

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

*December 31, 2024*

**Municipal District of St. Stephen**  
**Consolidated Financial Statements**  
*For the year ended December 31, 2024*

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## 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, 2024, 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, 2024, 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.


(continues)

*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  
August 27, 2025



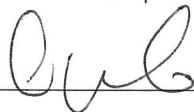
**Municipal District of St. Stephen**  
**Consolidated Statement of Financial Position**  
*As at December 31, 2024*

	2024	2023
<b>FINANCIAL ASSETS</b>		
Cash (Note 3)	\$ 4,521,845	\$ 4,739,043
Accounts receivable		
General	1,171,790	1,741,188
Insurance	298,874	208,903
Due from Federal government and its agencies (Note 4)	1,158,813	851,362
Due from Province of New Brunswick (Note 5)	30,504	753,002
	7,181,826	8,293,498
<b>FINANCIAL LIABILITIES</b>		
Short-term financing (Note 10)	1,290,409	3,278,123
Accounts payable and accrued liabilities	2,902,356	3,216,027
Deferred revenue	206,901	220,005
Long-term debt (Note 6)	6,121,000	5,826,000
Accrued sick leave (Note 7)	418,300	279,200
Post-employment benefits payable (Note 8)	13,900	46,500
	10,952,866	12,865,855
<b>NET DEBT</b>	(3,771,040)	(4,572,357)
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 9)	54,970,268	55,913,832
Inventory, prepaid expenses and other	398,761	426,583
	55,369,029	56,340,415
<b>ACCUMULATED SURPLUS</b>	\$ 51,597,989	\$ 51,768,058

Contingent liabilities (Note 14)  
Commitments (Note 15)

See accompanying notes to consolidated financial statements.

On behalf of the Municipal District of St. Stephen:





# Municipal District of St. Stephen

## Consolidated Statement of Operations

*For the year ended December 31, 2024*

	2024	2024	2023
	Budget	Actual	Actual
<b>REVENUES</b>			
Taxes	\$ 8,975,986	\$ 8,975,986	\$ 7,859,573
Services provided to other governments (Note 21)	335,131	341,310	305,628
Sales of services (Note 21)	548,700	618,347	516,492
Revenue from own sources (Note 21)	332,625	1,056,109	1,165,565
Unconditional grants	1,678,739	1,678,740	1,862,883
Conditional transfers	200	371,260	3,970,733
Other	117,274	128,231	—
Interest	—	146,191	217,922
Water and sewer utility revenue	2,541,000	2,635,449	2,431,512
	14,529,655	15,951,623	18,330,308
<b>EXPENDITURES (Note 21)</b>			
General government services	1,894,632	1,917,983	1,251,913
Protective services	4,009,498	3,908,841	3,821,952
Transportation services	3,579,600	2,361,539	2,177,399
Environmental health services	761,110	665,464	604,785
Environmental development services	472,754	526,931	588,262
Recreation and cultural services	3,903,455	3,932,888	3,895,494
Water and sewer utility services	2,896,308	2,808,046	3,057,022
	17,517,357	16,121,692	15,396,827
<b>ANNUAL SURPLUS (Note 18)</b>	(2,987,702)	(170,069)	2,933,481
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>		51,768,058	48,834,577
<b>ACCUMULATED SURPLUS, END OF YEAR</b>		\$ 51,597,989	\$ 51,768,058

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, 2024*

	Budget	2024	2023
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ (2,987,702)	\$ (170,069)	\$ 2,933,481
Other non-financial assets			
Acquisition of tangible capital assets	—	(1,504,266)	(5,198,019)
Amortization of tangible capital assets	2,260,882	2,260,882	2,181,786
Loss on disposal of tangible capital assets	—	186,948	401,231
Change in inventory, prepaid expenses and other	—	27,822	(87,964)
<b>(INCREASE) DECREASE IN NET DEBT</b>	(726,820)	801,317	230,515
<b>NET DEBT, BEGINNING OF YEAR</b>		(4,572,357)	(4,802,872)
<b>NET DEBT, END OF YEAR</b>		\$ (3,771,040)	\$ (4,572,357)

See accompanying notes to consolidated financial statements.

On behalf of the Municipal District of St. Stephen:





