

**Municipal District of St. Stephen
Consolidated Financial Statements**

December 31, 2023

Municipal District of St. Stephen
Consolidated Financial Statements
For the year ended December 31, 2023

	Page
Independent Auditor's Report	
Consolidated Statement of Financial Position.....	1
Consolidated Statement of Operations	2
Consolidated Statement of Changes in Net Debt.....	3
Consolidated Statement of Cash Flows	4
Notes to Consolidated Financial Statements	5

INDEPENDENT AUDITORS' REPORT

To His Worship The Mayor and Members of Council
Municipal District of St. Stephen, New Brunswick

Opinion

We have audited the consolidated financial statements of the Municipal District of St. Stephen, which comprise the statement of financial position as at December 31, 2023, and the consolidated statements of operations, changes in net debt and cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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

- Identify and assess the risks of material misstatement of the consolidated 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 Town'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 Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated 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.



CHARTERED PROFESSIONAL ACCOUNTANTS

Saint John, NB
February 26, 2025

Municipal District of St. Stephen
Consolidated Statement of Financial Position
As at December 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash (Note 3)	\$ 4,739,043	\$ 3,559,814
Accounts receivable		
General	1,741,188	1,910,897
Insurance	208,903	221,604
Due from Federal government and its agencies (Note 4)	851,362	626,578
Due from Province of New Brunswick (Note 5)	753,002	55,957
	8,293,498	6,374,850
FINANCIAL LIABILITIES		
Short-term financing (Note 10)	3,278,123	1,341,651
Accounts payable and accrued liabilities	3,216,027	2,636,964
Deferred revenue	220,005	199,522
Long-term debt (Note 6)	5,826,000	6,524,000
Accrued sick leave (Note 7)	279,200	304,000
Post-employment benefits payable (Note 8)	46,500	171,585
	12,865,855	11,177,722
NET DEBT	(4,572,357)	(4,802,872)
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 9)	55,913,832	53,298,830
Inventory, prepaid expenses and other	426,583	338,619
	56,340,415	53,637,449
ACCUMULATED SURPLUS	\$ 51,768,058	\$ 48,834,577

Contingent liabilities (Note 14)
 Commitments (Note 15)

See accompanying notes to consolidated financial statements.

On behalf of the Municipal District of St. Stephen:



 Mayor



 Acting Treasurer

Municipal District of St. Stephen Consolidated Statement of Operations

For the year ended December 31, 2023

	2023	2023	2022
	Budget (Note 17)	Actual	Actual
REVENUES			
Taxes	\$ 7,859,573	\$ 7,859,573	\$ 5,817,834
Services provided to other governments (Note 21)	285,660	305,628	397,203
Sales of services (Note 21)	445,150	516,492	428,153
Revenue from own sources (Note 21)	272,725	1,165,565	578,158
Unconditional grants	1,809,339	1,862,883	1,775,021
Conditional transfers	300	3,970,733	323,178
Other	1,131,156	-	24,974
Interest	-	217,922	207,390
Water and sewer utility revenue	2,373,000	2,431,512	2,491,021
	14,176,903	18,330,308	12,042,932
EXPENDITURES (Note 21)			
General government services	1,604,760	1,251,913	1,080,049
Protective services	3,854,292	3,821,952	2,392,265
Transportation services	3,300,973	2,177,399	2,313,158
Environmental health services	654,613	604,785	289,762
Environmental development services	453,195	588,262	572,579
Recreation and cultural services	3,625,634	3,895,494	2,874,402
Water and sewer utility services	2,690,433	3,057,022	3,126,123
	16,183,900	15,396,827	12,648,338
ANNUAL SURPLUS (DEFICIT) (Note 18)	(2,006,997)	2,933,481	(605,406)
ACCUMULATED SURPLUS, BEGINNING OF YEAR		48,834,577	49,439,983
ACCUMULATED SURPLUS, END OF YEAR		\$ 51,768,058	\$ 48,834,577

See accompanying notes to consolidated financial statements.

Municipal District of St. Stephen
Consolidated Statement of Changes in Net Debt

For the year ended December 31, 2023

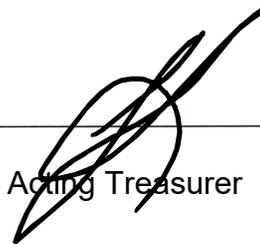
	Budget	2023	2022
ANNUAL SURPLUS (DEFICIT)	\$ (2,006,997)	\$ 2,933,481	\$ (605,406)
Other non-financial assets			
Acquisition of tangible capital assets	-	(5,198,019)	(2,124,000)
Amortization of tangible capital assets	2,181,786	2,181,786	2,086,976
Loss on disposal of tangible capital assets	-	401,231	409,753
Change in inventory, prepaid expenses and other	-	(87,964)	55,368
DECREASE (INCREASE) IN NET DEBT	174,789	230,515	(177,309)
NET DEBT, BEGINNING OF YEAR		(4,802,872)	(4,625,563)
NET DEBT, END OF YEAR		\$ (4,572,357)	\$ (4,802,872)

See accompanying notes to consolidated financial statements.

On behalf of the Municipal District of St. Stephen:



Mayor



Acting Treasurer

Municipal District of St. Stephen Consolidated Statement of Cash Flows

For the year ended December 31, 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ 2,933,481	\$ (605,406)
Add		
Amortization of tangible capital assets	2,181,786	2,086,976
Loss on disposal of tangible capital assets	401,231	409,753
Change in non-cash items		
Accounts receivable – General	169,709	(278,743)
Accounts receivable – Private developers	–	550,000
Accounts receivable – Insurance	12,701	(221,604)
Accounts receivable – Federal government and its agencies	(224,784)	256,178
Accounts receivable – Province of New Brunswick	(697,045)	195,747
Accounts payable and accrued liabilities	579,063	(416,822)
Deferred revenue	20,483	74,672
Post-employment benefits payable	(125,085)	(95,700)
Accrued sick leave	(24,800)	–
Inventory, prepaid expenses and other	(87,964)	55,368
	5,138,776	2,010,419
CASH FLOWS FROM CAPITAL ACTIVITIES		
Additions to tangible capital assets	(5,198,019)	(2,124,000)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term debt	(698,000)	(742,000)
DECREASE IN CASH AND CASH EQUIVALENTS	(757,243)	(855,581)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,218,163	3,073,744
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,460,920	\$ 2,218,163
Cash and cash equivalents consist of:		
Cash	\$ 4,739,043	\$ 3,559,814
Short-term financing	(3,278,123)	(1,341,651)
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,460,920	\$ 2,218,163

See accompanying notes to consolidated financial statements.

