



Investment in Our Priorities

Building a Sustainable Saint John



2013 Annual Report
For the year ended December 31, 2013



The annual report provides an opportunity to communicate with our citizens on major service accomplishments and significant projects completed during the past year and the City's consolidated financial statements. Progress is measured against Council's priorities for the community. We invite you to take some time to read through the 2013 Annual Report and learn more about how we've been investing in these priorities to build a sustainable Saint John.



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Our Saint John

Canada's first city, leads the nation as an example of a sustainable community.

(Community Vision established 2007)

Saint John at a Glance



70,063 Population
(2011 Census)



316 km² Area
(Largest in Province)



Community

580 heritage properties

within the City's 11
designated heritage
conservation areas

Approximately
100
pieces of art
in public places

6 community centres

offering recreation programs
in partnership with
community groups and non-
profit organizations

2,943 acres
of parkland and 56 km of trails
in Rockwood Park for recreation
and leisure pursuits

Transit service within .5 km

of 80% of City residents

7 fire stations

with **752 km** of routing to
support emergency response

5 community police

offices located in various
neighbourhoods aimed at
preventing crime



Economy

1,500 acres

of industrial land in 3
industrial parks under
management

\$6.6 billion
assessment base

\$201.7 million

in consolidated expenditures
to deliver valued services to
our citizens

\$167,000

average cost to purchase a
house in Saint John (CMA—
MLS Data)



Infrastructure

1,328

lane km

of municipal streets and **561 km**
of sidewalks to support the safe,
efficient movement of people
and goods

497.8 km

of transmission and distribution
watermains that deliver drinking
water to the public

5 wastewater
treatment facilities and
68 pumping (lift)
stations that protect our
natural environment

4 arenas

operated by the City offering
over **1,324 hours** of free
public skating

70 signalized intersections

and **14** signalized pedestrian
crossings to ensure safe travel
through and around Saint John

This section is a snapshot of Saint John in 2013. The facts presented describe our city and what is available to citizens, businesses and visitors.



Message from Mayor Mel Norton

We continued to improve our roads and recreation assets. Initiatives like PlanSJ and PlaySJ will ensure our continued quality of life with sustainable development of land and infrastructure.

Financially we have a good story to tell about 2013. Focused decision-making, disciplined stewardship of community assets and dollars, and a commitment to continuous improvement are paying dividends. Council has been able to maintain the tax rate while retaining our core services and investing in our priorities.

Poised and ready

For centuries Saint John has connected New Brunswick and our nation to the world. The wood that built the world's fastest ships and the grain shipped west to east from our prairie provinces, all left Saint John's year-round, deep water port to reach ports of call around the globe.

Along the way we've invested in transportation and industrial infrastructure. We have developed a hardworking, skilled workforce and a culture open to change, innovation and development. We are open for business – poised and ready to take that next step to become a global energy connector.

I've had the pleasure of taking our renaissance message on the road. In 2013, I met with business and government organizations in Calgary and Toronto. We have their support. More importantly, we have piqued their interest.

The past becomes the future

Two particular events in 2013 crystallized our renaissance and demonstrated how investment – continued and new – contribute to quality of life in Saint John. The City Market was named 'Best Public Space 2013' in Canada by the Canadian Institute of Planners. The Market, a City owned and operated historic landmark, celebrated its 228th year of continuous service in the heart of Saint John. Through the investment of two private donors, the King's Square Bandstand was restored to once again bring live music and entertainment to our cherished square.

It is important to pause and celebrate our wins but then we must quickly focus on our next objectives and the task ahead. This annual report not only captures the financial position of the City, it recognizes the work and investment Common Council, City staff and the community has taken to ensure a sustainable future for Saint John and our residents. With the momentum that has started, the support of citizens and the daily effort of our hard-working staff, Saint John is once again going to be a leading Canadian city.

On behalf of Saint John Common Council and City staff, I am pleased to present the 2013 Annual Report of the City of Saint John.

We've been investing in this special place. We are building a renaissance city with the goal of achieving the community's vision of a more sustainable Saint John. We're investing to ensure we are ready for when the full potential of the City is realized and to restore our place on the national stage.

A turnaround

This past year marked a turnaround for the City of Saint John. In 2013, Common Council saw significant progress on a number of the priorities we set for the community when we were first elected.

We secured funding for the City's Safe Clean Drinking Water project, a rehabilitation of our aging water treatment and distribution system that will treat and deliver quality drinking water across the City. We implemented affordable, sustainable changes to our pension plan to keep our commitment to employees and taxpayers.



Representing our *Community* 2012-2016 COMMON COUNCIL

Saint John Common Council consists of a Mayor and ten Councillors. Two councillors represent the City at large with the other eight representing the City's four electoral wards (two councillors per ward). The Deputy Mayor is elected by Common Council at its first meeting following the election.

The Mayor and Council of the City of Saint John are elected for a four-year team. Municipal elections are held the second Monday in May and the newly-elected Common Council assumes office the fourth Monday in May. Council's role is to set policy and strategic priorities for the community that guide decision-making and allow the City to demonstrate accountability for service results.



Message from City Manager

Patrick Woods

Accomplishments and achievements

I am struck by the volume and variety of our achievements in 2013, and the extraordinary collaborative effort behind them. We are incredibly fortunate that other levels of government, organizations, corporations and our citizens work together to move our city forward.

We invested in **True Growth 2.0** an integrated approach to economic development that emphasizes community partnerships. Our capital investment program supported upgrades to the Saint John Trade and Convention Centre (STCC) in order to ensure it remains competitive in the growing convention business market. Our financial commitment to Saint John Waterfront Development was designed to stimulate private sector investment in Fundy Quay. Our partnership with the Saint John Hotel Association allowed us to continue to invest aggressively to promote tourism in Greater Saint John.

Through partnerships with the **Government of Canada** and the **Province of New Brunswick**, we continue to make great gains in upgrading our infrastructure. Perhaps the most noteworthy examples are the significant progress made on **Harbour Clean-up**, and the record-level financial commitments announced by all levels of government for the **Safe Clean Drinking Water project**.

With the assistance of **corporate and community partners**, we are working towards becoming a community of choice. **Mispec Park** and the **Little River Reservoir** were restored as key recreation assets and phase one renovations at the **Nick Nicolle Community Centre** were completed. With the leadership of **ONE Change**, services will be delivered under a new community based model consistent with PlaySJ.

The ideas and expertise gathered from two citizen engagement processes were used to develop initiatives that are strategic and citizen focused. We adopted **PlaySJ** a multi-year, city-wide recreational strategy to guide investments and programming for years to come. **ZoneSJ** will result in zoning bylaws that will give life to the community's new municipal plan and ensure sustainable development in the City's Primary Development Area.

City Employees developed **AdvanceSJ**, a Corporate Strategic Plan that sets out how we will deliver programs and services that contribute to achieving Council's priorities and ensuring cost effective and sustainable service delivery. It will allow the Administration to make progress on our primary goal – to establish the City of Saint John as a service-based, results-oriented, high-performance public service organization.

We are committed to spending tax dollars wisely. Initiatives such as: a new west operations depot; an automated brine system; an in-house solid waste collection model; our award-winning Municipal Energy Efficiency program (MEEP); and, a new and improved web mapping tool are examples of changes that have allowed us to achieve efficiencies, reduce costs and better address community service needs.

The long-term prospects for our community are promising and it is only by being innovative and forward looking that we will be able to capitalize on these opportunities and best respond to the needs of our citizens.

It is my hope that this annual report begins to provide an understandable, meaningful and transparent picture of how we are investing in the community to build a sustainable Saint John.

Service to the Community



Common Council, City employees, citizens and other stakeholders work together to achieve Our Saint John – the Community's vision to lead the nation as an example of a sustainable community. Through seven service areas and a number of agencies, boards and commissions (ABCs), the City delivers over forty public services that matter to our community.



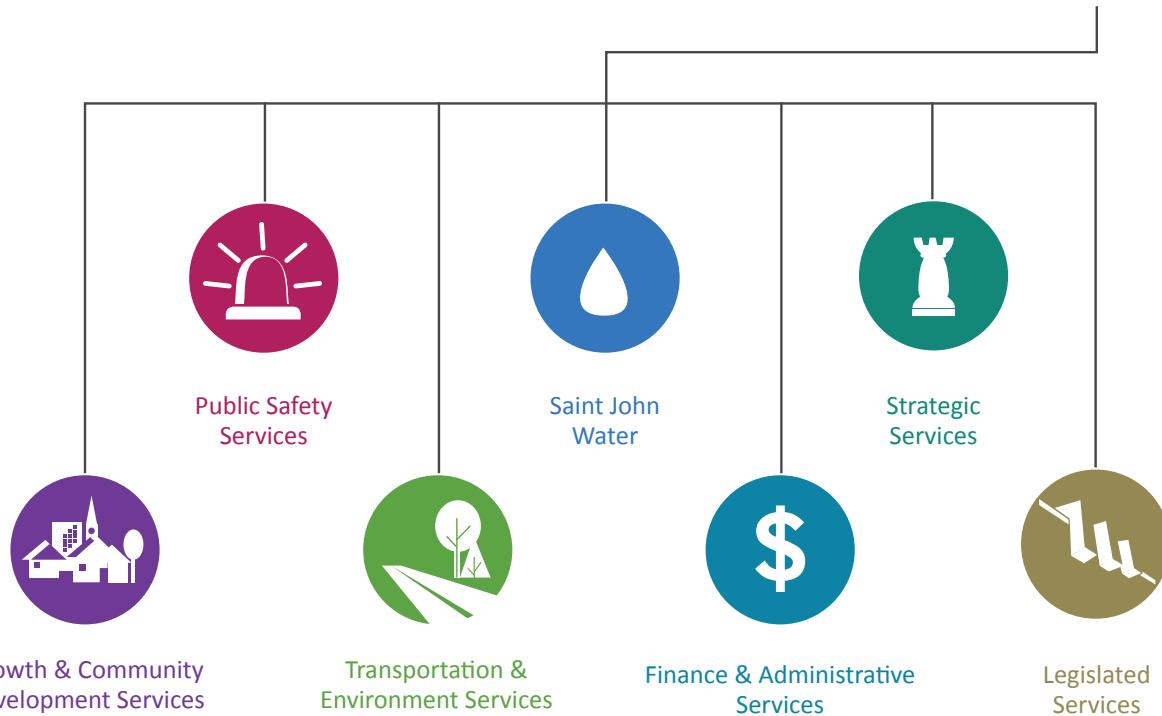
The Community



Common Council



City Manager





Council's Priorities

Setting priorities is about determining what goals and objectives will be acted upon during Council's term to support the community in achieving its long-term vision – Our Saint John. These strategic priorities will guide decision making and allow the City to demonstrate accountability for service results.

