

Financial Statements

The City of Saint John

General Fund

December 31, 2008

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AUDITORS' REPORT

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

We have audited the balance sheets of the Operating Fund and Capital and Loan Fund of **The City of Saint John General Fund** as at December 31, 2008 and the related statements of revenue and expenses, equity and source and application of capital financing for the year then ended. These financial statements have been prepared to comply with Section 8 of the Control of Municipalities Act of New Brunswick. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of **The City of Saint John General Fund** as at December 31, 2008 and the results of its operations and the source and application of its capital financing for the year then ended in accordance with the basis of accounting described in note 1 to these financial statements.

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of His Worship The Mayor and Members of Common Council of The City of Saint John, and the Minister of Local Government of the Province of New Brunswick, and are not intended to be and should not be used for any other purpose. They have been prepared to, and do, comply with Section 8 of the Control of Municipalities Act of New Brunswick.

Ernst & Young LLP

Saint John, Canada,
March 24, 2009.

Chartered Accountants

**The City of Saint John
General Fund**

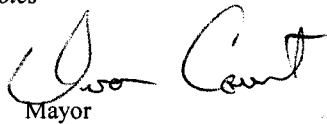
OPERATING FUND BALANCE SHEET

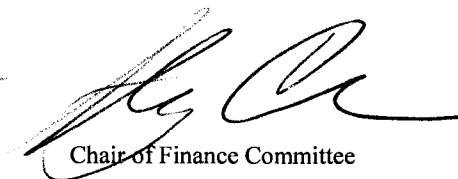
As at December 31

Page	2008	2007
	\$	\$
ASSETS		
	9,095,204	10,118,594
	5,824,570	6,077,122
	1,244,876	17,483,348
	3,796,275	-
5	8,362,829	1,610,254
	6,215	-
	350,000	-
	717,177	841,780
14	4,841,587	6,455,450
	851,190	439,908
	35,089,923	43,026,456
LIABILITIES AND EQUITY		
14	13,264,924	10,388,856
10	7,197,336	6,636,450
	555,601	640,819
	4,281,518	4,050,614
	12,259	12,259
	22,021	22,021
	-	146,650
	316,460	356,818
	-	9,568,929
	650,962	746,483
	733,164	869,544
	1,022,485	198,410
11	6,720,000	8,400,000
	34,776,730	42,037,853
4	Equity	313,193
	35,089,923	43,026,456

See accompanying notes

Approved by:


Mayor


Chair of Finance Committee

**The City of Saint John
General Fund**

**OPERATING FUND
STATEMENT OF REVENUE AND EXPENSES**

Year ended December 31

Page	Budget 2008 Unaudited \$	Actual 2008 \$	Actual 2007 \$
REVENUE			
	90,624,562	90,624,562	84,246,996
	Unconditional grant		
	19,499,823	19,499,823	19,117,473
18	1,044,500	1,101,617	989,038
19	4,437,031	5,735,950	5,725,015
19	250,000	285,635	315,404
	788,839	1,496,827	1,145,474
	116,644,755	118,744,414	111,539,400
EXPENSES			
20	11,199,663	10,592,508	10,068,656
21	45,361,828	45,799,875	42,210,533
22	23,487,322	25,128,391	22,002,121
	3,624,979	4,020,851	3,151,196
23	9,862,103	9,327,936	9,095,870
24	7,882,488	7,977,037	7,340,845
25	16,284,270	16,573,226	17,673,536
4	(1,057,898)	(1,057,898)	65,935
	116,644,755	118,361,926	111,608,692
	Excess of revenues over expenses (expenses over revenues) for the year		
		382,488	(69,292)

See accompanying notes

**The City of Saint John
General Fund**

**OPERATING FUND
STATEMENT OF EQUITY**

Year ended December 31

Page	2008	2007
	\$	\$
	988,603	991,960
3	382,488	(69,292)
	1,371,091	922,668
3	(1,057,898)	65,935
2	313,193	988,603

