

The City of Saint John

Consolidated Financial Statements

December 31, 2021

The City of Saint John

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Consolidated Financial Statements

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Independent Auditor's Report

To Her Worship the Mayor and Members of Common Council of
The City of Saint John

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The City of Saint John (the "City"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, and accumulated surplus, change in net debt and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2021, and the results of its operations, its accumulated surplus, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City'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 City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

As required by the Government of New Brunswick, we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a consistent basis.

Deloitte LLP

Chartered Professional Accountants
June 17, 2022
Saint John, NB

The City of Saint John

Consolidated Statement of Financial Position

As at December 31, 2021

	2021	2020
	\$	\$
Financial Assets		
Cash and cash equivalents (Note 4)	93,800,447	99,566,221
Accounts receivable (Notes 5, 6 & 7)	18,259,735	24,509,534
Investment in energy services (Note 8)	60,798,000	36,716,000
Note receivable (Note 9)	22,500,000	25,000,000
Other investments (Note 10)	9,582,591	8,590,847
	204,940,773	194,382,602
Financial Liabilities		
Accounts payable and accrued liabilities (Note 11)	30,755,985	58,199,763
Deferred revenue	1,857,330	1,336,080
Deferred government transfers (Note 12)	20,823,962	16,599,751
Post-employment benefits and compensated absences (Note 14)	99,816,287	105,668,370
Long-term debt (Note 13)	211,082,114	228,821,103
	364,335,678	410,625,067
Net debt	(159,394,905)	(216,242,465)
Non-financial assets		
Inventory	3,898,144	4,010,220
Prepaid expenses	550,684	700,174
Tangible capital assets (Note 21)	991,551,729	1,006,544,858
	996,000,557	1,011,255,252
Accumulated surplus	836,605,652	795,012,787

Contingencies (Note 15)

Commitments (Note 16)

Approved by:


Donna Noade Reardon, Mayor


Gary Sullivan, Chair of Finance Committee


Jonathan Taylor, Common Clerk



The City of Saint John

Consolidated Statement of Operations and Accumulated Surplus As at December 31, 2021

	2021 Budget (Unaudited) (Note 2) \$	2021 \$	2020 \$
Revenues			
Property taxes	125,990,634	129,196,736	127,968,110
Unconditional grant	18,229,402	17,335,948	16,182,335
Financial assistance	-	-	4,590,709
Other revenue from own sources (Note 26)	24,571,894	17,256,398	16,062,570
Water and sewer revenue (Note 17)	47,547,000	44,723,001	44,845,378
Miscellaneous revenue	296,740	7,138,794	3,589,125
Contributions from others (Note 26)	250,000	1,419,504	1,870,137
Income from energy services	-	24,082,000	-
	216,885,670	241,152,381	215,108,364
Expenses			
General government services (Note 26)	44,675,470	34,809,270	35,497,884
Protective services (Note 26)	55,929,369	52,873,023	53,669,208
Transportation services (Note 26)	43,100,460	40,553,941	43,362,944
Water and sewer services (Note 26)	49,511,000	46,030,787	46,223,630
Environmental health services (Note 26)	3,759,606	3,571,322	3,724,884
Environmental development services (Note 26)	12,781,266	15,794,223	17,044,069
Recreational and cultural services (Note 26)	9,115,093	9,121,745	8,813,836
Loss from energy services	-	-	4,039,000
	218,872,264	202,754,311	212,375,455
Annual surplus (deficit) before capital contributions	(1,986,594)	38,398,070	2,732,909
Government transfers for capital (Note 26)	-	3,194,795	33,701,015
Annual surplus	-	41,592,865	36,433,924
Accumulated surplus, beginning of year	-	795,012,787	758,578,863
Accumulated surplus, end of year	-	836,605,652	795,012,787

The City of Saint John

Consolidated Statement of Changes in Net Debt As at December 31, 2021

	2021	2020
	\$	\$
Annual surplus	41,592,865	36,433,924
Acquisition of tangible capital assets (Note 21)	(27,213,257)	(29,957,511)
Loss on disposal of tangible capital assets (Note 21)	528,564	556,469
Proceeds on sale of tangible capital assets	238,543	679,807
Amortization of tangible capital assets (Note 21)	41,439,277	41,129,910
Decrease in inventory	112,078	374,847
(Increase) decrease in prepaid expenses	149,490	(112,011)
Decrease in net debt	56,847,560	49,105,435
Net debt, beginning of year	(216,242,465)	(265,347,900)
Net debt, end of year	(159,394,905)	(216,242,465)

The City of Saint John

Consolidated Statement of Cash Flow

As at December 31, 2021

	2021 \$	2020 \$
Operating transactions		
Annual surplus	41,592,865	36,433,924
Items not involving cash		
Amortization of tangible capital assets (Note 21)	41,439,277	41,129,910
Loss on disposal of tangible capital assets (Note 21)	528,564	556,469
(Income)/loss in investment in energy services	(24,082,000)	4,039,000
Change in non-cash assets and liabilities		
Accounts receivable	6,249,799	(10,942,764)
Inventory	112,078	374,847
Prepaid expenses	149,490	(112,011)
Accounts payable and accrued liabilities	(27,443,778)	16,378,043
Deferred revenue	521,161	221,547
Deferred government transfers	4,224,211	(25,264,505)
Other post-employment liabilities	(5,852,083)	(6,509,734)
	37,439,584	56,304,726
Capital transactions		
Acquisitions of tangible capital assets (Note 21)	(27,213,257)	(29,957,511)
Proceeds on the sale of tangible capital assets	238,543	679,807
	(26,974,714)	(29,277,704)
Financing transactions		
Repayment of long-term debt	(23,738,900)	(21,281,751)
Proceeds from long-term debt	6,000,000	32,000,000
	(17,738,900)	10,718,249
Investing transactions		
(Purchase) redemption of investments (Note 10)	(991,744)	(722)
Note receivable	2,500,000	(25,000,000)
	1,508,256	(25,000,722)
Net Increase in cash and cash equivalents	(5,765,774)	12,744,549
Cash and cash equivalents, beginning of year	99,566,221	86,821,672
Cash and cash equivalents, end of year	93,800,447	99,566,221

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

1. Purpose of the Organization

The City of Saint John (the "City") was incorporated by royal charter in 1785. As a municipality, the City is exempt from income taxes under Section 149(1)(c) of the Canadian Income Tax Act. The City has the following vision statement: "We are energized, engaged people committed to working together to provide services that are responsive to community needs and delivered in a sustainable, cost effective way."

2. Summary of Significant Accounting Policies

The consolidated financial statements of the City are the representations of the City's management prepared in accordance with Public Sector Accounting Standards ("PSAS") as recommended by the Chartered Professional Accountants of Canada Public Sector Accounting Board ("PSAB").

Significant aspects of the accounting policies adopted by the City are as follows:

Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and changes in net debt and cash flows of the reporting entity. The reporting entity is comprised of all organizations and enterprises accountable for the administration of their affairs and resources to the City and which are owned or controlled by the City.

Interdepartmental and organization transactions and balances are eliminated.

The focus of PSAS financial statements is on the financial position of the City and the changes thereto. The Consolidated Statement of Financial Position includes all the assets and liabilities of the City.