On October 29, 2012 Common Council formally endorsed a set of priorities for their four year term. Council's priorities establish three key outcomes for the community; economic health, community of choice, and sustainable infrastructure. With PlanSJ as a guiding framework for decision-making, Council's priorities specifically identify investment in economic development, roads, drinking water and recreation. Council has also made a commitment to good governance.



Economic Health

- Implement clear and consistent internal processes to facilitate investment and development in Saint John while maintaining City standards that align with PlanSJ
- Deliver an integrated approach to economic development
- Cooperate with neighbouring municipalities to advance the economic prosperity of the region through the True Growth 2.0 initiative
- Invest wisely to continue to build our community and deliver services while maintaining a healthy financial position
- Implement an affordable and sustainable plan to address pension issues



Community of Choice

- Implement policies that create a livable community, one that has vibrant neighbourhoods and provides diverse and accessible opportunities to engage in arts, culture and recreation in a safe and caring environment
- Continue to invest in key community recreation facilities such as Rockwood Park and Harbour Passage
- Work with community partners to develop and maintain a new signature multi-purpose recreation facility and strategic neighbourhood projects that support PlanSJ
- Improve the ‘face’ of our City by increasing investment in our roadways and sidewalks that connect our neighbourhoods
- Build a more robust transit system that is aligned with the principles of PlanSJ



Sustainable Infrastructure

- Implement policies that maintain and protect the quality and integrity of all our infrastructure assets in an environmentally sustainable way and reinforces the principles of PlanSJ
- Execute an equitable city-wide strategic road improvement plan that supports PlanSJ
- Implement a city-wide strategic recreation plan that ‘right-sizes’ the delivery of quality recreation programs and facilities for our diverse population
- Secure funding for projects to deliver quality drinking water to our citizens



Citizen-Focused Service Delivery

- Citizens expect value for their investment in the community. With the strength of our workforce, the City is committed to investing in strategic communications, accountability for service results, responsive customer service and service-based decision-making.



Investing in...

Economic Health

Facilitating Investment and Sustainable Development

The 2013 service-based budget committed resources over a three year period to support the One Stop Development Shop initiative—a project to enhance customer service with clear and consistent internal processes to facilitate investment and quality development in Saint John while maintaining community standards that align with PlanSJ.

Transforming the development service also requires a full review of the by-laws and processes necessary to effectively implement PlanSJ. This work is well underway with the ZoneSJ initiative – public engagement and modernization of the City's zoning by-law. A draft by-law was completed in 2013.

The new integrated service model and related suite of by-laws are expected to be completed by 2016.

Investing in Saint John's Waterfront

In 2013 a development agreement was completed for the Fundy Quay.

Located in the heart of the waterfront, this six acre site will be the location of a potential redevelopment project of significant value that will transform Saint John and the waterfront. The Fundy Quay property is already generating a new revenue stream of \$464,000 annually for the City of Saint John and the Parking Commission. When fully developed, the property will create new residential, business, and investment opportunities.

Economic Development

The City supports four economic development agencies including Saint John (Waterfront) Development Corporation, Saint John Industrial Parks, Enterprise Saint John, and Discover Saint John. Each of these agencies contributes to the City's long-term growth, affordability and sustainability.

Encouraging Wealth Creation

The Economic Development envelope was increased by \$143,000 in 2013 with the additional funding going to Enterprise Saint John in order to allow it to take a leadership role in the

10.07% Debt Ratio

Within the Province's acceptable range and one of lowest amongst New Brunswick municipalities

implementation of True Growth 2.0—a plan to drive development and pride in Saint John. Projects include advancing the Energy East Pipeline and continuing development of Health & Life Sciences New Brunswick knowledge cluster at the Tucker Park campus. A number of community leaders serve on a variety of True Growth 2.0 working groups. New wealth creation and tax base growth will provide the revenue needed to deliver affordable services in the future.

Engaging the Business Sector

The City has revised the Sunday Shopping By-law to provide flexibility to retail owners in setting their hours of business. This flexibility allows retailers to tweak their business practices in order to meet their customer demands.

Enhancing Transparency and Accountability

All municipalities across Canada are required to follow Public Sector Accounting (PSA) standards. In 2013, the City produced its first set of consolidated financial statements for 2012 that integrate the financial results of over 100 City functions and 17 entities.

PSA provides a more complete picture of a municipality's financial position to enhance transparency and accountability. It also provides information for the development of financial and capital investment strategies. With tangible capital assets, the City can start to develop a more detailed plan of the assets it owns and how they are replaced, upgraded and/or financed.

Adopting an Affordable, Sustainable Pension Solution

The City of Saint John's Pension Plan converted to a shared risk model in December 2012 when the municipality and its four unions all signed a memorandum of understanding. The new model went into effect January 1, 2013 and a new pension board has been appointed. Under the shared-risk model, the City and its workers will share the risk for future deficits. Taxpayer contributions to the plan reduced from \$26,470,886 in 2012 to \$15,117,102 in 2013.

 **\$79 million
in New Construction**

Building permit value within the primary development area (PlanSJ) – first increase year over year since 2008



 **127,400
Visitor Guides**

requested with an estimated 1.5 Million tourist visits

 **\$95,000
Tax Revenue /
Growth**

Resulting from investment in the City's industrial parks



Investing in a...

Community of Choice

Strengthening Neighbourhoods

The Neighbourhood Stimulation Grant Program is a catalyst in strengthening priority neighbourhood organizations. By effectively engaging residents to identify needs, issues and concerns, they are empowered to take the actions required in their own neighbourhoods. The City awarded \$152,000 in grants to seven organizations in 2013 including Waterloo Village and East Side Neighbourhood, Around the Block Neighbourhood Newspaper, One Change Inc., PULSE (People United Lower South End), Crescent Valley Resource Centre, Teen Resource Centre for Youth, and Westside PACT (Police and Community Together).

Safer Community

Additional funding was allocated in 2013 to double the efforts of the City's by-law enforcement program with a particular focus on dangerous, vacant and unsightly properties. Enforcement activity protects residents of these buildings and reduces the risks to neighbouring properties to improve neighbourhood safety. Service targets were exceeded by hiring one additional staff person mid-year. Voluntary compliance increased substantially with 40 buildings being repaired and/or occupied and 15 buildings being demolished by property owners (13 and 8 respectively in 2012).



16% Reduction in Crime Rate

Reduction over the last five years with a focus on prevention, more specifically intelligence-led policing

The City has also experienced five years of significant, sustainable crime reduction. This is a result of the Police Commission's investment in intelligence led policing and other crime prevention activities.

Promoting Arts and Culture Activities

The City has aligned its arts, culture and neighbourhood enrichment (recreation) services under one program. In a variety of ways, this team supported the investment of over \$590,000 in arts and culture grants in the community.

The Saint John Arts Summit, sponsored by the Saint John Community Arts Board, was held November 1, 2013. Over 75 stakeholders from a wide variety of arts' backgrounds participated in this event. The session addressed how to encourage participation and engagement in the arts, access resources and promote art, and make art connect with and be accessible to the larger community. This information will be used to set a strategic direction for arts and culture sector over the next five to ten years.

Enhancing Recreation Facilities

Recreation infrastructure plays a key role in establishing the quality of life in a community. The largest single investment in 2013 was Phase 2 of the renewal of the Nick Nicolle Community Centre in the

North End. This project is consistent with the direction of PlanSJ, PlaySJ and Council's commitment to invest in our priority neighbourhoods.

Other investments included a mini skate park and outdoor exercise equipment at Market Place West, improvements to Rainbow Park and commissioning of Greenslade Park. Summer lifeguard services were also restored at a number of City beaches.

Partnerships

The City worked with corporate and community partners to make improvements at the Little River Reservoir, Lou Murphy Park, Mispec Park, and the King's Square Bandstand. These initiatives would not have been possible without the support of our partners.

Improving the 'Face' of Our City

Recognizing the need to improve the overall condition of our road and sidewalk infrastructure, Council increased funding for roadway maintenance projects by \$1.3 million for a total of \$4,400,000. Council also approved \$1.45 million to implement the concrete curb and sidewalk renewal program. This allowed the City to meet its target of approximately 60 lane kilometres of asphalt rehabilitation and/or reconstruction work to be completed in 2013. The program also afforded the replacement and upgrade of 14.6 kilometres of asphalt curb and 5.7 kilometres of asphalt sidewalk with concrete.

Active Transportation

Under the leadership of Uptown Saint John and the Green Feet Committee, the Campus Harbour Connection was introduced providing a bicycle route between the Tucker Park Knowledge Cluster and the Uptown.

Extending Public Transit Hours

In 2013, the City increased funding to Saint John Transit. The additional \$350,000 supported extended service hours (early morning, evening and night, Sunday or holiday) in priority neighbourhoods. Frequency of trips was also increased on key routes. This resulted in an additional 6,200 service hours and 54 trips (combination of daily, weekly and holiday trips). The Transit Commission continues to work to stabilize ridership.