See accompanying notes

**The City of Saint John
General Fund**


**CAPITAL AND LOAN FUND
BALANCE SHEET**

Year ended December 31

Page	2008	2007
	\$	\$
ASSETS		
Due from associated entities		
Water and Sewerage Operating Fund	7,664	17,326
Saint John Parking Commission	19,947	-
Saint John Transit Commission	92,312	-
	119,923	17,326
Investments in shares of wholly owned company, Saint John Industrial Parks Ltd., at cost	994	994
12 Land, buildings, plant and equipment and engineering structures [note 3]	445,333,916	418,226,346
	445,454,833	418,244,666
LIABILITIES AND EQUITY		
11 Debenture debt [note 3]	58,726,600	52,390,700
11 Other long-term debt [note 3]		
Saint John Parking Commission	220,710	294,280
Deferred contributions	2,052,206	276,457
Due to associated entities		
2 General Operating Fund	8,362,829	1,610,254
Water and Sewerage Utility		
Capital and Loan Fund	-	1,253,713
Saint John Transit Commission	-	2,894,194
	69,362,345	58,719,598
6 EQUITY	376,092,488	359,525,068
	445,454,833	418,244,666

See accompanying notes

Approved by:


Mayor


Chair of Finance Committee

**The City of Saint John
General Fund**

**CAPITAL AND LOAN FUND
STATEMENT OF EQUITY**

Year ended December 31

Page	2008	2007
	\$	\$
Equity, beginning of year	359,525,068	340,571,556
Debt repaid by the General Operating Fund		
Debenture debt	7,664,100	8,098,100
Canada Mortgage and Housing Corporation	-	5,958
Saint John Parking Commission	73,570	73,570
	7,737,670	8,177,628
Contributions in aid of construction		
Provincial Government	4,762,780	7,973,985
Federal Government	191,808	3,298,151
Other	3,895,796	401,850
	8,850,384	11,673,986
Proceeds of land sales in excess of estimated cost	382,499	87,123
Capital projects financed by the General		
Operating Fund	1,132,113	500,241
Fixed assets purchased by the		
General Operating Fund	2,717,589	2,841,918
Contribution to Saint John Transit Commission	(4,252,835)	(4,327,384)
5 Equity, end of year	376,092,488	359,525,068

See accompanying notes

**The City of Saint John
General Fund**

**STATEMENT OF SOURCE AND APPLICATION OF
CAPITAL FINANCING**

	Actual 2008 \$	Actual 2007 \$
Source		
Bond issue	14,000,000	5,700,000
Contributions in aid of construction		
Federal Government	191,808	3,298,151
Provincial Government	4,762,780	7,973,985
Other	3,895,796	401,850
Fixed assets purchased by the General Operating Fund	2,717,589	2,841,918
Capital projects financed by the General Operating Fund	1,132,113	500,241
Proceeds on land sales in excess of estimated cost	382,499	87,123
Debt repaid by the General Operating Fund	7,737,670	8,177,628
Increase in amount due to the General Operating Fund	6,752,575	4,809,523
Increase in amount due to Water and Sewerage Utility Capital and Loan Fund	-	1,184,355
Deferred contributions	1,775,749	276,457
	43,348,579	35,251,231
Application		
Capital expenditures	27,107,570	21,773,499
Debt repayment	7,737,670	8,177,628
Increase in amounts due from associated entities	102,597	972,720
Decrease in amount due to Water and Sewerage Utility Capital and Loan Fund	1,253,713	-
Decrease in amount due to associated entities	2,894,194	-
Contribution to Saint John Transit Commission	4,252,835	4,327,384
	43,348,579	35,251,231

See accompanying notes

**The City of Saint John
General Fund**

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

1. ACCOUNTING POLICIES

These financial statements have been prepared to conform in all material respects to the accounting principles prescribed for New Brunswick municipalities by the Department of Local Government.

Financial statement presentation

The General Fund financial statements of The City of Saint John (the "City") have been prepared in accordance with the fund basis of accounting. The Operating Fund reflects the City's working capital and results of operations and the Capital and Loan Fund reflects its investment in fixed assets and outstanding long-term debt.

Fixed assets and depreciation

Fixed assets are initially recorded at cost. Funds received through capital assistance programs, cost sharing arrangements or loan forgiveness are treated as additions to equity in capital assets, except where the asset was acquired under the Urban Renewal Program. In these cases the funds received are netted against the asset cost.

The City does not record depreciation on its fixed assets, but an amount equal to annual debt repayment is charged to operations and credited to equity in capital assets. The City also charges to operations all capital projects that are financed in the current year from operating funds.

Accrual accounting

The City follows the accrual method of accounting for revenue and expenses.

**The City of Saint John
General Fund**

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

1. ACCOUNTING POLICIES (continued)

Accounting for second previous year's operating results

Section 89 of the Municipalities Act of New Brunswick requires that the excess of revenue over expenses for a fiscal year be included in revenue in the second ensuing year and that similarly, the excess of expenses over revenue for a fiscal year be included in expenses in the second ensuing year.