Municipal District of St. Stephen

Notes to Consolidated Financial Statements

For the year ended December 31, 2023

1. PURPOSE OF THE ORGANIZATION

The Municipal District of St. Stephen (the "Town") was incorporated by the Province of New Brunswick on May 17, 1871. As a municipality, the Town is exempt from income tax under section 149(1)(c) of the Canadian Income Tax Act. The Town has the following vision statements, "The Municipal District of St. Stephen will strive to increase its population and prosperity through proactively pursuing boundary expansion, economic development and diversification, and revitalization of its downtown and infrastructure all while capitalizing on its location and quality of life."

On January 1, 2023, the Local Service Districts of St. Stephen, Dufferin, Dennis-Weston and portions of Local Service Districts of Western Charlotte, Saint James, Saint Croix and Saint David have amalgamated with the Town of St. Stephen to become the Municipal District of St. Stephen as a result of the municipal reform. The total carrying value of the tangible capital assets acquired in the amalgamation was \$565,500. The tangible capital assets acquired was made up of land, buildings, light vehicles and machinery and equipment.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

These consolidated financial statements of the Town are the representations of management prepared in accordance with Canadian generally accepted accounting principles for local government, as recommended by the Public Sector Accounting Board (PSAB) of CPA Canada.

(b) Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenue, expenditures, change in net debt and cash flows of the Town. The Town is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the Town and that are owned or controlled by the Town. Inter-fund and inter-corporate balances and transactions have been eliminated. The entities included are as follows:

- General Operating and Capital Funds
- Water and Sewer Operating and Capital Funds
- Operating and Capital Reserve Funds
- Trust Funds
- St Croix Public Library

Municipal District of St. Stephen

Notes to Consolidated Financial Statements

For the year ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Segment information

The Town is a diversified entity that provides a wide range of services to its residents. For management reporting purposes, the Town'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. Town services are provided by departments and their activity is reported in these segments. The services provided by these departments are as follows:

General government services

This segment is responsible for the overall local government administration. Its tasks include council functions, general and financial management, legal matters and compliance with legislation, as well as civic relations.

Protective services

This segment is primarily responsible for police, fire protection, emergency measures, animal control and other protective measures.

Transportation services

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

Environmental health services

This segment is responsible for the provision of waste collection and disposal.

Environmental development services

This segment is responsible for planning and zoning, community development, tourism and other municipal development and promotion services.

Recreation and cultural services

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

Water and Sewer Systems

This segment is responsible for the provision of water and sewer services, including the maintenance and operation of the underground networks, treatment plants, reservoirs and lagoons.

(d) Fund accounting

The resources and operations of the Town are comprised of the operating, capital, reserve and trust funds. Transfers between funds are recorded as adjustments to the appropriate fund balance. Supporting schedules to the consolidated financial statements are included to show the financial activities and change in the balance of each fund.

Municipal District of St. Stephen

Notes to Consolidated Financial Statements

For the year ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand and on deposit at banks net of any outstanding cheques or deposits.

(f) Inventory

Inventory consists of sand, salt, civic center canteen merchandise and various other items and is valued at the lower of cost and net realizable value using a first in first out ("FIFO") inventory method.

(g) Sick leave and post-employment benefits

The Town recognizes its obligations under sick leave and post-employment benefit plans and the related costs, net of plan assets. The Town has a sick leave benefit, a retirement allowance and participates in a pension plan.

(h) Financial instruments

Initial measurement

Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, other accruals and long-term debt.

Subsequent measurement

At each reporting date, the Town measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments, which must be measured at fair value. The Town uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments measured at amortized cost are cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, other accruals and long-term debt.

Impairment

For financial assets measured at cost or amortized cost, the Town regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Town determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Municipal District of St. Stephen
Notes to Consolidated Financial Statements
For the year ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Tangible capital assets

Tangible capital assets are reported in the consolidated statement of financial position at cost net of accumulated amortization. They are amortized on a straight-line basis over the estimated useful lives at the following rates:

	Rate
Land improvements	10-25 years
Buildings and leasehold improvements	25-40 years
Light vehicles	5 years
Machinery and equipment	5 - 25 years
Roads and streets	15-60 years
Water and sewer Treatment facilities	30-60 years 15-100 years
Marine structures	30 years

Assets under construction are not amortized until the asset is available for use. The Town regularly assesses tangible capital assets to determine whether there are any indications of impairment.

(j) Government transfers

Government transfers are recognized in the consolidated financial statements 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.

(k) Deferred revenue

Deferred revenue consists of flat rate water fees collected in advance, civic center passes, gift cards and venue bookings. These amounts will be recognized as revenue in the fiscal year the services are performed.

(l) Revenue recognition

Unrestricted revenue is recorded on an accrual basis and is recognized when collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Other revenue is recorded when it is earned.

(m) Reserve funds

The use of the capital reserve funds is restricted to capital expenditures. The intention is to use these funds for future expenditures and reduce future borrowing requirements.

The use of the operating reserve funds is restricted to payment of operating expenditures.

Transfers to and or from reserves funds are an adjustment to the respective fund when approved.

Municipal District of St. Stephen

Notes to Consolidated Financial Statements

For the year ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Use of estimates

The preparation of consolidated financial statements in conformity 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 revenues and expenses during the reporting period.

Amortization is based on the estimated useful lives of capital assets.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Accrued sick leave & post-employment benefits are stated at present value of management's best estimate and based on actuarial valuation.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the consolidated financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in operations in the years in which they become know.

3. CASH AND CASH EQUIVALENTS

	2023	2022
Cash		
Unrestricted	\$ 2,769,286	\$ 1,772,458
Restricted – Reserves	1,354,643	1,201,727
Restricted – Retirement allowance (Note 8)	239,894	228,395
Restricted – Accrued sick leave (Note 7)	375,220	357,234
	\$ 4,739,043	\$ 3,559,814

4. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES

	2023	2022
Harmonized Sales Tax refund	\$ 802,201	\$ 531,271
Small Communities Fund	–	5,688
Integrated Bilateral Agreement	–	87,706
Atlantic Canada Opportunities Agency	49,161	1,913
	\$ 851,362	\$ 626,578

Municipal District of St. Stephen
Notes to Consolidated Financial Statements

For the year ended December 31, 2023

5. DUE FROM PROVINCE OF NEW BRUNSWICK

	2023	2022
Regional Development Corporation	\$ 707,857	\$ 934
MDSS implementation funding	45,145	-
Small Communities Fund	-	5,688
Integrated Bilateral Agreement	-	49,335
	<u>\$ 753,002</u>	<u>\$ 55,957</u>

