

The City of Saint John

Consolidated Financial Statements

December 31, 2023

The City of Saint John

Contents

Consolidated Financial Statements	Page
Independent Auditor's Report	3 - 4
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations and Accumulated Surplus	6
Consolidated Statement in Changes in Net Debt	7
Consolidated Statement of Cash Flow	8
Notes to the Consolidated Financial Statements	9-38

Independent Auditor's Report

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

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, 2023, 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, 2023, 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
September 3, 2024


The City of Saint John

Consolidated Statement of Financial Position

As at December 31, 2023

	2023	2022
	\$	\$
Financial Assets		
Cash and cash equivalents (Note 4)	125,027,420	117,120,316
Accounts receivable (Notes 5, 6 & 7)	31,602,444	20,555,712
Investment in energy services (Note 8)	88,117,000	82,380,000
Note receivable (Note 9)	17,500,000	20,000,000
Other investments (Note 10)	914,019	899,331
	263,160,883	240,955,359
Financial Liabilities		
Accounts payable and accrued liabilities (Note 11)	36,660,149	29,607,232
Deferred revenue	1,829,462	2,329,976
Deferred government transfers (Note 12)	35,157,872	32,727,955
Post-employment benefits and compensated absences (Note 14)	61,683,400	78,729,900
Long-term debt (Note 13)	170,491,740	194,883,717
Asset retirement obligation (Note 20)	16,141,422	-
	321,964,045	338,278,780
Net debt	(58,803,162)	(97,323,421)
Non-financial assets		
Inventory	4,243,240	3,992,671
Prepaid expenses	1,074,728	116,185
Tangible capital assets (Note 22)	1,000,845,631	984,012,685
	1,006,163,598	988,121,541
Accumulated surplus	947,360,436	890,798,120
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, 2023

	2023 Budget (Note 2) \$	2023 \$	2022 \$
Revenues			
Property taxes	142,169,733	142,169,733	131,483,087
Unconditional grant	15,321,432	15,321,432	16,647,118
Fundy regional services commission grant	546,630	546,630	-
Other revenue from own sources (Note 27)	29,116,899	29,638,033	22,411,697
Water and sewer	49,323,657	47,634,536	45,312,262
Miscellaneous	1,137,528	820,635	1,217,810
Contributions from others (Note 27)	270,000	1,628,239	799,858
Income from energy services	-	5,737,000	21,582,000
	237,885,879	243,496,238	239,453,833
Expenses			
General government services (Note 27)	51,964,458	29,313,989	18,126,184
Protective services (Note 27)	60,973,985	55,542,543	53,986,800
Transportation services (Note 27)	44,520,700	44,923,863	44,539,918
Water and sewer services (Note 27)	51,499,453	48,420,840	47,035,748
Environmental health services (Note 27)	3,830,567	4,134,170	3,656,997
Environmental development services (Note 27)	16,989,056	20,484,761	19,105,025
Recreational and cultural services (Note 27)	10,939,888	11,038,059	10,050,557
Canada Games Foundation Investment (Note 27)	-	-	8,743,271
	240,718,107	213,858,225	205,244,500
Annual surplus (deficit) before capital contributions	(2,832,228)	29,638,013	34,209,332
Government transfers for capital (Note 27)	-	26,924,303	19,983,136
Annual surplus	-	56,562,316	54,192,468
Accumulated surplus, beginning of year	-	890,798,120	836,605,652
Accumulated surplus, end of year	-	947,360,436	890,798,120

The City of Saint John

Consolidated Statement of Changes in Net Debt As at December 31, 2023

	2023	2022
	\$	\$
Annual surplus	56,562,316	54,192,468
Acquisition of tangible capital assets (Note 22)	(62,619,945)	(35,226,780)
Loss on disposal of tangible capital assets (Note 22)	636,027	925,216
Proceeds on sale of tangible capital assets	52,929	362,275
Amortization of tangible capital assets (Note 22)	45,098,043	41,478,333
(Increase) in inventory	(250,569)	(94,527)
(Increase) decrease in prepaid expenses	(958,542)	434,499
Decrease in net debt	38,520,259	62,071,484
Net debt, beginning of year	(97,323,421)	(159,394,905)
Net debt, end of year	(58,803,162)	(97,323,421)

The City of Saint John

Consolidated Statement of Cash Flow

As at December 31, 2023

	2023	2022
	\$	\$
Operating transactions		
Annual surplus	56,562,316	54,192,468
Items not involving cash		
Amortization of tangible capital assets (Note 22)	45,098,043	41,478,333
Loss on disposal of tangible capital assets (Note 22)	636,027	925,216
Income from energy services	(5,737,000)	(21,582,000)
Change in non-cash assets and liabilities		
Accounts receivable	(11,046,732)	(2,295,977)
Inventory	(250,569)	(94,527)
Prepaid expenses	(958,542)	434,499
Accounts payable and accrued liabilities	7,052,917	(1,148,753)
Deferred revenue	(500,514)	472,644
Deferred government transfers	2,429,917	11,903,993
Other post-employment liabilities	(17,046,500)	(21,086,387)
Increase in asset retirement obligation liabilities (Note 20)	16,141,422	-
	92,380,786	63,199,509
Capital transactions		
Acquisitions of tangible capital assets (Note 22)	(62,619,945)	(35,226,780)
Proceeds on the sale of tangible capital assets	52,929	362,275
	(62,567,016)	(34,864,505)
Financing transactions		
Repayment of long-term debt	(24,391,977)	(23,448,396)
Proceeds from long-term debt	-	7,250,000
	(24,391,977)	(16,198,396)
Investing transactions		
(Purchase) redemption of investments	(14,688)	8,683,260
Proceeds from note receivable	2,500,000	2,500,000
	2,485,312	11,183,260
Increase in cash and cash equivalents	7,907,104	23,319,869
Cash and cash equivalents, beginning of year	117,120,316	93,800,447
Cash and cash equivalents, end of year	125,027,420	117,120,316