The entities included in the consolidated financial statements, having the same year end as the City, are as follows:

1. The City of Saint John General Operating Fund
2. The City of Saint John Capital and Loan Fund
3. The City of Saint John Water and Sewerage Utility Operating Fund
4. The City of Saint John Water and Sewerage Utility Capital and Loan Fund
5. Saint John Transit Commission
6. Harbour Station Commission
7. Saint John Aquatic Centre Commission
8. Saint John Trade and Convention Centre
9. Saint John Energy
10. Lord Beaverbrook Rink
11. Saint John Police Commission
12. Saint John Free Public Library
13. Saint John Jeux Canada Games Foundation, Inc.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

2. Summary of Significant Accounting Policies (Continued)

Investment in Energy Services

The City's investment in Saint John Energy is accounted for on a modified equity basis, consistent with generally accepted accounting principles as recommended by PSAS. Under the modified equity basis of accounting, the business enterprise's accounting principles are not adjusted to conform with those of the City and inter-organizational transactions and balances are not eliminated. The City recognizes its equity interest in the annual income or loss of Saint John Energy in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account.

Budget

The budget figures contained in these financial statements were approved by Council on October 26, 2020 and the Minister of Local Government on December 16, 2020. The budget is unaudited and does not include elimination of inter-organizational revenues and expenses with controlled entities.

Revenue Recognition

Unrestricted revenue and other sources of revenue are 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. Property taxes, which are authorized by Council, are recognized as revenues in the period for which the taxes are levied.

Government Transfers

Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability and reasonable estimates of the amounts can be made. Transfers are recognized as deferred revenue when amounts have been received but not all eligible criteria have been met.

Expenses

Expenses are recorded on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Measurement Uncertainty

The preparation of the consolidated financial statements in accordance with Canadian PSAS 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 year. Key components of the consolidated financial statements requiring management to make estimates include: the useful life of tangible capital assets, impairment of tangible capital assets, rates for amortization, allowance for doubtful accounts in respect of receivables and estimates for pension liabilities. Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could materially differ from those estimates.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

2. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, balances with banks and short-term deposits with original maturities of three months or less. Restricted cash is not available for use in general operations and is not available for withdrawal as it is legally restricted in accordance with third-party special purpose agreements.

Tangible Capital Assets

Tangible capital assets are non-financial assets having a physical substance that:

- Are held for use by the City in the production or supply of goods and services, for rentals to others, for administrative purposes or for the development, construction, maintenance or repair of other tangible assets;
- Have useful lives extending beyond one year and are intended to be used on a continual basis;
- Have a minimum value of \$5,000 for individual assets; or \$25,000 for pooled assets; and
- Are not intended for sale in the ordinary course of operations.

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Assets that fall below the threshold amounts are expensed for accounting purposes. The cost of the tangible asset is amortized on a straight line over the estimated useful life as follows:

Asset Type	Years
Equipment and light machinery	3-25
Furniture and office equipment	5-15
Information technology equipment and software	1-15
Land	N/A
Land improvements	5-100
Leasehold improvements	term of lease
Municipal buildings	10-70
Transportation	5-50
Motor vehicles and mobile equipment	5-20
Water and wastewater networks	5-100

In the year of acquisition and the year of disposal, one half of the annual amortization expense is recognized.

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

Tangible capital assets are written down when conditions indicate that there is impairment in the value of the assets and the reduction in the value can be objectively estimated and it is expected to be permanent. The net write-downs are accounted for as expenses in the statement of operations.

Donated or contributed assets are recorded at fair market value at the date of construction or donation. In some circumstances, replacement cost may be used.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

2. Summary of Significant Accounting Policies (Continued)

Segmented Information

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

General Government Services

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

Protective Services

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

Transportation Services

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

Water and Sewer Services

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.

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 the maintenance and operation of recreational and cultural facilities, including the swimming pool, arenas, parks and playgrounds and other recreational and cultural facilities.

Energy Services

This segment comprises a non-generating distribution utility that supplies electricity to municipal, residential, general service and industrial customers through 12 interconnection supply points and substations located in the City. It also provides street lighting, area lighting and water heater rental services.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

2. Summary of Significant Accounting Policies (Continued)

Inventory

Inventory consists mainly of parts and materials and is valued at the lower of cost and net replacement cost with cost being determined on the first in, first out basis.

Post Employment Benefits

The City recognizes its obligations under post-employment benefit plans and the related costs, as disclosed in Note 14. Where appropriate, the City has undertaken actuarial valuations.

3. Bank Loan Payable

The City has credit facilities with the Bank of Nova Scotia. According to the terms and conditions of the commitment letter signed between the City and the Bank of Nova Scotia, the City can borrow up to \$6 million to fund general operations. The interest rate for the credit facilities is the Bank's prime lending rate less 0.5% per annum with interest payable monthly. As at December 31, 2021, the balance of the operating line of credit was \$nil (2020 - \$nil).

As prescribed in the Municipalities Act, borrowing to finance General Fund operations is limited to 4% of the City's operating budget. Borrowing to temporarily finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2021, the City has complied with these limitations.

4. Cash and Cash Equivalents

Cash and cash equivalents consists of the following:

	2021	2020
	\$	\$
Unrestricted cash	70,854,206	63,015,124
Restricted cash		
Gas Tax	20,823,963	16,599,751
Deposits on contracts	1,823,475	1,105,068
Develop Saint John	-	1,000,000
Land Sub-division Fund	238,206	113,934
Saint John Non-Profit Housing Future Development Fund	54,574	54,193
Airspace 2049 Fund	6,023	7,775
Safe Clean Drinking Water Project	-	17,670,376
	93,800,447	99,566,221

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

5. Accounts Receivable

Accounts receivable consist of the following:

	2021	2020
	\$	\$
Water and sewer charges to ratepayers	11,164,317	10,437,490
Other receivables	7,825,977	5,689,584
Due from the Federal Government and its agencies	1,162,018	9,168,660
Due from the Province of New Brunswick	323,619	1,128,338
Allowance for doubtful accounts	(2,216,196)	(1,914,538)
	18,259,735	24,509,534

6. Due from the Federal Government and its Agencies

Amounts due from the Federal Government and its agencies consists of the following:

	2021	2020
	\$	\$
Canada Revenue Agency HST Receivable	1,052,954	9,145,003
Other	109,064	23,657
	1,162,018	9,168,660

7. Due from the Province of New Brunswick

Amounts due from the Province of New Brunswick consists of the following:

	2021	2020
	\$	\$
Department of Transportation	291,891	225,805
Department of Public Safety - Flood 2018	-	738,499
Other	31,728	164,034
	323,619	1,128,338

8. Investment in Energy Services

Change in equity Saint John Energy:

	2021	2020
	\$	\$
Investment, beginning of year	36,716,000	40,755,000
Net gain(loss)	24,082,000	(4,039,000)
Investment, end of year	60,798,000	36,716,000

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

9. Note receivable

The note receivable from the Power Commission of the City of Saint John is as follows:

	2021	2020
	\$	\$
Power Commission of the City of Saint John	22,500,000	25,000,000

The note receivable is a 10-year term loan, unsecured, bearing interest at rates ranging from 0.5% to 1.8%, principal repayable in annual installments of \$2,500,000 and maturing on November 26, 2030.

The aggregate amount of principal repayments required in each of the next five years are:

	\$
2022	2,500,000
2023	2,500,000
2024	2,500,000
2025	2,500,000
2026	2,500,000
	12,500,000

10. Other Investments

Other investments consist of the following:

	2021	2020
	\$	\$
Canada Games Foundation investments	8,743,271	7,847,249
Other investments	839,320	743,598
	9,582,591	8,590,847

Investments of the City of Saint John are held with the Bank of Nova Scotia and consist of 2 year term redeemable GICs issued by the Bank of Scotia which fall within the scope of the City's Investment Policy. It is the policy of the City to invest funds to provide the optimal blend of investment returns and principal protection while meeting the City's daily cash flow and liquidity demands.