Municipal District of St. Stephen
Notes to Consolidated Financial Statements

For the year ended December 31, 2023

6. LONG-TERM DEBT

	2023	2022
New Brunswick Municipal Financing Corporation Debentures:		
BR – 24 Interest at 1.65% to 2.90%, maturing 2027	\$ 86,000	\$ 106,000
BV – 22 Interest at 2.05% to 3.35%, maturing 2039	612,000	685,000
CA – 26 Interest at 0.86% to 2.76%, maturing 2036	536,000	572,000
BH – 30 Interest at 1.35% to 3.80%, maturing 2032	123,000	134,000
BK – 16 Interest at 1.15% to 3.45%, maturing 2024	39,000	78,000
BP – 24 Interest at 1.20% to 3.80%, maturing 2036	2,694,000	2,861,000
CA – 27 Interest at 0.86% to 2.76%, maturing 2036	739,000	789,000
BV – 23 Interest at 2.05% to 2.85%, maturing 2029	781,000	901,000
BI – 17 Interest at 1.15% to 3.45%, maturing 2024	142,000	282,000
BM – 26 Interest at 0.95% to 2.80%, maturing 2025	49,000	73,000
BO – 29 Interest at 1.45% to 2.90%, maturing 2026	13,000	17,000
BQ – 27 Interest at 1.20% to 2.70%, maturing 2027	12,000	14,000
BI – 27 Interest at 1.35% to 3.25%, matured during the year	–	12,000
	\$ 5,826,000	\$ 6,524,000

Municipal District of St. Stephen
Notes to Consolidated Financial Statements
For the year ended December 31, 2023

6. LONG-TERM DEBT (CONTINUED)

Principal payments required in each of the next five years on long-term debt held as of December 31, 2023 are as follows:

2024	\$ 698,000
2025	529,000
2026	520,000
2027	527,000
2028	527,000
Thereafter	3,025,000
	\$ 5,826,000

Approval of the Municipal Capital Borrowing Board has been obtained for the long-term debt.

7. ACCRUED SICK LEAVE

The Town provides sick leave that accumulates at 1.5 days per month for all full-time employees. All employees can accumulate a maximum of 210 sick leave days. An employee can take a leave with pay for an amount of time equal to the accumulated sick leave. Upon retirement, due to age or disability, or upon death, the plan provides to the unionized employees who are members of the New Brunswick Municipal Employee Pension Plan ("NBMEPP"), a payout of any accumulated sick days at the then current rate of pay.

An actuarial valuation was performed on the 41 unionized and 14 active non-unionized employees plan in accordance with *PS 3255 Post-Employment Benefits, Compensated Absences and Termination Benefits* as at December 31, 2023 (valuations are employed every three years). The actuarial method used was the projected unit credit pro-rated on service to expected usage (non-unionized) and projected unit credit pro-rated on service to retirement (unionized). The valuation was based on a number of assumptions about future events, such as interest rates, wage and salary increases and employee turnover and retirement. The assumptions used reflect the Town's best estimates.

The following summarizes the major assumptions in the valuation:

- Annual salary increase of 3% (2020 – 3%)
- Discount rate used to determine the accrued benefit obligations is 4.25% (2020 – 1.99%)
- Retirement age of 60 or one year after the valuation date if employee is already over 60 years of age
- Estimated net excess utilization of rate of sick leave for non-unionized employees is 0.4 days (2020 – 1.40 days) per employee per year; and
- Estimated net excess utilization of rate of sick leave for unionized employees is assumed to be zero.

The liability is estimated to be \$279,200 on December 31, 2023 (2022 - \$304,000). The Town has restricted \$375,220 (2022 - \$357,234) in cash to fund this future liability.

Municipal District of St. Stephen
Notes to Consolidated Financial Statements
For the year ended December 31, 2023

8. POST-EMPLOYMENT BENEFITS PAYABLE

The post-employment benefits payable consists of the following:

	Estimated 2023	Estimated 2022
Retirement allowance and other assets	\$ (227,900)	\$ (96,015)
Pension obligation - NBMEPP	274,400	267,600
	\$ 46,500	\$ 171,585

Retirement allowance and other

Retirement allowance benefit is for the Town management employees after attaining at least 10 years of continuous service. The benefit is equal to ten days pay for each full year of continuous service. The number of days should not exceed 260 days, and is paid at the employee's regular rate of total compensation at retirement. A severance gift is also provided for the Town employees paid upon retirement. The gift is \$1,000 for management employees, \$500 for unionized employees and \$50 to \$1,000 for volunteer firefighters, depending on years of service at severance. Finally, management employees have 50% of their health and life insurance premiums paid by the Town upon retirement up to age 65 to a maximum coverage period of 5 years.

An actuarial valuation was performed on the 37 unionized and 14 non-unionized employees, and 31 volunteer firefighters in accordance with *PS 3250 Retirement Benefits* as at December 31, 2023 (valuations are employed every three years). The actuarial method used was the projected unit credit.

The actuarial valuation for accounting purposes 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 management's best estimates.

The following summarizes the major assumptions in the valuation:

- Annual salary increase of 3% (2020 – 3%)
- Discount rate used to determine the accrued benefit obligations is 4.25% (2020 – 1.99%)
- Life insurance premiums increase by 3% per year (2020 – 3%), and
- Health insurance premiums increase by 5% per year (2020 – 5%).

The Town has restricted \$239,894 (2022 - \$228,395) in cash to fund this future liability.

Pension obligation

The Town and its employees participate in the New Brunswick Municipal Employees Pension Plan ("NBMEPP"). The NBMEPP is a multiple-employer defined benefit pension plan administered by a board elected by the members under the provisions of the Municipalities Act of New Brunswick. The NBMEPP provides pensions based on length of service and best average earnings.

Municipal District of St. Stephen

Notes to Consolidated Financial Statements

For the year ended December 31, 2023

8. POST-EMPLOYMENT BENEFITS PAYABLE (CONTINUED)

Pension obligation (Continued)

Actuarial valuations for funding purposes are performed either annually or triennially depending on the financial position of the NBMEPP (currently annually). In turn, the actuarial valuations for accounting purposes are based on these figures (with adjustments). The most recent actuarial valuation was prepared at December 31, 2021 and results in an overall NBMEPP accrued benefit obligation of \$140,299,800 based on the accounting basis.

The actuarial valuation for accounting purposes 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 reflected management's best estimates. The following summarizes the major assumptions in the valuation as at December 31, 2022:

- Expected annual inflation rate of 2.10% (2021 – 2.10%)
- Discount rate used to determine the accrued benefit obligations is 6.15% (2021 – 5.70%)
- Expected rate of return on assets is 6.15% (2021 – 5.70%)
- Retirement age varies by age and employee category; and
- Estimated average remaining service life ("EARSL") is 14.0 years (2021 – 14.0 years)

The actuarial valuation prepared as at December 31, 2021 indicated that the market value of the net assets available for the accumulated plan benefits were less than the present value of these benefits. The pension plan has been granted a solvency deficiency exemption by the Province of New Brunswick. On a going concern valuation basis, the actuarial valuation indicated a plan surplus of \$1,294,100, a change of \$2,127,600 from the December 31, 2020 deficit of \$833,500. Based on the assumptions as at December 31, 2021, the actuary expects the level of employer and employee contributions to be sufficient to fund the current service costs and going concern special payments, as required by the Pensions Benefits Act.