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

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 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

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 12, 2022 and the Minister of Local Government on January 9, 2023. The budget is unaudited and does not include elimination of inter-organizational revenues and expenses with controlled entities.

2. Summary of Significant Accounting Policies (Continued)

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, asset retirement obligations, 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.

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.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

2. Summary of Significant Accounting Policies (Continued)

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:

<u>Asset Type</u>	<u>Years</u>
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's implementation of PS 3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

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.

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.

Asset Retirement Obligation

On January 1, 2023 the City has adopted Public Accounting Standard PS3280 - Asset Retirement Obligations. The accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets. The standard was adopted on a prospective basis at the date of adoption. Under the prospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. The prior years comparative have not been restated.

The City has recognized an asset retirement obligation related to under and above ground fuel storage tanks and buildings containing asbestos and other hazardous materials.

The liability is discounted using a present value calculation and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital asset is being amortized over their remaining useful lives as outlined in note 2.

Adoption of Other Accounting Standards

On January 1, 2023, the City has also adopted the following standards:

PSAS 3450- Financial Instruments: All financial instruments are included on the Statement of Financial Position and are measured at either fair value or amortized cost based on the characteristics of the instrument and the Region's accounting policy choices (Note 2).

PSAS 1201- Financial statement Presentation: Requires a new Statement of Remeasurement of Gains and Losses separate from the Consolidated Statement of Operations.

PSAS 2601- Foreign Currency Translations: requires that monetary assets and liabilities denominated in a foreign currency and non-monetary items included in the fair value category, denominated in a foreign currency, be adjusted to reflect the exchange rates in effect at the financial statement date.

Although all three standards have been adopted by the city, these have not caused any impact to the financial statements of 2023 or other disclosures

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, 2023, the balance of the operating line of credit was \$nil (2022 - \$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 2023, the City has complied with these limitations.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

4. Cash and Cash Equivalents

Cash and cash equivalents consists of the following:

	2023	2022
	\$	\$
Unrestricted cash	87,856,299	82,382,279
Restricted cash		
Canada Community-Building Fund	29,075,588	28,071,699
Rapid Housing Initiative	3,613,028	-
Funding to support Public Transit and Housing	2,469,256	4,656,256
Deposits on contracts	1,716,652	1,716,653
Land Sub-division Fund	230,377	229,107
Saint John Non-Profit Housing Future Development Fund	58,702	55,766
Airspace 2049 Fund	7,518	8,556
	125,027,420	117,120,316

Included in this amount are funds internally restricted through a resolution to Common Council to support reserves as included in note 21 for a total of \$48,716,706 (2022 - \$37,546,839)

5. Accounts Receivable

Accounts receivable consist of the following:

	2023	2022
	\$	\$
Water and sewer charges to ratepayers	9,680,160	8,703,463
Other receivables	21,925,761	12,252,992
Due from the Federal Government and its agencies	2,025,416	1,489,795
Due from the Province of New Brunswick	464,290	461,319
Allowance for doubtful accounts	(2,493,183)	(2,351,857)
	31,602,444	20,555,712

6. Due from the Federal Government and its Agencies

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

	2023	2022
	\$	\$
Canada Revenue Agency HST receivable	2,025,416	1,489,795
	2,025,416	1,489,795

7. Due from the Province of New Brunswick

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

	2023	2022
	\$	\$
Regional Development Corporation	-	401,499
Department of Transportation	238,905	-
Department of Public Safety	170,201	-
Other	55,184	59,820
	464,290	461,319

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

8. Investment in Energy Services

Change in equity Saint John Energy:

	2023	2022
	\$	\$
Investment, beginning of year	82,380,000	60,798,000
Net gain	5,737,000	21,582,000
Investment, end of year	88,117,000	82,380,000

9. Note Receivable

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

	2023	2022
	\$	\$
Power Commission of the City of Saint John	17,500,000	20,000,000

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.

10. Other Investments

Other investments consist of the following:

	2023	2022
	\$	\$
Other investments	914,019	899,331

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.

11. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following:

	2023	2022
	\$	\$
Trade payables	24,864,200	18,312,368
Payroll	7,734,995	6,985,085
Deposits	1,984,814	1,891,652
Conferences and holdings	1,399,842	1,272,978
Interest payable	398,966	438,768
Due to Pension Fund	198,709	390,236
Other	78,623	316,145
	36,660,149	29,607,232

12. Deferred Government Transfers

Deferred government transfers consist of the following:

	2023	2022
	\$	\$
Canada Community-Building Fund	29,075,588	28,071,699
Rapid Housing Initiative	3,613,028	-
Funding to Support Public Transit and Housing	2,469,256	4,656,256
	35,157,872	32,727,955

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

13. Long-Term Debt

Year of Issue	Interest Rate %	Term (Years)	2023	2023	2022
			Annual Payment \$	\$	\$
New Brunswick Municipal Finance Corporation Debentures					
2008	2.100 to 5.550	15	362,000	-	362,000
2008	2.100 to 5.550	15	1,050,000	-	1,050,000
2008	2.100 to 5.550	15	100,000	-	100,000
2011	2.060	15	200,000	1,600,000	1,800,000
2012	1.350 to 3.550	15	767,000	3,063,000	3,830,000
2012	1.350 to 3.800	20	425,000	3,825,000	4,250,000
2012	1.350 to 3.550	15	300,000	1,200,000	1,500,000
2013	1.350 to 3.700	15	687,000	3,430,000	4,117,000
2013	1.350 to 4.000	20	550,000	5,500,000	6,050,000
2013	1.350 to 4.000	20	360,000	5,400,000	5,760,000
2014	2.000	20	500,000	5,500,000	6,000,000
2014	1.150 to 3.900	15	707,000	4,237,000	4,944,000
2014	1.200 to 3.700	15	267,000	1,597,000	1,864,000
2014	1.200 to 3.700	20	668,000	2,668,000	3,336,000
2014	1.150 to 3.900	15	27,000	157,000	184,000
2015	0.950 to 3.250	15	500,000	3,500,000	4,000,000
2015	1.050 to 3.650	15	133,000	936,000	1,069,000
2015	0.950 to 3.500	20	175,000	2,100,000	2,275,000
2015	1.050 to 3.150	10	175,000	350,000	525,000
2015	1.050 to 3.650	15	67,000	464,000	531,000
2016	1.200 to 3.550	15	300,000	2,400,000	2,700,000
2016	1.450 to 3.500	15	400,000	3,200,000	3,600,000
2016	1.450 to 3.750	20	200,000	2,600,000	2,800,000
2016	1.200 to 2.950	10	400,000	1,200,000	1,600,000
2016	1.200 to 3.550	15	67,000	531,000	598,000
2017	1.200 to 3.300	15	333,000	3,002,000	3,335,000
2017	1.650 to 3.200	15	133,000	1,202,000	1,335,000
2017	1.650 to 3.400	30	1,500,000	36,000,000	37,500,000
2017	1.650 to 2.900	10	350,000	1,400,000	1,750,000
2017	1.650 to 3.200	15	67,000	598,000	665,000
2018	2.550 to 3.550	15	700,000	7,000,000	7,700,000
2018	2.100 to 3.000	5	566,000	-	566,000
2018	2.100 to 3.450	10	125,000	625,000	750,000
2019	2.050 to 2.300	5	1,034,000	1,034,000	2,068,000
2019	3.410	10	143,000	856,000	999,000
2019	2.050 to 2.850	10	75,000	450,000	525,000
2019	1.950 to 2.100	5	334,000	334,000	668,000
2019	1.950 to 2.800	15	1,059,000	5,994,000	7,053,000

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

13. Long-Term Debt (Continued)

Year of Issue	Interest Rate %	Term (Years)	2023		2022
			Annual Payment \$	\$	
2019	1.950 to 2.450	10	250,000	1,500,000	1,750,000
2020	0.900 to 1.500	5	1,000,000	2,000,000	3,000,000
2020	0.500 to 2.300	15	467,000	5,599,000	6,066,000
2020	0.500 to 1.800	10	2,500,000	17,500,000	20,000,000
2020	0.900 to 2.050	10	250,000	1,750,000	2,000,000
2021	0.300 to 2.300	10	2,466,000	12,398,000	14,864,000
2021	0.855 to 2.762	15	700,000	6,100,000	6,800,000
2021	0.855 to 2.378	10	350,000	2,800,000	3,150,000
2022	4.700 to 4.709	10	483,000	6,767,000	7,250,000
			24,272,000	170,367,000	194,639,000
Other Debentures					
Canada Mortgage and Housing Debentures					
2009	3.970	15	119,977	124,740	244,717
Total Debentures			24,391,977	170,491,740	194,883,717

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:

	\$
2024	22,493,740
2025	19,967,000
2026	18,792,000
2027	16,621,000
2028	15,204,000
Thereafter	77,414,000
170,491,740	

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).

14. Post Employment Benefits and Compensated Absences (Continued)

City of Saint John Shared Risk Plan (Continued)

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 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.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

14. Post Employment Benefits and Compensated Absences (Continued)

City of Saint John Shared Risk Plan (Continued)

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, 2023. 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, 2022 and current period benefit cost for the following year are based on an actuarial valuation conducted as at December 31, 2022. The accrued benefit obligation as at December 31, 2022 and current period benefit cost for the following year are based on an actuarial valuation conducted as at December 31, 2022 and extrapolated to December 31, 2023, using assumptions effective for December 31, 2022. 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:

	2023	2022
Discount rate	6.10%	6.10%
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 \$19,400,000 (2022 - \$19,700,000).