98 % of Fires Contained to Point of Origin

Service level is to have initial apparatus on scene within 5 minutes and 30 seconds 90% of the time



638 Youth Placements in Recreational and Cultural Activities

Through P.R.O. Kids children are provided with opportunities to participate in activities with the support of \$150,000 raised

279,450 Participating in Inclusive Recreation Programming

Estimated total number of youth, seniors, disabled and adults participating in programs delivered by the City or in partnership

60 Building Cases Resolved in Total

Enhancement of Vacant and Dangerous Building By-law Enforcement Program allowed the service area to exceed the target of 20 in 2013



Investing in... Sustainable Infrastructure

Managing Our Assets

ROADS

The City uses a Pavement Condition Index (PCI) to develop a preventative maintenance strategy to ensure that roads are repaired in a timely manner to avoid more expensive reconstruction costs. Additional funding in 2013 of over \$1.3 million dollars in roadway maintenance resulted in improving the PCI to 77 from 72 in the previous year. The number of streets that are considered to have a poor or lower rating (PCI < 55) decreased from 12.56% in 2012 to 7.5% in 2013.

FACILITIES

The City manages the maintenance, capital investment, and operational requirements of approximately 80 City-owned buildings (not inclusive of Saint John Water). In 2013, staff calculated and analyzed Facility Condition Indices (FCI) for these assets based on estimations of deferred maintenance and building replacement costs. In the long-term this work will allow the City to more efficiently invest in these facilities. The City also streamlined the Facilities Work Order system. This improved

system allows the service area to prioritize maintenance of City facilities to ensure a more cost-effective response.

Strategic Plan for Recreation and Parks

In 2013, Common Council adopted PlaySJ – a parks and recreation strategic plan for Saint John. In addition to looking at innovative ways of delivering recreation programs more cost-effectively, PlaySJ sets a direction to ‘right-size’ and modernize recreation and sports facilities.

Quality Drinking Water

The Government of Canada and the Province of New Brunswick have demonstrated their faith in the future of Saint John by announcing up to \$114.6 million in funding through a Public Private Partnership (PPP) to renew the City’s drinking water system. This is the largest infrastructure project in the history of Saint John and the Province. It will ensure citizens have access to quality drinking water. It includes the construction of a water treatment plant, watershed improvements and upgrading a network of water mains and pipes.

The City plans to send out a request for proposals in 2014. The design and construction phase is expected to begin in late 2015 with work continuing over the next three construction seasons. The project is expected to be completed in 2018.

Harbour Clean-Up

Common Council adopted a plan for Harbour Clean-Up with the goal of enhancing the quality of life in the community by ensuring our waterways are free of untreated sewerage. Joint funding with the Province of New Brunswick and the Government of Canada was announced in March 2007.

Construction of the Eastern Wastewater Treatment Facility was completed in 2011. In 2013, an additional six lift stations were commissioned. To date, construction on 23 of the 24 pumping (lift) stations required are complete with only the Mill Street Sanitary Lift Station construction remaining.

The completion date for the final lift station under the Harbour Clean-Up Program is expected in 2014. Once this project is completed 100% of the City's wastewater will be treated to benefit the harbour for future generations.

One-Mile Interchange

The City played a key role in working with the Province of New Brunswick to construct the One-Mile Interchange. City staff was responsible for renewing the underground infrastructure to allow for the completion of the project at Kane's Corner. The intersection at Westmorland Road and Loch Lomond Road was reconstructed with new traffic lights to improve traffic flow. The One-Mile Interchange was officially opened on December 13, 2013. Working in coordination with the Province, this new interchange is intended to improve access to the industrial parks and redirect heavy vehicle traffic from local roadways to ensure their long-term sustainability.

4.4 km of Watermains Lined

Lining is an innovative and cost-effective means of extending the life of water infrastructure and ensuring the delivery of quality water to the public

77 Pavement Condition Index

Additional funding improved the PCI from 72 in 2012 to 77 in 2013 to work toward the City's roadway network target of 80



96% of Available Peak Ice Time Booked

Available ice allocations at the City's four arenas is at 83% capacity



Investing in...

Citizen-Focused Service Delivery

Engaging Citizens

The City is committed to engaging citizens and neighbourhoods so that residents contribute to decision-making. In 2013, larger scale public engagement programs were delivered to support ZoneSJ and PlaySJ initiatives. ZoneSJ held 12 stakeholder events with over 350 people participating in the program. Over 60 people attended open houses for PlaySJ.

In an effort to inform citizens and better understand their concerns related to specific construction projects, the City held six open houses in 2013.

Continuous Improvement

ROADS

The City initiated a brine program to support winter maintenance of streets. Two brine units were purchased in 2013 (east and west). Brine (liquid salt) is an effective, pre-wet solution for combating icy winter roadways. As a result, roads stay wet and clear, and the driving public benefits from safer travelling. The goal is to reduce the amount of salt used by 20%.

SOLID WASTE

In the fall of 2012, the City began collecting solid waste and compost on all of its 53 residential routes. After a full year of utilizing the 'in-house' service

model, the City has saved \$723,000 compared to 2011 expenditures.

Employees are engaged and productively working in this service area. Additional staff and three new packers (fleet replacement efforts) have contributed to the efficiencies gained—keeping workers healthier and reducing downtime respectively. As a result, citizen complaints to customer service have declined considerably due to more efficient collection. City staff have also been able to respond more quickly to citizen concerns.

WASTEWATER

Savings of over \$130,000 in energy costs were realized at the Lancaster Wastewater Treatment Facility through repairs to the aeration system and changes in operating procedures.

ARENAS

A spring and summer ice program was implemented in 2013 at the City's four arenas. This allowed for more equitable access to all recreational program operators. As a result, approximately \$79,000 in new revenue was generated. The City also invested in facility upgrades with the installation of carbon dioxide monitors at all arenas and energy efficient lighting and a low emissivity ceiling at the Peter Murray Arena.

Risk Management

The City is incorporating risk management in its decision making, business planning, and performance management practices. With the realignment of this service area and related resources, the City is in a better position to limit the financial impact (from asset loss or destruction) and liability. As a result of service changes, the City reduced the overall claim count by 7% in 2013 on top of a 13% reduction from the previous year. The City also experienced a 20% reduction in claim payments in 2013.

Responsive Customer Service

The City consolidated the booking of all Anglophone South School District fields to one point of contact allowing for better facility usage, management and customer satisfaction. This initiative resulted in generating approximately \$6,000 in revenue.

The City introduced a new and improved web mapping tool that provides citizens with enhanced and easy access to visualize various types of data (e.g., civic addressing, parks and recreation facilities, public transit, winter management plan, sanitation schedules, zoning).

AdvanceSJ

City staff completed a draft of AdvanceSJ, its new Corporate Strategic Plan. Aligning with Council's priorities, the plan outlines the strategic directions and initiatives that will allow the organization to make progress on its goals.



95% Solid Waste Service Objective Met

City crews collected all residential solid waste and compost placed curbside within an 8 hour shift 95% of the time



Over 13,000 inspections

Inspections completed by Growth & Community Development and Public Safety Services to ensure the safety of the public

98% Information Request Target Met

Acknowledgement of request within 24 hours and processing of request within legally required timeframe

Innovation, Leadership and Recognition



Saint John City Market named Canada's Great Public Space

The Saint John City Market was honoured as Canada's Great Public Space for 2013. The title is awarded each year as part of the Canadian Institute of Planners' (CIP) Great Places in Canada contest and is based on popularity and planning excellence, as judged by a panel of professional planners.

City Wins Premier's Energy Efficiency Award for Energy Efficiency Champion (Individual)

As of 2011, the projects championed by Mr. Samir Yammine, the City's Energy Manager, have resulted in annual energy savings of \$1.8 million, a 16 percent energy use reduction. Greenhouse gas emissions have been reduced by 6,200 tonnes, the equivalent of removing 1,172 cars off the road for one year.



One Peel Plaza Chosen for a Premier's Awards for Outstanding Energy Efficiency Project Award, Commercial New Construction

One Peel Plaza, Saint John's new Police Headquarters, was awarded the Premier's Energy Efficiency Award as the best performer in Efficiency NB's Start Smart New Commercial Buildings Incentive program with the highest annual energy savings performance of all new commercial buildings in the program in 2012.

M.E.E.P. Program Receives Provincial Community Recognition Award

The City of Saint John has won a "Community Recognition Award" for its Municipal Energy Efficiency Program (MEEP), the first program of its kind in Canada.





Marigold Project earns spot in Guinness World Records

More than 5,600 students simultaneously planted marigolds at 52 sites between Sussex and St. Stephen in June. The project started as a beautification project in the City of Saint John called “Marigolds on Main Street” and blossomed to include the Greater Saint John and Fundy area.



Saint John Named a Top Port of Call on Yahoo Travel Site

Smarter Travel ranked Saint John as one of seven travel destinations in their ‘Best Ports of Call’ feature. The City is listed alongside ports like Marina Bay, Singapore and Tasmania, Australia. The article focuses on Saint John’s quaint uptown area, filled with Victorian charm and the experience of the famous Reversing Falls... noted as being ‘a perfect destination for seafarers’!



Harbour Station Hosted Skate Canada—An International Sporting Event

Saint John’s hosting of Skate Canada International in 2013 resulted in an economic boost of between \$2 million and \$4 million for the community. The event, which is the second stop of the competition season for the International Skating Union Grand Prix of Figure Skating, saw skaters from around the world take to the ice at Harbour Station.