As at December 31, 2020, the NBMEPP provides benefits for 310 retirees. Total benefits payable to retirees and terminated employees during 2023 are estimated to be approximately \$5,210,400 (Actual 2022 - \$6,836,300) in totality for the NBMEPP.

Employees make contributions using rates that vary by earnings level and employment category, with an overall average contribution rate of approximately 7.95%. Each municipality contributes an amount that equals their employees contributions amounts. Pension fund assets are invested in short-term securities, bonds, Canadian equities and foreign equities. Combined employees and participating bodies' contributions for 2023 are estimated to be approximately \$7,978,000 (Actual 2022 - \$7,988,500) in totality for the NBMEPP.

The following summarizes the NBMEPP data as it relates to the Municipal District of St. Stephen:

- The average age of the 45 active employees covered by the NBMEPP is 48.8 (as at December 31, 2021);
- Benefit payments were \$334,200 in 2022 and were estimated to be \$320,800 in 2023; and
- Combined contributions were \$423,400 in 2022 and were estimated to be \$402,200 in 2023.

Municipal District of St. Stephen
Notes to Consolidated Financial Statements
For the year ended December 31, 2023

8. POST-EMPLOYMENT BENEFITS PAYABLE (CONTINUED)

Pension obligation (Continued)

In addition to determining the position of the NBMEPP as it relates to the Municipal District of St. Stephen as at December 31, 2021 and December 31, 2022, NBMEPP's actuary performed an extrapolation of the December 31, 2022 accounting valuation to determine the estimated position as at December 31, 2023. The extrapolation assumes assumptions used as at December 31, 2023 remain unchanged from December 31, 2022. The extrapolation also assumes assets return 6.15% net of all fees and expenses. If experience is different than assumed, amounts will adjust to reflect actual experience. Results of the extrapolation are as follows:

	Estimated Jan 1 to Dec 31, 2023	Jan 1 to Dec 31, 2022
Accrued benefit liability		
Accrued benefit liability, beginning of period	\$ 285,900	\$ 335,900
Pension expense for the year	189,600	145,200
Less employer contributions	(201,100)	(195,200)
Accrued benefit liability, end of period	\$ 274,400	\$ 285,900

In summary, the accrued pension benefit liability as it related to the Municipal District of St. Stephen is estimated to be \$274,400 as at December 31, 2023. The December 31, 2022 liability was estimated in the prior year to be \$267,600. The actual liability was calculated to be \$285,900. The difference of \$18,300 has been recorded in the current year. This amount is included in the post-employment benefits payable on the consolidated statement of financial position.

The financial position as it relates to the accrued benefit liability is shown as follows and illustrates the unamortized amounts being recognized in pension expense over time:

	Estimated Dec 31, 2023	Dec 31, 2022
Reconciliation of funded status at end of period		
Accrued benefit obligation	\$ 8,414,400	\$ 7,934,300
Plan assets	(7,702,000)	(7,176,700)
Plan deficit	712,400	757,600
Unamortized experience gains	(438,000)	(471,700)
Accrued benefit liability at end of period	\$ 274,400	\$ 285,900

Municipal District of St. Stephen
Notes to Consolidated Financial Statements
For the year ended December 31, 2023

8. POST-EMPLOYMENT BENEFITS PAYABLE (CONTINUED)

Pension obligation (Continued)

The following illustrates the reconciliation of accrued benefit obligation from the beginning of period to the end of period:

	Estimated Dec 31, 2023	Jan 1 to Dec 31, 2022
Reconciliation of accrued benefit obligation		
Accrued benefit obligation, beginning of period	\$ 7,934,300	\$ 8,132,900
Current service cost	313,200	359,200
Benefit payments	(320,800)	(334,200)
Interest for period	487,700	464,300
Experience loss (gain) during period	-	(687,900)
Accrued benefit obligation, end of period	\$ 8,414,400	\$ 7,934,300

The following illustrates the reconciliation of plan assets from the beginning of period to the end of period:

	Estimated Dec 31, 2023	Jan 1 to Dec 31, 2022
Reconciliation of plan assets		
Plan assets, beginning of period	\$ 7,176,700	\$ 7,821,300
Employer contributions	201,100	195,200
Employee contributions	201,100	228,200
Benefit payments	(320,800)	(334,200)
Return on plan assets during period	443,900	(733,800)
Plan assets, end of period	\$ 7,702,000	\$ 7,176,700

Total expense related to pension include the following components:

	Estimated Dec 31, 2023	Jan 1 to Dec 31, 2022
Pension expense		
Employer current service cost	\$ 112,100	\$ 131,000
Interest on accrued benefit obligation	487,700	464,300
Expected return on assets	(443,900)	(448,400)
	155,900	146,900
Amortization of unrecognized balances		
Experience loss (gain)	33,700	(1,700)
Pension expense	\$ 189,600	\$ 145,200

Municipal District of St. Stephen
Notes to Consolidated Financial Statements
For the year ended December 31, 2023

9. SCHEDULE OF TANGIBLE CAPITAL ASSETS

	Infrastructure											2023 Total	2022 Total
	Land	Land Improvements	Building and Leasehold Improvements	Vehicles	Machinery and Equipment	Roads and Streets	Treatment Facilities	Water and Sewer	Marine Structures	Assets Under Construction			
COST													
Balance – beginning of year	\$ 1,934,244	\$ 1,684,000	\$ 25,643,388	\$ 765,522	\$ 6,944,130	\$ 19,701,528	\$ 5,761,689	\$ 22,339,962	\$ 1,551,300	\$ 105,499	\$ 86,431,262	\$ 85,058,728	
Net transfers during the year	–	81,088	4,500	–	–	–	–	–	–	(85,588)	–	–	
Add: net additions during the year	59,850	522,363	961,849	16,500	266,263	–	–	–	–	3,371,194	5,198,019	2,124,000	
Less: disposals during the year	–	–	(484,300)	–	(23,888)	–	–	–	–	–	(508,188)	(751,466)	
Balance – end of year	1,994,094	2,287,451	26,125,437	782,022	7,186,505	19,701,528	5,761,689	22,339,962	1,551,300	3,391,105	91,121,093	86,431,262	
ACCUMULATED AMORTIZATION													
Balance – beginning of year	–	629,738	7,111,013	685,558	4,477,612	10,513,828	1,950,291	7,271,382	493,010	–	33,132,432	31,387,169	
Add: amortization during the year	–	74,350	613,366	29,783	358,518	582,025	106,372	377,865	39,507	–	2,181,786	2,086,976	
Less: accumulated amortization on disposals	–	–	(98,464)	–	(8,493)	–	–	–	–	–	(106,957)	(341,713)	
Balance – end of year	–	704,088	7,625,915	715,341	4,827,637	11,095,853	2,056,663	7,649,247	532,517	–	35,207,261	33,132,432	
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS													
	\$ 1,994,094	\$ 1,583,363	\$ 18,499,522	\$ 66,681	\$ 2,358,868	\$ 8,605,675	\$ 3,705,026	\$ 14,690,715	\$ 1,018,783	\$ 3,391,105	\$ 55,913,832	\$ 53,298,830	
Consists of:													
General Fund Assets	1,992,642	1,583,363	18,443,561	58,359	2,205,467	8,605,675	–	–	1,018,783	1,934,736	35,772,586	34,127,213	
Water & Sewer Fund Assets	71,452	–	55,961	8,322	144,916	–	3,705,026	14,690,715	–	1,456,369	20,132,761	19,156,906	
St. Croix Public Library Assets	–	–	–	–	8,485	–	–	–	–	–	8,485	14,711	
	\$ 1,994,094	\$ 1,583,363	\$ 18,499,522	\$ 66,681	\$ 2,358,868	\$ 8,605,675	\$ 3,705,026	\$ 14,690,715	\$ 1,018,783	\$ 3,391,105	\$ 55,913,832	\$ 53,298,830	