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.

	2023	2022
	\$	\$
City share of accrued benefit liability, beginning of year	25,600,000	16,800,000
City share of current period benefit cost	5,600,000	6,000,000
City share of past service cost	-	1,300,000
Interest cost	1,100,000	700,000
Less: City contributions	(19,400,000)	(19,700,000)
Actuarial loss	7,300,000	20,500,000
City share of accrued benefit liability, end of year	20,200,000	25,600,000
Unamortized actuarial gain	23,700,000	35,200,000
Pension liability, end of year	43,900,000	60,800,000

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

14. Post Employment Benefits and Compensated Absences (Continued)

City of Saint John Shared Risk Plan (Continued)

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

	2023	2022
	\$	\$
Current period benefit cost	5,600,000	6,000,000
Past service cost	-	1,300,000
Interest cost	1,100,000	700,000
Amortization of City share of actuarial gain	(4,200,000)	(6,100,000)
Total expense related to Pension	2,500,000	1,900,000

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).

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 \$65,905 (2022 - \$66,619) 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, 2023. Previous to that, an actuarial valuation was performed as at December 31, 2022.

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.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

14. Post Employment Benefits and Compensated Absences (Continued)

Valuation Techniques and Assumptions (continued)

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

	2023	2022
	\$	\$
Accrued benefit obligation, beginning of year	18,390,100	22,565,100
Current period benefit cost	903,200	1,144,500
Benefit payments	(2,103,600)	(2,797,800)
Interest cost	823,700	565,100
Actuarial loss (gain)	775,200	(3,086,800)
Other employee future benefits, end of year	18,788,600	18,390,100

	2023	2022
	\$	\$
Main assumptions used for these plans:		
Discount rate	4.27%	4.63%
Salary increase	3.00%	3.00%
EARSL Range	1 to 25	1 to 25

These benefit plans require no contributions from employees. The benefit liability as at December 31, 2023 includes the following components:

	2023	2022
	\$	\$
Accrued Benefit Obligation (Carrying Value)		
Retirement allowances	3,948,200	3,634,300
Sick leave	7,811,200	7,328,000
Heart and lung pension	3,192,000	2,957,100
Disability benefits	2,326,800	2,916,000
Contractual top up agreements	722,500	798,100
Sick leave - Saint John Transit Commission	787,900	756,600
	18,788,600	18,390,100
Unamortized actuarial loss	(1,005,200)	(460,200)
	17,783,400	17,929,900

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:

	2023	2022
	\$	\$
Current period benefit cost	903,200	1,144,500
Amortization of actuarial loss	230,200	377,900
	1,133,400	1,522,400
Other employee benefit interest expense	823,700	565,100
Total expense related to other employee future benefits	1,957,100	2,087,500

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

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, 2023 amounted to \$3,185,000 (2022 – \$1,465,000). Based on 2021 population figures, the City is liable for approximately 55.76% 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. The outcome of all the proceedings and the claims against the City is subject to future resolution and the uncertainties of litigation. 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.

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 2023 (2022 - 55.76%).

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:

	2023	2022
	\$	\$
2023 Surplus	307,813	-
2022 Surplus	266,284	266,284
2021 Surplus	1,137,222	1,516,296
2020 Surplus	484,519	726,779
2019 Surplus	49,183	98,366
2018 Surplus	-	12,948
	2,245,021	2,620,673

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

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, 2023 was \$520,155 (2022 - \$494,218).

20. Asset Retirement Obligation

The estimated liability is the present value of future cash flow associated with the asset retirement costs discounted using a discounting rate of 4.63% for the year 2023. The City asset retirement obligation consists of obligations as follows:

The City has buildings that were built before 1990 that may have asbestos and fuel storage tanks. The cost of removal of the asbestos and fuel storage tank remediation have been recognized under PS 3280 - Asset Retirement Obligation.

The transition and recognition of asset retirement obligation involved an accompanying increase to the Capital Assets.

Asset Retirement Obligation

	2023	2022
	\$	\$
Gross undiscounted expenditure	24,332,214	-
Opening balance, January 1, 2023	-	-
Adjustment to recognize asset retirement obligation on adoption (note 2)	14,552,805	-
Accretion expenses	1,588,618	-
Closing balance, December 31, 2023	16,141,422	-

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

21. Statement of Reserves

	Water & Sewer Capital Reserve	Water & Sewer Operating Reserve	General Operating Reserve	General Capital Reserve	2023 Total	2022 Total
Assets						
Cash	12,356,836	2,362,673	8,044,704	19,077,493	41,841,706	37,546,839
Investments (a)	875,000	-	-	6,000,000	6,875,000	-
Accumulated Surplus	13,231,836	2,362,673	8,044,704	25,077,493	48,716,706	37,546,839
Revenue						
Transfers from Water and Sewerage Utility Operating	3,326,113	895,516	-	-	4,221,629	2,849,141
Transfer between Operating and Capital	1,000,000	(1,000,000)	-	-	-	-
Transfers from General Operating Fund	-	-	422,289	10,442,225	10,864,514	5,508,732
Proceeds on Sale of Assets	-	-	-	52,929	52,929	362,275
Interest	463,032	124,264	392,064	1,011,306	1,990,666	708,224
Total Revenues	4,789,145	19,780	814,353	11,506,460	17,129,738	9,428,372
Expenditures	303,018	-	161,700	5,495,153	5,959,871	5,126,537
Annual Surplus (Deficit)	4,486,127	19,780	652,653	6,011,307	11,169,867	4,301,835
Balance, beginning of year	8,745,709	2,342,893	7,392,051	19,066,186	37,546,839	33,245,004
Balance, end of year	13,231,836	2,362,673	8,044,704	25,077,493	48,716,706	37,546,839

(a) Included in the assets of General and Water and Sewer Capital Reserves is \$6,875,000 of interfund debentures.

