
Financial statements of Greater Moncton Wastewater Commission

December 31, 2024

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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, 2024, and the statements of operations and accumulated surplus, changes in net financial 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, 2024 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.

Deloitte LLP

Chartered Professional Accountants
March 20, 2025

Greater Moncton Wastewater Commission

Statement of financial position

As at December 31, 2024

	Notes	2024 \$	2023 \$
Assets			
Cash			
Operating		5,997,257	5,576,109
Accounts receivable			
Trade		2,093,216	86,221
Accrued interest receivable		2,512,156	1,586,635
Harmonized Sales Tax receivable		158,101	124,645
Investments	3	27,389,972	27,389,972
		38,150,702	34,763,582
Liabilities			
Accounts payable and accrued liabilities		1,388,635	1,065,510
Holdbacks payable		45,009	118,444
Asset retirement obligation liability	2	2,717,062	2,620,118
		4,150,706	3,804,072
Net assets		33,999,996	30,959,510
Non-financial assets			
Tangible capital assets	8	125,048,557	126,806,557
Prepaid expenses and deposits		66,123	113,103
Asset retirement obligation asset	2	2,386,264	2,456,448
		127,500,944	129,376,108
Accumulated surplus	5	161,500,940	160,335,618

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

Approved by the board and management



Nicolas Cormier, Chair



Mona-Lisa Lavallée, Treasurer



Kevin Rice, General Manager



Sharon Doucette, Director of Finance and Administration

Greater Moncton Wastewater Commission
Statement of operations and accumulated surplus
Year ended December 31, 2024

	Notes	Budget \$	2024 Actual \$	2023 Actual \$
		(Note 7)		
Revenue				
User fees				
City of Moncton		9,146,970	8,816,850	8,638,350
City of Dieppe		2,736,720	2,736,720	2,572,080
Town of Riverview		1,929,060	1,929,060	1,864,170
		13,812,750	13,482,630	13,074,600
Interest income	2	1,597,025	1,748,049	1,597,015
High-Strength Wastewater Fees		—	119,187	—
Septic hauler and compost income		153,831	110,560	144,151
		15,563,606	15,460,426	14,815,766
Expenses				
Plant and operating expenses				
Amortization of tangible capital assets		4,877,551	5,152,235	4,393,375
Maintenance and operating		3,479,423	3,531,591	3,154,254
Salaries and benefits		2,264,555	2,326,312	1,957,869
Electricity		1,130,713	921,753	925,395
Easement and property taxes		651,218	637,858	629,541
Insurance		282,032	300,521	262,991
Consulting services		547,805	396,634	250,563
Loss on disposal of tangible capital assets		—	268,116	8,043
Amortization of asset retirement obligation	2	—	70,184	70,184
Demolition cost		—	53,486	—
Telephone		25,171	35,352	27,749
Vehicle		58,153	25,874	57,976
		13,316,621	13,719,916	11,737,940
General expenses				
Professional fees and consulting		225,926	169,912	195,828
Office		84,124	115,805	82,308
Accretion expense	2	—	96,944	93,485
Marketing and communications		108,000	92,373	79,476
Travel, training and education		61,012	72,299	74,828
Governance		25,902	21,641	17,469
Interest and bank charges		6,081	6,214	5,641
		511,045	575,188	549,035
Total expenses		13,827,666	14,295,104	12,286,975
Annual surplus		1,735,940	1,165,322	2,528,791
Accumulated surplus, beginning of year		—	160,335,618	157,806,827
Accumulated surplus, end of year	5	—	161,500,940	160,335,618

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

Greater Moncton Wastewater Commission
Statement of changes in net financial assets
Year ended December 31, 2024

