
The City of Saint John

Consolidated Financial Statements

December 31, 2022

The City of Saint John

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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, 2022, 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, 2022, 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 City'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 City 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.

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
Saint John, NB
July 10, 2023

The City of Saint John

Consolidated Statement of Financial Position As at December 31, 2022

	2022	2021
	\$	\$
Financial Assets		
Cash and cash equivalents (Note 4)	117,120,316	93,800,447
Accounts receivable (Notes 5, 6 & 7)	20,555,712	18,259,735
Investment in energy services (Note 8)	82,380,000	60,798,000
Note receivable (Note 9)	20,000,000	22,500,000
Other investments (Note 10)	899,331	9,582,591
	240,955,359	204,940,773
Financial Liabilities		
Accounts payable and accrued liabilities (Note 11)	29,607,232	30,755,985
Deferred revenue	2,329,976	1,857,330
Deferred government transfers (Note 12)	32,727,955	20,823,962
Post-employment benefits and compensated absences (Note 14)	78,729,900	99,816,287
Long-term debt (Note 13)	194,883,717	211,082,114
	338,278,780	364,335,678
Net debt	(97,323,421)	(159,394,905)
Non-financial assets		
Inventory	3,992,671	3,898,144
Prepaid expenses	116,185	550,684
Tangible capital assets (Note 21)	984,012,685	991,551,729
	988,121,541	996,000,557
Accumulated surplus	890,798,120	836,605,652
Contingencies (Note 15)		
Commitments (Note 16)		

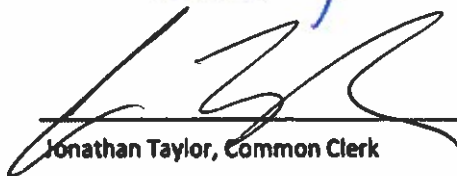
Approved by:



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, 2022

	2022 Budget (Unaudited) (Note 2) \$	2022 \$	2021 \$
Revenues			
Property taxes	129,423,241	131,483,087	129,196,736
Unconditional grant	17,837,497	16,647,118	17,335,948
Other revenue from own sources (Note 26)	20,213,311	22,411,697	17,256,398
Water and sewer revenue	47,630,075	45,312,262	44,723,001
Miscellaneous revenue	3,802,418	1,217,810	7,138,794
Contributions from others (Note 26)	250,000	799,858	1,419,504
Income from energy services	-	21,582,000	24,082,000
	219,156,542	239,453,832	241,152,381
Expenses			
General government services (Note 26)	46,772,370	18,126,184	34,809,270
Protective services (Note 26)	57,651,957	53,986,800	52,873,023
Transportation services (Note 26)	41,062,964	44,539,918	40,553,941
Water and sewer services (Note 26)	49,596,475	47,035,748	46,030,787
Environmental health services (Note 26)	3,674,381	3,656,997	3,571,322
Environmental development services (Note 26)	16,364,126	19,105,025	15,794,223
Recreational and cultural services (Note 26)	9,445,513	10,050,557	9,121,745
Canada Games Foundation Investment (Note 10 & 26)	-	8,743,271	-
	224,567,786	205,244,500	202,754,311
Annual surplus (deficit) before capital contributions	(5,411,244)	34,209,332	38,398,070
Government transfers for capital (Note 26)	-	19,983,136	3,194,795
Annual surplus	-	54,192,468	41,592,865
Accumulated surplus, beginning of year	-	836,605,652	795,012,787
Accumulated surplus, end of year	-	890,798,120	836,605,652

The City of Saint John

Consolidated Statement of Changes in Net Debt As at December 31, 2022

	2022	2021
	\$	\$
Annual surplus	54,192,468	41,592,865
Acquisition of tangible capital assets (Note 21)	(35,226,780)	(27,213,257)
Loss on disposal of tangible capital assets (Note 21)	925,216	528,564
Proceeds on sale of tangible capital assets	362,275	238,543
Amortization of tangible capital assets (Note 21)	41,478,333	41,439,277
(Increase) Decrease in inventory	(94,527)	112,078
Decrease in prepaid expenses	434,499	149,490
Decrease in net debt	62,071,484	56,847,560
Net debt, beginning of year	(159,394,905)	(216,242,465)
Net debt, end of year	(97,323,421)	(159,394,905)