The investments of the Canada Games Foundation (the "Foundation") are held in the custody of Scotiabank and CIBC Mellon. The Foundation's investment strategy is to hold high quality corporate or government bonds and liquid equity investments which bear no unusual credit or interest rate risk. Fair values of investments in fixed income securities and equities are determined using year end quoted market prices.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

11. Accounts payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	2021	2020
	\$	\$
Trade payables	20,137,118	19,321,752
Payroll	6,822,104	7,485,173
Deposits	1,752,668	1,141,794
Conferences and holdings	993,733	1,030,786
Interest payable	495,158	585,786
Due to Pension Fund	362,449	331,173
Other	192,755	209,344
Payables related to the Safe Clean Drinking Water project	-	28,093,955
	30,755,985	58,199,763

12. Deferred Government Transfers

Deferred government transfers consist of the following:

	2021	2020
	\$	\$
Canada Community-Building Fund	20,823,962	16,599,751
	20,823,962	16,599,751

As per the Canada Community Building Fund Agreement (formerly Gas Tax Funding), funding received as part of this funding program is recorded as revenue in the year during which related expenditures are incurred. Amounts that have not been spent are recorded as deferred government transfers on the Consolidated Statement of Financial Position.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

13. Long-Term Debt

Year of Issue	Interest Rate %	Term (Years)	2021	2021	2020
			Annual Payment \$	\$	\$
New Brunswick Municipal Finance Corporation Debentures					
2008	2.100 to 5.550	15	367,000	729,000	1,096,000
2008	2.100 to 5.550	15	175,000	1,225,000	1,400,000
2008	2.100 to 5.550	15	100,000	200,000	300,000
2011	1.650 to 4.250	10	1,667,000	-	11,997,000
2011	1.650 to 4.250	10	700,000	-	7,700,000
2011	1.350 to 3.450	10	300,000	-	1,800,000
2011	1.350 to 3.450	10	350,000	-	3,850,000
2011	2.06	15	200,000	2,000,000	2,200,000
2012	1.350 to 3.550	15	767,000	4,597,000	5,364,000
2012	1.350 to 3.800	20	425,000	4,675,000	5,100,000
2012	1.350 to 3.550	15	300,000	1,800,000	2,100,000
2013	1.350 to 3.700	15	687,000	4,804,000	5,491,000
2013	1.350 to 4.000	20	550,000	6,600,000	7,150,000
2013	1.350 to 4.000	20	360,000	6,120,000	6,480,000
2014	2	20	500,000	6,500,000	7,000,000
2014	1.150 to 3.900	15	707,000	5,651,000	6,358,000
2014	1.200 to 3.700	15	267,000	2,131,000	2,398,000
2014	1.200 to 3.700	20	668,000	4,004,000	4,672,000
2014	1.150 to 3.900	15	27,000	211,000	238,000
2015	0.950 to 3.250	15	500,000	4,500,000	5,000,000
2015	1.050 to 3.650	15	133,000	1,202,000	1,335,000
2015	0.950 to 3.500	20	175,000	2,450,000	2,625,000
2015	1.050 to 3.150	10	175,000	700,000	875,000
2015	1.050 to 3.650	15	67,000	598,000	665,000
2016	1.200 to 3.550	15	1,034,000	3,000,000	4,034,000
2016	1.450 to 3.500	15	400,000	4,000,000	4,400,000
2016	1.450 to 3.750	20	200,000	3,000,000	3,200,000
2016	1.200 to 2.950	10	400,000	2,000,000	2,400,000
2016	1.200 to 3.550	15	127,000	665,000	792,000
2017	1.200 to 3.300	15	333,000	3,668,000	4,001,000
2017	1.650 to 3.200	15	513,000	1,848,000	2,361,000
2017	1.650 to 3.400	30	1,500,000	39,000,000	40,500,000
2017	1.650 to 2.900	10	350,000	2,100,000	2,450,000
2017	1.650 to 3.200	15	101,000	766,000	867,000
2018	2.550 to 3.550	15	700,000	8,400,000	9,100,000
2018	2.100 to 3.000	5	566,000	1,132,000	1,698,000
2018	2.100 to 3.450	10	125,000	875,000	1,000,000
2019	2.050 to 2.300	5	1,034,000	3,102,000	4,136,000

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

13. Long-Term Debt (Continued)

Year of Issue	Interest Rate %	Term (Years)	2021		2020 \$
			Annual Payment \$	2021 \$	
2019	3.41	10.00	143,000	1,142,000	1,285,000
2019	2.050 to 2.850	10.00	75,000	600,000	675,000
2019	1.950 to 2.100	5.00	334,000	1,002,000	1,336,000
2019	1.950 to 2.800	15.00	1,059,000	8,112,000	9,171,000
2019	1.950 to 2.450	10.00	250,000	2,000,000	2,250,000
2020	0.900 to 1.500	5.00	1,000,000	4,000,000	5,000,000
2020	0.500 to 2.300	15.00	467,000	6,533,000	7,000,000
2020	0.500 to 1.800	10.00	2,500,000	22,500,000	25,000,000
2020	0.900 to 2.050	10.00	250,000	2,250,000	2,500,000
2021	0.300 to 2.300	10	-	17,330,000	-
2021	0.855 to 2.762	15	-	7,500,000	-
2021	0.855 to 2.378	10	-	3,500,000	-
			23,628,000	210,722,000	228,350,000
Other Debentures					
Canada Mortgage and Housing Debentures					
2009	3.97	15	110,990	360,114	471,103
Total Debentures			23,738,990	211,082,114	228,821,103

The aggregate amount of principal repayments required in each of the next five years and thereafter to meet provisions of long-term debt, assuming maturity debt is renewed at terms comparable to those currently in effect, is as follows:

	\$
2022	23,448,396
2023	23,908,977
2024	21,835,740
2025	23,789,000
2026	18,134,000
Thereafter	99,966,000
<hr/>	
	211,082,113

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

14. Post Employment Benefits and Compensated Absences

City of Saint John Shared Risk Plan

The City of Saint John Pension Plan (Former CSJ Plan) was converted to the City of Saint John Shared Risk Plan ("CSJ SRP") effective January 1, 2013 (the conversion date). The purpose of the CSJ SRP is to provide secure benefits to members of the plan without an absolute guarantee but with a risk focused management approach delivering a high degree of certainty that base benefits can be met in the vast majority of potential future economic scenarios. These objectives are achieved through the development of a risk management framework that adheres to the legislated criteria, results in a low probability that base benefits will be reduced, and sets out the specific steps to be taken should the Plan's funded ratio fall below, or exceed, specified thresholds. These steps, when the Plan is underfunded, include the cessation of indexation of benefits, increasing contribution rates (to a predetermined maximum), reducing certain ancillary benefits, and ultimately reducing base benefits. When the Plan has excess funding, previous benefit reductions can be reversed, indexing is fully implemented, and various other potential increases can be implemented, including a decrease in contribution rates (to a predetermined maximum).

Shared risk plans are legislated under the provincial Pension Benefits Act (PBA) which contains a number of requirements that must be met in order to qualify for registration by the Office of the Superintendent of Pensions. The Plan is also subject to the Income Tax Act. The Plan is administered by a Board of Trustees which includes 4 individuals nominated by the City and 4 individuals nominated by each of the four unions.

The assets of the Plan are held by RBC Investor and Treasury Services which acts as custodian of the Plan. The assets of the Plan are managed by various investment managers who have discretionary investment authority within the investment mandates given to them by the Plan's Board of Trustees. The performance of the Plan relative to its benchmarks is measured on a regular basis.

For service prior to the conversion date, the Plan provides for pensions at the rate of 2% per year of service times the average of the three consecutive years of service having the highest salary at the time of conversion. For service after the conversion date, the pension accrual for each year of service is 1.8% times the salary (excluding overtime pay) earned during the relevant year to a certain maximum salary of \$147,545 that is indexed every year.