Municipal District of St. Stephen
Notes to Consolidated Financial Statements
For the year ended December 31, 2023

10. SHORT-TERM BORROWING

Interim Borrowing Capital Funds

The Town has arranged a revolving operating facility bearing interest at prime less 0.50% for the General Fund and Water and Sewer Fund. The facility is used to provide interim financing for capital expenditures.

The Town has remaining outstanding authority for short-term borrowings as follows:

General Capital Fund, OIC #21-0011	2,586,000
General Capital Fund, OIC #23-0012	1,145,000
General Capital Fund, OIC #23-0022	810,000
General Capital Fund, OIC #23-0023	259,000
Water and Sewer Capital Fund, OIC #21-0011	590,000
Water and Sewer Capital Fund, OIC #23-0012	1,128,000
Water and Sewer Capital Fund, OIC #23-0022	611,000
Water and Sewer Capital Fund, OIC #23-0023	195,000
	\$ 7,324,000

Operating Borrowing

As prescribed in the Local Governance Act, borrowing to finance General Operating Fund operations is limited to 4% of the Town's budget. Borrowing to finance Water and Sewer Fund operations is limited to 50% of the operating budget for the year. In 2023, the Town had complied with these restrictions.

Inter-fund Borrowing

The Municipal Financing Reporting Manual requires 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 in compliance with these requirements.

11. WATER AND SEWER FUND SURPLUS (DEFICIT)

The Local Governance Act requires Water and Sewer Fund surplus (deficit) amounts to be absorbed into one or more of four Operating Budgets commencing with the second next ensuing year; the balance of surplus (deficit) at the end of the year consists of:

	2023	2022
2023 Surplus	\$ 14,095	\$ -
2022 Surplus	221,489	221,489
2021 Surplus	185,704	247,606
2020 Deficit	(38,246)	(57,369)
2019 Deficit	(34,524)	(69,049)
	\$ 348,518	\$ 342,677

Municipal District of St. Stephen
Notes to Consolidated Financial Statements
For the year ended December 31, 2023

12. GENERAL FUND SURPLUS

The Municipalities Act requires the General Fund surplus amounts to be absorbed into the Operating Budgets of the second next ensuing year; the balance of surplus at the end of the year consists of:

	2023	2022
2023 Surplus	\$ 871,459	\$ –
2022 Surplus	560,067	560,067
2021 Surplus	–	778,334
	\$ 1,431,526	\$ 1,338,401

13. CHARLES F. TODD TRUST

The Charles F. Todd Trust consists of annual payments to the Town from the Estate of Charles F. Todd. By virtue of a court order dated June 7, 2004, the annual payment from the Trust is to be disbursed as follows: \$200 to the Poppy Fund of the Milltown Branch No. 28 of the Royal Canadian Legion; Fifty percent of the remaining funds to the Volunteer Centre of Charlotte County Inc.; the remaining balance awarded in two scholarships to students at St. Stephen High School.

As of December 31, 2023, there was \$16,110 (2022 - \$27,994) remaining in the trust pertaining to the Town.

The activity of the Charles F. Todd Trust has been excluded from these consolidated financial statements.

14. CONTINGENT LIABILITIES

In the normal course of operations, the Town becomes involved in various claims and legal proceedings. The Town maintains insurance coverage in amounts considered appropriate to cover applicable claims.

15. COMMITMENTS

(a) Developers Incentive – Retirement Community Apartment Complex

In 2010, the Town committed \$185,160 to a local developer to aid in the cost of construction of a thirty-five unit senior housing complex. The commitment is for waived building permit fees, a lump sum payment of \$27,500 in the year following the completion of the project, and \$353 per unit for twelve years. In 2011, the project was completed and the Town has paid \$175,760 to date.

(b) Developers Incentive – Manufacturing Company

In 2014, the Town committed \$200,000 under its "Major Industry and Economic Incentive Policy No 57-A" to a local manufacturing company to aid with developmental capital and operating expenses. The commitment is conditionally payable in annual contributions of \$10,000 over a twenty-year period. The Town has paid \$30,000 to date. Subsequently, in 2024 the grant was rescinded.

Municipal District of St. Stephen
Notes to Consolidated Financial Statements
For the year ended December 31, 2023

15. COMMITMENTS (CONTINUED)

(c) Developers Incentive – Retail and Hotel Development

In 2018, the Town committed \$495,800 under its “Major Industry and Economic Incentive Policy No 57-A” to a developer, to aid with the developmental capital and operating expenses of lands for commercial uses including retail operations and a hotel. The commitments is conditionally payable in annual contributions over a five to ten year period commencing one year from substantial completion. The development was complete in 2019, excluding the hotel. The Town has paid \$198,360 to date.

16. FINANCIAL INSTRUMENTS

The Town as part of its operations carries a number of financial instruments. It is management’s opinion that the Town is not exposed to significant risks arising from these financial instructions except as otherwise disclosed.

Credit risk

Credit risk is the risk of financial loss because a counter party to a financial instrument fails to discharge its’ contractual obligations. The carrying amount of the Town’s financial instruments best represents the maximum exposure to credit risk. The Town’s risk is mitigated by the fact that its accounts receivable consists primarily of funds due from the Federal Government and the Province of New Brunswick. The Town manages its credit risk by providing allowances for potentially uncollectible accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Town will encounter difficulty in meeting its obligations associated with financial liabilities. The Town enters into transactions to borrow funds from financial institutions or other creditors for which repayment is required at various maturity dates. The Town manages liquidity risk by monitoring forecasted and actual cash flows.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market interest rates. In seeking to minimize the risks from interest rate fluctuations, the Town manages exposure through its normal operating and financing activities. The Town is exposed to interest rate risk as its interim borrowing has a variable interest rate. The Town’s future obligations with respect to debt repayment are disclosed in Notes 6 and 10.