The City of Saint John

Consolidated Statement of Cash Flow

As at December 31, 2022

	2022 \$	2021 \$
Operating transactions		
Annual surplus	54,192,468	41,592,865
Items not involving cash		
Amortization of tangible capital assets (Note 21)	41,478,333	41,439,277
Loss on disposal of tangible capital assets (Note 21)	925,216	528,564
Income from energy services	(21,582,000)	(24,082,000)
Change in non-cash assets and liabilities		
Accounts receivable	(2,295,977)	6,249,799
Inventory	(94,527)	112,078
Prepaid expenses	434,499	149,490
Accounts payable and accrued liabilities	(1,148,753)	(27,443,778)
Deferred revenue	472,646	521,161
Deferred government transfers	11,903,993	4,224,211
Other post-employment liabilities	(21,086,387)	(5,852,083)
	63,199,511	37,439,584
Capital transactions		
Acquisitions of tangible capital assets (Note 21)	(35,226,780)	(27,213,257)
Proceeds on the sale of tangible capital assets	362,275	238,543
	(34,864,505)	(26,974,714)
Financing transactions		
Repayment of long-term debt	(23,448,396)	(23,738,900)
Proceeds from long-term debt	7,250,000	6,000,000
	(16,198,396)	(17,738,900)
Investing transactions		
Redemption (Purchase) of investments (Note 10)	8,683,260	(991,744)
Note receivable	2,500,000	2,500,000
	11,183,260	1,508,256
Increase (Decrease) in cash and cash equivalents	23,319,871	(5,765,774)
Cash and cash equivalents, beginning of year	93,800,447	99,566,221
Cash and cash equivalents, end of year	117,120,316	93,800,447

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

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. TD Station
7. Canada Games Aquatic Centre
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

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

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 December 13, 2021 and the Minister of Local Government on January 6, 2022. The budget is unaudited and does not include elimination of inter-organizational revenues and expenses with controlled entities.

Revenue

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, 2022

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
- 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
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
Machinery and equipment	3-25
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, 2022

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, 2022

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, 2022, the balance of the operating line of credit was \$nil (2021 - \$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 2022, the City has complied with these limitations.

4. Cash and Cash Equivalents

Cash and cash equivalents consists of the following:

	2022	2021
	\$	\$
Unrestricted cash	82,382,279	70,854,206
Restricted cash		
Gas Tax	28,071,699	20,823,963
Funding to support public transit and housing	4,656,256	-
Deposits on contracts	1,716,653	1,823,475
Land Sub-division Fund	229,107	238,206
Saint John Non-Profit Housing Future Development Fund	55,766	54,574
Airspace 2049 Fund	8,556	6,023
	117,120,316	93,800,447

Included in this amount are funds internally restricted through a resolution of Common Council to support reserves as included in note 20 for a total of \$37,546,839 (2021 - \$33,245,004).

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

5. Accounts Receivable

Accounts receivable consist of the following:

	2022	2021
	\$	\$
Water and sewer charges to ratepayers	8,703,463	11,164,317
Other receivables	12,252,992	7,825,977
Due from the Federal Government and its agencies	1,489,795	1,162,018
Due from the Province of New Brunswick	461,319	323,619
Allowance for doubtful accounts	(2,351,857)	(2,216,196)
	20,555,712	18,259,735

6. Due from the Federal Government and its Agencies

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

	2022	2021
	\$	\$
Canada Revenue Agency HST receivable	1,489,795	1,052,954
Other	-	109,064
	1,489,795	1,162,018

7. Due from the Province of New Brunswick

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

	2022	2021
	\$	\$
Regional Development Corporation	401,499	-
Department of Transportation	-	291,891
Other	59,820	31,728
	461,319	323,619

8. Investment in Energy Services

Change in equity Saint John Energy:

	2022	2021
	\$	\$
Investment, beginning of year	60,798,000	36,716,000
Net gain	21,582,000	24,082,000
Investment, end of year	82,380,000	60,798,000

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

9. Note Receivable

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

	2022	2021
	\$	\$
Power Commission of the City of Saint John	20,000,000	22,500,000

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.

10. Other Investments

Other investments consist of the following:

	2022	2021
	\$	\$
Canada Games Foundation investments	-	8,743,271
Other investments	899,331	839,320
	899,331	9,582,591

Investments of the City of Saint John are held with the Bank of Nova 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.

During 2022, the Directors of the Saint John Canada Games Foundation filed by supplementary letters patent under the New Brunswick Companies Act to change their charter to remove any and all requirements that the Mayor or any member of Common Council be appointed to the Board of Directors. Commensurately, the recognition criteria for the Canada Games Foundation investments were no longer met and a charge to the Statement of Operations was recognized.

11. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	2022	2021
	\$	\$
Trade payables	18,312,368	20,137,118
Payroll	6,985,085	6,822,104
Deposits	1,891,652	1,752,668
Conferences and holdings	1,272,978	993,733
Interest payable	438,768	495,158
Due to Pension Fund	390,236	362,449
Other	316,145	192,755
	29,607,232	30,755,985

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

12. Deferred Government Transfers

Deferred government transfers consist of the following:

	2022	2021
	\$	\$
Canada Community-Building Fund	28,071,699	20,823,962
Funding to Support Public Transit and Housing	4,656,256	-
	32,727,955	20,823,962

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. The City also received funding from the Federal and Provincial Government to support public transit and housing. Amounts that have not been spent are recorded as deferred government transfers on the Consolidated Statement of Financial Position.