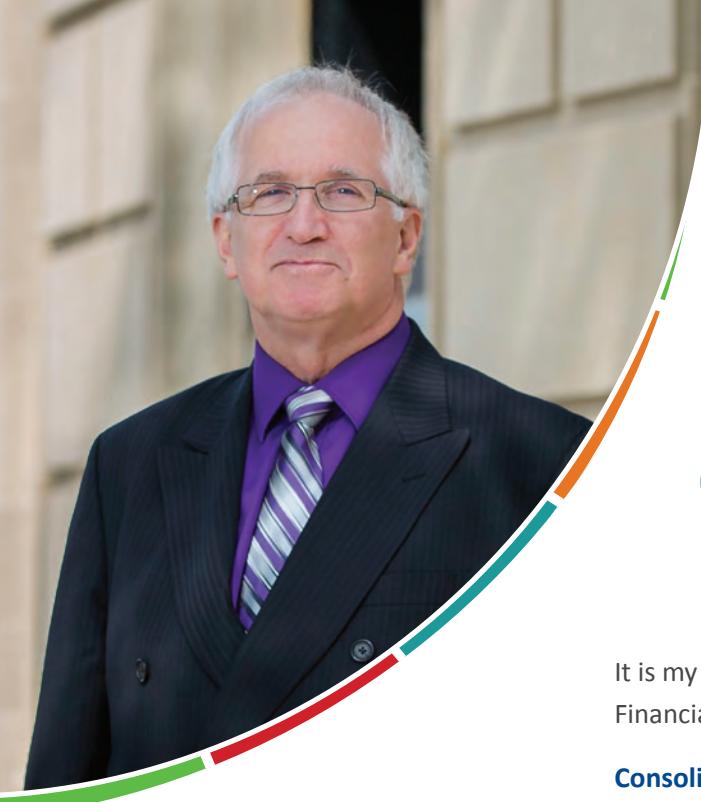
Saint John Mill Rats Host NBL Canada All Star Weekend

The Saint John Mill Rats, presented by Rogers, hosted the second annual National Basketball League of Canada All Star Weekend, April 13-14 at Harbour Station. In May of 2011, the Saint John Mill Rats joined forces with the Halifax Rainmen and launched the National Basketball League of Canada.



Saint John Named one of the World’s Top 7 Intelligent Communities

The City has been named one of the world’s Top 7 Intelligent Communities by the Intelligent Community Forum, an international-based think-tank dedicated to economic and social development in the broadband economy. The designation recognizes Saint John’s culture of innovation, particularly in the growth of ICT start-ups, the development of public services and the connections between the city’s schools – and in particular UNB Saint John – and the wider community.



Commissioner of Finance & Administrative Service

Gregory J. Yeomans

It is my pleasure to submit the City of Saint John's audited Consolidated Financial Statements for the year ending December 31, 2013.

Consolidate Financial Results

The Consolidated Financial Statements have been audited by Deloitte LLP, Chartered Accountants who have expressed a qualified audit opinion in relation to the Shared Risk Plan (pension). Except for this qualification, these statements present fairly, in all material respects, the financial position of the City of Saint John as of December 31, 2013 in accordance with Canadian Public Sector Accounting (PSA) standards.

The City maintained a strong financial position in 2013 with a consolidated annual surplus of \$14.2 million. Revenues were \$215,948,028. Expenses were \$201,744,295. The City realized tax base growth and maintained the tax rate of 1.785 per \$100 of assessment in 2013.

Commitment to Debt Management

The City has made a commitment to manage its long-term debt and is capping capital investment to ensure sustainable debt management. The City has also demonstrated its responsibility to maintain a sustainable debt service ratio. In 2013, Saint John's debt service ratio was 10.07% (for the general fund), well below the Province of New Brunswick's maximum ratio of 20%. Over the last several years, the City has maintained a debt service ratio below the average of other cities in New Brunswick.

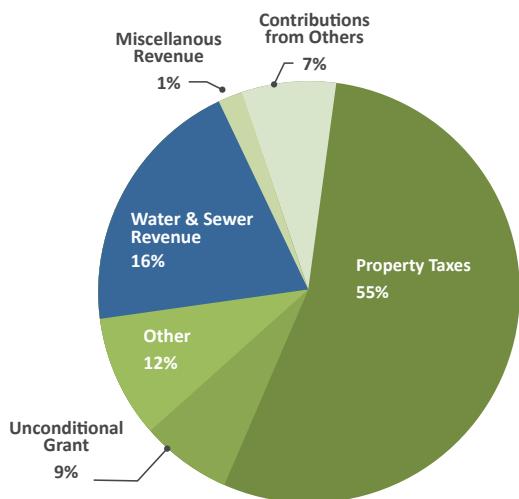
The preparation and presentation of the consolidated statements are the responsibility of the Financial Management Service. We are committed to sound, sustainable financial management designed to support the community and Common Council's priorities with a focus on a long term financial plan.

The annual report is a collaborative effort from staff across all service areas in the City. I extend my appreciation for their cooperation and assistance with this annual report.

Revenues & Expenditures

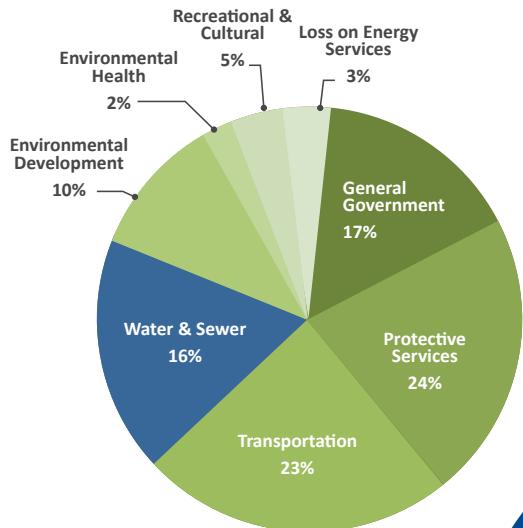
2013 Revenue: Consolidated Statements

Total Revenue: \$215,948,028



2013 Expenditures: Consolidated Statements

Total Expenditures: \$201,744,295

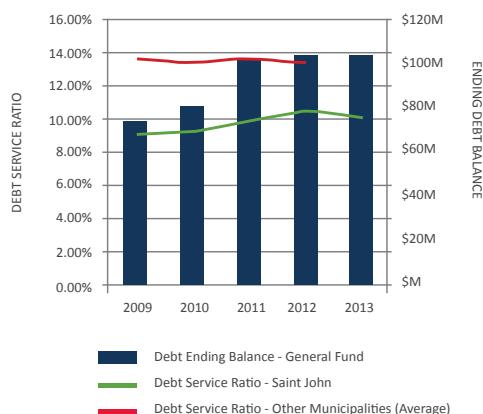


The City is required to prepare consolidated financial statements. These statements reflect the assets, liabilities, revenues, expenditures, and changes in net debt cash flows of the City. The consolidated financial statements include all organizations and enterprises owned or controlled by the City are included. 17 entities included in the consolidated financial statements are listed on the right. The charts above provide information on the City's operating results in 2013 on a consolidated basis. Detail of what is included with each category of revenues and expenditures can be found in the consolidated financial statements included as part of the 2013 Annual Report.

Entities included in Consolidated Financial Statements

- The City of Saint John General Operating Fund
- The City of Saint John Capital and Loan Fund
- The City of Saint John Water and Sewerage Utility Operating Fund
- The City of Saint John Water and Sewerage Utility – Capital and Loan Fund
- Saint John Parking Commission
- Saint John Transit Commission
- Saint John Non Profit Housing
- Saint John Industrial Parks
- Saint John Development Corporation
- Harbour Station Commission
- Saint John Aquatic Centre Commission
- Saint John Trade and Convention Centre
- Saint John Energy
- Lord Beaverbook Rink
- Saint John Police Commission
- Saint John Free Public Library
- Saint John Jeux Canada Games Foundation Inc.

Debt Management - General Fund



The debt service ratio is a measure of the debt service cost as a percentage of total expenditures of the general operating fund of a municipality. The Municipal Borrowing Board (Province of New Brunswick) has adopted a maximum debt service to total budget ratio of 20%. The results presented reflect the City's general fund debt management. Results are an indicator of the City's commitment to debt management in areas where there is decision-making authority. Benchmarking with other New Brunswick cities is supported with data from the Annual Report of Municipal Statistics for New Brunswick (2012).



Consolidated
Financial Statements

The City of Saint John

Consolidated Financial Statements

December 31, 2013

The City of Saint John

December 31, 2013

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

We have audited the accompanying financial statements of The City of Saint John, which comprise the consolidated statements of financial position as at December 31, 2013, and the consolidated statements of operations and accumulated surplus, change in net debt and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In December 2012, the City's defined benefit pension plan was converted to a shared risk model under Part 2 of the Pension Benefits Act (New Brunswick). The City has concluded that the shared risk model is a defined contribution plan. We were unable to obtain sufficient appropriate audit evidence to conclude that accounting for the shared risk model as a defined contribution plan is compliant with public sector accounting standards. Consequently, we were unable to determine whether any retirement benefit liability and related retirement benefit expense should be recorded as at December 31, 2013. The determination of the amount of the retirement benefit liability and related retirement benefit expense would require an actuarial valuation as at December 31, 2013 which was not prepared.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The City of Saint John as at December 31, 2013, and the results of its operations, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads "Deloitte LLP". The signature is fluid and cursive, with "Deloitte" on the top line and "LLP" on the bottom line.

Chartered Accountants
August 5, 2014

The City of Saint John
Consolidated Statement of Financial Position
As at December 31, 2013

December 31, December 31,
2013 2012

	\$	\$
Financial assets		
Cash and cash equivalents (Note 4)	14,346,982	4,673,020
Accounts receivable (Note 5), (Note 6) and (Note 7)	18,556,841	26,302,672
Investment in Energy Services (Note 8)	51,520,621	57,728,154
Other investments (Note 9)	7,585,183	6,797,471
	92,009,627	95,501,317
Financial liabilities		
Accounts payable and accrued liabilities (Note 10)	31,870,303	36,325,649
Deferred revenue	1,741,250	1,893,969
Deferred government transfers (Note 11)	5,529,618	13,849,716
Accrued pension liability (Note 13)	600,878	5,067,131
Post employment benefits and compensated absences (Note 13)	22,779,800	25,050,701
Bank loan payable (Note 3)	201,159	12,167,000
Long term debt (Note 12)	212,973,226	200,935,872
	275,696,234	295,290,038
Net debt	(183,686,607)	(199,788,721)
Non-financial assets		
Inventory	1,408,270	1,293,937
Prepays	1,134,764	1,178,957
Deferred expenses	778,000	910,400
Tangible capital assets (Note 21)	922,092,631	923,928,752
	925,413,665	927,312,046
Accumulated surplus	741,727,058	727,523,325

Contingencies (Note 14)

Commitments (Note 15)

Approved by:

Mel Norton, Mayor

David Merrithew, Chair of Finance Committee

The accompanying notes are an integral part of these consolidated financial statements.