# Municipal District of St. Stephen

## Consolidated Statement of Cash Flows

*For the year ended December 31, 2024*

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Annual surplus (deficit)	\$ (170,069)	\$ 2,933,481
Add		
Amortization of tangible capital assets	2,260,882	2,181,786
Loss on disposal of tangible capital assets	186,948	401,231
Change in non-cash items		
Accounts receivable – General	569,398	169,709
Accounts receivable – Insurance	(89,971)	12,701
Accounts receivable – Federal government and its agencies	(307,451)	(224,784)
Accounts receivable – Province of New Brunswick	722,498	(697,045)
Accounts payable and accrued liabilities	(313,671)	579,063
Deferred revenue	(13,104)	20,483
Post-employment benefits payable	(32,600)	(125,085)
Accrued sick leave	139,100	(24,800)
Inventory, prepaid expenses and other	27,822	(87,964)
	2,979,782	5,138,776
<b>CASH FLOWS FROM CAPITAL ACTIVITIES</b>		
Additions to tangible capital assets	(1,504,266)	(5,198,019)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	993,000	–
Repayment of long-term debt	(698,000)	(698,000)
	295,000	(698,000)
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,770,516	(757,243)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	1,460,920	2,218,163
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 3,231,436	\$ 1,460,920
Cash and cash equivalents consist of:		
Cash	\$ 4,521,845	\$ 4,739,043
Short-term financing	(1,290,409)	(3,278,123)
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 3,231,436	\$ 1,460,920

See accompanying notes to consolidated financial statements.



# Municipal District of St. Stephen

## Notes to Consolidated Financial Statements

*For the year ended December 31, 2024*

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### 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 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, 2024

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### 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, 2024

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### 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, 2024*

### 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 their 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	30-60 years
Treatment facilities	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, 2024*

### 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 known.

### 3. CASH AND CASH EQUIVALENTS

	2024	2023
Cash		
Unrestricted	\$ 2,554,227	\$ 2,769,286
Restricted – Reserves	1,322,413	1,354,643
Restricted – Retirement allowance (Note 8)	251,623	239,894
Restricted – Accrued sick leave (Note 7)	393,582	375,220
	<b>\$ 4,521,845</b>	<b>\$ 4,739,043</b>

### 4. DUE FROM FEDERAL GOVERNMENT AND ITS AGENCIES

	2024	2023
Harmonized Sales Tax refund	\$ 684,486	\$ 802,201
Canada Community Building Fund	474,327	–
Atlantic Canada Opportunities Agency	–	49,161
	<b>\$ 1,158,813</b>	<b>\$ 851,362</b>

# Municipal District of St. Stephen

## Notes to Consolidated Financial Statements

*For the year ended December 31, 2024*

### 5. DUE FROM PROVINCE OF NEW BRUNSWICK

	2024	2023
Regional Development Corporation	\$ 30,504	\$ 707,857
MDSS implementation funding	—	45,145
	\$ 30,504	\$ 753,002

# Municipal District of St. Stephen

## Notes to Consolidated Financial Statements

*For the year ended December 31, 2024*

### 6. LONG-TERM DEBT

	2024	2023
New Brunswick Municipal Financing Corporation Debentures:		
BR – 24		
Interest at 1.65% to 2.90%, maturing 2027	\$ 65,000	\$ 86,000
BV – 22		
Interest at 2.05% to 3.35%, maturing 2039	538,000	612,000
CA – 26		
Interest at 0.86% to 2.76%, maturing 2036	500,000	536,000
BH – 30		
Interest at 1.35% to 3.80%, maturing 2032	111,000	123,000
BP – 24		
Interest at 1.20% to 3.80%, maturing 2036	2,523,000	2,694,000
CF – 11		
Interest at 4.15% to 4.84%, maturing 2039	958,000	–
CA – 27		
Interest at 0.86% to 2.76%, maturing 2036	689,000	739,000
BV – 23		
Interest at 2.05% to 2.85%, maturing 2029	659,000	781,000
BM – 26		
Interest at 0.95% to 2.80%, maturing 2025	25,000	49,000
BO – 29		
Interest at 1.45% to 2.90%, maturing 2026	9,000	13,000
BQ – 27		
Interest at 1.20% to 2.70%, maturing 2027	9,000	12,000
CF – 12		
Interest at 4.15% to 4.84%, maturing 2039	35,000	–
BK – 16		
Interest at 1.15% to 3.45%, matured during the year	–	39,000
BI – 17		
Interest at 1.15% to 3.45%, matured during the year	–	142,000
	\$ 6,121,000	\$ 5,826,000

# Municipal District of St. Stephen

## Notes to Consolidated Financial Statements

*For the year ended December 31, 2024*

### 6. LONG-TERM DEBT (CONTINUED)

Principal payments required in each of the next five years on long-term debt held as of December 31, 2024 are as follows:

2025	\$ 577,000
2026	570,000
2027	580,000
2028	582,000
2029	594,000
Thereafter	3,218,000
	<u>\$ 6,121,000</u>

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 – 1.4 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 \$418,300 on December 31, 2024 (2023 - \$279,200). The Town has restricted \$393,582 (2023 - \$375,220) in cash to fund this future liability.



**Municipal District of St. Stephen**  
**Notes to Consolidated Financial Statements**  
*For the year ended December 31, 2024*

**8. POST-EMPLOYMENT BENEFITS PAYABLE**

The post-employment benefits payable consists of the following:

	Estimated 2024	Actual 2023
Retirement allowance and other obligation	\$ (145,400)	\$ (227,900)
Pension obligation - NBMEPP	159,300	239,600
	\$ 13,900	\$ 11,700

***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 – 3%).

The Town has restricted \$251,623 (2023 - \$239,894) 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.