13. Long-Term Debt

Year of Issue	Interest Rate %	Term (Years)	2022	2022	2021
			Annual Payment \$	\$	\$
New Brunswick Municipal Finance Corporation Debentures					
2008	2.100 to 5.550	15	367,000	362,000	729,000
2008	2.100 to 5.550	15	175,000	1,050,000	1,225,000
2008	2.100 to 5.550	15	100,000	100,000	200,000
2011	2.06	15	200,000	1,800,000	2,000,000
2012	1.350 to 3.550	15	767,000	3,830,000	4,597,000
2012	1.350 to 3.800	20	425,000	4,250,000	4,675,000
2012	1.350 to 3.550	15	300,000	1,500,000	1,800,000
2013	1.350 to 3.700	15	687,000	4,117,000	4,804,000
2013	1.350 to 4.000	20	550,000	6,050,000	6,600,000
2013	1.350 to 4.000	20	360,000	5,760,000	6,120,000
2014	2	20	500,000	6,000,000	6,500,000
2014	1.150 to 3.900	15	707,000	4,944,000	5,651,000
2014	1.200 to 3.700	15	267,000	1,864,000	2,131,000
2014	1.200 to 3.700	20	668,000	3,336,000	4,004,000
2014	1.150 to 3.900	15	27,000	184,000	211,000
2015	0.950 to 3.250	15	500,000	4,000,000	4,500,000
2015	1.050 to 3.650	15	133,000	1,069,000	1,202,000
2015	0.950 to 3.500	20	175,000	2,275,000	2,450,000
2015	1.050 to 3.150	10	175,000	525,000	700,000
2015	1.050 to 3.650	15	67,000	531,000	598,000
2016	1.200 to 3.550	15	300,000	2,700,000	3,000,000
2016	1.450 to 3.500	15	400,000	3,600,000	4,000,000
2016	1.450 to 3.750	20	200,000	2,800,000	3,000,000
2016	1.200 to 2.950	10	400,000	1,600,000	2,000,000
2016	1.200 to 3.550	15	67,000	598,000	665,000
2017	1.200 to 3.300	15	333,000	3,335,000	3,668,000

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

13. Long-Term Debt (Continued)

Year of Issue	Interest Rate %	Term (Years)	2022		
			Annual Payment \$	2022 \$	2021 \$
2017	1.650 to 3.200	15	513,000	1,335,000	1,848,000
2017	1.650 to 3.400	30	1,500,000	37,500,000	39,000,000
2017	1.650 to 2.900	10	350,000	1,750,000	2,100,000
2017	1.650 to 3.200	15	101,000	665,000	766,000
2018	2.550 to 3.550	15	700,000	7,700,000	8,400,000
2018	2.100 to 3.000	5	566,000	566,000	1,132,000
2018	2.100 to 3.450	10	125,000	750,000	875,000
2019	2.050 to 2.300	5	1,034,000	2,068,000	3,102,000
2019	3.41	10	143,000	999,000	1,142,000
2019	2.050 to 2.850	10	75,000	525,000	600,000
2019	1.950 to 2.100	5	334,000	668,000	1,002,000
2019	1.950 to 2.800	15	1,059,000	7,053,000	8,112,000
2019	1.950 to 2.450	10.00	250,000	1,750,000	2,000,000
2020	0.900 to 1.500	5.00	1,000,000	3,000,000	4,000,000
2020	0.500 to 2.300	15.00	467,000	6,066,000	6,533,000
2020	0.500 to 1.800	10.00	2,500,000	20,000,000	22,500,000
2020	0.900 to 2.050	10.00	250,000	2,000,000	2,250,000
2021	0.300 to 2.300	10.00	2,466,000	14,864,000	17,330,000
2021	0.855 to 2.762	15.00	700,000	6,800,000	7,500,000
2021	0.855 to 2.378	10.00	350,000	3,150,000	3,500,000
2022	4.700 to 4.709	10.00	-	7,250,000	-
			23,333,000	194,639,000	210,722,000
Other Debentures					
Canada Mortgage and Housing Debentures					
2009	3.97	15	115,396	244,717	360,114
Total Debentures			23,448,396	194,883,717	211,082,114

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:

	\$
2023	24,391,977
2024	22,318,740
2025	19,792,000
2026	18,617,000
2027	16,446,000
Thereafter	93,318,000
	194,883,717

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

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 \$155,499 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, 2022**

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, 2022. 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, 2021 and current period benefit cost for the following year are based on an actuarial valuation conducted as at December 31, 2021. The accrued benefit obligation as at December 31, 2021 and current period benefit cost for the following year are based on an actuarial valuation conducted as at December 31, 2021 and extrapolated to December 31, 2022, using assumptions effective for December 31, 2021. 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:

	2022	2021
Discount rate	6.10%	5.60%
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 \$19,700,000 (2021 - \$18,900,000).

