastewater Commission as at December 31, 2025, and the results of its operations, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter – Supplementary Information

We draw attention to the fact that the supplementary information included in Schedules 1 and 2 do not form part of the financial statements. We have not audited or reviewed this supplementary information and, accordingly, we do not express an opinion, a review conclusion, or any other form of assurance on this supplementary information.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for Deloitte LLP, featuring the word "Deloitte" in a cursive script followed by "LLP" in a clean, sans-serif font.

Chartered Professional Accountants
March 20, 2026

Greater Moncton Wastewater Commission
Statement of financial position
As at December 31, 2025

	Notes	2025 \$	2024 \$
Assets			
Financial assets			
Cash		10,193,566	5,997,257
Accounts receivable		3,877,224	4,763,473
Investments	3	21,995,618	27,389,972
		36,066,408	38,150,702
Non-financial assets			
Tangible capital assets	8	128,509,983	125,048,557
Prepaid expenses and deposits		33,463	66,123
Asset retirement obligation asset		2,316,080	2,386,264
Inventory		94,460	—
		130,953,986	127,500,944
Total assets		167,020,394	165,651,646
Liabilities			
Financial liabilities			
Accounts payable and accrued liabilities		1,088,885	1,116,666
Holdbacks payable		284,098	45,009
Employee future benefits		330,129	271,969
Asset retirement obligation liability		2,817,593	2,717,062
Total liabilities		4,520,705	4,150,706
Net assets	5	162,499,689	161,500,940
Net assets components			
Accumulated surplus		162,499,689	161,500,940

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


Approved by the board and management



Nicholas Cormier, Chair



Mona-Lisa Lavallée, Treasurer



Kevin Rice, General Manager



Sharon Doucette, Director of Finance & Administration

Greater Moncton Wastewater Commission

Statement of net financial assets and change in net financial assets

Year ended December 31, 2025

	2025 Budget \$	2025 Actual \$	2024 Actual \$
Net financial assets at beginning of year	33,999,996	33,999,996	30,959,510
Annual surplus	79,744	998,749	1,165,322
Amortization of tangible capital assets	5,130,581	5,240,316	5,152,235
(Gain)/Loss on disposal of tangible capital assets	—	(25,352)	321,602
Proceeds on sale of tangible capital assets	—	214,313	35,662
Demolition costs	—	—	(53,486)
Change relating to surplus or deficit	5,210,325	6,428,026	6,621,335
Acquisition of tangible capital assets	(11,603,398)	(8,890,703)	(3,698,013)
Recognition of asset retirement obligation asset	70,184	70,184	70,184
Change in prepaid expenses	—	32,660	46,980
Change in inventory	—	(94,460)	—
Change relating to acquisition of non-financial assets	(11,533,214)	(8,882,319)	(3,580,849)
Change in net financial assets	(6,322,889)	(2,454,293)	3,040,486
Net financial assets, end of year	27,677,107	31,545,703	33,999,996

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

Greater Moncton Wastewater Commission

Statement of operations

Year ended December 31, 2025

	Notes and Schedule	2025 Budget \$	2025 Actual \$	2024 Actual \$
		(Note 7)		
Revenue				
User fees		13,926,780	13,926,780	13,482,630
Interest income	2	1,597,025	1,561,422	1,748,049
High-strength wastewater fees		60,000	81,247	119,187
Septic hauler and compost income		119,858	93,202	110,560
		15,703,663	15,662,651	15,460,426
Expenses				
Plant and operating expenses	Schedule 3	14,968,372	13,969,469	13,698,433
General expenses	Schedule 3	655,547	694,433	596,671
Total expenses		15,623,919	14,663,902	14,295,104
Surplus	5	79,744	998,749	1,165,322

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

Greater Moncton Wastewater Commission

Statement of changes in net assets

Year ended December 31, 2025

	2025	2024
	Actual	Actual
	\$	\$
Accumulated surplus		
Surplus for the period	998,749	1,165,322
Opening balance	161,500,940	160,335,618
Closing balance	162,499,689	161,500,940

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

Greater Moncton Wastewater Commission

Statement of cash flows

Year ended December 31, 2025

	2025	2024
	\$	\$
Cash and cash equivalents at beginning of year	5,997,257	5,576,109
Operating transactions		
Surplus	998,749	1,165,322
Non-cash revenue and expense items	5,385,679	5,587,479
Change in non-cash assets and liabilities		
Accounts receivable	886,249	(2,965,972)
Prepaid expenses and deposits	32,660	46,980
Inventory	(94,460)	—
Accounts payable and accruals	(27,781)	278,671
Holdbacks payable	239,089	(73,435)
Employee future benefits	58,160	44,454
Cash provided from operating transactions	1,093,917	(2,669,302)
Capital transactions		
Proceeds on sale of tangible capital assets	214,313	35,662
Acquisition of tangible capital assets	(8,890,703)	(3,698,013)
Cash applied to capital transactions	(8,676,390)	(3,662,351)
Investing transactions		
Proceeds from investments, net of maturities	5,394,354	—
Cash applied to investing transactions	5,394,354	—
Net cash provided by operating, capital and investing activities	4,196,309	421,148
Cash and cash equivalents at end of year	10,193,566	5,997,257