**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, 2022 and results in an overall NBMEPP accrued benefit obligation of \$148,620,600 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, 2023:

- Expected annual inflation rate of 2.10% (2022 – 2.10%)
- Discount rate used to determine the accrued benefit obligations is 6.05% (2022 – 6.15%)
- Expected rate of return on assets is 6.05% (2022 – 6.15%)
- Retirement age varies by age and employee category; and
- Estimated average remaining service life ("EARSL") is 14.0 years (2022 – 14.0 years)

The actuarial valuation prepared as at December 31, 2022 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 deficit of \$12,228,600 a change of \$13,522,700 from the December 31, 2021 surplus of \$1,294,100. Based on the assumptions as at December 31, 2022, 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, 2022, the NBMEPP provides benefits for 315 retirees. Total benefits payables to retirees and terminated employees during 2024 are estimated to be approximately \$5,440,900 (Actual 2023 - \$7,516,800) 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 2024 are estimated to be approximately \$9,335,000 (Actual 2023 - \$9,159,600) in totality for the NBMEPP.

**Municipal District of St. Stephen**  
**Notes to Consolidated Financial Statements**  
*For the year ended December 31, 2024*

**8. POST-EMPLOYMENT BENEFITS PAYABLE (CONTINUED)**

*Pension obligation (Continued)*

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

- The average age of the 46 active employees covered by the NBMEPP is 49.4 (as at December 31, 2022);
- Benefit payments were \$427,900 in 2023 and were estimated to be \$367,300 in 2024; and
- Combined contributions were estimated to be \$449,000 in 2024 and were \$436,000 in 2023.

In addition to determining the position of the NBMEPP as it relates to the Municipal District of St. Stephen as at December 31, 2022 and December 31, 2023, NBMEPP's actuary performed an extrapolation of the December 31, 2023 accounting valuation to determine the estimated position as at December 31, 2024. The extrapolation assumes assumptions used as at December 31, 2024 remain unchanged from December 31, 2023. The extrapolation also assumes assets return 6.05% 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, 2024	Actual Jan 1 to Dec 31, 2023
<b>Accrued benefit liability</b>		
Accrued benefit liability, beginning of period	\$ 239,600	\$ 285,900
Pension expense for the year	144,200	171,700
Less employer contributions	(224,500)	(218,000)
Accrued benefit liability, end of period	\$ 159,300	\$ 239,600

In summary, the accrued pension benefit liability as it related to the Municipal District of St. Stephen is estimated to be \$159,300 as at December 31, 2024. This compares to \$285,900 as at January 1, 2023 and \$239,600 as at December 31, 2023. This amount is included in the post-employment benefits payable on the consolidated statement of financial position.

**Municipal District of St. Stephen**  
**Notes to Consolidated Financial Statements**  
*For the year ended December 31, 2024*

**8. POST-EMPLOYMENT BENEFITS PAYABLE (CONTINUED)**

*Pension obligation (Continued)*

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, 2024	Actual Dec 31, 2023
<b>Reconciliation of funded status at end of period</b>		
Accrued benefit obligation	\$ 8,764,500	\$ 8,301,300
Plan assets	(8,405,200)	(7,846,300)
Plan deficit	359,300	455,000
Unamortized experience gains	(200,000)	(215,400)
Accrued benefit liability at end of period	\$ 159,300	\$ 239,600

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

	Estimated Dec 31, 2024	Actual Dec 31, 2023
<b>Reconciliation of accrued benefit obligation</b>		
Accrued benefit obligation, beginning of period	\$ 8,301,300	\$ 7,934,300
Current service cost	329,400	313,200
Benefit payments	(367,300)	(427,900)
Interest for period	501,100	484,400
Experience gain	—	(2,700)
Accrued benefit obligation, end of period	\$ 8,764,500	\$ 8,301,300

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

	Estimated Dec 31, 2024	Actual Dec 31, 2023
<b>Reconciliation of plan assets</b>		
Plan assets, beginning of period	\$ 7,846,300	\$ 7,176,700
Employer contributions	224,500	218,000
Employee contributions	224,500	218,000
Benefit payments	(367,300)	(427,900)
Return on plan assets during period	477,200	661,500
Plan assets, end of period	\$ 8,405,200	\$ 7,846,300



**Municipal District of St. Stephen**  
**Notes to Consolidated Financial Statements**  
*For the year ended December 31, 2024*

**8. POST-EMPLOYMENT BENEFITS PAYABLE (CONTINUED)**

*Pension obligation (Continued)*

Total expense related to pension include the following components:

	Estimated Jan 1 to Dec 31, 2024	Actual Dec 31, 2023
<b>Pension expense</b>		
Employer current service cost	\$ 104,900	\$ 95,200
Interest on accrued benefit obligation	501,100	484,400
Expected return on assets	(477,200)	(441,600)
	128,800	138,000
Amortization of unrecognized balances		
Experience loss (gain)	15,400	33,700
Pension expense	\$ 144,200	\$ 171,700