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

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.

	2022	2021
	\$	\$
City share of accrued benefit liability, beginning of year	16,800,000	78,300,000
City share of current period benefit cost	6,000,000	6,100,000
City share of past service cost	1,300,000	1,500,000
Interest cost	700,000	4,100,000
Less: City contributions	(19,700,000)	(18,900,000)
Actuarial loss (gain)	20,500,000	(54,300,000)
City share of accrued benefit liability, end of year	25,600,000	16,800,000
Unamortized actuarial gain	35,200,000	64,012,700
Pension liability, end of year	60,800,000	80,812,700

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

	2022	2021
	\$	\$
Current period benefit cost	6,000,000	6,100,000
Past service cost	1,300,000	1,500,000
Interest cost	700,000	4,100,000
Amortization of City share of actuarial gain	(6,100,000)	(1,400,000)
Total expense related to Pension	1,900,000	10,300,000

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, 2022

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 \$66,619 (2021 - \$64,500) 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, 2022. Previous to that, an actuarial valuation was performed as at December 31, 2021.

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:

	2022	2021
	\$	\$
Accrued benefit obligation, beginning of year	22,565,100	26,226,500
Current period benefit cost	1,144,500	1,333,700
Benefit payments	(2,797,800)	(2,313,200)
Interest cost	565,100	548,300
Actuarial loss	(3,086,800)	(3,230,200)
Other employee future benefits, end of year	18,390,100	22,565,100

	2022	2021
	\$	\$
Main assumptions used for these plans:		
Discount rate	4.63%	2.60%
Salary increase	3.00%	3.00%
EARSJ Range	1 to 25	2 to 24

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

14. Post Employment Benefits and Compensated Absences (Continued)

These benefit plans require no contributions from employees. The benefit liability as at December 31, 2022 includes the following components:

	2022	2021
	\$	\$
Accrued Benefit Obligation (Carrying Value)		
Retirement allowances	3,634,300	4,915,400
Sick leave	7,328,000	8,465,000
Heart and lung pension	2,957,100	3,868,100
Disability benefits	2,916,000	3,413,600
Contractual top up agreements	798,100	1,037,000
Sick leave - Saint John Transit Commission	756,600	866,000
	18,390,100	22,565,100
Unamortized actuarial loss	(460,200)	(3,924,900)
	17,929,900	18,640,200

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:

	2022	2021
	\$	\$
Current period benefit cost	1,144,500	1,333,700
Amortization of actuarial loss	377,900	603,300
	1,522,400	1,937,000
Other employee benefit interest expense	565,100	548,300
Total expense related to other employee future benefits	2,087,500	2,485,300

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, 2022 amounted to \$1,465,000 (2021 – \$680,000). Based on 2021 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.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

16. Commitments

Fundy Regional Service Commission

During 2022, the Fundy Regional Service Commission role was expanded by the Provincial Government through an amendment of the "Regional Service Delivery Act". Under the amended provisions of the Act, the Regional Service Commission has the authority to determine the annual amount of total municipal contributions to be made towards economic development, tourism promotion, community development, regional transportation, recreation infrastructure cost sharing and additional social focus. The operation of five regional facilities: Saint John Aquatic Centre Commission, TD Station Commission, Saint John Trade and Convention Centre, Imperial Theatre and Saint John Arts Centre are now under the provisions of the Regional Service Delivery Act, the City's contribution is its pro rata share of the Regional Facilities Commission's operating budget and capital budget is based on 50% of the tax bases and 50% of population based on the participating municipalities of the Town of Quispamsis, the Town of Rothesay, the Town of Grand Bay-Westfield, Town of Hampton, Local Service Districts of Fundy-St. Martins and Fundy Rural District and the City of Saint John. The City's contribution is 55.76% in 2022 (2021 - 66.74%).

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:

	2022	2021
	\$	\$
2022 Surplus	266,284	-
2021 Surplus	1,516,301	1,516,301
2020 Surplus	726,779	969,038
2019 Surplus	98,366	147,549
2018 Surplus	12,948	25,896
2017 Surplus	-	133,009
	2,620,678	2,791,793

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, 2022 was \$492,218 (2021 - \$483,595).