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

Greater Moncton Wastewater Commission

Notes to the financial statements

December 31, 2025

1. Purpose of organization

The Greater Moncton Wastewater Commission (the "Commission") is incorporated and operates under the provisions of the Province of New Brunswick Municipalities Act and the Clean Environment Act. As a municipality, the Commission is exempt from income tax under section 149(1)(c) of the Income Tax Act of Canada.

The Commission operates a wastewater treatment plant, wastewater collection system, and composting facilities serving the Greater Moncton and Five Rivers regions, and provides wastewater treatment services to the City of Moncton, the City of Dieppe, and the Town of Riverview.

2. Summary of significant accounting policies

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

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

Budget

The budget figures contained in these financial statements were approved by the Commission on November 21, 2024 and submitted to the Minister of Local Government. Certain budget figures have been reclassified to conform with PSAS financial statement presentation.

Fund accounting

Funds within the financial statements consist of general and capital funds. The Commission approves certain amounts to be set aside in capital funds for future operating and capital purposes.

Transfers between funds are recorded as adjustments to the appropriate fund balance.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Non-financial assets are acquired assets that do not normally provide resources to discharge existing liabilities, but instead are employed to deliver government services, may be consumed in the normal course of operations and are not for resale. Non-financial assets include prepaid expenses.

Revenue recognition

The Commission recognizes revenues from user fees, septic hauler, high-strength wastewater fees and compost income as the services are rendered or the goods are sold, the price is fixed or determinable and collection is reasonably assured. Interest income is recognized on an accrual basis and recorded in the statement of fund balances as a direct increase to the capital fund.

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

Greater Moncton Wastewater Commission

Notes to the financial statements

December 31, 2025

2. Summary of significant accounting policies (continued)

Use of estimates

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

Financial instruments

The Commission's financial assets and liabilities are initially measured at fair value and subsequently carried at amortized cost with interest recorded in the statement of operations and accumulated surplus as earned.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand and cash in banks not subject to other restrictions and with a term to maturity of three months or less at date of acquisition.

Tangible capital assets

Tangible capital assets are stated at cost less accumulated amortization. The Commission provides for amortization at rates designed to amortize the cost of the tangible capital assets over their estimated useful lives. Annually, amortization is calculated using the straight-line method over the estimated useful lives as follows:

Operations center	10 – 60 years
Treatment facility	5 – 60 years
Compost facilities	5 – 60 years
Collection system	10 – 75 years
Fleet	5 – 20 years
Computer hardware and software	3 – 5 years

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

Accrued sick leave

The Commission provides for sick leave that accumulates at 1.25 days per month worked for full-time employees. The employees can accumulate up to a maximum of 150 days. On retirement, any employee having accrued sick leave will receive an allowance equal to fifty percent of the value at a rate of pay effective immediately prior to retirement.

The sick leave is an unfunded benefit. As such, there is no applicable assets. Benefits are paid out of accumulated surplus as they come due. The unfunded liability at December 31, 2025, of \$265,489 (\$231,295 in 2024) is recorded in accounts payable and accrued liabilities.

Greater Moncton Wastewater Commission

Notes to the financial statements

December 31, 2025

2. Summary of significant accounting policies (continued)

Asset retirement obligations

In 1984, the Commission entered into leases with Canadian National Railway Company ("CN"), which allowed the Commission to use CN's land for TransAqua related infrastructure. Upon termination of the lease, the Commission is contractually obligated to remove any infrastructure on CN's land, thus leading to an Asset Retirement Obligation.

The Commission used CN's land to build underground sanitary sewer pipes. The sanitary sewer pipes are amortized over this period using straight-line depreciation. This balance was derived from an estimated undiscounted future remediation expenditure of \$9,334,957 expected to be incurred in 36 of years. The associated discount rate applied was 3.7%. The below table describes the changes to the aforementioned Asset Retirement Obligation liability.

	2025	2024
	\$	\$
Balance, beginning of year	2,717,062	2,620,118
Accretion expense	100,531	96,944
Estimated total liability	2,817,593	2,717,062

New and amended PSAS Accounting Standards

Effective January 1, 2025, the Commission early adopted PS 1202 Financial statement presentation and the conceptual framework. This new standard replaces the previous PS 1201 and introduces a revised framework for presenting public sector financial statements.