9. SCHEDULE OF TANGIBLE CAPITAL ASSETS

						Infrastructure							
	Land	Land Improvements	Building and Leasehold Improvements	Vehicles	Machinery and Equipment	Roads and Streets	Treatment Facilities	Water and Sewer	Marine Structures	Assets Under Construction	2024 Total	2023 Total	
COST													
Balance – beginning 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	
Net transfers during the year	–	–	–	–	33,105	1,881,719	–	1,361,939	–	(3,276,763)	–	–	
Add: net additions during the year	–	88,617	148,147	–	121,328	540,325	–	230,447	–	375,402	1,504,266	5,198,019	
Less: disposals during the year	–	–	(88,894)	–	–	(354,200)	–	(193,221)	–	–	(636,315)	(508,188)	
Balance – end of year	1,994,094	2,376,068	26,184,690	782,022	7,340,938	21,769,372	5,761,689	23,739,127	1,551,300	489,744	91,989,044	91,121,093	
ACCUMULATED AMORTIZATION													
Balance – beginning 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	
Add: amortization during the year	–	118,327	649,273	23,155	352,690	576,925	106,372	394,633	39,507	–	2,260,882	2,181,786	
Less: accumulated amortization on disposals	–	–	(19,316)	–	–	(286,129)	–	(143,922)	–	–	(449,367)	(106,957)	
Balance – end of year	–	822,415	8,255,872	738,496	5,180,327	11,386,649	2,163,035	7,899,958	572,024	–	37,018,776	35,207,261	
NET BOOK VALUE OF													
TANGIBLE CAPITAL ASSETS	\$ 1,994,094	\$ 1,553,653	\$ 17,928,818	\$ 43,526	\$ 2,160,611	\$ 10,382,723	\$ 3,598,654	\$ 15,839,169	\$ 979,276	\$ 489,744	\$ 54,970,268	\$ 55,913,832	
Consists of:													
General Fund Assets	1,922,642	1,553,653	17,875,493	37,284	1,993,311	10,382,723	–	–	979,276	60,583	34,804,965	35,772,586	
Water & Sewer Fund Assets	71,452	–	53,325	6,242	163,187	–	3,598,654	15,839,169	–	429,161	20,161,190	20,132,761	
St. Croix Public Library Assets	–	–	–	–	4,113	–	–	–	–	–	4,113	8,485	
	\$ 1,994,094	\$ 1,553,653	\$ 17,928,818	\$ 43,526	\$ 2,160,611	\$ 10,382,723	\$ 3,598,654	\$ 15,839,169	\$ 979,276	\$ 489,744	\$ 54,970,268	\$ 55,913,832	

# Municipal District of St. Stephen

## Notes to Consolidated Financial Statements

*For the year ended December 31, 2024*

### 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 #20-0020	234,000
General Capital Fund, OIC #21-0011	1,628,000
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 #20-0020	381,000
Water and Sewer Capital Fund, OIC #21-0011	555,000
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
	\$ 6,946,000

#### *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 2024, 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:

	2024	2023
2024 Surplus	\$ 173,963	\$ —
2023 Surplus	14,095	14,095
2022 Surplus	166,117	221,489
2021 Surplus	123,802	185,704
2020 Deficit	(19,123)	(38,246)
2019 Deficit	—	(34,524)
	\$ 458,854	\$ 348,518

## Municipal District of St. Stephen Notes to Consolidated Financial Statements

*For the year ended December 31, 2024*

### 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:

	2024	2023
2024 Surplus	\$ 644,369	\$ —
2023 Surplus	871,459	871,459
2022 Surplus	—	560,067
	\$ 1,515,828	\$ 1,431,526

### 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, 2024, there was \$76,184 (2023 - \$16,110) 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 its full commitment of \$185,160.

#### (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. During 2024 the grant was rescinded.



**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 are 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, and the Town has paid \$247,950 to date.

(d) Developers Incentive – Rental Housing Development

In 2024, the Town committed \$169,957 under its "Development Incentive By-Law No. D-1" to a developer, to aid with the developmental capital and operating expenses of two properties for the development of rental housing. The commitments are conditionally payable in annual contributions over a ten-year period commencing one year from substantial completion. The development was complete in 2024, and the Town has paid \$26,687 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 variance 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, 2024*