Municipal District of St. Stephen
Notes to Consolidated Financial Statements

As at December 31, 2023

17. OPERATING BUDGET TO PSAS BUDGET RECONCILIATION

	General Operating Budget	Water and Sewer Operating Budget	Amortization	Controlled Entities	Transfers	Other	Total 2023
REVENUES							
Taxes	\$ 7,859,573	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,859,573
Services provided to other governments	285,660	-	-	-	-	-	285,660
Sales of services	445,150	-	-	-	-	-	445,150
Revenue from own sources	191,025	206,700	-	-	-	-	397,725
Unconditional grants	1,809,339	-	-	-	-	(125,000)	1,684,339
Conditional grants	300	-	-	-	-	-	300
Other	1,901,132	61,902	-	38,647	-	-	2,001,681
Water and sewer utility revenue	-	2,373,000	-	-	-	(870,525)	1,502,475
	12,492,179	2,641,602	-	38,647	-	(995,525)	14,176,903
EXPENDITURES							
General government services	1,548,526	-	40,512	-	-	15,722	1,604,760
Protective services	3,705,934	-	192,962	-	-	(44,604)	3,854,292
Transportation services	2,484,555	-	751,646	-	-	64,772	3,300,973
Environmental health services	654,613	-	-	-	-	-	654,613
Environmental development services	438,938	-	14,251	-	-	6	453,195
Recreation and cultural services	2,834,833	-	672,917	38,647	-	79,237	3,625,634
Fiscal services							
Short-term interest	140,605	32,000	-	-	-	(172,605)	-
Interest on long-term debt	138,075	52,252	-	-	-	(190,327)	-
Principal repayments on long-term debt	346,000	352,000	-	-	-	(698,000)	-
Transfer from General Operating Fund to General Capital Reserve Fund	200,000	-	-	-	(200,000)	-	-
Transfer from Water and Sewer Operating Fund to Water and Sewer Capital Reserve Fund	-	54,029	-	-	(54,029)	-	-
Other services	100	-	-	-	-	(100)	-
Water and sewer utility services	-	2,097,673	509,508	-	-	83,252	2,690,433
Deficit of second previous year	-	53,648	-	-	-	(53,648)	-
	12,492,179	2,641,602	2,181,796	38,647	(254,029)	(916,295)	16,183,900
SURPLUS (DEFICIT)	\$ -	\$ -	\$ (2,181,796)	\$ -	\$ 254,029	\$ (79,230)	\$ (2,006,997)

The disclosed budget information has been approved by the provincially appointed Transition Facilitator for the General Operating Fund and Water and Sewer Operating Fund on December 21, 2022.

Municipal District of St. Stephen
Notes to Consolidated Financial Statements
For the year ended December 31, 2023

18. RECONCILIATION OF ANNUAL SURPLUS

	General Operating Fund	General Capital Fund	General Operating Reserve Fund	General Capital Reserve Fund	Water and Sewer Operating Fund	Water and Sewer Capital Fund	Water and Sewer Operating/ Capital Reserve Fund	St Croix Public Library	Total
2023 annual surplus (deficit)	\$ 905,287	\$ 898,644	\$ 19,587	\$ 23,907	\$ 564,408	\$ 499,975	\$ 15,325	\$ 6,349	\$ 2,933,482
Adjustments to annual surplus (deficit) for funding requirements									
Second previous year's surplus (deficit)	778,334	-	-	-	8,254	-	-	-	786,588
Transfers between funds									
General Operating Fund to General Capital Fund	(147,441)	147,441	-	-	-	-	-	-	-
General Operating Fund to General Capital Reserve Fund	(200,000)	-	-	200,000	-	-	-	-	-
General Capital Reserve Fund to General Capital Fund	-	130,556	-	(130,556)	-	-	-	-	-
General Operating Reserve Fund to General Operating Fund	31,165	-	(31,165)	-	-	-	-	-	-
Water and Sewer Operating Fund to Water and Sewer Capital Fund	-	-	-	-	(138,538)	138,538	-	-	-
Water and Sewer Capital Reserve Fund to Water and Sewer Water and Sewer Capital Fund	-	-	-	-	-	12,210	(12,210)	-	-
Water and Sewer Operating Fund to Water and Sewer Capital Reserve Fund	-	-	-	-	-	-	-	-	-
Long-term debt principal payments	(346,000)	346,000	-	-	(68,029)	-	68,029	-	-
Post employment benefits recovery	(149,885)	-	-	-	(352,000)	352,000	-	-	-
Accumulated amortization on disposal of capital assets	-	(98,464)	-	-	-	-	-	-	(149,885)
Amortization expense	-	1,672,278	-	-	-	509,508	-	-	(106,957)
Total adjustments to 2023 surplus (deficit)	(33,827)	2,197,811	(31,165)	69,444	(550,313)	1,003,763	55,819	-	2,711,532
2023 annual surplus (deficit) per PNB requirements	\$ 871,460	\$ 3,096,455	\$ (11,578)	\$ 93,351	\$ 14,095	\$ 1,503,738	\$ 71,144	\$ 6,349	\$ 5,645,014

Municipal District of St. Stephen
Notes to Consolidated Financial Statements

As at December 31, 2023

19. STATEMENT OF RESERVES

	General Operating Reserve	General Capital Reserve	Water and Sewer Operating Reserve	Water and Sewer Capital Reserve	Total 2023	Total 2022
ASSETS						
Cash	\$ 379,037	\$ 558,912	\$ 4,275	\$ 412,419	\$ 1,354,643	\$ 1,201,727
TOTAL ASSETS	379,037	558,912	4,275	412,419	1,354,643	1,201,727
ACCUMULATED SURPLUS	379,037	558,912	4,275	412,419	1,354,643	1,201,727
REVENUE						
Transfer from Water and Sewer Operating Fund	-	-	-	68,029	68,029	130,000
Transfers from General Operating Fund	-	200,000	-	-	200,000	74,070
Interest	19,587	23,907	172	15,153	58,819	26,473
	19,587	223,907	172	83,182	326,848	230,543
EXPENDITURE						
Transfer to Water and Sewer Operating Fund	-	-	-	-	-	60,000
Transfer to Water and Sewer Capital Fund	-	-	-	12,210	12,210	12,982
Transfer to General Operating Fund	31,165	-	-	-	31,165	68,011
Transfer to General Capital Fund	-	130,556	-	-	130,556	719,900
	31,165	130,556	-	12,210	173,931	860,893
ANNUAL SURPLUS (DEFICIT)	\$ (11,578)	\$ 93,351	\$ 172	\$ 70,972	\$ 152,917	\$ (630,350)

Municipal District of St. Stephen
Notes to Consolidated Financial Statement
For the year ended December 31, 2023

19. STATEMENT OF RESERVES (CONTINUED)

Council resolutions regarding transfers to and from reserve:

Moved by Councillor Hyslop and seconded by Deputy Mayor Wheaton that the amount of \$200,000 be transferred from the General Operating Fund to the General Capital Reserve Fund.