Name of Investment	Principle Amount	Interest Rate	Date of Maturity
Interfund Debenture - IFD 1 2023	6,000,000	4.511%-5.245%	December 12, 2033
Interfund Debenture - IFD 2 2023	875,000	4.511%-5.245%	December 12, 2028

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

21. Statement of Reserves (Continued)

Council Resolutions regarding transfers to and from reserves

Common Council Meeting – December 11th, 2023 – Open Session

Moved by Councillor Sullivan, seconded by Councillor Stewart:

RESOLVED that as recommended by the Finance Committee in the report entitled M&C 2023-273: 2023 Reserves Common Council approve the transfer of funds to and from the following reserves:

General Operating Reserves

\$422,489 from the General Operating Fund to the General Operating Reserve
\$161,700 from the General Operating Reserve to the General Operating Fund

General Capital Reserves

\$10,495,154 from the General Operating Fund to General Capital Reserve
\$5,495,152 from the General Capital Reserve to the General Capital Fund

Utility Operating Reserves

\$895,516 from the Utility Operating Fund to the Utility Operating Reserve
(Industrial Rate Stabilization)
\$1,000,000 from the Utility Operating Reserve to the Utility Capital Reserve

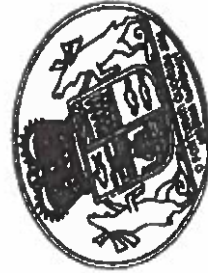
Utility Capital Reserves

\$3,326,113 from the Utility Operating Fund to the Utility Fund Capital Reserve
\$303,018 from the Utility Capital Reserve (Fleet) to the Utility Capital Fund
\$1,000,000 from the Utility Operating Reserve 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, 2023

22. Tangible Capital Assets

	Land		Leasehold		Buildings	Vehicles	Machinery & Equipment		Transportation	Water & Wastewater Networks		Assets under Construction		Retirement Obligation	2023 Total
	\$	\$	\$	\$			\$	\$		\$	\$	\$	\$		
COST															
Balance, beginning of year	148,316,192	48,680,061	5,802,760	220,100,750	52,696,665	21,331,651	471,075,061	774,092,313	13,757,538	1,755,852,992					
Additions and transfers	-	3,678,230	-	1,809,467	4,488,660	1,239,947	11,786,130	6,779,005	18,285,702	14,552,805					62,619,945
Disposals	-	4,391	-	155,085	484,555	-	2,990,809	711,460	-	-					4,346,299
Balance, end of year	148,316,192	52,353,900	5,802,760	221,755,132	56,700,770	22,571,598	479,870,382	780,159,858	32,043,240	14,552,805					1,814,126,638
ACCUMULATED AMORTIZATION															
Balance, beginning of year	-	22,304,968	2,482,600	122,680,510	32,415,078	14,510,034	251,229,769	326,217,347	-	-					771,840,306
Amortization for the year	-	1,551,980	325,843	5,408,334	3,498,718	1,586,790	11,955,093	17,233,548	-	-					45,098,043
Accumulated amortization on disposals	-	4,171	-	39,931	484,555	-	2,606,550	522,135	-	-					3,657,343
Balance, end of year	-	23,852,777	2,808,443	128,048,913	35,429,241	16,096,824	260,578,312	342,928,759	-	-					813,281,006
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	148,316,192	28,501,123	2,994,317	93,706,219	21,271,530	6,474,774	219,292,070	437,231,099	32,043,240	11,015,067					1,000,845,631
Consists of:															
General Fund assets	148,316,192	28,501,123	2,994,317	93,706,219	21,271,530	6,474,774	219,292,070	-	26,676,428	11,015,067					558,247,720
Water and Wastewater assets	-	-	-	-	-	-	-	437,231,099	5,366,812	-					442,597,911
	148,316,192	28,501,123	2,994,317	93,706,219	21,271,530	6,474,774	219,292,070	437,231,099	32,043,240	11,015,067					1,000,845,631

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

22. Tangible Capital Assets (Continued)

	Land	Land Improvements	Leasehold Improvements	Buildings	Vehicles	Machinery & Equipment	Transportation	Water & Wastewater Networks	Assets under Construction	Asset Retirement Obligation	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	-	3,445,452	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	3,700,076	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	774,092,313	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	17,150,242	-	-	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	326,217,347	-	-	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, 2023