Accounting estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Financial instruments

The carrying values of the City's financial instruments other than long-term debt approximate fair values because of their short-term maturity and normal credit terms. The City's accounts receivable do not represent significant concentration of credit risk because the accounts are owed by a large number of ratepayers on normal credit terms. As long-term debt is arranged with the Province of New Brunswick and is not renegotiable, the fair value of long-term debt, affected by possible changing interest rates, has not been determined. At year-end the City did not have any exposure relating to derivative instruments.

**The City of Saint John
General Fund**

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

2. OTHER PAYABLES

	2008	2007
	\$	\$
Heart and lung liability	2,089,000	1,900,000
Vacation pay	2,226,036	1,921,950
Retirement allowance	2,882,300	2,814,500
	7,197,336	6,636,450

The City pays certain amounts to disabled firefighters and their spouses as a result of the provisions of an Act of the Legislature, known as the Heart and Lung Act. An actuarial review of this plan was completed as at December 31, 2008. The estimated actuarial present value of benefits at December 31, 2008 is \$2,089,000. This review only covers current claimants and does not include possible future claims.

The City has provided for vacations earned but not paid.

Employees, upon retirement from the City, are entitled to a retirement pay 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.

Employees of Local 18 hired after June 1, 1998; and Management employees hired after March 23rd, 2009; are not eligible for retirement allowance, now or in the future. These policies are established in the Local 18 collective bargaining agreement and the Management terms and conditions of employment.

**The City of Saint John
General Fund**

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

3. DEBENTURE AND OTHER LONG-TERM DEBT

Debentures consist of the following:

Year of Issue	Interest Rate %	Term Years	2008 Balance \$	2007 Balance \$
1998	5.2500 to 5.6250	10	-	729,500
1999	5.2000 to 5.7500	10	862,600	1,731,200
2000	6.1000 to 6.4000	10	1,328,000	1,992,000
2001	2.4500 to 5.5000	10	1,515,000	2,020,000
2002	3.3750 to 5.7500	10	3,184,000	3,980,000
2003	3.0500 to 5.0000	10	5,670,000	6,804,000
2003	2.7500 to 5.1250	10	2,970,000	3,564,000
2004	2.7500 to 4.8000	10	8,662,000	9,449,000
2005	3.7500 to 4.3750	10	5,681,000	6,154,000
2006	4.1500 to 4.4500	10	9,534,000	10,267,000
2007	4.4500 to 4.8500	10	5,320,000	5,700,000
2008	3.300 to 4.8500	10	8,500,000	-
2008	2.100 to 5.5500	15	5,500,000	-
Debenture Debt			58,726,600	52,390,700

Other long-term debt consists of the following:

Year of Issue	Interest Rate %	Term Years	2008 Balance \$	2007 Balance \$
2007	4.36	5	6,720,000	8,400,000
Province of New Brunswick				
2005	2.75	7	220,710	294,280
Saint John Parking Commission				
Other long-term debt			6,940,710	8,694,280

**The City of Saint John
General Fund**

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

3. DEBENTURE AND OTHER LONG-TERM DEBT (continued)

The aggregate amount of principal payments required in each of the next five years is as follows:

	\$
2009	9,616,170
2010	8,753,570
2011	8,089,570
2012	7,511,000
2013	5,035,000

Fixed assets include \$17,769,941 (2007 - \$12,735,870) for which financing has not been arranged at year end.

**4. PENSION PLAN
A. OVERVIEW**

The City provides pension benefits to employees in accordance with the provisions of the revised City of Saint John Pension Act as enacted on May 12, 1994 and last amended on April 28, 2001. The plan is administered by a Board of Trustees, representing Common Council, management, unionized employees and retired employees. Prior to May, 1994 the plan was governed by The City of Saint John Pension Act, 1970. The plan is subject to the provisions of the New Brunswick Pension Benefits Act which became effective January 1, 1992.

The plan is a defined benefit plan which provides for pensions based on length of service and rate of pay. Both the municipality and the employees make contributions to the plan. The City's contribution limits are fixed by legislation at a minimum amount of 7% of employee earnings. The City is currently contributing at a rate of 11.6% of salary. Effective May 1, 2007 the employee contribution rate was changed from 8.5% to 10.5% of pensionable earnings. The additional 2% employee contributions will be made until the sooner of May 1, 2010 or to the date when the going concern unfunded liability has been eliminated. The City charges all of its contributions to expense in the year the contribution is made. The amount contributed for employees, other than those funded by the Water and Sewerage Utility, for 2008 was \$7,958,994 (2007 - \$7,714,410).