Pension benefits accrued before the conversion date are payable without reduction when the member's age and service equal at least 85 (or at age 65, if earlier). Pension benefits accrued after the conversion date are payable without reduction at age 60 for employees in the International Association of Fire Fighters and Saint John Police Association and at age 65 for all other employees. Pension benefits can be paid as early as age 55 with a reduction.

Shared risk plans extinguish all accrued rights to automatic future indexing. These automatic adjustments have been replaced by indexing as permitted by the Plan's funding policy, which is contingent on the SRP performance.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

14. Post Employment Benefits and Compensated Absences (Continued)

City of Saint John Shared Risk Plan (Continued)

The initial required employee contributions are equal to 12% of earnings for employees in the International Association of Fire Fighters and Saint John Police Association and employee contributions of 9% of earnings for other employees. Members in public safety occupations who accept a non-union position will have a one-time opportunity to elect to continue to contribute at the higher rate. The City makes initial required employer contributions of 15.2% and 11.4% of earnings (representing about 126.7% of employee contribution rates) for each of these groups. The initial contribution rates for both the employees and the City is subject to change as a result of the triggering mechanism and limitations imposed by the Plan's funding policy. Also, since April 1, 2013, the City is required to make contributions of 17% of earnings for a period of 15 years, or when the Plan achieves a minimum funded ratio of 150% (as calculated under the legislation) using a 15-year open group method (no less than 10 years of payment must be made). The City has no other financial obligation other than to make contributions at the above rates, and within the limits found under the Plan's funding policy.

In the event of a wind-up of the Plan in the five years following the conversion date, the Plan would be wound up under the provisions of the Former CSJ Plan. All assumptions relating to the CSJ SRP have been made on the basis of an on-going Plan and the City does not foresee a wind-up of the Plan.

Actuarial Valuations

Actuarial valuations for the Plan are conducted annually by the Board of Trustees for regulatory purposes. In turn, the actuarial valuations for accounting purposes are based on these figures (with adjustments). The most recent actuarial valuation was prepared as at January 1, 2021. The actuarial valuations for accounting purposes are based on a number of assumptions about future events, such as inflation rates, interest rates, salary increases, employee turnover and mortality. The accrued benefit obligation as at December 31, 2020 and current period benefit cost for the following year are based on an actuarial valuation conducted as at December 31, 2020. The accrued benefit obligation as at December 31, 2020 and current period benefit cost for the following year are based on an actuarial valuation conducted as at December 31, 2020 and extrapolated to December 31, 2021, using assumptions effective for December 31, 2020. The assumptions used reflect management's best estimates. The following summarizes the major assumptions in the accounting valuations and extrapolations at the various effective dates:

	2021	2020
Discount rate	5.60%	5.50%
Inflation rate	2.10%	2.10%
Salary increase	2.85%	2.85%
Mortality	CPM - 2014 mortality table with adjustments factors	

The Expected Average Remaining Service Life (EARSL) is 12 years. During the year, the City made pension contributions of \$18,900,000 (2020 - \$19,400,000).

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

14. Post Employment Benefits and Compensated Absences (Continued)

City of Saint John Shared Risk Plan (Continued)

The following table reflects the City's share of the accrued benefit liability, which equals to the full portion of the Accumulated Benefit Obligation ("ABO") related to the temporary contributions and 55.9% of the remaining portion of the ABO net of Plan assets because funding contributions are shared at 55.9% by the City and 44.1% by employees, before taking into account the additional temporary contribution of 17% of earnings.

	2021	2020
	\$	\$
City share of accrued benefit liability, beginning of year	78,300,000	79,500,000
City share of current period benefit cost	6,100,000	6,000,000
City share of past service cost	1,500,000	3,400,000
Interest cost	4,100,000	4,500,000
Less City contributions	(18,900,000)	(19,400,000)
Actuarial (gain) loss	(54,300,000)	4,300,000
City share of accrued benefit liability, end of year	16,800,000	78,300,000
Unamortized actuarial gain	64,012,700	8,900,000
Pension liability, end of year	80,812,700	87,200,000

The following table reflects the City share of pension related expenses:

	2021	2020
	\$	\$
Current period benefit cost	6,100,000	6,000,000
Past service cost	1,500,000	3,400,000
Interest cost	4,100,000	4,500,000
Amortization of City share of actuarial (gain)	(1,400,000)	(1,600,000)
Total expense related to Pension	10,300,000	12,300,000

Other Employee Future Benefits

The City provides for the payment of retirement allowances to retiring employees in accordance with the terms of the various collective agreements and Municipal policy. The retirement allowance is based on the member's final annual salary and years of service at retirement. Employees upon retirement from the City are entitled to a retirement allowance equal to one month's pay, to a maximum of six months, for every five years of service. The program has been amended to provide certain employees with a payout option prior to retirement. Accepting the early payout option eliminates further accumulation of retirement allowance entitlement for those employees.

The City also provides for employee sick leave. Unused sick leave accumulates to a maximum number of hours which varies by employment agreement. Under this program, employees are not entitled to a cash payment in lieu of sick leave when they leave the City's employment except as described below with respect to the retirement both outside workers (local 18) and firefighters (local 771).

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

14. Post Employment Benefits and Compensated Absences (Continued)

Other Employee Future Benefits (Continued)

Upon retirement, members of Local 18 and 771 will be eligible to receive 10% of their regular rate of pay for accumulated sick leave credits in excess of 1,760 hours or 2,280 hours respectively.

For employees of the City of Saint John Fire department, who are unable to work due to heart disease or permanent injury to the lungs, the City pays certain amounts to disabled firefighters or their survivor spouse as a result of the provisions of an Act of the Legislature, known as the Act respecting the Saint John Firefighter's Association.

As at January 1, 2013, the City's pension plan was converted to a shared risk model. As part of the conversion, the City assumed the obligation for paying existing disability pensions, that had been granted under the old plan, until disabled members reach the age of 65. On a go forward basis, disability coverage is now provided for employees through a long term disability program administered by an insurance carrier.

Finally there are specific agreements that obligate the City to pay top up pensions to certain individuals. During the year, the City made payments of \$64,500 (2020 - \$63,800) related thereto.

Valuation Techniques and Assumptions

Actuarial valuations of the above benefits are completed for accounting purposes using the projected benefit method prorated on services. The last actuarial valuation of the post-employment benefit plans was conducted as at December 31, 2021. Previous to that, an actuarial valuation was performed as at December 31, 2020.

The above benefit plans are unfunded and as such, there are no applicable assets. Benefits are paid out of general revenue as they become due.

A reconciliation of the accrued benefit obligation for these plans, along with the main assumptions used for disclosure and expense calculations are as follows:

	2021	2020
	\$	\$
Accrued benefit obligation, beginning of year	26,226,500	24,943,900
Current period benefit cost	1,333,700	1,173,600
Benefit payments	(2,313,200)	(1,769,200)
Interest cost	548,300	680,300
Actuarial loss	(3,230,200)	1,197,900
Other employee future benefits, end of year	22,565,100	26,226,500
	2021	2020
	\$	\$
Main assumptions used for these plans:		
Discount rate	2.60%	2.13%
Salary increase	3.00%	3.00%
EARSL Range	2 to 24	3 to 23

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

14. Post Employment Benefits and Compensated Absences (Continued)

These benefit plans require no contributions from employees. The benefit liability as at December 31, 2021 includes the following components:

	2021	2020
	\$	\$
Accrued Benefit Obligation (Carrying Value)		
Retirement allowances	4,915,400	5,770,600
Sick leave	8,465,000	9,916,000
Heart and lung pension	3,868,100	4,276,700
Disability benefits	3,413,600	4,183,000
Contractual top up agreements	1,037,000	1,080,800
Sick leave - Saint John Transit Commission	866,000	999,400
	22,565,100	26,226,500
Unamortized actuarial loss	(3,924,900)	(7,758,400)
	18,640,200	18,468,100

The unamortized actuarial losses will be amortized over the EARSL of the related employee groups starting in the next fiscal year. EARSL is determined separately for each benefit program.