23. Segment Disclosure

	General Government Services	Protective Services	Transportation Services	Water & Sewer Services	Environmental Health Services	Environmental Development & Cultural Services	Energy Services	2023 Consolidated	2022 Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES									
Property taxes	142,169,733	-	-	-	-	-	-	142,169,733	131,483,087
Unconditional grant	15,321,432	-	-	-	-	-	-	15,321,432	16,647,118
Fundy regional service grant	546,630	-	-	-	-	-	-	546,630	-
Other revenue from own sources	4,511,526	4,765,806	9,805,906	-	9,052,405	1,502,390	-	29,638,033	22,411,697
Miscellaneous revenue	820,635	-	-	-	-	-	-	820,635	1,217,810
Water & sewer revenue	-	-	-	47,634,536	-	-	-	47,634,536	45,312,262
Income from energy services	-	-	-	-	-	-	5,737,000	5,737,000	21,582,000
Contributions from others	308,154	24,550	220,989	-	-	1,074,546	-	1,628,239	799,858
	163,678,110	4,790,356	10,026,895	47,634,536	-	9,052,405	5,737,000	243,496,238	239,453,833
EXPENSES									
Salaries and benefits	1,714,533	48,737,684	19,184,286	9,396,550	1,815,861	4,778,713	-	93,190,685	85,241,715
Goods and services	10,991,295	6,804,859	11,692,564	19,560,125	2,318,309	4,685,271	-	68,918,621	64,486,675
Amortization of tangible assets	8,978,077	-	13,774,846	17,233,548	-	1,573,835	-	41,560,306	41,478,334
Interest and bank charges	2,503,728	-	272,167	2,230,617	-	240	-	5,062,257	5,294,505
Asset Retirement Obligation	5,126,356	-	-	-	-	-	-	5,126,356	8,743,271
	29,313,989	55,542,543	44,923,863	48,420,840	4,134,170	11,038,059	-	213,858,225	205,244,500
SURPLUS (DEFICIT) FOR THE YEAR	134,364,121	(50,752,187)	(34,896,968)	(786,304)	(4,134,170)	(11,432,356)	5,737,000	29,638,013	34,209,333

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

24. 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 \$
2023 Annual Fund Surplus, per Local Governance Act	272,874	37,003,292	307,813	9,732,690	-	(4,506,662)	42,810,007
Adjustments to 2023 annual surplus (deficit) for funding requirements							
Second previous year's surplus (deficit)	1,753,145	-	680,796	-	-	-	2,433,941
PSAS adjusting entries	33,186,899	(66,254,440)	17,066,625	(23,173,329)	-	3,595,966	(35,578,278)
Amortization expense	-	24,326,758	-	17,233,548	-	-	41,560,306
Long-term debt principal repayment	(13,153,977)	-	(7,243,000)	-	-	(3,995,000)	(24,391,977)
Post employment adjustment	773,300	-	-	-	-	-	773,300
Pension expense	12,700,000	-	-	-	-	-	12,700,000
Amortization of actuarial gain (loss)	3,976,000	-	-	-	-	-	3,976,000
Long-term disability	-	-	-	-	-	-	-
Capital from operating	6,644,009	-	5,635,008	-	-	-	12,279,017
Total adjustments to 2023 annual surplus (deficit)	45,879,376	(41,927,681)	16,139,429	(5,939,781)	-	(399,034)	13,752,308
2023 Annual Surplus (Deficit), per PSAS	46,152,250	(4,924,390)	16,447,242	3,792,909	-	(4,905,696)	56,567,316

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

25. 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	\$ 23,719,153	\$ 1,464,561	\$ 2,430,994	\$ 379,016	\$ -
Total liabilities	9,240,387	73,034	1,865,104	376,933	-
Accumulated surplus (deficit)	14,478,766	1,391,527	565,890	2,083	-
Total revenues	4,602,448	238,329	3,250,528	2,140,998	480,760
Total operating expenses	12,989,581	591,632	3,826,365	2,852,558	501,391
Annual surplus (deficit)	(8,387,133)	(353,303)	(575,837)	(711,560)	(20,631)
	Lord Beaverbrook	Saint John Energy	2022 Consolidated	2023 Consolidated	2022 Consolidated
Total assets	\$ 531,192	\$ 88,117,000	\$ 116,641,916	\$ 109,813,861	\$ -
Total liabilities	344,563	-	11,900,021	12,129,587	-
Accumulated surplus (deficit)	186,629	88,117,000	104,741,895	97,684,274	-
Total revenues	365,872	5,737,000	16,815,935	31,535,017	-
Total operating expenses	561,070	-	21,322,597	19,334,355	-
Annual surplus (deficit)	(195,198)	5,737,000	(4,506,662)	12,200,662	-

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, 2023

26. 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	(313,000)	(1,185,400)	(1,325,400)
Balance to be funded in future years	722,500	3,948,200	3,192,000