This change has been applied retroactively, and prior period figures have been restated/reclassified to align with the new presentation model. There was no impact on the recognition or measurement of assets, liabilities, revenues or expenses from this adoption. Instead, PS 1202 results in presentation only updates to the key financial statements, including:

Changes to the statement of financial position:

- The "net financial assets" indicator is relocated to its own statement and is defined as financial assets less financial liabilities.
- Introduction of two categories of liabilities: financial (settled with existing or future financial assets) and non financial. On transition, the Commission presents employee future benefits and asset retirement obligations as financial liabilities in accordance with PS 1202.

New statement of net financial assets and change in net financial assets which includes the net financial assets indicator (previously shown on the statement of financial position). The Commission has elected to present the change in net financial assets on this statement.

The addition of the statement of changes in net assets showing details related to changes in a component of net assets.

No significant impact on the statement of operations or the statement of cash flows.

The conceptual framework underpins the development of accounting policies, the preparation of financial statements, and the exercise of professional judgment. It sets out the characteristics of public sector entities; the objectives of financial reporting and the role of financial statements; the foundations and information for financial statements; the elements of financial statements; and recognition, measurement, and presentation concepts. The framework does not override specific PSAS; it guides practice where standards are silent and informs future standard setting.

Adoption of the framework resulted in no significant changes to the entity's accounting policies or financial statement presentation, and no amendments to entity developed policies are required now or expected in the future to align with the revised Framework.

3. Investments

The details of the investments held by the Commission are as follows:

	2025	2024
	\$	\$
Guaranteed investment certificate (4.00%, matured June 2025)	—	5,394,354
Guaranteed investment certificate (4.32%, maturing May 2027)	5,195,618	5,195,618
Guaranteed investment certificate (5.10%, maturing June 2027)	16,800,000	16,800,000
	21,995,618	27,389,972

4. Post-employment benefits

The Commission sponsors an RRSP plan for substantially all its employees. The plan allows for RRSP contributions of 8% for union employees and 9% for management employee salaries. In accordance with the collective agreement signed between the Commission and Canadian Union of Public Employees Local 5217, on April 18, 2024, each employee will contribute a minimum percentage of salary each year (8% in 2025 and 2024). There is no unfunded liability associated with this post-employment benefits payable.

5. Accumulated surplus

The accumulated surplus noted on the statement of financial position is the result of the excess of revenue over expenditures from the commencement of the Commission's operations to the date of financial position. The accumulated surplus is made up of the following:

	2025	2024
	\$	\$
Net financial assets	31,545,703	33,999,996
Non-financial assets	130,953,986	127,500,944
	162,499,689	161,500,940

The net financial assets consist of cash flows necessary for day-to-day operations and capital funds held for future capital expenditures. The non-financial assets consist of tangible capital assets and prepaid expenses that the Commission has purchased or constructed.

6. Financial instruments and risk management

Market risk

Market risk is the risk that the fair value or future cash flows of the Commission's financial instruments will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk. The Commission does not consider itself exposed to these risks.

6. Financial instruments and risk management (continued)

Credit risk

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

Liquidity risk

The Commission's objective is to have sufficient liquidity to meet its liabilities when due. The Commission monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2025, the most significant financial liabilities are accounts payable and accrued liabilities, and holdbacks payable.

7. Budgeted figures

Budget figures included in the financial statements were approved by the Board through the adoption of annual budgeting process. No adjustments have been made to the approved budgeted figures as presented on the statement of net financial assets and change in net financial assets and statement of operations.

8. Tangible capital assets

	Land	Operations centre	Treatment facility	Compost facilities	Collection system	Fleet	Computer hardware and software	Assets under construction	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost									
Balance, beginning of year	2,068,453	3,604,186	122,355,376	17,694,527	41,952,030	3,393,425	403,487	678,284	192,149,768
Net additions during the year	—	112,271	2,336,565	1,079,813	267,497	658,248	20,226	4,416,083	8,890,703
Disposals during the year	—	(165,391)	(3,144,843)	(4,204)	(175,702)	(713,024)	(7,196)	—	(4,210,360)
Balance, end of year	2,068,453	3,551,066	121,547,098	18,770,136	42,043,825	3,338,649	416,517	5,094,367	196,830,111
Accumulated amortization									
Balance, beginning of year	—	1,698,489	39,334,738	6,509,508	17,502,123	1,764,177	292,176	—	67,101,211
Amortization during the year	—	138,257	3,344,952	688,774	677,026	355,846	35,461	—	5,240,316
Accumulated amortization disposals	—	(165,391)	(3,144,843)	(4,204)	(174,283)	(525,482)	(7,196)	—	(4,021,399)
Balance, end of year	—	1,671,355	39,534,847	7,194,078	18,004,866	1,594,541	320,441	—	68,320,128
Net book value of tangible capital assets 2024	2,068,453	1,905,697	83,020,638	11,185,019	24,449,907	1,629,248	111,311	678,284	125,048,557
Net book value of tangible capital assets 2025	2,068,453	1,879,711	82,012,251	11,576,058	24,038,959	1,744,108	96,076	5,094,367	128,509,983

9. Supplemental schedules

The Department of Environment and Local Government of New Brunswick has requested disclosures in addition to Canadian public sector accounting standards for monitoring purposes. The Commission has provided these disclosure requirements in the following page.