**17. BUDGET INFORMATION**

	General Operating Budget	Water and Sewer Operating Budget	Amortization	Controlled Entities	Transfers	Other	Total 2024
<b>REVENUE</b>							
Taxes	\$ 8,975,986	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 8,975,986
Services provided to other governments	335,131	—	—	—	—	—	335,131
Sales of services	548,700	—	—	—	—	—	548,700
Revenue from own sources	241,525	216,100	—	—	—	(125,000)	332,625
Unconditional grants	1,678,739	—	—	—	—	—	1,678,739
Conditional grants	200	—	—	—	—	—	200
Other	1,663,297	117,274	—	38,647	—	(1,701,944)	117,274
Water and sewer utility revenue	—	2,541,000	—	—	—	—	2,541,000
	13,443,578	2,874,374	—	38,647	—	(1,826,944)	14,529,655
<b>EXPENDITURES</b>							
General government services	1,824,094	—	48,488	—	—	22,090	1,894,632
Protective services	3,856,440	—	163,463	—	—	(10,405)	4,009,498
Transportation services	2,795,834	—	746,598	—	—	37,168	3,579,600
Environmental health services	761,110	—	—	—	—	—	761,110
Environmental development services	417,420	—	55,334	—	—	—	472,754
Recreation and cultural services	3,029,191	—	714,162	38,647	—	121,455	3,903,455
Fiscal services							
Short-term interest	153,769	150,000	—	—	—	(303,769)	—
Interest on long-term debt	129,719	43,057	—	—	—	(172,776)	—
Principal repayments on long-term debt	353,000	345,000	—	—	—	(698,000)	—
Transfer from General Operating Fund to Capital Reserve Fund	86,181	—	—	—	(86,181)	—	—
Transfer from General Operating Fund to Operating Reserve Fund	25,000	—	—	—	(25,000)	—	—
Transfer from Water Operating Fund to Water Capital Reserve	—	47,256	—	—	(47,256)	—	—
Transfer from Water Operating Fund to Water Operating Reserve	—	64,000	—	—	(64,000)	—	—
Other services	11,820	—	—	—	—	(11,820)	—
Water and sewer utility services	—	2,171,414	532,837	—	—	192,057	2,896,308
Deficit of second previous year	—	53,647	—	—	—	(53,647)	—
	13,443,578	2,874,374	2,260,882	38,647	(222,437)	(877,647)	17,517,357
<b>SURPLUS (DEFICIT)</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (2,260,882)</b>	<b>\$ —</b>	<b>\$ 222,437</b>	<b>\$ 139,825</b>	<b>\$ (2,987,702)</b>

The disclosed budget information has been approved by the Province of New Brunswick Director of Community Finances on December 6 and December 21, 2023 for the General Operating Fund and Water and Sewer Operating Fund.

**Municipal District of St. Stephen**  
**Notes to Consolidated Financial Statements**  
*For the year ended December 31, 2024*

**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
2024 annual surplus (deficit)	\$ 864,783	\$ (1,574,625)	\$ 18,548	\$ 27,170	\$ 959,349	\$ (515,650)	\$ 18,499	\$ 31,857	\$ (170,069)
Adjustments to annual surplus (deficit) for funding requirements									
Second previous year's surplus (deficit)	560,067	-	-	-	63,627	-	-	-	623,694
Transfers between funds									
General Operating Fund to General Operating Reserve Fund	(163,000)	-	163,000	-	-	-	-	-	-
General Operating Fund to General Capital Reserve Fund	(60,000)	-	-	60,000	-	-	-	-	-
General Operating Fund to General Capital Fund	(376,181)	376,181	-	-	-	-	-	-	-
General Capital Reserve Fund to General Capital Fund	-	254,060	-	(254,060)	-	-	-	-	-
Water and Sewer Operating Fund to Water and Sewer Operating Reserve Fund	-	-	-	-	(64,000)	-	64,000	-	-
Water and Sewer Operating Fund to Water and Sewer Capital Reserve Fund	-	-	-	-	(47,256)	-	47,256	-	-
Water and Sewer Operating Fund to Water and Sewer Capital Fund	-	-	-	-	(392,757)	392,757	-	-	-
Water and Sewer Capital Reserve Fund to Water and Sewer Water and Sewer Capital Fund	-	-	-	-	-	176,643	(176,643)	-	-
Long-term debt principal payments	(353,000)	353,000	-	-	(345,000)	345,000	-	-	-
Post employment benefits recovery	171,700	-	-	-	-	-	-	-	171,700
Accumulated amortization on disposal of capital assets	-	(305,445)	-	-	-	(143,922)	-	-	(449,367)
Amortization expense	-	1,728,045	-	-	-	532,837	-	-	2,260,882
Total adjustments to 2024 surplus (deficit)	(220,414)	2,405,841	163,000	(194,060)	(785,386)	1,303,315	(65,387)	-	2,606,909
<b>2024 annual surplus (deficit) per PNB requirements</b>	<b>\$ 644,369</b>	<b>\$ 831,216</b>	<b>\$ 181,548</b>	<b>\$ (166,890)</b>	<b>\$ 173,963</b>	<b>\$ 787,665</b>	<b>\$ (46,888)</b>	<b>\$ 31,857</b>	<b>\$ 2,436,840</b>