Moved by Deputy Mayor Wheaton and seconded by Councillor Wright that the amount of \$107,799.07 be transferred from the General Capital Reserve Fund to the General Capital Fund for the King Street Plaza project.

Moved by Councillor Wright and seconded by Councillor Harding that the amount of \$54,029 be transferred from the Water and Sewer Operating Fund to the Water and Sewer Capital Reserve Fund.

Moved by Councillor Cornish and seconded by Councillor Rodas that the amount of \$16,185.71 be transferred from the General Capital Reserve Fund to the General Capital Fund for the School Street project.

Moved by Councillor Greenlaw and seconded by Councillor Harding that the amount of \$12,210.28 be transferred from the Water and Sewer Capital Reserve Fund to the Water and Sewer Capital Fund.

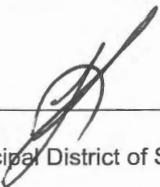
Moved by Councillor Eastman and seconded by Deputy Mayor Wheaton that the amount of \$6,571.68 be transferred from the General Capital Reserve Fund to the General Capital Fund for the waterfront revitalization (wharf area) project.

Moved by Deputy Mayor Wheaton and seconded by Councillor Cornish that the amount of \$19,894.36 be transferred from the General Operating Reserve Fund to the General Operating Fund.

Moved by Councillor Rodas and seconded by Councillor Wright that the amount of \$11,271.01 be transferred from the General Operating Reserve Fund to the General Operating Fund.

Moved by Councillor Wright and seconded by Councillor Eastman that the amount of \$14,000 be transferred from the Water and Sewer Operating Fund to the Water and Sewer Capital Reserve Fund.

I hereby certify that the above are true copies of resolutions adopted at the regular meetings of Council on November 29, 2023 and December 20, 2023.



Clerk,
Municipal District of St. Stephen

MARCH 12, 2025
Date



Municipal District of St. Stephen
Notes to Consolidated Financial Statements
As at December 31, 2023

20. SEGMENT DISCLOSURE

	Government Services	Protective Services	Transportation Services	Environmental Health	Environmental Development	Recreation and Culture	Water and Sewer	Totals 2023	Totals 2022
REVENUE									
Taxes	\$ 891,464	\$ 1,974,558	\$ 1,909,265	\$ 239,167	\$ 472,605	\$ 2,372,514	\$ —	\$ 7,859,573	\$ 5,817,834
Services provided to other governments	—	44,783	77,960	—	—	182,885	—	305,628	397,203
Sale of services	—	9,150	—	—	—	507,342	—	516,492	428,153
Revenue from own sources	758,482	407,083	—	—	—	—	—	1,165,565	578,158
Unconditional grants	211,296	468,012	452,536	56,688	112,017	—	—	1,862,883	1,775,021
Conditional transfers	2,406,526	—	565,500	—	—	562,334	—	3,970,733	323,178
Water and sewer user fees	—	—	—	—	—	—	998,707	2,431,512	2,491,021
Interest	84,980	—	—	—	—	—	2,431,512	2,431,512	2,491,021
Other	—	—	—	—	—	—	132,942	217,922	207,390
	4,352,748	2,903,586	3,005,261	295,655	584,622	3,625,075	3,563,161	18,330,308	12,042,932
EXPENDITURES									
Salaries, wages and benefits	613,373	952,872	1,344,835	—	—	1,402,708	939,117	5,252,905	3,752,606
Goods and services	590,447	2,591,444	45,226	604,785	574,011	1,310,379	1,480,038	7,196,330	6,104,840
Interest	7,581	84,674	35,692	—	—	123,653	112,964	364,564	279,519
Other	—	—	—	—	—	—	—	—	14,644
Loss on disposal of tangible capital assets	—	—	—	—	—	385,836	15,395	401,231	409,753
Amortization	40,512	192,962	751,646	—	14,251	672,917	509,508	2,181,796	2,086,976
	1,251,913	3,821,952	2,177,399	604,785	588,262	3,895,493	3,057,022	15,396,826	12,648,338
CHANGE IN FUND BALANCE	\$ 3,100,835	\$ (918,366)	\$ 827,862	\$ (308,930)	\$ (3,640)	\$ (270,418)	\$ 506,139	\$ 2,933,482	\$ (605,406)

Municipal District of St. Stephen

Notes to Consolidated Financial Statements

For the year ended December 31, 2023

21. REVENUE AND EXPENDITURES SUPPORT

	2023	2023	2022
	Budget	Actual	Actual
REVENUE			
Services provided to other governments			
Fire protection	\$ 30,374	\$ 44,783	\$ 158,013
Roads and streets	72,400	77,960	72,948
Recreation	182,886	182,885	166,242
	<u>285,660</u>	<u>305,628</u>	<u>397,203</u>
Sale of services			
Fire	4,600	15,265	6,813
Recreation – Civic Centre	439,550	500,144	408,137
Recreation – outside	1,000	1,083	13,203
	<u>445,150</u>	<u>516,492</u>	<u>428,153</u>
Revenue from own sources			
Animal licenses	–	470	305
Construction permits	15,100	42,623	28,673
Other permits and licenses	1,150	575	620
Building rentals	161,875	172,721	161,335
Hydrant and sprinkler system rental	–	–	1,020
Miscellaneous	94,600	949,176	386,205
	<u>272,725</u>	<u>1,165,565</u>	<u>578,158</u>
EXPENDITURES (RECOVERY)			
General government services			
<i>Legislative</i>			
Mayor	41,659	41,068	21,375
Councillors	152,167	155,122	61,799
Other	11,000	11,572	7,809
	<u>204,826</u>	<u>207,762</u>	<u>90,983</u>
<i>Administrative</i>			
Chief Administrative Officer's office	509,304	289,059	203,506
Treasurer's office	233,794	326,397	269,254
Office building	10,350	9,072	9,725
Solicitor	20,000	46,129	25,724
Other	202,625	120,864	209,643
	<u>976,073</u>	<u>791,521</u>	<u>717,852</u>
<i>Financial management</i>			
Audit	25,000	25,000	14,642

Municipal District of St. Stephen

Notes to Consolidated Financial Statements

For the year ended December 31, 2023

21. REVENUE AND EXPENDITURES SUPPORT

	2023	2023	2022
	Budget	Actual	Actual
EXPENDITURES (RECOVERY) (CONTINUED)			
General government services (Continued)			
<i>Other</i>			
Common services – training and development	\$ 10,000	\$ 1,969	\$ 2,658
Common services – conventions	16,000	2,000	1,576
Common services – liability insurance	121,944	136,802	86,353
Common services – grants	50,000	43,867	52,577
Common services – regional and collaborative services	5,026	9,026	19,148
Sick leave and post-employment benefits	–	(149,884)	(14,887)
Cost of assessment	135,757	135,757	71,434
Interest on temporary borrowing	15,622	7,581	5,980
Other services (recovery)	–	–	(4,175)
Amortization	40,512	40,512	35,908
	398,861	227,630	256,572
	\$ 1,604,760	\$ 1,251,913	\$ 1,080,049