The City of Saint John
Consolidated Statement of Operations and Accumulated Surplus
For the year ended December 31, 2013

	2013 Budget (Unaudited) (Note 3)	2013	2012 (Note 2)
	\$	\$	\$
Revenues			
Property taxes	118,239,743	118,239,743	114,504,445
Unconditional grant	18,889,923	18,661,353	18,958,731
Other revenue from own sources	16,962,264	26,333,352	26,892,750
Water & sewer revenue (Note 17)	34,309,000	34,269,330	32,656,592
Miscellaneous revenue	802,228	2,922,330	721,875
Contributions from others	780,000	15,521,920	23,997,376
	189,983,158	215,948,028	217,731,769
Expenses			
General Government Services	42,466,803	34,774,439	57,224,560
Protective services	47,666,669	48,639,089	46,190,164
Transportation services	38,700,770	47,017,579	44,262,482
Water and sewer services	37,679,000	32,106,431	31,879,822
Environmental health services	3,568,529	3,237,844	3,589,905
Environmental development services	21,869,869	19,907,895	19,299,870
Recreational and cultural services	10,080,651	9,853,485	8,998,162
Loss from energy services (Note 8)	-	6,207,533	130,312
	202,032,291	201,744,295	211,575,277
Annual (deficit) surplus	(12,049,133)	14,203,733	6,156,492
Accumulated surplus, beginning of year	-	727,523,325	721,366,833
Accumulated (deficit) surplus, end of year	(12,049,133)	741,727,058	727,523,325

The accompanying notes are an integral part of these consolidated financial statements.

The City of Saint John
Consolidated Statement of Changes in Net Debt
For the year ended December 31, 2013

	2013	2012
	\$	\$
Annual surplus	14,203,733	6,156,492
Acquisition of tangible capital assets (Note 21)	(35,312,602)	(63,096,444)
Disposal of tangible capital assets (Note 21)	1,820,773	2,002,380
Amortization of tangible capital assets (Note 21)	35,327,950	34,343,898
Increase (decrease) in inventory	(114,333)	62,311
Decrease in prepaids	44,193	8,020
Decrease (increase) in deferred expenses	132,400	(179,700)
Increase in net assets	1,898,381	(26,859,535)
Net debt, beginning of year	(199,788,721)	(179,085,678)
Net debt, end of the year	(183,686,607)	(199,788,721)

The accompanying notes are an integral part of these consolidated financial statements.

The City of Saint John
Consolidated Statement of Cash Flows
For the year ended December 31, 2013

	2013	2012
	\$	\$
Operating transactions		
Annual surplus	14,203,733	6,156,492
Items not involving cash		
Amortization of tangible capital assets (Note 21)	35,327,950	34,343,898
Loss on disposal of tangible capital assets	1,542,177	1,762,693
Change in non-cash assets and liabilities		
Accounts receivable	7,745,831	10,888,382
Inventory	(114,333)	62,311
Prepays	44,193	8,020
Deferred expenses	132,400	(179,700)
Accounts payable and accrued liabilities (Note 10)	(4,455,346)	(9,388,323)
Deferred revenue	(152,719)	158,118
Deferred government transfers (Note 11)	(8,320,098)	1,917,193
Accrued pension liability	(4,466,253)	(3,663,340)
Other post employment liabilities (Note 13)	(2,270,901)	11,453,501
	39,216,634	53,519,245
Capital transactions		
Acquisitions of tangible capital assets (Note 21)	(35,312,602)	(63,096,444)
Proceeds on sale of tangible capital assets	278,596	239,686
	(35,034,006)	(62,856,758)
Financing transactions		
Repayment of long term debt (Note 12)	(18,466,646)	(20,168,494)
Proceeds from long term debt (Note 12)	30,504,000	24,721,257
Proceeds from (repayment of) bank loan	(11,965,841)	2,167,000
	71,513	6,719,763
Investing transactions		
Investments (Note 8) and (Note 9)	5,419,821	(535,909)
Net increase (decrease) in cash and cash equivalents	9,673,962	(3,153,659)
Cash and cash equivalents, beginning of year	4,673,020	7,826,679
Cash and cash equivalents, end of year	14,346,982	4,673,020

The accompanying notes are an integral part of these consolidated financial statements.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

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 Canadian generally accepted accounting principles for local governments, 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 organizational transactions and balances are eliminated.

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

The entities included in the consolidated financial statements 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 Parking Commission
6. Saint John Transit Commission
7. Saint John Non Profit Housing Inc.
8. Saint John Development Corporation
9. Saint John Industrial Parks Inc.
10. Harbour Station Commission
11. Saint John Aquatic Centre Commission
12. Saint John Trade and Convention Centre
13. Saint John Energy
14. Lord Beaverbrook Rink
15. Saint John Police Commission
16. Saint John Free Public Library

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

2. Summary of significant accounting policies [Cont'd]

Reporting entity [Cont'd]

17. Saint John Jeux Canada Games Foundation, Inc.

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 for government business enterprises. 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 January 7th, 2013 and the Minister of Local Government on February 18th, 2013. The budget is unaudited and does not include elimination of inter-organizational revenues and expenses with controlled entities.

Revenue recognition

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

Property taxes, which are authorized by Council, are recognized as revenues in the period for which the taxes are levied.

Government transfers

The City has early adopted the accounting standards contained in PS 3410 – Government transfers in the preparation of these financial statements. Early adoption of this standard did not result in any changes in the City's accounting policies or financial statements from those previously reported.

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 eligibility 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.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

2. Summary of significant accounting policies [Cont'd]

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 capital assets, impairment of tangible capital assets, rates for amortization and allowance for doubtful accounts in respect of receivables.

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 differ from those estimates.

Financial instruments

The City's financial instruments consist of cash and cash equivalents, accounts receivable, investment in Energy Services, other investments, accounts payable and accrued liabilities, bank loan payable, and long term debt. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency or credit risk arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

The City is subject to credit risk through accounts receivable. The City minimizes credit risk through ongoing credit management.

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.

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.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

2. Summary of significant accounting policies [Cont'd]

Tangible capital assets [Cont'd]

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 capital asset is amortized on a straight line over the estimated useful life as follows:

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

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

Assets under construction are not amortized until the asset is available for 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.

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.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

2. Summary of significant accounting policies [Cont'd]

Segmented information [Cont'd]

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, roads and streets 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 of Saint John. It also provides street lighting, area lighting and water heater rental services.

Inventory

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

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

2. Summary of significant accounting policies [Cont'd]

Post employment benefits

The City recognizes its obligations under post-employment benefit plans and the related costs, disclosed in Note 13. 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 \$5.5 million to fund general operations and \$25 million to assist in financing capital expenditures pending fall-in of long term financing. The interest rate for the credit facilities is the Bank's prime lending rate from time to time less 0.5% per annum with interest payable monthly. As at December 31, 2013, the balance of the bridge financing credit facility was zero (2012 - \$10,000,000) and the balance of the operating line of credit was o (2012 - \$2,167,000).

4. Cash and cash equivalents

Cash and cash equivalents consists of the following:

	December 31, 2013	December 31, 2012
	\$	\$
Unrestricted cash	10,381,248	1,148,382
Restricted cash		
Reserve for capital purchase	259,000	234,500
Airspace 2049 fund	12,279	5,042
Land sub-division fund	57,381	56,696
Saint John Non Profit Housing future development fund	49,360	48,77
Deposits on contracts	495,811	261,602
Saint John Non Profit Housing replacement reserve	3,032,757	2,834,417
Saint John Non Profit Housing subsidy surplus reserve	59,146	83,609
	<hr/> 14,346,982	<hr/> 4,673,020

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

5. Due from the federal government and its agencies

Amounts due from the federal government and its agencies consist of the following:

	December 31, 2013	December 31, 2012
	\$	\$
Canada Revenue Agency HST receivable	1,023,877	1,624,366
Harbour Cleanup Fund	2,660,000	2,946,580
Gas Tax Fund	2,643,941	-
Municipal Rural Infrastructure Fund	-	351,661
Other	358,658	344,291
	6,686,476	5,266,898

6. Due from the Province of New Brunswick

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

	December 31, 2013	December 31, 2012
	\$	\$
Harbour Cleanup Fund	3,214,000	-
Peel Plaza Provincial Contribution	-	5,633,454
Municipal Rural Infrastructure Fund	-	351,661
Other	1,090,720	936,219
	1,090,720	10,135,334

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

7. Accounts receivable

Accounts receivable consist of the following:

	December 31, 2013	December 31, 2012
	\$	\$
Due from the Province of New Brunswick (Note 6)	1,090,720	10,135,334
Due from the Federal Government (Note 5)	6,686,476	5,266,898
Water and sewer charges to ratepayers	6,856,083	6,668,103
Other	4,824,018	5,245,467
Allowance for doubtful accounts	(900,456)	(1,013,128)
	18,556,841	26,302,674

8. Investment in energy services

Change in equity in Saint John Energy:

	2013	2012
	\$	\$
Equity at beginning of year	57,728,154	57,858,466
Employee future benefits asset write off	(6,306,728)	-
Net earnings (loss)	99,195	(130,312)
Equity at end of year	51,520,621	57,728,154