	Budget \$	2024 Actual \$	2023 Actual \$
	(Unaudited)		
Annual surplus	1,735,940	1,165,322	2,528,791
Acquisition of tangible capital assets	(6,886,212)	(3,698,013)	(6,664,476)
Demolition Costs	—	(53,486)	—
Amortization of tangible capital assets	4,877,551	5,152,235	4,393,375
Loss on disposal of tangible capital assets	—	321,602	8,043
Proceeds on sale of tangible capital assets	—	35,662	14,521
Recognition of asset retirement obligation asset	—	70,184	(2,456,448)
	(2,008,661)	1,828,184	(4,704,985)
Change in prepaid expenses and deposits	—	46,980	(97,683)
	(2,008,661)	1,875,164	(4,802,668)
Change in net financial assets	(272,721)	3,040,486	(2,273,877)
Net financial assets, beginning of year	—	30,959,510	33,233,387
Net financial assets, end of year	(272,721)	33,999,996	30,959,510

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

Greater Moncton Wastewater Commission

Statement of cash flows

Year ended December 31, 2024

	2024	2023
	\$	\$
Operating activities		
Annual surplus	1,165,322	2,528,791
Charges to annual surplus not involving cash		
Amortization of tangible capital assets	5,152,235	4,393,375
Loss on disposal of tangible capital assets	321,602	8,043
Demolition Costs	(53,486)	-
Amortization of asset retirement obligation	70,184	70,184
Accretion expense	96,944	93,485
	6,752,801	7,093,878
Change in non-cash assets and liabilities		
Accounts receivable	(2,965,972)	2,038,838
Prepaid expenses and deposits	46,980	(97,683)
Accounts payable and accrued liabilities	323,125	(5,169,716)
Holdbacks payable	(73,435)	13,192
	4,083,499	3,878,509
Investing activities		
Proceeds on sale of tangible capital assets	35,662	14,521
Acquisitions of tangible capital assets	(3,698,013)	(6,664,476)
	(3,662,351)	(6,649,955)
Net change in cash during the year	421,148	(2,771,446)
Cash, beginning of year	5,576,109	8,347,555
Cash, end of year	5,997,257	5,576,109

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

Greater Moncton Wastewater Commission

Notes to the financial statements

December 31, 2024

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 facility in the greater Moncton region and provides wastewater treatment for the cities of Moncton and 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 16, 2023 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 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, 2024

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 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 are no applicable assets. Benefits are paid out of accumulated surplus as they come due. The unfunded liability at December 31, 2024 of \$231,295 (\$195,662 in 2023) is recorded in accounts payable and accrued liabilities.

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. In accordance with PS 3280, Asset Retirement Obligations, the Commission recognized an Asset Retirement Obligation in the amount of \$2,526,633 in 2023. This balance was derived from an estimated undiscounted future remediation expenditure of \$9,334,957 expected to be incurred in 36 years. The associated discount rate applied was 3.7%.

First time adoption of PS 3400 Revenue

Effective January 1, 2024, the Commission adopted PS 3400 Revenue, which sets out guidance for the recognition of revenue with and without performance obligations. The adoption of this standard had no impact on the financial statements of the Commission.

3. Investments

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

	2024	2023
	\$	\$
Guaranteed investment certificate (4.00%, maturing June 2025)	5,394,354	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
	27,389,972	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 18th, 2024, each employee will contribute a minimum percentage of salary each year (8% in 2024 and 2023). There is no unfunded liability associated with this post-employment benefits payable.

Greater Moncton Wastewater Commission

Notes to the financial statements

December 31, 2024

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:

	2024	2023
	\$	\$
Net financial assets	33,999,996	30,959,510
Non-financial assets	127,500,944	129,376,108
	161,500,940	160,335,618

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.

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 Company's objective is to have sufficient liquidity to meet its liabilities when due. The Company monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2024, 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 Operations and Accumulated Surplus. The budget as presented on the face of the Statement of Operations and Accumulated Surplus is unaudited.