Protective services

Fire

Fire fighting force	758,999	772,762	706,960
Fire administration	107,372	87,624	5,752
Fire alarm system	23,200	18,090	13,048
Fire training	31,300	12,598	8,524
Fire station	59,300	50,057	50,833
Fire fighting equipment	106,000	107,643	59,330
Fire regional dispatch	45,000	41,409	24,183
	1,131,171	1,090,083	868,630

Municipal District of St. Stephen
Notes to Consolidated Financial Statements
For the year ended December 31, 2023

21. REVENUE AND EXPENDITURES SUPPORT

	2023	2023	2022
	Budget	Actual	Actual
EXPENDITURES (RECOVERY) (CONTINUED)			
Protective services (Continued)			
<i>Police</i>			
Administration and crime control	2,211,133	2,211,133	1,223,656
Station and building	43,700	36,652	41,546
	<u>2,254,833</u>	<u>2,247,785</u>	<u>1,265,202</u>
<i>Other</i>			
Bylaw officer and building inspector	\$ 135,500	\$ 148,277	\$ 96,774
Animal and pest control	25,500	26,238	18,125
Crosswalk guards	33,930	31,833	26,594
Sick leave and post-employment benefits	—	—	(12,760)
Provision for doubtful accounts	—	—	5,111
Interest on temporary borrowing	80,067	84,397	14,539
Interest on long-term debt	329	277	352
Amortization	192,962	192,962	109,698
	<u>468,288</u>	<u>483,984</u>	<u>258,433</u>
	<u>\$ 3,854,292</u>	<u>\$ 3,821,952</u>	<u>\$ 2,392,265</u>

Municipal District of St. Stephen
Notes to Consolidated Financial Statements
For the year ended December 31, 2023

21. REVENUE AND EXPENDITURES SUPPORT

	2023	2023	2022
	Budget	Actual	Actual
EXPENDITURES (RECOVERY) (CONTINUED)			
Transportation services			
<i>Common</i>			
Administration	1,563,230	645,144	763,143
General equipment	420,659	284,710	314,451
Work shop	120,945	126,853	101,916
	2,104,834	1,056,707	1,179,510
Roadway surfaces	80,000	70,362	56,641
Storm sewers	10,000	(8,350)	10,334
Snow and ice removal	91,000	88,266	94,237
Street lighting	150,000	143,949	135,741
Street signs	3,000	4,631	1,928
Traffic signals	8,100	2,840	4,708
Airport	37,621	31,656	32,936
Sick leave and post-employment benefits	—	—	(17,013)
Interest on temporary borrowing	29,293	8,763	6,031
Interest on long-term debt	35,479	26,929	37,606
Provision for doubtful accounts	—	—	9,107
Loss on disposal of tangible capital assets	—	—	—
Amortization	751,646	751,646	761,392
	1,196,139	1,120,692	1,133,648
	\$ 3,300,973	\$ 2,177,399	\$ 2,313,158
Environmental health services			
Landfill costs	\$ 1,500	\$ 1,163	\$ 1,202
Regional landfill and waste pickup	653,113	603,622	288,560
	\$ 654,613	\$ 604,785	\$ 289,762

Municipal District of St. Stephen

Notes to Consolidated Financial Statements

For the year ended December 31, 2023

21. REVENUE AND EXPENDITURES SUPPORT

	2023	2023		2022
	Budget	Actual		Actual
EXPENDITURES (RECOVERY) (CONTINUED)				
Environmental development services				
Community development	394,162	341,973	\$	451,012
Tourist promotion	44,776	230,539		43,656
Beautification and land rehabilitation	-	1,499		67,065
Sick leave and post-employment benefits	-	-		(6,380)
Interest on long-term debt	6	-		6
Provision for doubtful accounts	-	-		2,907
Loss on disposal of tangible capital assets	-	-		62
Amortization	14,251	14,251		14,251
	\$ 453,195	\$ 588,262	\$	572,579
Recreation and cultural services				
<i>Outside recreation</i>				
Administration	15,000	10,139		6,440
Swimming pool	98,650	122,438		75,077
Parks and playgrounds	353,926	291,715		237,243
	467,576	424,292		318,760
<i>Recreational facilities</i>				
Arena	8,000	3,946		4,656
Civic Centre	2,121,195	2,028,585		1,619,429
Libraries	66,447	61,185		101,350
Recreation cost sharing	171,615	195,080		75,299
Sick leave and post-employment benefits	-	-		(31,900)
Interest on temporary borrowing	15,623	12,764		10,889
Interest on long-term debt	102,261	110,889		109,318
Provision for doubtful accounts	-	-		(2,500)
Loss on disposal of tangible capital assets	-	385,836		-
Amortization	672,917	672,907		669,101
	3,158,058	3,471,202		2,555,642
	\$ 3,625,634	\$ 3,895,494	\$	2,874,402

Municipal District of St. Stephen
Notes to Consolidated Financial Statements

For the year ended December 31, 2023

21. REVENUE AND EXPENDITURES SUPPORT

	2023	2023	2022
	Budget	Actual	Actual
EXPENDITURES (RECOVERY) (CONTINUED)			
Water and sewer systems			
<i>Water system</i>			
Administration	\$ 170,480	\$ 182,948	\$ 198,218
Transmission and distribution	778,102	675,995	606,082
Power and pumping	328,567	311,561	273,195
Billing and collection	4,000	3,865	4,270
Interest on temporary borrowing	16,000	30,356	17,014
Interest on long-term debt	35,186	35,186	38,163
Sick leave and post-employment benefits	—	—	(8,507)
Amortization	280,778	280,778	280,010
	1,613,113	1,520,689	1,408,445
<i>Sewer system</i>			
Administration	171,481	183,701	198,248
Collection system	43,600	34,011	43,870
Lift stations	133,800	180,694	164,491
Treatment and disposal	461,643	620,132	635,819
Billing and collection	4,000	3,865	4,270
Interest on temporary borrowing	16,000	30,356	17,015
Interest on long-term debt	17,066	17,066	22,606
Sick leave and post-employment benefits	—	—	(4,253)
Amortization	228,730	228,730	216,616
	1,076,320	1,298,555	1,298,682
Provision for doubtful accounts	1,000	222,383	9,305
Loss on disposal of tangible capital assets	—	15,395	409,691
	1,000	237,778	418,996
	\$ 2,690,433	\$ 3,057,022	\$ 3,126,123