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

*As at December 31, 2024*

**19. STATEMENT OF RESERVES**

	General Operating Reserve	General Capital Reserve	Water and Sewer Operating Reserve	Water and Sewer Capital Reserve	Total 2024	Total 2023
<b>ASSETS</b>						
Cash	\$ 560,585	\$ 392,022	\$ 68,455	\$ 301,351	\$ 1,322,413	\$ 1,354,643
<b>TOTAL ASSETS</b>	560,585	392,022	68,455	301,351	1,322,413	1,354,643
<b>ACCUMULATED SURPLUS</b>	560,585	392,022	68,455	301,351	1,322,413	1,354,643
<b>REVENUE</b>						
Transfer from Water and Sewer Operating Fund	—	—	64,000	47,256	111,256	68,029
Transfers from General Operating Fund	163,000	60,000	—	—	223,000	200,000
Transfer from General Capital Fund	—	—	—	—	—	—
Interest	18,548	27,170	180	18,319	64,217	58,818
	181,548	87,170	64,180	65,575	398,473	326,847
<b>EXPENDITURE</b>						
Transfer to Water and Sewer Capital Fund	—	—	—	176,643	176,643	12,210
Transfer to General Operating Fund	—	—	—	—	—	31,165
Transfer to General Capital Fund	—	254,060	—	—	254,060	130,555
	—	254,060	—	176,643	430,703	173,930
<b>ANNUAL SURPLUS (DEFICIT)</b>	\$ 181,548	\$ (166,890)	\$ 64,180	\$ (111,068)	\$ (32,230)	\$ 152,917

**Municipal District of St. Stephen**  
**Notes to Consolidated Financial Statement**  
*For the year ended December 31, 2024*

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**19. STATEMENT OF RESERVES (CONTINUED)**

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Council resolutions regarding transfers to and from reserve:

Moved by Councillor Harding and seconded by Councillor Greenlaw that the amount of \$163,000 be transferred from the General Operating Fund to the General Operating Reserve Fund.

Moved by Councillor Harding and seconded by Councillor Greenlaw that the amount of \$4,627 be transferred from the General Capital Reserve Fund to the General Capital Fund for the King Street Plaza project.

Moved by Councillor Harding and seconded by Councillor Greenlaw that the amount of \$128,827 be transferred from the General Capital Reserve Fund to the General Capital Fund for the Union Street project phase 2.

Moved by Councillor Harding and seconded by Councillor Greenlaw that the amount of \$115,484 be transferred from the General Capital Reserve Fund to the General Capital Fund for the School Street project.

Moved by Councillor Harding and seconded by Councillor Greenlaw that the amount of \$5,122 be transferred from the General Capital Reserve Fund to the General Capital Fund for the Budd Avenue extension project.

Moved by Councillor Harding and seconded by Councillor Greenlaw that the amount of \$60,000 be transferred from the General Operating Fund to the General Capital Reserve Fund.

Moved by Councillor Harding and seconded by Councillor Greenlaw that the amount of \$64,000 be transferred from the Water and Sewerage Operating Fund to the Water and Sewerage Operating Reserve Fund.

Moved by Councillor Harding and seconded by Councillor Greenlaw that the amount of \$89,523 be transferred from the Water and Sewerage Capital Reserve Fund to the Water and Sewerage Capital Fund for the Union Street project phase 2.

Moved by Councillor Harding and seconded by Councillor Greenlaw that the amount of \$87,120 be transferred from the Water and Sewerage Capital Reserve Fund to the Water and Sewerage Capital Fund for the School Street project.

Moved by Councillor Harding and seconded by Councillor Greenlaw that the amount of \$47,256 be transferred from the Water and Sewerage Operating Fund to the Water and Sewerage Capital Reserve Fund.

I hereby certify that the above are true copies of resolutions adopted at the regular meetings of Council on December 18, 2024.