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

20. Statement of Reserves

	Water & Sewer Capital Reserve	Water & Sewer Operating Reserve	General Operating Reserve	General Capital Reserve	2022 Total	2021 Total
Assets						
Cash	8,745,709	2,342,893	7,392,051	19,066,186	37,546,839	33,245,004
Accumulated Surplus	8,745,709	2,342,893	7,392,051	19,066,186	37,546,839	33,245,004
Revenue						
Transfers from Water and Sewerage Utility Operating	2,393,963	455,178	-	-	2,849,141	3,457,539
Transfer between Operating and Capital Operating	-	-	367,437	(367,437)	-	-
Transfers from General Operating Fund	-	-	1,178,200	4,330,532	5,508,732	15,448,952
Proceeds on Sale of Assets	49,409	-	-	312,866	362,275	238,543
Interest	144,483	40,496	179,703	343,542	708,224	136,212
Total Revenues	2,587,855	495,674	1,725,340	4,619,503	9,428,372	19,281,246
Expenditures	472,626	-	2,580,059	2,073,852	5,126,537	5,448,650
Annual Surplus (Deficit)	2,115,229	495,674	(854,719)	2,545,651	4,301,835	13,832,596
Balance, beginning of year	6,630,480	1,847,219	8,246,770	16,520,535	33,245,004	19,412,408
Balance, end of year	8,745,709	2,342,893	7,392,051	19,066,186	37,546,839	33,245,004

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022
20. Statement of Reserves (Continued)

Council Resolutions regarding transfers to and from reserves
Common Council Meeting – December 12th, 2022 – Open Session

Moved by Councillor Sullivan, seconded by Councillor Stewart:
RESOLVED that as recommended by the Finance Committee in the report entitled
M&C 2022-379: 2022 Reserves Common Council approve the transfer of funds to
and from the following reserves:

General Operating Reserves
\$1,178,200 from the General Operating Fund to General Operating Reserve
\$367,437 from the General Capital Reserve to General Operating Reserve
\$2,580,059 from the General Operating Reserve to General Operating Fund

General Capital Reserves
\$4,643,398 from the General Operating Fund to General Capital Reserve
\$2,073,852 from the General Capital Reserve to General Capital Fund
\$367,437 from the General Capital Reserve to General Operating Reserve

Utility Operating Reserves
\$455,178 from the Utility Operating Fund to the Utility Operating Reserve

Utility Capital Reserves
\$1,438,068 from the Utility Operating Fund to the Utility Potable and Fleet Capital Reserve
\$1,005,304 from the Utility Operating Fund to the Utility Industrial Capital Reserve
\$472,626 from the Utility Capital Reserve (Fleet) 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.



Jonathan Taylor
City Clerk
City of Saint John



The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

21. Tangible Capital Assets

	Land	Land Improvements	Leasehold Improvements	Buildings	Vehicles	Machinery & Equipment	Transportation	Water & Wastewater Networks	Assets under Construction	2022 Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
COST										
Balance, beginning 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
Additions and transfers	-	7,495,219	-	3,445,451	2,494,958	2,184,502	8,804,631	7,600,382	3,201,637	35,226,780
Disposals	-	-	-	523,712	4,575,681	63,263	3,700,077	790,071	-	9,652,804
Balance, end of year	148,316,192	48,680,061	5,802,760	220,100,750	52,696,665	21,331,651	471,075,061	774,092,314	13,757,538	1,755,852,992
ACCUMULATED AMORTIZATION										
Balance, beginning 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
Amortization for the year	-	1,412,338	325,843	5,542,211	3,550,705	1,518,434	11,978,559	17,150,243	-	41,478,333
Accumulated amortization on disposals	-	-	-	486,097	3,845,743	63,263	3,212,733	757,477	-	8,365,313
Balance, end of year	-	22,304,968	2,482,600	122,680,510	32,415,078	14,510,034	251,229,769	326,217,348	-	771,840,307
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	148,316,192	26,375,093	3,320,160	97,420,240	20,281,587	6,821,617	219,845,292	447,874,966	13,757,538	984,012,685
Consists of:										
General Fund assets	148,316,192	26,375,093	3,320,160	97,420,240	20,281,587	6,821,617	219,845,292	-	9,216,515	531,596,696
Water and Wastewater assets	-	-	-	-	-	-	-	447,874,966	4,541,023	452,415,989
	148,316,192	26,375,093	3,320,160	97,420,240	20,281,587	6,821,617	219,845,292	447,874,966	13,757,538	984,012,685

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

21. Tangible Capital Assets (Continued)

	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	457,457,421	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, 2022