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

27. Other Revenue and Expense Details

	2023 Budget (Note 2) \$	2023 \$	2022 \$
REVENUE			
Other Revenue from Own Sources			
Transportation services	15,177,609	9,805,906	8,844,886
Environmental development services	6,686,590	9,052,405	7,356,026
Protective services	2,910,632	4,765,806	3,316,823
General government services	3,245,554	4,511,526	1,695,329
Recreational and cultural services	1,096,514	1,502,390	1,198,633
	29,116,899	29,638,033	22,411,697
Contributions from Others			
Recreational and cultural services	-	1,074,546	615,563
Transportation services	250,000	220,989	-
Protective services	20,000	24,550	27,843
Water and sewer services	-	-	71,310
General government services	-	308,154	85,142
	270,000	1,628,239	799,858
Government Transfers for Capital			
Regional Development Corporation	-	-	4,056,197
Canada Community Building Fund	-	5,590,175	2,929,806
Funding Support Public Transit and Housing	-	1,873,000	-
Community Development Fund	-	1,408,229	580,639
Department of Transportation	-	-	1,041,865
Other	-	663,686	1,517,765
Deep Energy Retrofit	-	550,000	890,762
Low Carbon Fund	-	786,504	-
Integrated Bilateral Funding	-	15,094,720	6,303,496
Infrastructure Canada - DMAF	-	957,990	2,662,605
	-	26,924,303	19,983,136

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

27. Other Revenue and Expense Details (Continued)

	2023 Budget (Note 2) \$	2023 \$	2022 \$
EXPENDITURES			
General Government Services			
Legislative			
Common Council	602,503	607,768	517,143
Mayor's office	225,837	186,332	194,451
	828,340	794,100	711,594
City Manager			
City manager	779,271	1,009,887	700,966
Corporate communications	516,634	403,524	336,916
Corporate planning	316,055	228,811	193,344
	1,611,960	1,642,222	1,231,226
Common Services			
Property assessment	1,701,756	1,622,340	1,491,679
City hall building	1,009,471	1,011,057	981,122
Public liability insurance	550,000	538,821	487,609
	3,261,227	3,172,218	2,960,410
Other			
Amortization	-	8,978,077	8,974,593
Accretion expense - asset retirement obligation		1,588,618	-
Amortization of asset retirement obligation		3,537,738	-
Other	9,856,797	2,654,183	2,241,955
Information systems and support	3,511,071	3,439,469	3,047,823
Debt charges	15,927,210	2,503,728	2,538,707
Post employment (gains) expenses	9,460,000	(7,620,306)	(10,903,437)
Finance	1,250,757	1,950,674	1,886,885
Human resources	1,942,089	2,503,978	1,827,258
Materials management	995,568	945,410	902,771
City solicitor	1,136,916	1,284,433	940,590
External Relations	225,386	180,262	148,897
Insurance	138,860	113,428	133,977
Common clerk	642,779	657,517	566,885
Customer Service	999,115	808,044	887,484
Regional Services Commission	176,383	180,197	28,566
	46,262,931	23,705,449	13,222,954
Total General Government Services	51,964,458	29,313,989	18,126,184

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

27. Other Revenue and Expense Details (Continued)

	2023 Budget (Note 2) \$	2023 \$	2022 \$
Protective Services			
Police Protection			
Police operations	17,342,680	14,971,836	14,509,177
Criminal investigations	4,623,244	4,653,780	4,569,450
Administration	2,103,838	2,583,433	2,272,522
Support services	1,812,844	2,366,459	2,140,701
Stations and buildings	970,834	1,097,316	1,001,636
Automotive	1,106,149	669,776	640,979
Detention services	179,975	183,004	169,147
	28,139,564	26,525,604	25,303,612
Fire Protection			
Fire operations	26,208,265	22,895,864	22,494,534
Fire prevention	908,059	846,542	891,119
Fire investigation	66,123	63,709	60,295
	27,182,447	23,806,115	23,445,948
Other Protective Services			
Emergency dispatch centre	2,894,857	2,794,896	2,688,255
Inspection services	1,181,614	1,340,548	1,297,125
Enforcement services	356,103	233,441	391,605
Dangerous buildings	374,428	148,839	264,267
Emergency measures	360,216	222,923	285,220
Minimum standards	375,506	369,867	215,398
Animal control	109,250	100,310	95,370
	5,651,974	5,210,824	5,237,240
Total Protective Services	60,973,985	55,542,543	53,986,800
Transportation Services			
Public Works			
Amortization	-	11,955,093	11,978,559
Roads and sidewalks	17,322,306	11,138,975	12,575,639
Other drainage services	3,961,967	2,285,382	2,300,385
Street lighting	1,060,000	951,587	921,382
Municipal operations	350,328	357,266	293,143
	22,694,601	26,688,303	28,069,108

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

27. Other Revenue and Expense Details (Continued)

	2023 Budget (Note 2) \$	2023 \$	2022 \$
General Engineering			
Traffic engineering and systems	2,396,798	2,180,164	1,799,290
Transportation	1,252,328	1,026,213	1,022,026
	3,649,126	3,206,377	2,821,316
Parking Administration			
Parking administration	2,613,732	2,060,031	2,122,923
	2,613,732	2,060,031	2,122,923
External Controlled Entities			
Saint John Transit Commission	15,563,241	12,969,152	11,526,571
	15,563,241	12,969,152	11,526,571
Total Transportation Services	44,520,700	44,923,863	44,539,918
Water and Sewer Services			
Saint John Water & Wastewater			
Amortization	-	17,233,548	17,150,242
Drinking water	15,911,714	14,068,521	13,711,007
Wastewater	12,225,896	10,532,554	9,453,379
Fiscal charges	18,630,112	3,365,556	3,634,776
Industrial water	3,001,964	2,459,346	2,351,288
Infrastructure management	709,667	614,971	559,542
Internal charges	1,020,100	146,344	175,514
Total Water and Sewer Services	51,499,453	48,420,840	47,035,748
Environmental Health Services			
Sanitary Services	3,830,567	4,134,170	3,656,997
Total Environmental Health Services	3,830,567	4,134,170	3,656,997