The total expense related to other employee benefits described above includes the following components:

	2021	2020
	\$	\$
Current period benefit cost	1,333,700	1,173,600
Amortization of actuarial loss	603,300	525,700
	1,937,000	1,699,300
Other employee benefit interest expense	548,300	680,300
Total expense related to other employee future benefits	2,485,300	2,379,600

15. Contingencies

In accordance with the Regional Service Delivery Act and the General Regulation thereunder, the City is also liable for a pro rata share of the debentures and other long-term debt issued on behalf of the Fundy Region Solid Waste Commission ("Commission"). The portion attributable to the City is determined on the basis of its percentage of total population within all participating municipalities and unincorporated areas. The total of such debt outstanding at December 31, 2021 amounted to \$680,000 (2020 – \$1,346,000). Based on 2003 population figures, the City is liable for approximately 55% of the Commission's debt.

The City is, from time to time, subject to various investigations, claims, and legal proceedings covering matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the consolidated financial position or operating results of the City. Legal proceedings filed in December 2013 remain outstanding against the city of Saint John with respect to the alleged activity of a former employee/police officer. The relief sought has not been quantified in the documents filed with the court and therefore the city is not in a position to estimate the amount of potential liability if any, in this matter. Legal proceedings were filed against the City of Saint John in early 2018 relating to the water supplied by the municipal water system to some of its customers. The relief sought has not been quantified in the documents filed with the court and therefore the City is not in a position to estimate the amount of the potential liability, if any, in this matter.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

16. Commitments

Greater Saint John Regional Facilities Commission

During 1998, the Greater Saint John Regional Facilities Commission (“Regional Facilities Commission”) was created by an Act of the Legislative Assembly of New Brunswick. Under the provisions of the Act, the Regional Facilities Commission has the authority to determine the annual amount of total municipal contribution to be made towards the operation of five regional facilities: the Saint John Aquatic Centre Commission, Harbour Station Commission, the Saint John Trade and Convention Centre, the Imperial Theatre and the Saint John Arts Centre. Under the provisions of the Act, the City’s contribution is its pro rata share of the Regional Facilities Commission’s operating budget based on the tax bases of the participating municipalities of the Town of Quispamsis, the Town of Rothesay, the Town of Grand Bay-Westfield and the City of Saint John. The City's contribution is 66.74% in 2021 (2020 - 66.95%).

17. Water and Sewer Fund Surplus

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

	2021	2020
	\$	\$
2021 Surplus	1,516,301	-
2020 Surplus	969,038	969,038
2019 Surplus	147,549	196,731
2018 Surplus	25,896	38,844
2017 Surplus	133,009	266,018
2016 Surplus	-	179,141
	2,791,793	1,649,772

18. Water cost transfer

The City’s water cost transfer for fire protection is within the maximum allowable by Regulation 81-195 under the Municipalities Act, based upon the applicable percentage of water system expenditures for the population.

19. Funds Held in Trust

Funds administered by the City for the benefit of external parties are not included in the consolidated financial statements. The amount administered as at December 31, 2021 was \$483,595 (2020 - \$480,883).

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

20. Statement of Reserves

	Water & Sewer Capital Reserve	Water & Sewer Operating Reserve	General Operating Reserve	General Capital Reserve	2021 Total	2020 Total
Assets						
Cash	6,630,480	1,847,219	8,246,770	16,520,535	33,245,004	19,412,408
Accumulated Surplus	6,630,480	1,847,219	8,246,770	16,520,535	33,245,004	19,412,408
Revenue						
Transfers from Water and Sewerage Utility Operating	3,038,253	419,286	-	-	3,457,539	3,792,032
Transfer between Operating and Capital	1,000,000	(1,000,000)	-	-	-	-
Transfers from General Operating Fund	-	-	5,168,373	10,280,579	15,448,952	6,822,972
Proceeds on Sale of Assets	24,890	-	-	213,653	238,543	-
Interest	20,063	16,933	49,830	49,386	136,212	52,677
Total Revenues	4,083,206	(563,781)	5,218,203	10,543,618	19,281,246	10,667,681
Expenditures	309,730	-	4,067,204	1,071,716	5,448,650	4,216,752
Annual Surplus (Deficit)	3,773,476	(563,781)	1,150,999	9,471,902	13,832,596	6,450,929
Balance, beginning of year	2,857,004	2,411,000	7,095,771	7,048,633	19,412,408	12,961,479
Balance, end of year	6,630,480	1,847,219	8,246,770	16,520,535	33,245,004	19,412,408

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

20. Statement of Reserves (Continued)

Council Resolutions regarding transfers to and from reserves

Common Council Meeting – January 25th, 2021 – Open Session

Moved by Deputy Mayor McAlary, seconded by Councillor Hickey: FURTHER BE IT RESOLVED that the City direct up to \$ 35,000 to be granted to Uptown Saint John Inc. for the implementation of the On -Street Parking Subsidy Program from the growth reserve funds already allocated to the Municipal Economic and Community Recovery Program;

Common Council Meeting – February 22nd, 2021 – Open Session

Moved by Councillor Reardon, seconded by Deputy Mayor McAlary: RESOLVED that as recommended by the Finance Committee in the submitted report M&C 2021- 041: Safe Restart Funding Program, Common Council approve the transfer of \$3,668,373.08 Safe Restart Funding to the General Fund Operating Reserve to be utilized to offset potential future revenue losses due to COVID- 19.

Moved by Councillor Sullivan, seconded by Councillor Norton: RESOLVED that as recommended by the Finance Committee in the submitted report M&C 2021- 054: Assessment Gap Adjustment (P- Gap), Common Council approves the allocation of \$1,000,000 to the Tax Rate Reduction Reserve and that the reserve be used to reduce the City of Saint John tax rate in the year 2022 by 1. 5 cents to \$1. 77 as part of the 2022 General Operating Budget.

Common Council Meeting – April 19th, 2021 – Open Session

Moved by Councillor Hickey, seconded by Deputy Mayor McAlary: FURTHER BE IT RESOLVED that Common Council direct up to \$ 21,600 to InterAction School of Performing Arts to be designated for the Spotlight Program from the funds already allocated to the Municipal Economic and Community Recovery Program from the Growth Reserve.

Common Council Meeting – May 3rd, 2021 – Open Session

Moved by Deputy Mayor McAlary, seconded by Councillor MacKenzie: FURTHER BE IT RESOLVED that the City direct up to \$20,000 to rebate sidewalk cafe permit fees and fees for parking spaces through this initiative from the growth reserve funds already allocated to the Municipal Economic and Community Recovery Program;

Moved by Deputy Mayor McAlary, seconded by Councillor MacKenzie: NOW THEREFORE BE IT RESOLVED that Common Council supports the tourism incentive proposal from the Saint John Hotel Association and Envision Saint John with a grant of \$20,000 and directs the City Manager to prepare a memorandum of understanding which outlines the terms, conditions, and expected outcomes of the funding.

Common Council Meeting – May 17th, 2021 – Open Session

Moved by Deputy Mayor McAlary, seconded by Councillor Sullivan: RESOLVED that the recommendation set out in each consent agenda item respectively, be adopted

5.11 That as recommended by the City Manager in the submitted report M&C 2021- 155: Strategic Real Estate Capital Reserve Fund: BE IT RESOLVED that Common Council create a Strategic Real Estate Capital Reserve Fund, and that this fund is established from \$1,625,899 received from Develop Saint John as part of its wind down on December 31, 2021;

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

20. Statement of Reserves (Continued)

Common Council Meeting – June 14th, 2021 – Open Session

Moved by Councillor Sullivan, seconded by Councillor MacKenzie: RESOLVED that the recommendation set out in each consent agenda item respectively, with the exception of item 5.4 which has been identified for discussion be adopted.