22. Segment Disclosure

	General Government Services	Protective Services	Transportation Services	Water & Sewer Services	Environmental Health Services	Environmental Development Services	Recreational & Cultural Services	Energy Services	2022 Consolidated	2021 Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES										
Property taxes	131,483,087	-	-	-	-	-	-	-	131,483,087	129,196,736
Unconditional grant	16,647,118	-	-	-	-	-	-	-	16,647,118	17,335,948
Other revenue from own sources	1,695,329	3,316,823	8,844,886	-	-	7,356,026	1,198,633	-	22,411,697	17,256,398
Miscellaneous revenue	1,217,810	-	-	-	-	-	-	-	1,217,810	7,138,794
Water & sewer revenue	-	-	-	45,312,262	-	-	-	-	45,312,262	44,723,001
Income from energy services	-	-	-	-	-	-	-	21,582,000	21,582,000	24,082,000
Contributions from others	85,142	27,843	-	71,310	-	-	615,563	-	799,858	1,419,504
	151,128,486	3,344,666	8,844,886	45,383,572	-	7,356,026	1,814,196	21,582,000	239,453,833	241,152,381
EXPENSES										
Salaries and benefits	(2,225,617)	47,651,652	18,069,197	9,212,874	1,388,066	6,903,329	4,242,214	-	85,241,715	98,993,649
Goods and services	8,838,501	6,335,148	12,256,848	18,289,657	2,268,931	12,121,447	4,376,143	-	64,486,675	56,159,217
Amortization of tangible assets	8,974,593	-	13,906,435	17,150,242	-	13,140	1,433,924	-	41,478,334	41,439,277
Interest and bank charges	2,538,707	-	307,438	2,382,975	-	67,109	(1,724)	-	5,294,505	6,162,168
Loss from investment	-	-	-	-	-	-	-	8,743,271	8,743,271	-
	18,126,184	53,986,800	44,539,918	47,035,748	3,656,997	19,105,025	10,050,557	8,743,271	205,244,500	202,754,311
SURPLUS (DEFICIT) FOR THE YEAR	133,002,302	(50,642,134)	(35,695,032)	(1,652,176)	(3,656,997)	(11,748,999)	(8,236,361)	12,838,729	34,209,333	38,398,070

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

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 \$
2022 Annual Fund Surplus, per Local Governance Act	2,335,841	32,190,897	266,285	17,488,714	-	21,514,816	73,796,553
Adjustments to 2022 annual surplus (deficit) for funding requirements							
Second previous year's surplus (deficit)	(991,456)	-	437,400	-	-	-	(554,056)
PSAS adjusting entries	2,521,781	(56,478,978)	2,716,996	(29,465,731)	1,234	(30,969,739)	(111,674,436)
Amortization expense	-	24,328,091	-	17,150,242	-	-	41,478,333
Long-term debt principal repayment	13,051,396	-	6,368,000	-	-	4,029,000	23,448,396
Post employment adjustment	(3,023,900)	-	-	-	-	-	(3,023,900)
Pension expense	11,700,000	-	-	-	-	-	11,700,000
Amortization of actuarial gain (loss)	7,946,500	-	-	-	-	-	7,946,500
Long-term disability	1,137,000	-	-	-	-	-	1,137,000
Capital from operating	4,300,000	-	5,638,078	-	-	-	9,938,078
Total adjustments to 2022 annual surplus (deficit)	36,641,321	(32,150,887)	15,160,474	(12,315,489)	1,234	(26,940,739)	(19,604,085)
2022 Annual Surplus (Deficit), per PSAS	38,977,162	40,011	15,426,759	5,173,225	1,234	(5,425,922)	54,192,468

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

24. Controlled Entities Operations

	Saint John Transit Commission	Saint John Free Public Library	TD Station Commission	Canada Games Aquatic Centre Commission	Trade and Convention Centre
Total assets	\$ 24,450,670	\$ 841,996	\$ 1,430,211	\$ 197,964	\$ -
Total liabilities	10,373,669	19,607	1,043,164	367,366	990
Accumulated surplus (deficit)	14,077,001	822,389	387,047	(169,402)	(990)
Total revenues	3,800,671	91,661	3,254,818	2,054,555	406,648
Total operating expenses	11,506,535	569,371	3,860,450	2,592,693	393,279
Annual surplus (deficit)	(7,705,864)	(477,710)	(605,632)	(538,138)	13,369

	Lord Beaverbrook	Saint John Energy	Canada Games Foundation	2022 Consolidated	2021 Consolidated
Total assets	\$ 513,020	\$ 82,380,000	\$ -	\$ 109,813,861	\$ 100,124,818
Total liabilities	324,791	-	-	12,129,587	14,585,799
Accumulated surplus (deficit)	188,229	82,380,000	-	97,684,274	85,539,019
Total revenues	344,664	21,582,000	-	31,535,017	31,320,189
Total operating expenses	412,027	-	-	19,334,355	16,245,501
Annual surplus (deficit)	(67,363)	21,582,000	-	12,200,662	15,074,688