  
\_\_\_\_\_  
Clerk  
Municipal District of St. Stephen

Sept 22, 2025  
Date



**20. SEGMENT DISCLOSURE**

	Government Services	Protective Services	Transportation Services	Environmental Health	Environmental Development	Recreation and Culture	Water and Sewer	Totals 2024	Totals 2023
<b>REVENUE</b>									
Taxes	\$ 1,018,092	\$ 2,255,034	\$ 2,180,467	\$ 273,139	\$ 539,736	\$ 2,709,518	\$ —	\$ 8,975,986	\$ 7,859,573
Services provided to other governments	—	54,799	82,798	—	—	203,713	—	341,310	305,628
Sale of services	—	12,123	—	—	—	606,224	—	618,347	516,492
Other revenue from own sources	713,273	342,836	—	—	—	—	—	1,056,109	1,165,565
Unconditional grants	190,410	421,750	407,804	51,084	100,944	506,748	—	1,678,740	1,862,883
Conditional transfers	304,774	—	—	—	—	—	66,486	371,260	3,970,733
Other	128,231	—	—	—	—	—	—	128,231	—
Water and sewer user fees	—	—	—	—	—	—	2,635,449	2,635,449	2,431,512
Interest	45,718	—	—	—	—	—	100,473	146,191	217,922
	2,400,498	3,086,542	2,671,069	324,223	640,680	4,026,203	2,802,408	15,951,623	18,330,308
<b>EXPENDITURES</b>									
Salaries, wages and benefits	829,632	934,178	1,401,677	—	—	1,664,102	1,021,929	5,851,518	5,252,906
Goods and services	1,030,278	2,704,175	103,615	665,464	471,597	1,343,320	1,184,333	7,502,782	7,196,330
Interest	9,585	107,025	41,578	—	—	141,726	19,648	319,562	364,564
Loss on disposal of tangible capital assets	—	—	68,071	—	—	69,578	49,299	186,948	401,231
Amortization	48,488	163,463	746,598	—	55,334	714,162	532,837	2,260,882	2,181,786
	1,917,983	3,908,841	2,361,539	665,464	526,931	3,932,888	2,808,046	16,121,692	15,396,827
<b>CHANGE IN FUND BALANCE</b>	\$ 482,515	\$ (822,299)	\$ 309,530	\$ (341,241)	\$ 113,749	\$ 93,315	\$ (5,638)	\$ (170,069)	\$ 2,933,481

**Municipal District of St. Stephen**  
**Notes to Consolidated Financial Statement**  
*For the year ended December 31, 2024*

**21. REVENUES AND EXPENSES SUPPORT**

	2024	2024	2023
	Budget	Actual	Actual
<b>REVENUES</b>			
<b>Services provided to other governments</b>			
Fire protection	\$ 58,988	\$ 54,799	\$ 44,783
Roads and streets	72,427	82,798	77,960
Recreation	203,716	203,713	182,885
	335,131	341,310	305,628
<b>Sale of services</b>			
Fire	4,600	12,123	15,265
Recreation – Civic Centre	543,000	598,515	500,144
Recreation – outside	1,100	7,709	1,083
	548,700	618,347	516,492
<b>Other revenue from own sources</b>			
Animal licenses	100	375	470
Construction permits	15,100	67,370	42,623
Other permits and licenses	750	450	575
Building rentals	175,275	180,456	172,721
Insurance recovery	–	334,730	400,065
Miscellaneous	141,400	472,728	549,111
	332,625	1,056,109	1,165,565
<b>EXPENSES</b>			
<b>General government services</b>			
<i>Legislative</i>			
Mayor	41,059	40,895	41,068
Councillors	149,879	151,317	155,122
Other	11,000	14,011	11,572
	201,938	206,223	207,762
<i>Administrative</i>			
Chief Administrative Officer's office	529,403	311,676	289,059
Treasurer's office	235,565	343,463	326,397
Office building	9,550	–	9,072
Solicitor	20,000	22,742	46,129
Other	420,055	472,145	120,864
	1,214,573	1,150,026	791,521
<i>Financial management</i>			
Audit	20,000	10,351	25,000

**Municipal District of St. Stephen**  
**Notes to Consolidated Financial Statement**  
*For the year ended December 31, 2024*

**21. REVENUES AND EXPENSES SUPPORT (CONTINUED)**

	2024	2024	2023
	Budget	Actual	Actual
<b>EXPENSES (CONTINUED)</b>			
<b>General government services (Continued)</b>			
<i>Other</i>			
Common services – training and development	\$ 12,000	\$ 2,196	\$ 1,969
Common services – conventions	16,000	2,250	2,000
Common services – liability insurance	174,000	182,896	136,802
Common services – grants	50,000	52,105	43,867
Common services – regional and collaborative services	965	965	9,026
Sick leave and post-employment benefits	–	106,500	(149,884)
Cost of assessment	146,398	146,398	135,757
Interest on temporary borrowing	10,270	9,585	7,581
Amortization	48,488	48,488	40,512
	458,121	551,383	227,630
	\$ 1,894,632	\$ 1,917,983	\$ 1,251,913
<b>Protective services</b>			
<i>Fire</i>			
Fire fighting force	773,385	764,361	772,762
Fire administration	113,734	93,850	87,624
Fire alarm system	23,200	27,410	18,090
Fire training	28,300	11,335	12,598
Fire station	59,938	41,595	50,057
Fire fighting equipment	96,000	71,531	107,643
Fire regional dispatch	55,508	55,507	41,409
	1,150,065	1,065,589	1,090,183

**Municipal District of St. Stephen**  
**Notes to Consolidated Financial Statement**  
*For the year ended December 31, 2024*