5.10 That as recommended by the City Manager in the submitted report M&C2021- 169: Microsoft Business and Services Agreement — Renewal Update: 1. Common Council approve the unforeseen, one-time additional expenditure from the City' s Operating Reserve, as required, for enhanced Microsoft security in the amount up to \$ 188,856.72 plus HST; and

Common Council Meeting – October 18th, 2021 – Open Session

Moved by Councillor MacKenzie, seconded by Councillor Ogden: RESOLVED that the recommendation set out in each consent agenda item 5.1 to 5.8 respectively be adopted.

5.8 That as recommended by the Growth Committee in the submitted report M&C 2021-283: Fundy Quay Expenditure Reimbursement – Strategic Real Estate Capital Reserve, Common Council approve a budget allocation from the Strategic Real Estate Capital Reserve Fund in the amount of up to \$150,972.20 to reimburse Envision Saint John for eligible expenditures related to the Fundy Quay Catalytic Project in 2021 and that the Commissioner of Finance be authorized to issue payment for eligible expenditures.

Common Council Meeting – November 4th, 2021 – Open Session

Moved by Deputy Mayor MacKenzie seconded by Councillor Harris: RESOLVED that as recommended by the Committee of the Whole having met on November 1st, 2021, Common Council adopt the following;

1. The City purchase a parcel of land located at 195 Sydney Street and identified as PID numbers 00002238 and 00001917 from 692584 NB Inc. in accordance with the terms of the Agreement of Purchase and Sale attached to M&C No. 2021-294 and that the Mayor and City Clerk be authorized to execute the necessary documents to effect the land transaction;
2. That the purchase price for the land transaction be paid out of the Strategic Real Estate Capital Reserve for this transaction.

Common Council Meeting – December 13th, 2021 – Open Session

Moved by Deputy Mayor MacKenzie, seconded by Councillor Sullivan: RESOLVED that the recommendation set out in each consent agenda item respectively, with the exception of item 5.15 that has been identified for debate be adopted.

5.16 That as recommended by the City Manager in the submitted report M&C 2021-345: 2021 Reserves, it is recommended that Common Council adopt the following resolutions relating to reserve funds:

General Fund

BE IT RESOLVED that Common Council authorizes the contribution of \$500,000 from the General Operating Fund to the General Operating Reserve Fund.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

20. Statement of Reserves (Continued)

BE IT RESOLVED that Common Council authorizes the transfer of \$3,668,373 from the General Operating Reserve Fund to General Capital Reserve Fund.

BE IT RESOLVED that Common Council authorize the withdrawal of \$113,375 from the General Operating Reserve Fund to the General Operating Fund

BE IT RESOLVED that Common Council authorize the contribution of \$5,203,389 to the General Capital Reserve Fund from the General Operating Fund; and

BE IT RESOLVED that Common Council authorize the withdrawal of \$920,745 from the General Capital Reserve Fund to the General Capital Fund.

Utility Fund

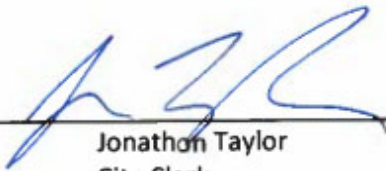
BE IT RESOLVED that Common Council authorize the contribution of \$419,286 from the Utility Operating Fund to the Utility Operating Reserve Fund; and

BE IT RESOLVED that Common Council authorize the withdrawal of \$1,000,000 from the Utility Operating Reserve Fund to the Utility Capital Reserve Fund.

BE IT RESOLVED that Common Council authorize the contribution of \$3,063,045 from the Utility Operating Fund to the Utility Capital Reserve Fund; and

BE IT RESOLVED that Common Council authorize the withdrawal of \$309,730 from the Utility Capital Reserve Fund to the Utility Capital Fund.

I hereby certify that the above are true and exact copies of resolutions adopted at the meetings of Common Council as identified above.



Jonathon Taylor
City Clerk
City of Saint John



MAR 29 2022

Date:

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

21. Tangible Capital Assets

	Land	Land Improvements	Leasehold Improvements	Buildings	Vehicles	Machinery & Equipment	Transportation	Water & Wastewater Networks	Assets under Construction	2021 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST										
Balance, beginning of year	148,323,143	41,136,870	5,879,104	215,572,488	56,130,291	17,551,184	461,240,979	761,602,397	4,938,434	1,712,374,890
Additions and transfers	-	47,972	-	2,416,671	544,937	2,481,697	9,847,536	6,256,977	5,617,467	27,213,257
Disposals	6,951	-	76,344	810,148	1,897,840	822,469	5,118,008	577,371	-	9,309,131
Balance, end of year	148,316,192	41,184,842	5,802,760	217,179,011	54,777,388	19,210,412	465,970,507	767,282,003	10,555,901	1,730,279,016
ACCUMULATED AMORTIZATION										
Balance, beginning of year	-	19,524,524	1,877,729	112,703,503	30,860,661	12,370,811	235,335,792	293,157,013	-	705,830,033
Amortization for the year	-	1,368,106	335,350	5,525,173	3,733,545	1,420,947	11,974,663	17,081,493	-	41,439,277
Accumulated amortization on disposals	-	-	56,322	604,280	1,884,090	736,895	4,846,512	413,924	-	8,542,023
Balance, end of year	-	20,892,630	2,156,757	117,624,396	32,710,116	13,054,863	242,463,943	309,824,582	-	738,727,287
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS										
	148,316,192	20,292,212	3,646,003	99,554,615	22,067,272	6,155,549	223,506,564	457,457,421	10,555,901	991,551,729
Consists of:										
General Fund assets	148,316,192	20,292,212	3,646,003	99,554,615	22,067,272	6,155,549	223,506,564	-	6,014,878	529,553,285
Water and Wastewater assets	-	-	-	-	-	-	-	457,457,421	4,541,023	461,998,444
	148,316,192	20,292,212	3,646,003	99,554,615	22,067,272	6,155,549	223,506,564	457,457,421	10,555,901	991,551,729

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

21. Tangible Capital Assets (Continued)

	Land	Land Improvements	Leasehold Improvements	Buildings	Vehicles	Machinery & Equipment	Transportation	Water & Wastewater Networks	Assets under Construction	2020 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST										
Balance, beginning of year	148,397,165	40,692,184	2,088,229	211,737,323	54,156,252	17,352,048	459,598,300	749,985,927	8,297,873	1,692,305,301
Additions and transfers	60,978	444,686	3,790,875	4,782,677	5,174,095	454,902	6,238,538	12,370,199	(3,359,439)	29,957,511
Disposals	135,000	-	-	947,512	3,200,056	255,766	4,595,859	753,729	-	9,887,922
Balance, end of year	148,323,143	41,136,870	5,879,104	215,572,488	56,130,291	17,551,184	461,240,979	761,602,397	4,938,434	1,712,374,890
ACCUMULATED AMORTIZATION										
Balance, beginning of year	-	18,177,770	1,682,781	108,174,837	30,149,341	11,246,710	227,477,773	276,442,556	-	673,351,768
Amortization for the year	-	1,346,754	194,947	5,388,676	3,835,683	1,376,427	12,010,420	16,977,003	-	41,129,910
Accumulated amortization on disposals	-	-	-	860,010	3,124,363	252,326	4,152,401	262,546	-	8,651,646
Balance, end of year	-	19,524,524	1,877,728	112,703,503	30,860,661	12,370,811	235,335,792	293,157,013	-	705,830,032
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS										
	148,323,143	21,612,346	4,001,376	102,868,985	25,269,630	5,180,373	225,905,187	468,445,384	4,938,434	1,006,544,858
Consists of:										
General Fund assets	148,323,143	21,612,346	4,001,376	102,868,985	25,269,630	5,180,373	225,905,187	-	1,511,398	534,672,438
Water and Wastewater assets	-	-	-	-	-	-	-	468,445,384	3,427,036	471,872,420
	148,323,143	21,612,346	4,001,376	102,868,985	25,269,630	5,180,373	225,905,187	468,445,384	4,938,434	1,006,544,858