Greater Moncton Wastewater Commission**Schedule 1 – Schedule of annual surplus**

Year ended December 31, 2025

	Operating fund	Capital fund	Total
	\$	\$	\$
2025 annual surplus/(deficit)	4,990,693	(3,991,944)	998,749
Adjustments to annual surplus for funding requirements			
Second previous year deficit	(42,968)	—	(42,968)
Transfer from operating to capital	(4,758,669)	4,758,669	—
Total adjustments to 2025 annual surplus	(4,801,637)	4,758,669	(42,968)
2025 annual fund surplus	189,056	766,725	955,781

Greater Moncton Wastewater Commission
Schedule 2 – Schedule of budget by fund to public sector accounting
Year ended December 31, 2025

	Operating fund	Amortization	Capital fund	Total
	\$	\$	\$	\$
Revenue				
User fees				
City of Moncton	9,044,910	—	—	9,044,910
City of Dieppe	2,866,500	—	—	2,866,500
Town of Riverview	2,015,370	—	—	2,015,370
Interest and miscellaneous	179,858	—	1,597,025	1,776,883
	14,106,638	—	1,597,025	15,703,663
Expenses				
Plant and operating expenses				
Amortization of tangible capital assets	—	5,130,581	—	5,130,581
Maintenance and operating	3,719,690	—	—	3,719,690
Salaries and benefits	2,662,054	—	—	2,662,054
Electricity	1,214,242	—	—	1,214,242
Consulting services	1,143,328	—	—	1,143,328
Easement and property taxes	657,995	—	—	657,995
Insurance	300,521	—	—	300,521
Amortization of asset retirement obligation	—	70,184	—	70,184
Vehicle expense	36,850	—	—	36,850
Telephone	32,927	—	—	32,927
	9,767,607	5,200,765	—	14,968,372
General				
Professional fees and consulting	174,314	—	—	174,314
Marketing and communications	154,611	—	—	154,611
Office expenses	109,139	—	—	109,139
Accretion expense	—	—	93,485	93,485
Travel, training and education	89,439	—	—	89,439
Governance	28,509	—	—	28,509
Interest and bank charges	6,050	—	—	6,050
	562,062	—	93,485	655,547
Total expenses	10,329,669	5,200,765	93,485	15,623,919
Surplus/(deficit) subtotal	3,776,969	(5,200,765)	1,503,540	79,744
Fiscal services				
Second previous deficit	(42,968)	—	42,968	—
Transfers from operating fund to capital fund	(3,734,001)	—	3,734,001	—
	(42,968)	—	42,968	—
Annual surplus/(deficit)	3,734,001	(5,200,765)	1,546,508	79,744

Greater Moncton Wastewater Commission
Schedule 3 – Schedule of expenses by natural category
Year ended December 31, 2025

	2025	2025	2024
	Budget	Actual	Actual
	\$	\$	\$
Expenses			
Plant and operating expenses			
Amortization of tangible capital assets	5,130,582	5,240,316	5,152,235
Maintenance and operating	3,719,690	3,389,140	3,531,594
Salaries and benefits	2,662,054	2,731,478	2,326,312
Electricity	1,214,242	1,075,891	921,753
Easement and property taxes	657,995	646,323	637,858
Consulting services	1,143,328	437,362	375,151
Insurance	300,521	329,448	300,521
Amortization of asset retirement obligation	70,184	70,184	70,184
Telephone	32,926	37,858	35,349
Vehicle expense	36,850	31,066	25,874
Miscellaneous	—	5,755	—
(Gain)/Loss on disposal of tangible capital assets	—	(25,352)	321,602
	14,968,372	13,969,469	13,698,433
General			
Professional fees and consulting	174,314	177,465	191,395
Marketing and communications	154,611	147,974	92,373
Office expenses	109,139	147,273	115,805
Accretion expense	93,485	100,531	96,944
Travel, training and education	89,439	86,052	72,299
Governance	28,509	28,406	21,641
Interest and bank charges	6,050	6,732	6,214
	655,547	694,433	596,671
Total expenses	15,623,919	14,663,902	14,295,104