Greater Moncton Wastewater Commission
Notes to the financial statements
December 31, 2024

8. Tangible capital assets

	Land \$	Operations centre \$	Treatment facilities \$	Collection system \$	Fleet \$	Computer hardware and software \$	Assets under construction \$	Total \$
Cost								
Balance, beginning of year	2,068,453	3,585,856	137,050,905	33,691,189	2,707,364	420,044	9,718,421	189,242,232
Additions during the year	-	40,775	2,840,940	123,393	692,701	14,491	(14,287)	3,698,013
Transfers during the year	-	-	736,052	8,254,660	-	35,138	(9,025,850)	-
Disposals during the year	-	(22,445)	(577,994)	(117,212)	(6,640)	(66,186)	-	(790,477)
Balance, end of year	2,068,453	3,604,186	140,049,903	41,952,030	3,393,425	403,487	678,284	192,149,768
Accumulated amortization								
Balance, beginning of year	-	1,590,822	41,976,159	17,008,656	1,490,615	369,423	-	62,435,675
Amortization during the year	-	115,060	4,173,532	599,901	277,898	(14,156)	-	5,152,235
Accumulated amortization disposals	-	(22,214)	(290,624)	(106,434)	(4,336)	(63,091)	-	(486,699)
Balance, end of year	-	1,683,668	45,859,067	17,502,123	1,764,177	292,176	-	67,101,211
Net book value of tangible capital assets 2023	2,068,453	1,995,034	95,074,746	16,682,533	1,216,749	50,621	9,718,421	126,806,557
Net book value of tangible capital assets 2024	2,068,453	1,920,518	94,190,836	24,449,907	1,629,248	111,311	678,284	125,048,557

Greater Moncton Wastewater Commission

Notes to the financial statements

December 31, 2024

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, 2024

(Unaudited)

	Operating fund	Capital fund	Total
	\$	\$	\$
2024 annual surplus	5,058,237	(3,892,915)	1,165,322
Adjustments to annual surplus for funding requirements			
Second previous year surplus	(287,954)	—	(287,954)
Transfer from operating to capital	(4,607,881)	4,607,881	—
Total adjustments to 2024 annual surplus	(4,895,835)	4,607,881	(287,954)
2024 annual fund surplus	162,402	714,966	877,368

Greater Moncton Wastewater Commission

Schedule 2 – Schedule of budget by fund to public sector accounting

Year ended December 31, 2024

(Unaudited)

	Operating fund \$	Amortization \$	Capital fund \$	Total \$
Revenue				
User fees				
City of Moncton	9,146,970	—	—	9,146,970
City of Dieppe	2,736,720	—	—	2,736,720
Town of Riverview	1,929,060	—	—	1,929,060
Interest and miscellaneous	153,831	—	1,597,025	1,750,856
	13,966,581	—	1,597,025	15,563,606
Expenses				
Plant and operating expenses				
Amortization of tangible capital assets	—	4,877,551	—	4,877,551
Maintenance and operating	3,479,423	—	—	3,479,423
Salaries and benefits	2,264,555	—	—	2,264,555
Electricity	1,130,713	—	—	1,130,713
Easement and property taxes	651,218	—	—	651,218
Consulting services	547,805	—	—	547,805
Insurance	282,032	—	—	282,032
Vehicle expense	58,153	—	—	58,153
Telephone	25,171	—	—	25,171
Miscellaneous	—	—	—	—
	8,439,070	4,877,551	—	13,316,621
General				
Professional fees and consulting	225,926	—	—	225,926
Marketing and communications	108,000	—	—	108,000
Office expenses	84,124	—	—	84,124
Travel, training and education	61,012	—	—	61,012
Governance	25,902	—	—	25,902
Interest and bank charges	6,081	—	—	6,081
	511,045	—	—	511,045
Total expenses	8,950,115	4,877,551	—	13,827,666
Surplus subtotal	5,016,466	(4,877,551)	1,597,025	1,735,940
Fiscal services				
Second previous surplus	(287,954)	—	287,954	—
Transfers from operating fund to capital fund	(4,728,512)	—	4,728,512	—
	(5,016,466)	—	5,016,466	—
Annual surplus	—	(4,877,551)	6,613,491	1,735,940