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

22. Segment Disclosure

	General Government Services	Protective Services	Transportation Services	Water & Sewer Services	Environmenta l Health Services	Environmental Development Services	Recreational & Cultural Services	Energy Services	2021 Consolidated	2020 Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES										
Property taxes	129,196,736	-	-	-	-	-	-	-	129,196,736	127,968,110
Unconditional grant	17,335,948	-	-	-	-	-	-	-	17,335,948	16,182,335
Financial assistance	-	-	-	-	-	-	-	-	-	4,590,709
Other revenue from own sources	900,461	3,454,295	7,282,986	-	-	4,186,315	1,432,341	-	17,256,398	16,062,570
Miscellaneous revenue	7,138,794	-	-	-	-	-	-	-	7,138,794	3,589,125
Water & sewer revenue	-	-	-	44,723,001	-	-	-	-	44,723,001	44,845,378
Income from energy services	-	-	-	-	-	-	-	24,082,000	24,082,000	-
Contributions from others	534,945	53,087	253,762	-	-	561,725	15,985	-	1,419,504	1,870,137
	155,106,884	3,507,382	7,536,748	44,723,001	-	4,748,040	1,448,326	24,082,000	241,152,381	215,108,364
EXPENSES										
Salaries and benefits	14,227,077	46,727,068	17,181,303	9,106,919	1,375,656	6,027,409	4,348,217	-	98,993,649	104,113,544
Goods and services	8,779,612	6,145,955	8,844,288	17,109,766	2,195,666	9,584,169	3,499,761	-	56,159,217	56,241,876
Amortization of tangible assets	9,011,686	-	13,942,839	17,083,690	-	36,573	1,364,489	-	41,439,277	41,129,910
Interest and bank charges	2,790,895	-	585,511	2,730,412	-	46,072	9,278	-	6,162,168	6,851,125
Loss from energy services	-	-	-	-	-	-	-	-	-	4,039,000
	34,809,270	52,873,023	40,553,941	46,030,787	3,571,322	15,694,223	9,221,745	-	202,754,311	212,375,455
SURPLUS (DEFICIT) FOR THE YEAR										
	120,297,614	(49,365,641)	(33,017,193)	(1,307,786)	(3,571,322)	(10,946,183)	(7,773,419)	24,082,000	38,398,070	2,732,909

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

23. Consolidated Schedule of Accumulated Surplus (Deficit) Reconciliation

	General Operating Fund \$	General Capital Fund \$	Water & Sewer Operating Fund \$	Water & Sewer Capital Fund \$	Trust Funds \$	Controlled Entities \$	Total \$
2021 Annual Fund Surplus, per Local Governance Act	1,753,135	41,629,857	1,516,296	13,082,301	202,343	23,968,412	82,152,344
Adjustments to 2021 annual surplus (deficit) for funding requirements							
Second previous year's surplus (deficit)	214,971	-	(375,000)	-	-	-	(160,029)
PSAS adjusting entries	(15,681,530)	(66,208,318)	3,195,407	(28,989,007)	-	(10,970,626)	(118,654,074)
Amortization expense	-	24,357,784	-	17,081,493	-	-	41,439,277
Long-term debt principal repayment	14,870,900	-	6,368,000	-	-	2,500,000	23,738,900
Post employment adjustment	(3,179,000)	-	-	-	-	-	(3,179,000)
Pension expense	7,500,000	-	-	-	-	-	7,500,000
Amortization of actuarial gain (loss)	(1,400,000)	-	-	-	-	-	(1,400,000)
Long-term disability	1,451,000	-	-	-	-	-	1,451,000
Capital from operating	3,635,447	-	5,069,000	-	-	-	8,704,447
Total adjustments to 2021 annual surplus (deficit)	7,411,788	(41,850,534)	14,257,407	(11,907,514)	-	(8,470,626)	(40,559,479)
2021 Annual Surplus (Deficit), per PSAS	9,164,923	(220,677)	15,773,703	1,174,787	202,343	15,497,786	41,592,865

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

24. Controlled Entities Operations

	Saint John Transit Commission \$	Saint John Free Public Library \$	Harbour Station Commission \$	Aquatic Centre Commission \$	Trade and Convention Centre \$
Total assets	26,449,974	970,991	2,626,213	63,517	-
Total liabilities	11,762,570	51,749	1,868,981	668,419	-
Accumulated surplus (deficit)	14,687,404	919,242	757,232	(604,902)	-
Total revenues	2,789,394	141,009	1,393,627	1,589,354	122,469
Total operating expenses	10,212,462	901,622	2,007,813	2,333,229	323,225
Annual surplus (deficit)	(7,423,068)	(760,613)	(614,186)	(743,875)	(200,756)

	Lord Beaverbrook \$	Saint John Energy \$	Canada Games Foundation \$	2021 Consolidated \$	2020 Consolidated \$
Total assets	407,111	60,798,000	8,809,012	100,124,818	175,623,173
Total liabilities	220,485	-	13,595	14,585,799	25,449,668
Accumulated surplus (deficit)	186,626	60,798,000	8,795,417	85,539,019	150,173,505
Total revenues	263,888	24,082,000	938,448	31,320,189	9,717,238
Total operating expenses	467,150	-	-	16,245,501	24,950,987
Annual surplus (deficit)	(203,262)	24,082,000	938,448	15,074,688	(15,233,749)

The above noted entities are included in the Consolidated Financial Statements. The results of Saint John Energy are included in the Consolidated Financial Statements using the modified equity method

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

25. Reconciliation of Funding Deficit Upon Adoption of PSAS

On January 1, 2017 the City adopted the use of PSAS. As a result, certain liabilities relating to employment benefits had to be restated to reflect the adoption of the standards.

	Special Top-up Agreements \$	Heart and Lung \$	Retirement Allowances \$
Liabilities at December 31, 2016 as calculated on adoption of PSAS	1,035,500	5,133,600	4,517,400
Amount of December 31, 2016 liabilities funded in current year	1,500	(218,200)	(649,300)
Balance to be funded in future years	1,037,000	4,915,400	3,868,100

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

26. Other Revenue and Expense Details

	2021 Budget (Unaudited) (Note 2) \$	2021 \$	2020 \$
REVENUE			
Other Revenue from Own Sources			
Transportation services	14,972,928	7,282,986	7,808,454
Environmental development services	1,753,515	4,186,315	3,411,350
Protective services	3,442,938	3,454,295	2,979,276
General government services	2,932,793	900,461	1,005,836
Recreational and cultural services	1,469,720	1,432,341	857,654
	24,571,894	17,256,398	16,062,570
Contributions from Others			
Recreational and cultural services	-	15,985	983,663
Transportation services	250,000	253,762	444,984
Protective services	-	53,087	308,031
Water and sewer services	-	-	-
Environmental development services	-	561,725	126,687
General government services	-	534,945	6,772
	250,000	1,419,504	1,870,137
Government Transfers for Capital			
Regional Development Corporation	-	75,268	28,373,933
Infrastructure Canada - gas tax funding	-	778,704	2,299,211
Federal/Provincial clean waste water funding	-	163,661	1,173,523
ACOA/RDC City Market	-	-	967,933
Other	-	96,270	782,096
Infrastructure Canada - SCDW	-	-	104,319
Infrastructure Canada - DMAF	-	2,080,892	-
	-	3,194,795	33,701,015