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

27. Other Revenue and Expense Details (Continued)

	2023 Budget (Note 2) \$	2023 \$	2022 \$
Environmental Development Services			
Research and Planning			
Community planning	1,791,586	1,435,137	1,566,173
Succeed and stay	92,785	114,237	124,846
Affordable Housing	105,719	1,319,049	-
Plan SJ	220,600	-	68,059
	2,210,690	2,868,423	1,759,078
Administration and Geographic Information Systems (GIS)			
Carpenter shop	371,482	333,155	431,967
GIS	413,258	390,669	409,785
	784,740	723,824	841,752
Economic Development			
Market Square common area	2,250,000	2,469,398	2,181,101
Regional facilities	1,863,835	799,236	672,896
Growth reserve	350,000	88,875	84,350
	4,463,835	3,357,509	2,938,347
Real Estate Management			
Property management	1,579,996	1,532,212	2,036,760
Real estate	177,086	174,592	151,271
	1,757,082	1,706,804	2,188,031
Other Environmental Development Services			
City Market	1,144,015	1,184,940	1,041,073
Community development	3,383,078	3,341,320	3,246,937
	4,527,093	4,526,260	4,288,010
External Controlled Entities			
Aquatic Centre Commission	-	2,852,558	2,592,693
TD Station Commission	2,324,818	3,826,365	3,860,450
Develop Saint John	195,763	121,627	243,385
Trade and Convention Centre	725,035	501,391	393,279
	3,245,616	7,301,941	7,089,807
Total Environmental Development Services	16,989,056	20,484,761	19,105,025

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2023

27. Other Revenue and Expense Details (Continued)

	2023 Budget (Note 2) \$	2023 \$	2022 \$
Recreational and Cultural Services			
Cultural Grants			
Other cultural grants	2,991,012	1,272,715	1,358,685
	2,991,012	1,272,715	1,358,685
Parks			
Parks general services	2,095,731	2,229,437	2,086,674
Rockwood Park	405,699	278,392	310,241
	2,501,430	2,507,829	2,396,915
Community Services			
Recreation and parks	608,695	524,448	381,031
Parks and playgrounds	336,497	244,382	120,301
Pro Kids	109,693	79,371	137,646
	1,054,885	848,201	638,978
Other Recreational and Cultural Services			
Sports and recreation	3,152,752	2,958,202	2,640,506
Amortization	-	1,551,980	1,412,338
Community centres	666,282	625,980	499,530
Cultural affairs	129,827	120,446	122,207
	3,948,861	5,256,608	4,674,581
Externally Controlled Entities			
Saint John Free Public Library	-	591,632	569,371
Lord Beaverbrook Rink	443,700	561,074	412,027
	443,700	1,152,706	981,398
Total Recreational and Cultural Services	10,939,888	11,038,059	10,050,557
Loss on Investment			
Investment in Canada Games Foundation	-	-	8,743,271
	-	-	8,743,271
TOTAL EXPENDITURES	240,718,107	213,858,225	205,244,500

28. Financial Instruments and Risk Management

Financial instruments include cash and cash equivalents, investments, receivables, payables, and debt. The Region has exposure to the following financial risks from its use of financial instruments: market risk, credit risk, and liquidity risk. Management is responsible for safeguarding resources, managing risks, and implementing appropriate policies and framework.

Market Risk

Market risk is the risk that the fair value or future cash flows of the City's financial instruments will fluctuate because of changes in market prices. Market risk is comprised of interest rate risk and other price risk. The City is exposed to certain of these risks, as described below.

a) Interest Rate Risk

The long-term debt generally bears interest at fixed rates. Consequently, the cash flow exposure is not significant. However, the fair value of loans having fixed interest rates could fluctuate because of changes in market interest rates. The interest-bearing cash equivalents and other investments represent a limited exposure to interest rate risk due to their relative value and their short-term maturity.

b) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The City's exposure to other price risk is limited.

Credit Risk

The City provides credit to its customers in the normal course of its operations. It carries out, on a continuing basis, an assessment of collectability on its customers and maintains an allowance for doubtful accounts (note 5).

The City's exposure to credit risk in respect of its other assets consists of cash and cash equivalents, other investments and note receivable. The City's cash and cash equivalents and other investments are held with creditworthy financial institutions, such as major Canadian chartered banks. The City's note receivable is due from the Power Commission of the City of Saint John.

Liquidity Risk

The City's objective is to have sufficient liquidity to meet its liabilities when due. The City monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2023, the most significant financial liabilities are accounts payable and accrued liabilities and long-term debt.

The accounts payable and accrued liabilities are due within one year and the maturity of long term debt is disclosed in note 13.