As of June 1, 2013, Saint John Energy offers pension employment benefits under a Shared Risk Pension Plan. On conversion, Saint John Energy wrote off the future benefit asset of \$6,306,728 to the capital reserve liability.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

9. Other investments

Other investments consist of the following:

	December 31, 2013	December 31, 2012
	\$	\$
Canada Games Foundation investments	6,558,250	5,823,908
Other investments	1,026,933	973,563
Total other investments	7,585,183	6,797,471

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

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

10. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of the following:

	December 31, 2013	December 31, 2012
	\$	\$
Trade payables	24,865,641	30,027,634
Payroll	4,657,047	4,354,559
Deposits	902,472	570,884
Canada Revenue Agency	(10,584)	23,625
Conferences and holdings	589,246	399,269
Interest payable	620,969	661,442
Other	245,512	288,237
	<hr/>	<hr/>
	31,870,303	36,325,650

11. Deferred government transfers

Deferred government transfers consist of the following:

	December 31, 2013	December 31, 2012
	\$	\$
Gas tax funding	5,529,618	6,082,184
Parking garage	-	7,767,532
	<hr/>	<hr/>
	5,529,618	13,849,716

Funding received as part of the Gas Tax Funding program is recorded as revenue in the year during which related expenditures are incurred. Amounts that have not been spent are recorded as deferred government transfers on the Consolidated Statement of Financial Position.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

12. Long term debt

Debentures consist of the following:

Year of issue	Interest Rate %	Term (Years)	Annual Payment \$	2013 \$	2012 \$
New Brunswick Municipal Finance Corporation Debentures					
2003	3.050 to 5.000	10	1,788,000		1,788,000
2003	2.750 to 5.125	10	1,862,000		1,862,000
2003	3.375 to 5.750	10	44,000		44,000
2004	2.750 to 4.800	10	1,255,000	9,875,000	11,130,000
2004	3.050 to 5.000	10	57,000	337,000	394,000
2005	3.750 to 4.375	10	648,000	5,416,000	6,064,000
2005	2.750 to 5.125	10	40,000	280,000	320,000
2006	4.150 to 4.450	10	1,133,000	11,069,000	12,202,000
2006	2.750 to 4.800	10	60,000	480,000	540,000
2007	4.450 to 4.850	10	730,000	8,320,000	9,050,000
2007	3.750 to 4.375	10	33,000	302,000	335,000
2008	3.300 to 4.850	10	692,000	7,540,000	8,232,000
2008	2.100 to 5.550	15	542,000	6,290,000	6,832,000
2008	4.150 to 4.450	10	100,000	1,000,000	1,100,000
2009	1.000 to 4.500	10	1,008,000	11,468,000	12,476,000
2009	0.950 to 5.000	10	817,000	10,232,000	11,049,000
2009	4.450 to 4.850	10	100,000	1,100,000	1,200,000
2009	3.300 to 4.850	10	333,000	3,668,000	4,001,000
2010	1.500 to 4.550	10	1,250,000	16,250,000	17,500,000
2011	1.650 to 4.250	10	2,367,000	36,266,000	38,633,000
2011	1.350 to 3.450	10	650,000	10,200,000	10,850,000
2011	2.100 to 5.550	15	200,000	3,600,000	3,800,000
2012	1.350 to 3.550	15	1,492,000	23,008,000	24,500,000
2013	1.350 to 3.700	15	-	30,300,000	-
			17,201,000	197,001,000	183,902,000
OTHER DEBENTURES					
Canada Mortgage and Housing Debentures					
2009	3.97	15	81,286	1,138,008	1,219,294
Total debentures			17,282,286	198,139,008	185,121,294

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

12. Long term debt [Cont'd]

Mortgages and other long-term debt consist of the following:

	Date of Maturity	Interest Rate %	Payment \$	2013 \$	2012 \$
Canada Mortgage and Housing Corporation mortgages					
Bicentennial Court	April 1, 2021	1.80	50,979	403,102	454,081
Rotary Admiral Beatty	Apr 1, 2021	1.80	302,383	2,390,983	2,693,366
Main and Rodney Projects	Jun 1, 2026	2.26	39,942	582,926	622,868
North End Project	Jan 1, 2024	2.86	41,906	496,178	538,084
West Side Project	Oct 1, 2024	2.65	37,810	480,126	517,936
Harbourside	Aug 1, 2019	2.61	264,969	1,638,570	1,903,539
South End Project	Dec 1, 2022	3.16	69,710	708,084	777,794
105 Queen Street	May 1, 2025	2.40	19,422	257,906	277,328
46 St. James Street	Feb 1, 2023	3.90	30,778	315,062	345,840
147 Queen Street	Aug 1, 2028	3.09	8,375	155,049	163,424
28 Taylor Avenue	Nov 1, 2029	2.65	10,401	208,291	218,692
Other mortgages					
CIBC - Rotary Court	May 1, 2014	4.16	19,524	429,116	448,640
Manulife Financial - Leinster Street	Aug 1, 2018	4.70	122,856	4,041,777	4,164,633
Bank of Nova Scotia - Broadview Avenue	April 1, 2014	4.45	6,269	90,302	96,570
Bank of Nova Scotia - 289 Turnbull	Sep 2018	5.90	11,037	253,996	265,033
Family and Community Services Affordable Rental Housing Program					
Forgivable loan - 40-46 Main Street	May 1, 2026	4.45	7,000	86,333	93,333
Forgivable loan - Leinster Street	July 1, 2028	4.45	45,500	659,750	705,250
Forgivable loan - Broadview Avenue	July 1, 2027	4.80	5,000	67,500	72,500
Forgivable loan - 183 - 185 Wentworth	Jun 1, 2025	5.30	7,000	79,917	86,917
Forgivable loan - 2 Newman Street	April 2031	3.10	8,500	195,500	
New Brunswick Housing Corporation					
Promissory note payable-Rotary Admiral Beatty Com.	April 1,2031	4.30	75,000	1,293,750	1,368,750
			1,184,361	14,834,218	15,814,578

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

12. Long term debt [Cont'd]

In total, long-term debt consists of:

	December 31, 2013	December 31, 2012
	\$	\$
Debentures	198,139,008	185,121,294
Mortgages	14,834,218	15,814,578
Total long-term debt	212,973,226	200,935,872

Mortgages with Canada Mortgage and Housing Corporation are secured by specific rental properties situated in Saint John and, in some instances, a general assignment of rental income.

Forgivable loans from the Family and Community Services Affordable Rental Housing Program and the promissory note payable to New Brunswick Housing Corporation are forgiven over a period of twenty years from the first day of the month following project interest adjustment date, provided certain conditions are continuously met. Should a loan become payable as a result of default, the remaining unforgiven balance will bear interest at the rate shown in the table.

The forgivable loans are secured by specific rental properties situated in the City of Saint John. During the year, \$73,000 was forgiven by the Family and Community Services Affordable Rental Housing Program (December 31, 2012 - \$64,500).

During the year, \$75,000 of the promissory note from New Brunswick Housing Corporation was forgiven (December 31, 2012 - \$75,000).

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

	\$
2014	25,306,113
2015	19,444,863
2016	22,438,556
2017	18,878,217
2018	16,658,885
Thereafter	110,246,592

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

13. Post employment benefits and compensated absences

Description of plan 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 of both outside workers (Local 18) and firefighters (Local 771).

Upon retirement, members of Locals 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 Firefighters'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 \$43,441 (\$2012 - \$42,443) 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, 2013. Previous to that, an actuarial valuation was performed as at December 31, 2012.

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, 2013

13. Post employment benefits and compensated absences [Cont'd]

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

	2013	2012
	\$	\$
Accrued benefit obligation, beginning of year	25,050,701	13,597,200
Current period benefit cost	712,500	12,606,301
Past service improvement costs, plan amendments	(232,001)	(500,000)
Benefit payments	(3,736,800)	(1,639,500)
Interest cost	899,700	524,700
Actuarial loss	85,700	462,000
Post employment benefits and compensated absences, end of year	22,779,800	25,050,701

	2013	2012
	\$	\$
Main assumptions used for these plans:		
Discount rate	4.48%	3.74%
Salary increase	3.00%	3.00%
EARSL	Range from 13 to 20	Range from 14 to 22

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

13. Post employment benefits and compensated absences [Cont'd]

These benefit plans require no contributions from employees. The benefit liability as at December 31, 2013 includes the following components:

	2013	2012
	\$	\$
Accrued benefit obligation (carrying value)		
Retirement allowances	3,311,000	3,531,000
Sick leave	4,976,000	5,117,000
Heart and lung pension	2,833,000	2,992,000
Disability benefits	10,192,000	11,913,000
Contractual top up agreements	719,300	742,600
Sick leave - Saint John Transit Commission	748,500	755,101
	22,779,800	25,050,701
Unamortized actuarial loss	(778,000)	(910,400)
	22,001,800	24,140,301

The unamortized actuarial losses will be amortized over the expected average remaining service life (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:

	2013	2012
	\$	\$
Current period benefit cost		
Amortization of actuarial loss	712,500	12,606,300
	(158,500)	266,000
	554,000	12,872,300
Other employee benefit interest expense	899,700	524,700
Total expense related to post-employment benefits and compensated absences		
	1,453,700	13,397,000

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

13. Post employment benefits and compensated absences [Cont'd]

Pension obligation [Cont'd]

Under shared risk, the vesting date is defined as the earlier of five years of continuous employment with the employer or two years of membership in the City of Saint John Shared Risk Plan.

During the year, the City made pension contributions of \$15,117,102 (2012 - \$26,470,886).

14. Contingencies

In accordance with the Clean Environment Act, the City is also liable for a pro rata share of the debentures and other long-term debt issued on behalf of the Fundy 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, 2013 amounted to \$2,649,000 (2012 - \$4,079,000). Based on 2003 population figures, the City is liable for approximately 55% of the Commission's debt.