**21. REVENUES AND EXPENSES SUPPORT (CONTINUED)**

	2024	2024	2023
	Budget	Actual	Actual
<b>EXPENSES (CONTINUED)</b>			
<b>Protective services (Continued)</b>			
<i>Police</i>			
Administration and crime control	2,277,467	2,277,467	2,211,133
Station and building	44,200	43,831	36,652
	2,321,667	2,321,298	2,247,785
<i>Other</i>			
Bylaw officer and building inspector	\$ 185,500	\$ 186,819	\$ 148,277
Animal and pest control	34,396	27,089	26,238
Crosswalk guards	39,812	37,558	31,833
Interest on temporary borrowing	114,335	106,712	84,397
Interest on long-term debt	260	313	277
Amortization	163,463	163,463	192,962
	537,766	521,954	483,984
	\$ 4,009,498	\$ 3,908,841	\$ 3,821,952



**Municipal District of St. Stephen**  
**Notes to Consolidated Financial Statement**  
*For the year ended December 31, 2024*

**21. REVENUES AND EXPENSES SUPPORT (CONTINUED)**

	2024	2024	2023
	Budget	Actual	Actual
<b>EXPENSES (CONTINUED)</b>			
<b>Transportation services</b>			
<i>Common</i>			
Administration	1,649,282	592,444	645,144
General equipment	392,500	250,646	284,710
Work shop	120,223	120,488	126,853
	2,162,005	963,578	1,056,707
Roadway surfaces	122,500	94,881	70,362
Storm sewers	10,000	38,397	(8,350)
Snow and ice removal	115,000	114,567	88,266
Sidewalk	166,000	30,660	—
Street lighting	140,000	172,658	143,949
Street signs	4,000	4,994	4,631
Traffic signals	8,200	6,413	2,840
Airport	68,129	79,144	31,656
Interest on temporary borrowing	11,872	11,080	8,763
Interest on long-term debt	25,296	30,498	26,929
Loss on disposal of tangible capital assets	—	68,071	—
Amortization	746,598	746,598	751,646
	1,417,595	1,397,961	1,120,692
	\$ 3,579,600	\$ 2,361,539	\$ 2,177,399
<b>Environmental health services</b>			
Landfill costs	\$ 1,300	\$ 1,248	\$ 1,163
Regional landfill and waste pickup	759,810	664,216	603,622
	\$ 761,110	\$ 665,464	\$ 604,785

**Municipal District of St. Stephen**  
**Notes to Consolidated Financial Statement**  
*For the year ended December 31, 2024*

**21. REVENUES AND EXPENSES SUPPORT (CONTINUED)**

	2024	2024	2023
	Budget	Actual	Actual
<b>Environmental development services</b>			
Community development	384,225	346,915	\$ 341,973
Tourist promotion	33,195	123,088	230,539
Beautification and land rehabilitation	—	1,594	1,499
Amortization	55,334	55,334	14,251
	\$ 472,754	\$ 526,931	\$ 588,262
<b>Recreation and cultural services</b>			
<i>Outside recreation</i>			
Administration	11,000	10,976	10,139
Swimming pool	157,940	89,190	122,438
Parks and playgrounds	383,018	365,991	291,715
	551,958	466,157	424,292
<i>Recreational facilities</i>			
Arena	63,500	4,983	3,956
Civic Centre	2,130,318	2,278,365	2,028,585
Libraries	70,917	64,816	61,185
Recreation cost sharing	229,645	193,101	195,080
Training	21,500	—	—
Interest on temporary borrowing	17,292	16,139	12,764
Interest on long-term debt	104,163	125,587	110,889
Loss on disposal of tangible capital assets	—	69,578	385,836
Amortization	714,162	714,162	672,907
	3,351,497	3,466,731	3,471,202
	\$ 3,903,455	\$ 3,932,888	\$ 3,895,494

**Municipal District of St. Stephen**  
**Notes to Consolidated Financial Statement**  
*For the year ended December 31, 2024*

**21. REVENUES AND EXPENSES SUPPORT (CONTINUED)**

	2024	2024	2023
	Budget	Actual	Actual
<b>EXPENSES (CONTINUED)</b>			
<b>Water and sewer systems</b>			
<i>Water system</i>			
Administration	\$ 238,925	\$ 240,580	\$ 182,948
Transmission and distribution	698,858	654,180	675,995
Power and pumping	325,286	326,922	311,561
Billing and collection	4,500	4,273	3,865
Interest on temporary borrowing	75,000	—	30,356
Interest on long-term debt	31,359	16,923	35,186
Amortization	297,831	297,831	280,778
	1,671,759	1,540,709	1,520,689
<i>Sewer system</i>			
Administration	238,925	237,068	183,701
Collection system	47,800	49,770	34,011
Lift stations	141,900	161,310	180,694
Treatment and disposal	469,720	527,886	620,132
Billing and collection	4,500	4,273	3,865
Interest on temporary borrowing	75,000	—	30,356
Interest on long-term debt	11,698	2,725	17,066
Amortization	235,006	235,006	228,730
	1,224,549	1,218,038	1,298,555
Provision for doubtful accounts	—	—	222,383
Loss on disposal of tangible capital assets	—	49,299	15,395
	—	49,299	237,778
	\$ 2,896,308	\$ 2,808,046	\$ 3,057,022