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, 2022

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	Retirement Allowances	Heart and Lung
	\$	\$	\$
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	(237,400)	(1,499,300)	(1,560,300)
Balance to be funded in future years	798,100	3,634,300	2,957,100

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

26. Other Revenue and Expense Details

	2022 Budget (Unaudited) (Note 2) \$	2022 \$	2021 \$
REVENUE			
Other Revenue from Own Sources			
Transportation services	13,369,145	8,844,886	7,282,986
Environmental development services	(317,731)	7,356,026	4,186,315
Protective services	3,059,219	3,316,823	3,454,295
General government services	2,932,793	1,695,329	900,461
Recreational and cultural services	1,169,885	1,198,633	1,432,341
	20,213,311	22,411,697	17,256,398
Contributions from Others			
Recreational and cultural services	-	615,563	15,985
Transportation services	250,000	-	253,762
Protective services	-	27,843	53,087
Water and sewer services	-	71,310	-
Environmental development services	-	-	561,725
General government services	-	85,142	534,945
	250,000	799,858	1,419,504
Government Transfers for Capital			
Regional Development Corporation		4,056,197	75,268
Infrastructure Canada - gas tax funding		2,929,806	778,704
Federal/Provincial clean waste water funding	-		163,661
Community Development		580,639	-
Department of Transportation		1,041,865	
Other		1,517,766	96,270
Deep Energy Retrofit		890,762	
Bilateral Funding		6,303,496	-
Infrastructure Canada - DMAF		2,662,605	2,080,892
	-	19,983,136	3,194,795

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

26. Other Revenue and Expense Details (Continued)

	2022 Budget (Unaudited) (Note 2) \$	2022 \$	2021 \$
EXPENDITURES			
General Government Services			
Legislative			
Common Council	524,902	517,143	495,830
Mayor's office	219,350	194,451	171,829
	744,252	711,594	667,659
City Manager			
City manager	1,019,922	700,966	515,119
Corporate communications	524,001	336,916	549,332
Corporate planning	312,720	193,344	212,796
	1,856,643	1,231,226	1,277,247
Common Services			
Property assessment	1,468,310	1,491,679	1,392,394
City hall building	1,014,587	981,122	1,118,989
Public liability insurance	450,000	487,609	504,937
	2,932,897	2,960,410	3,016,320
Other			
Amortization	-	8,974,593	9,011,686
Other	5,800,000	2,241,955	1,725,274
Information systems and support	3,332,935	3,047,823	3,039,063
Debt charges	16,036,609	2,538,707	3,690,895
Post employment (gains) expenses	9,245,733	(10,903,437)	5,464,912
Finance	1,172,280	1,886,885	1,916,475
Human resources	1,853,166	1,827,258	1,702,230
Materials management	959,240	902,771	826,535
City solicitor	1,030,331	940,590	895,902
External Relations	154,167	148,897	-
Insurance	121,797	133,977	276,537
Common clerk	607,207	566,885	587,065
Customer Service	896,456	887,484	682,539
Regional Services Commission	28,657	28,566	28,931
	41,238,578	13,222,954	29,848,044
Total General Government Services	46,772,370	18,126,184	34,809,270

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

26. Other Revenue and Expense Details (Continued)

	2022 Budget (Unaudited) (Note 2) \$	2022 \$	2021 \$
Protective Services			
Police Protection			
Police operations	15,136,000	14,509,177	14,623,818
Criminal investigations	4,398,533	4,569,450	4,709,814
Administration	1,947,053	2,272,522	1,781,963
Support services	2,224,375	2,140,701	2,039,119
Stations and buildings	937,450	1,001,636	968,179
Automotive	1,023,518	640,979	593,046
Detention services	176,575	169,147	174,077
	25,843,504	25,303,612	24,890,016
Fire Protection			
Fire operations	25,362,725	22,494,534	21,641,725
Fire prevention	850,077	891,119	829,984
Fire investigation	58,578	60,295	57,936
	26,271,380	23,445,948	22,529,645
Other Protective Services			
Emergency dispatch centre	2,789,423	2,688,255	2,876,277
Inspection services	1,027,434	1,297,125	1,053,886
Enforcement services	429,822	391,605	407,204
Dangerous buildings	547,385	264,267	473,675
Emergency measures	341,536	285,220	274,184
Minimum standards	310,229	215,398	275,249
Animal control	91,244	95,370	92,887
	5,537,073	5,237,240	5,453,362
Total Protective Services	57,651,957	53,986,800	52,873,023
Transportation Services			
Public Works			
Amortization		11,978,559	11,974,663
Roads and sidewalks	16,511,693	12,575,639	9,735,805
Other drainage services	3,830,807	2,300,385	2,162,159
Street lighting	958,800	921,382	942,148
Municipal operations	346,667	293,143	322,984
	21,647,967	28,069,108	25,137,759