The City is, from time to time, subject to various investigations, claims, and legal proceedings covering matters that arise in the ordinary course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the consolidated financial position or operating results of the City. Legal proceedings were filed against the City of Saint John, the Saint John Police Commission and the Saint John Police Department in December 2013 related to the alleged activity of a former employee. 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.

15. Commitments

Greater Saint John Regional Facilities Commission

During 1998, the Greater Saint John Regional Facilities Commission ("Regional Facilities Commission") was created by an Act of the Legislative Assembly of New Brunswick. Under the provisions of the Act, the Regional Facilities Commission has the authority to determine the annual amount of total municipal contribution to be made towards the operation of five regional facilities: the Saint John Aquatic Centre Commission, Harbour Station Commission, the Saint John Trade and Convention Centre, the Imperial Theatre and the Saint John Arts Centre. Under the provisions of the Act, the City's contribution is its pro rata share of the Regional Facilities Commission's operating budget based on the tax bases of the participating municipalities of the Town of Quispamsis, the Town of Rothesay, the Town of Grand Bay-Westfield and the City of Saint John. The City's contribution is 68.14% in 2014.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

16. Short-term borrowings compliance

Inter-fund borrowing

The Municipal Financial Reporting Manual requires that short-term inter-fund borrowings be repaid in the next year unless the borrowing is for a capital project. The amounts payable between Funds are in compliance with the requirements.

Operating borrowing

As prescribed in the Municipalities Act, borrowing to finance General Fund operations is limited to 4% of the City's operating budget. Borrowing to finance Utility Fund operations is limited to 50% of the operating budget for the year. In 2013, the City has complied with these limitations.

17. Water and Sewer fund surplus/deficit

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:

	2013	2012
	\$	\$
2013 surplus	1,475,129	
2012 surplus	505,103	505,103
2011 surplus	32,377	43,169
2010 surplus	108,555	162,834
2009 surplus	37,574	75,150
2008 deficit	(29,455)	
	2,158,738	756,801

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, 2013 was \$468,497 (2012 - \$466,723).

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

20. Funds and reserves

	2013	2012
	\$	\$
Reserve for capital purchase, beginning of year	234,500	210,000
Additional funds set aside during the year	24,500	24,500
Reserve for capital purchase, end of year	259,000	234,500

The City received funding from the Canada – New Brunswick Municipal Rural Infrastructure Program between 2001 and 2006 to assist with the cost of construction of water and sewerage assets. The agreements require the City to maintain replacement reserve funds, which can only be used to pay for the cost of replacement of specified capital items, unless otherwise approved by the Minister of Environment and Local Government.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

21. Tangible capital assets

	Land \$	Land Improvements \$	Leasehold Improvements \$	Buildings \$	Vehicles \$	Machinery & Equipment \$	Transportation \$	Water and Wastewater Networks \$	Assets under Construction \$	2013 Total \$	2012 Total \$
COST											
Balance, beginning of year	150,929,820	34,894,644	1,508,600	218,445,500	46,275,554	14,894,188	426,908,893	508,850,851	28,213,808	1,430,921,858	1,379,718,552
Additions and transfers	481,762	90,451	78,591	6,478,850	1,170,834	1,615,564	10,372,757	8,783,117	5,423,676	35,312,602	63,096,445
Disposals	278,347	181,519	33,833	362,064	2,495,422	3,823,584	5,720,922	219,268	-	13,114,959	11,893,142
Balance, end of year	151,133,235	35,620,576	1,553,358	224,562,286	44,950,966	12,688,168	431,560,728	517,414,700	33,637,484	1,453,119,501	1,430,921,855
ACCUMULATED AMORTIZATION											
Balance, beginning of year	-	10,571,243	1,508,600	92,217,166	24,558,344	7,984,564	173,960,983	196,192,203	-	506,993,103	482,539,967
Amortization during the year	-	986,907	1,967	4,802,282	2,912,183	3,032,673	12,266,188	11,327,750	-	35,327,950	34,343,898
Accumulated amortization on disposals		155,215	33,832	330,199	2,309,495	3,804,779	4,464,568	196,095	-	11,294,183	9,890,762
Balance, end of year	-	11,402,935	1,476,735	96,587,249	25,161,032	7,212,458	181,762,603	207,323,858	-	531,026,870	506,993,103
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS											
	151,133,235	24,217,641	76,623	127,875,037	19,789,934	5,473,710	249,798,125	310,090,842	33,637,484	922,092,631	923,928,752
Consists of:											
General Fund assets	151,133,235	24,217,641	76,623	127,875,037	19,789,934	5,473,710	249,798,125	-	3,695,530	582,059,835	586,371,492
Water and wastewater assets	-	-	-	-	-	-	-	310,090,842	29,941,954	340,032,796	337,551,260
	151,133,235	24,217,641	76,623	127,875,037	19,789,934	5,473,710	249,798,125	310,090,842	33,637,484	922,092,631	923,928,752

The City of Saint John

Notes to the Consolidated Financial Statements

For the year ended December 31, 2013

22. Segment disclosure

	General Services	Protective services	Transportation services	Water and sewer services	Environmental health services	Environmental development services	Recreational and cultural services	Energy services	2013 Consolidated	2012 Consolidated
Revenues										
Property taxes	118,239,743	-							118,239,743	114,504,445
Unconditional grant	18,579,923	-			81,430				18,661,353	18,958,731
Other revenue from own sources	1,540,756	3,643,387	9,748,298		85,908	9,927,416	1,387,587		26,333,352	26,892,750
Miscellaneous revenue	2,136,923	-				10,165			2,922,330	721,875
Water & sewer revenue						34,269,330			34,269,330	32,656,592
Contributions from others	188,936	-		11,056,315	3,483,557	535,910	257,202	-	15,521,920	23,997,376
	140,586,281	3,643,387	20,814,778	37,752,887	85,908	10,544,756	2,420,031	-	215,948,028	217,731,769
Expenses										
Salaries and benefits	13,740,441	42,899,360	18,141,244	8,774,927	1,032,334	7,623,654	4,448,701	-	96,660,661	115,155,752
Goods and services	10,061,500	5,739,729	13,117,922	8,822,964	2,205,510	9,989,876	4,431,386	-	54,368,987	53,215,009
Amortization of tangible assets	6,300,197		14,942,249	11,327,750	-	1,815,383	973,263	-	35,358,842	34,343,908
Interest and bank charges	4,672,201	-	282,545	3,180,790	-	478,982	135	-	8,614,653	8,274,437
Debt repayment			533,619	-	-	-	-		533,619	455,859
Loss from Saint John Energy			-	-	-	6,207,533	6,207,533		130,312	
	34,774,439	48,639,089	47,017,579	32,106,431	3,237,844	19,907,895	9,853,485	6,207,533	201,744,295	211,575,277
Surplus (deficit) for the year	105,911,842	(44,995,702)	(26,202,801)	5,646,456	(3,151,936)	(9,363,139)	(7,433,454)	(6,207,533)	14,203,733	6,156,492

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

23. Reconciliation of annual surplus

	General Operating Fund	General Capital Fund	Water & Sewer Fund	Water & Sewer Capital Fund	Controlled Entities	Total
2013 annual surplus (deficit)	33,644,540	(17,404,968)	13,490,647	(7,844,194)	(7,682,292)	14,203,733
Adjustments to annual surplus (deficit) for funding requirements						
Eliminations	(14,538,821)	14,225,427	(6,423,704)	12,741,948	8,450,378	14,455,228
Amortization expense	19,539,647			11,327,750		30,867,397
Revenue from donated assets	(443,468)					(443,468)
Second previous year's surplus (deficit)	(73,607)					(73,607)
Sick leave expense	(141,000)					(141,000)
Post employment adjustment	327,500					327,500
Pension expense	(6,410,000)					(6,410,000)
Amortization of actuarial gain/loss	(161,900)					(161,900)
Long-term debt principal repayment	(10,350,286)					(10,350,286)
Disability expense	(1,728,724)					(1,728,724)
Total adjustments to 2013 annual surplus (deficit)	(33,076,838)	33,321,606	(12,015,518)	24,069,698	8,450,378	20,749,326
2013 annual fund surplus (deficit)	567,702	15,916,638	1,475,129	16,225,504	768,086	34,953,059

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

24. Controlled entities operations

	Saint John Transit Commission	Saint John Parking Commission	Non Profit Housing	Saint John Development Corporation	Saint John Industrial Parks	Harbour Station Commission	Aquatic Centre Commission
Total assets	30,979,861	27,868,338	18,209,485	33,373,277	4,594,503	1,644,684	362,256
Total liabilities	16,590,043	12,623,869	15,140,038	563,488	183,438	1,118,479	326,176
Accumulated surplus (deficit)	14,389,818	15,244,469	3,069,447	32,809,789	4,411,065	526,205	36,080
Total revenues	4,646,645	10,137,211	3,542,426	903,566	49,050	3,041,773	1,815,903
Total operating expenses	12,820,548	2,321,522	2,535,369	2,193,836	281,275	3,409,919	2,148,301
Annual surplus (deficit)	(8,182,903)	7,815,689	1,007,057	(1,290,270)	(232,225)	(368,146)	(332,398)
<hr/>							
	Trade and Convention Centre	Energy Services	Lord Beaverbrook	Saint John Free Public Library	Canada Games Foundation	2013 Consolidated	2012 Consolidated
Total assets	815,121	51,520,621	190,603	522,777	6,653,239	176,734,765	187,285,470
Total liabilities	867,826	-	55,239	34,141	12,804	47,515,541	57,243,251
Accumulated surplus (deficit)	(52,705)	51,520,621	135,364	488,636	6,640,435	129,219,224	130,042,219
Total revenues	486,409	-	204,754	252,805	775,242	25,855,784	17,409,784
Total operating expenses	776,605	6,207,533	350,017	545,564	-	33,599,489	26,288,157
Annual surplus (deficit)	(290,196)	(6,207,533)	(145,263)	(292,759)	775,242	(7,743,705)	(8,878,373)

The above noted entities are included in the consolidated financial statements.