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

26. Other Revenue and Expense Details (Continued)

	2021 Budget (Unaudited) (Note 2) \$	2021 \$	2020 \$
EXPENDITURES			
General Government Services			
Legislative			
Common Council	519,902	495,830	466,686
Mayor's office	216,334	171,829	175,715
	736,236	667,659	642,401
City Manager			
City manager	625,172	515,119	743,498
Corporate communications	573,001	549,332	491,451
Corporate planning	311,450	212,796	403,336
	1,509,623	1,277,247	1,638,285
Common Services			
Property assessment	1,369,310	1,392,394	1,390,789
City hall building	1,014,587	1,118,989	1,305,313
Public liability insurance	340,000	504,937	386,631
	2,723,897	3,016,320	3,082,733
Other			
Amortization	-	9,011,686	7,995,152
Other	4,322,484	1,725,274	6,261,921
Information systems and support	3,073,774	3,039,063	3,657,737
Debt charges	16,842,120	3,690,895	3,162,534
Post employment expenses	8,875,000	5,464,912	2,480,258
Finance	1,176,139	1,916,475	2,347,271
Human resources	1,826,083	1,702,230	1,401,575
Materials management	888,353	826,535	1,234,061
City solicitor	936,521	895,902	845,788
Insurance	272,932	276,537	167,233
Common clerk	594,499	587,065	560,923
Customer Service	877,809	682,539	-
Regional Services Commission	20,000	28,931	20,012
	39,705,714	29,848,044	30,134,465
Total General Government Services	44,675,470	34,809,270	35,497,884

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

26. Other Revenue and Expense Details (Continued)

	2021 Budget (Unaudited) (Note 2) \$	2021 \$	2020 \$
Protective Services			
Police Protection			
Police operations	14,815,048	14,623,818	15,357,377
Criminal investigations	4,237,272	4,709,814	4,489,301
Administration	1,940,132	1,781,963	2,283,066
Support services	1,972,848	2,039,119	1,607,749
Stations and buildings	944,128	968,179	792,054
Automotive	1,009,834	593,046	601,719
Detention services	174,000	174,077	168,589
	25,093,262	24,890,016	25,299,855
Fire Protection			
Fire operations	24,743,069	21,641,725	22,307,841
Fire prevention	856,920	829,984	796,114
Fire investigation	61,647	57,936	60,169
	25,661,636	22,529,645	23,164,124
Other Protective Services			
Emergency dispatch centre	2,505,681	2,876,277	2,765,484
Inspection services	1,040,806	1,053,886	950,738
Enforcement services	425,278	407,204	387,029
Dangerous buildings	472,032	473,675	368,197
Emergency measures	341,535	274,184	358,615
Minimum standards	297,895	275,249	283,921
Animal control	91,244	92,887	91,245
	5,174,471	5,453,362	5,205,229
Total Protective Services	55,929,369	52,873,023	53,669,208
Transportation Services			
Public Works			
Amortization	-	11,974,663	12,010,420
Roads and sidewalks	17,649,614	9,735,805	11,013,541
Other drainage services	2,984,595	2,162,159	2,081,343
Street lighting	959,982	942,148	937,187
Municipal operations	362,645	322,984	586,521
	21,956,836	25,137,759	26,629,012

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

26. Other Revenue and Expense Details (Continued)

	2021 Budget (Unaudited) (Note 2) \$	2021 \$	2020 \$
General Engineering			
Traffic engineering and systems	1,979,926	1,947,200	1,778,887
Transportation	914,136	861,397	661,609
	2,894,062	2,808,597	2,440,496
Parking Administration			
Parking administration	581,470	390,456	454,829
	581,470	390,456	454,829
External Controlled Entities			
Saint John Transit Commission	13,259,571	10,210,574	11,211,365
Saint John Parking Commission	4,408,521	2,006,555	2,627,242
	17,668,092	12,217,129	13,838,607
Total Transportation Services	43,100,460	40,553,941	43,362,944
Water and Sewer Services			
Saint John Water & Wastewater			
Amortization	-	17,081,493	16,977,003
Drinking water	15,426,000	13,305,790	13,282,700
Wastewater	10,763,000	9,156,044	8,552,753
Fiscal charges	19,161,000	3,818,467	4,514,755
Industrial water	2,506,000	1,915,549	2,003,970
Infrastructure management	720,000	523,802	724,774
Internal charges	935,000	229,642	167,675
Total Water and Sewer Services	49,511,000	46,030,787	46,223,630
Environmental Health Services			
Sanitary Services	3,759,606	3,571,322	3,724,884
Total Environmental Health Services	3,759,606	3,571,322	3,724,884

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

26. Other Revenue and Expense Details (Continued)

	2021 Budget (Unaudited) (Note 2) \$	2021 \$	2020 \$
Environmental Development Services			
Research and Planning			
Community planning	1,612,509	1,573,478	1,527,657
Succeed and stay	205,863	163,456	140,441
Plan SJ	102,884	22,011	-
	1,921,256	1,758,945	1,668,098
Administration and Geographic Information Systems (GIS)			
Carpenter shop	324,231	461,108	400,096
GIS	376,224	357,923	380,141
	700,455	819,031	780,237
Economic Development			
Market Square common area	2,250,000	1,996,902	2,490,900
Regional facilities	2,034,165	832,951	885,294
Regional economic development	-	-	475,000
	4,284,165	2,829,853	3,851,194
Real Estate Management			
Property management	1,408,663	1,574,277	1,990,931
Real estate	177,537	159,713	252,332
	1,586,200	1,733,990	2,243,263
Other Environmental Development Services			
City Market	1,047,824	1,004,488	1,111,034
Tourism	-	-	973,034
Community development	2,460,493	2,644,345	197,834
	3,508,317	3,648,833	2,281,902
External Controlled Entities			
Aquatic Centre Commission	-	2,333,229	2,310,191
TD Station Commission	-	2,007,813	2,228,337
Develop Saint John	-	339,304	1,407,130
Trade and Convention Centre	780,873	323,225	273,717
	780,873	5,003,571	6,219,375
Total Environmental Development Services	12,781,266	15,794,223	17,044,069

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2021

26. Other Revenue and Expense Details (Continued)

	2021 Budget (Unaudited) (Note 2) \$	2021 \$	2020 \$
Recreational and Cultural Services			
Cultural Grants			
Other cultural grants	1,981,762	1,153,228	1,089,572
	1,981,762	1,153,228	1,089,572
Parks			
Parks general services	2,047,995	1,706,102	1,748,643
Rockwood Park	407,787	329,703	393,244
	2,455,782	2,035,805	2,141,887
Community Services			
Recreation and parks	473,101	461,029	241,769
Parks and playgrounds	313,444	182,539	226,680
Pro Kids	19,163	7,858	79,810
	805,708	651,426	548,259
Other Recreational and Cultural Services			
Sports and recreation	2,770,357	2,872,877	2,831,737
Amortization	-	1,368,106	1,333,657
Community centres	544,953	499,060	378,236
Cultural affairs	126,031	110,919	113,991
	3,441,341	4,850,962	4,657,621
Externally Controlled Entities			
Saint John Free Public Library	-	901,622	555,202
Lord Beaverbrook Rink	430,500	467,150	298,533
Canada Games Foundation	-	(938,448)	(477,238)
	430,500	430,324	376,497
Total Recreational and Cultural Services	9,115,093	9,121,745	8,813,836
TOTAL EXPENDITURES	218,872,264	202,754,311	208,336,455