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

26. Other Revenue and Expense Details (Continued)

	2022 Budget (Unaudited) (Note 2) \$	2022 \$	2021 \$
General Engineering			
Traffic engineering and systems	1,982,463	1,799,290	1,947,200
Transportation	1,191,095	1,022,026	861,397
	3,173,558	2,821,316	2,808,597
Parking Administration			
Parking administration	2,450,999	2,122,923	390,456
	2,450,999	2,122,923	390,456
External Controlled Entities			
Saint John Transit Commission	13,790,440	11,526,571	10,210,574
Saint John Parking Commission	-	-	2,006,555
	13,790,440	11,526,571	12,217,129
Total Transportation Services	41,062,964	44,539,918	40,553,941
Water and Sewer Services			
Saint John Water & Wastewater			
Amortization	-	17,150,242	17,081,493
Drinking water	15,672,695	13,711,007	13,305,790
Wastewater	10,935,105	9,453,379	9,156,044
Fiscal charges	18,639,725	3,634,776	3,818,467
Industrial water	2,696,050	2,351,288	1,915,549
Infrastructure management	717,900	559,542	523,802
Internal charges	935,000	175,514	229,642
Total Water and Sewer Services	49,596,475	47,035,748	46,030,787
Environmental Health Services			
Sanitary Services	3,674,381	3,656,997	3,571,322
Total Environmental Health Services	3,674,381	3,656,997	3,571,322

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

26. Other Revenue and Expense Details (Continued)

	2022 Budget (Unaudited) (Note 2) \$	2022 \$	2021 \$
Environmental Development Services			
Research and Planning			
Community planning	1,695,676	1,566,173	1,573,478
Succeed and stay	171,758	124,846	163,456
Plan SJ	102,884	68,059	22,011
	1,970,318	1,759,078	1,758,945
Administration and Geographic Information Systems (GIS)			
Carpenter shop	325,622	431,967	461,108
GIS	426,585	409,785	357,923
	752,207	841,752	819,031
Economic Development			
Market Square common area	2,250,000	2,181,101	1,996,902
Regional facilities	1,826,707	672,896	832,951
Growth reserve	350,000	84,350	-
	4,426,707	2,938,347	2,829,853
Real Estate Management			
Property management	1,545,173	2,036,760	1,574,277
Real estate	176,940	151,271	159,713
	1,722,113	2,188,031	1,733,990
Other Environmental Development Services			
City Market	1,075,756	1,041,073	1,004,488
Community development	2,494,995	3,246,937	2,644,345
	3,570,751	4,288,010	3,648,833
External Controlled Entities			
Aquatic Centre Commission	-	2,592,693	2,333,229
TD Station Commission	3,179,946	3,860,450	2,007,813
Develop Saint John	86,371	243,385	339,304
Trade and Convention Centre	655,713	393,279	323,225
	3,922,030	7,089,807	5,003,571
Total Environmental Development Services	16,364,126	19,105,025	15,794,223

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2022

26. Other Revenue and Expense Details (Continued)

	2022 Budget (Unaudited) (Note 2) \$	2022 \$	2021 \$
Recreational and Cultural Services			
Cultural Grants			
Other cultural grants	2,295,998	1,358,685	1,153,228
	2,295,998	1,358,685	1,153,228
Parks			
Parks general services	1,883,049	2,086,674	1,706,102
Rockwood Park	376,336	310,241	329,703
	2,259,385	2,396,915	2,035,805
Community Services			
Recreation and parks	388,623	381,031	461,029
Parks and playgrounds	282,576	120,301	182,539
Pro Kids	235,526	137,646	7,858
	906,725	638,978	651,426
Other Recreational and Cultural Services			
Sports and recreation	2,875,289	2,640,506	2,872,877
Amortization	-	1,412,338	1,368,106
Community centres	564,327	499,530	499,060
Cultural affairs	126,289	122,207	110,919
	3,565,905	4,674,581	4,850,962
Externally Controlled Entities			
Saint John Free Public Library	-	569,371	901,622
Lord Beaverbrook Rink	417,500	412,027	467,150
Canada Games Foundation	-	-	(938,448)
	417,500	981,398	430,324
Total Recreational and Cultural Services	9,445,513	10,050,557	9,121,745
Loss on Investment			
Investment in Canada Games Foundation	-	8,743,271	-
	-	8,743,271	-
TOTAL EXPENDITURES	224,567,786	205,244,500	202,754,311