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

25. Restatement

The comparative amounts for the year ended December 31, 2012 have been restated to exclude \$2,029,479, which was previously recorded as assets under construction and also as transportation tangible capital assets. As a result of the restatement, accumulated surplus and tangible capital assets decreased by \$2,029,479 from the balances previously reported in the Statement of Financial Position as at December 31, 2012.

26. Reconciliation of funding deficit upon adoption of PSAS

	Deferred Pension Expense \$	Special Top- up Agreements \$	Heart and Lung \$	Retirement Allowances \$
Liabilities at December 31, 2012 as calculated on adoption of PSAS	7,910,000	742,600	2,992,000	3,531,000
Amount of December 31, 2012 liabilities funded in current year	(5,990,000)	(23,300)	(159,000)	(220,000)
Balance to be funded in future years	1,920,000	719,300	2,833,000	3,311,000

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

27. Revenue and expense support

	2013 Budget (Unaudited)	2013	2012
	\$	\$	\$
REVENUE			
Other revenues from own sources			
General Government Services	2,875,912	1,540,756	2,176,324
Protective services	2,799,062	3,643,387	3,045,020
Transportation services	5,510,652	9,748,298	10,127,626
Environmental health services	82,000	85,908	82,722
Environmental development services	4,122,025	9,927,416	10,226,245
Recreational and cultural services	1,572,613	1,387,587	1,234,813
	16,962,264	26,333,352	26,892,750
Contributions from others			
General Government Services	-	188,936	58,637
Protective services	-	-	1,072,467
Transportation services	230,000	11,056,315	3,335,802
Water and sewer services	-	3,483,557	19,008,399
Environmental development services	550,000	535,910	334,769
Recreational and cultural services	-	257,202	187,302
	780,000	15,521,920	23,997,376
EXPENDITURES			
General government services			
Legislative			
Mayor's Office	183,305	172,400	169,119
Common Council	402,480	428,385	721,762
	585,785	600,785	890,881
City Manager			
City Manager	401,268	356,481	341,920
Corporate Planning	499,585	373,073	400,909
Intergovernmental Affairs	148,658	147,519	132,441
Corporate Communications	521,505	431,188	408,140
	1,571,016	1,308,261	1,283,410

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

27. Revenue and expense support [Cont'd]

	2013 Budget (Unaudited)	2013	2012
	\$	\$	\$
Common Services			
City Hall Building	1,979,795	1,734,349	1,681,895
Property Assessment	1,285,071	1,285,071	1,244,474
Public Liability Insurance	608,700	608,775	596,597
	3,873,566	3,628,195	3,522,966
Other			
Common Clerk	735,400	613,184	763,695
Human Resources	1,428,037	1,434,984	1,272,442
Finance	1,962,447	2,233,197	1,622,342
City Solicitor	703,834	766,215	913,597
Materials Management	971,819	943,191	1,095,244
Information Systems and Support	2,087,058	1,988,529	1,998,163
Insurance	157,977	162,684	
Debt Charges	28,347,810	11,251,711	21,790,529
Amortization		6,300,196	5,653,140
General Government Services	-	1,974,207	14,674,144
Other	-	1,527,046	1,744,007
Regional Services Commission	42,054	42,054	-
	36,436,436	29,237,198	51,527,303
Total general government	42,466,803	34,774,439	57,224,560
Protective services			
Police Protection			
Police Operations	12,178,847	13,601,068	11,869,612
Support Services	2,308,992	2,124,365	2,359,485
Administration	2,029,290	1,880,603	2,034,362
Stations and Buildings	1,151,180	971,306	1,373,879
Criminal Investigation	3,588,133	4,362,634	4,284,825
Detention Services	498,000	479,163	-
Automotive	1,023,400	584,306	548,937
	22,777,842	24,003,445	22,471,100

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

27. Revenue and expense support [Cont'd]

	2013 Budget (Unaudited)	2013	2012
	\$	\$	\$
Fire Protection			
Fire Operations	17,830,127	18,341,033	17,864,379
Emergency Dispatch Centre	2,491,853	2,231,023	2,198,010
Fire Administration	834,703	681,924	517,037
Fire Investigation	21,055	15,057	12,209
Fire Prevention	927,111	893,972	717,177
Fire Training	510,993	449,820	403,153
	22,615,842	22,612,829	21,711,965
Other protective services			
Inspection Services	993,679	991,356	932,287
Enforcement Services	156,779	186,155	157,933
Minimum Standards	237,671	220,099	263,565
Dangerous Buildings	476,692	362,725	418,493
Animal Control	82,743	84,810	67,217
Emergency Measures	325,421	177,670	167,604
	2,272,985	2,022,815	2,007,099
Total protective services	47,666,669	48,639,089	46,190,164

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

27. Revenue and expense support [Cont'd]

	2013 Budget (Unaudited)	2013	2012
	\$	\$	\$
Transportation services			
Public works			
Roads and Sidewalks	16,421,905	12,333,318	10,858,591
Other Drainage Services	2,266,348	1,930,471	1,843,938
Street Lighting	1,075,350	1,008,380	1,027,148
Municipal Operations	361,523	330,532	316,753
Amortization-Transportation	-	12,266,188	12,358,549
	20,125,126	27,868,889	26,404,979
Fleet			
Maintenance and Repair	1,081,302	1,187,285	1,417,264
Fleet Administration	-	296,825	306,280
	1,081,302	1,484,110	1,723,544
General engineering			
Transportation	541,451	319,116	189,866
Traffic Engineering and Systems	1,684,800	1,697,769	1,539,570
	2,226,251	2,016,885	1,729,436
Parking Administration			
Parking Administration	560,379	496,625	480,819
	560,379	496,625	480,819
External controlled entities			
Saint John Transit Commission	12,001,491	12,829,548	12,285,804
Saint John Parking Commission	2,706,221	2,321,522	1,637,900
	14,707,712	15,151,070	13,923,704
Total transportation services	38,700,770	47,017,579	44,262,482

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

27. Revenue and expense support [Cont'd]

	2013 Budget (Unaudited)	2013	2012
	\$	\$	\$
Water and sewer services			
Saint John water & wastewater			
Drinking Water	8,570,000	7,316,154	6,797,504
Industrial Water	1,566,000	1,114,345	1,356,440
Wastewater	8,992,000	7,584,578	6,270,012
Infrastructure Management	1,099,000	437,530	623,261
Internal Charges	542,000	101,725	538,360
Fiscal Charges	16,910,000	4,224,349	5,202,256
Amortization	-	11,327,750	11,091,989
Total water and sewer services	37,679,000	32,106,431	31,879,822
Environmental health services			
Sanitary Service	3,568,529	3,237,844	3,589,905
Total environmental health services	3,568,529	3,237,844	3,589,905
Environmental development services			
Research and planning			
Community Planning	1,241,017	1,141,759	1,059,661
Plan SJ	345,820	136,847	35,108
	1,586,837	1,278,606	1,094,769
Administration and Geographic Information Systems (GIS)			
GIS	311,563	272,057	284,742
Carpenter Shop	438,876	293,944	333,906
	750,439	566,001	618,648
Economic development			
Growth Strategy	-	-	-
Market Square Common Area	2,273,352	2,067,726	2,042,009
Regional Economic Development	475,000	475,000	332,000
Regional Facilities	1,527,444	724,164	667,045
Saint John Industrial Parks	300,000	-	-
	4,575,796	3,266,890	3,041,054

The City of Saint John
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

27. Revenue and expense support [Cont'd]

	2013 Budget (Unaudited)	2013	2012
	\$	\$	\$
Real estate management			
Property Management	1,031,337	1,183,393	907,363
Real Estate	371,310	300,241	323,444
	1,402,647	1,483,634	1,230,807
Other environmental development services			
City Market	937,265	896,181	930,234
Tourism	845,000	836,830	850,585
Community Development	300,994	234,449	210,134
	2,083,259	1,967,460	1,990,953
External controlled entities			
Saint John Development Corporation	1,097,015	2,193,836	1,761,993
Harbour Station Commission	3,258,130	3,409,919	3,764,560
Aquatic Centre Commission	2,392,920	2,148,301	2,229,515
Trade and Convention Centre	814,511	776,604	767,675
Non Profit Housing	3,408,940	2,535,369	2,540,683
Saint John Industrial Parks	499,375	281,275	259,213
	11,470,891	11,345,304	11,323,639
Total environmental development services	21,869,869	19,907,895	19,299,870
Recreational and cultural services			
Cultural grants			
Cherry Brook Zoo	60,035	60,035	60,070
Other Cultural Grants	1,923,434	1,214,470	874,283
	1,983,469	1,274,505	934,353
Parks			
Rockwood Park	496,728	520,530	420,262
Parks General Services	1,741,193	1,564,612	1,657,443
	2,237,921	2,085,142	2,077,705

The City of Saint John
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For the year ended December 31, 2013

27. Revenue and expense support [Cont'd]

	2013 Budget (Unaudited)	2013	2012
	\$	\$	\$
Community services			
Parks and playgrounds	258,627	222,132	74,212
Recreation and parks	316,053	231,611	262,097
Pro Kids	110,416	95,716	86,648
	685,096	549,459	422,957
Other recreational and culture services			
Sports and Recreation	3,130,205	3,123,186	2,866,765
Community Centres	1,083,155	866,068	838,841
Cultural Affairs	108,977	86,281	94,230
Amortization - Recreation	-	973,263	852,809
	4,322,337	5,048,798	4,652,645
External Controlled Entities			
Lord Beaverbrook	376,298	350,017	355,803
Saint John Free Public Library	475,530	545,564	554,699
	851,828	895,581	910,502
Total recreational and cultural services	10,080,651	9,853,485	8,998,162
Energy services			
Energy services	-	6,207,533	130,312
Total energy services	-	6,207,533	130,312
TOTAL EXPENDITURES	202,032,291	201,744,295	211,575,277



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