**The City of Saint John
General Fund**

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

**4. PENSION PLAN (continued)
B. ACTUARIAL INFORMATION**

The 2006 actuarial valuation indicated the present value of accumulated plan benefits was \$396,778,000 and the adjusted market value of net assets available to provide benefits was \$365,763,100 with an estimated unfunded liability of \$31,014,900 on a going concern basis. As of December 31, 2006, the liabilities on a solvency basis were greater than the solvency assets by \$106,832,800.

The 2006 valuation has been updated by extrapolation to December 31, 2008 and the results indicate that the accumulated plan benefits now exceed the adjusted market value of assets available to provide benefits resulting in a deficiency of \$150,573,229 on a going concern basis.

This valuation relates to the entire plan which includes employees funded through both the General Fund and the Water and Sewerage Utility. Current costs and special funding payments are allocated to each fund on the basis of a percentage of payroll.

C. DUE TO THE PENSION PLAN

The New Brunswick Pension Benefits Act requires that a solvency deficiency be funded over a period of five years unless an exemption is requested to fund over a period of no more than 15 years, or the period to December 31, 2018, whichever is shorter, or an exemption from making solvency payments is granted.

In 2007, the exemption from making solvency special payments to the pension plan was sought and received. As a result of receiving this exemption there is no longer solvency funding due from the City as at December 31, 2007.

During 2008, the City paid the plan \$2,623,662, which represented required special funding and interest on a going concern basis (2007 - \$4,358,454). The General Fund's share of this for 2008 is \$2,311,446. The City is required to make special going concern payments until 2018.

**The City of Saint John
General Fund**

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

C. DUE TO THE PENSION PLAN (continued)

During 2006, the City paid the plan \$12,553,100, which represented required special funding and interest on a going concern basis for the years 2004 to 2006. The General Fund's share of this amount was \$10,759,262 of which \$1,200,000 was expensed in 2005, \$1,489,949 was expensed in 2006, and \$1,613,863 was expensed in 2007 and 2008, leaving an unamortized balance of \$4,841,587. The City received approval to amortize this expense over a period ending in 2011.

5. COMMITMENTS

Saint John Transit Commission

During 1979, the Saint John Transit Commission was created by an Act of the Legislative Assembly of New Brunswick. Under provisions of the Act, the Commission has the authority to maintain and operate a public transit system within the City of Saint John, with all operating losses and debt charges being funded by the City. The City is also liable for the debentures issued on behalf of the Commission which at December 31, 2008 amounted to \$4,430,400 (2007 - \$3,442,300).

The Greater Saint John Economic Development Commission, Inc.

During 1998, the Greater Saint John Economic Development Commission, Inc. was incorporated. The Articles of Incorporation provide a funding formula for costs to be shared by the participating municipalities. The participating municipalities are the Town of Quispamsis, the Town of Rothesay, the Town of Grand Bay-Westfield, and the City.

Greater Saint John Regional Facilities Commission

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

**The City of Saint John
General Fund**

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

5. COMMITMENTS (continued)

Market Square Central Building Complex - Lease Agreements

The Central Building Complex of the Market Square Project was opened to the public in May, 1983. This complex includes the library, trade and convention center, parking garage and retail and commercial space. Under the terms of three, sixty-six year leases, the City is responsible for the proportionate share of the complex's common area operating expenses, including property taxes, related to the library, trade and convention centre and parking garage.

Collective agreements

There are provisions within a number of collective agreements between the City and bargaining units representing its employees that commit the City to the future expenditure of funds. The Agreement with CUPE Local 18, representing the City's outside workers, commits the City to employ a minimum of 293 employees at an approximate annual expenditure of \$13,600,000. This Agreement expires on December 31, 2010. The Agreement with CUPE Local 486, representing the City's inside workers, has a no-lay-off provision related to all employees hired prior to August 9, 1985 resulting in an approximate annual expenditure of \$1,800,000. This Agreement expired on December 31, 2007 and was subsequently renewed on August 5th, 2008 for the years 2008-2011.

In addition, the Collective Agreement between the Saint John Board of Police Commissioners and CUPE Local 61, representing the City's Police Officers, contains a no-lay-off provision resulting in an approximate annual expenditure of \$10,059,000. This Agreement expired on June 30, 2007 and was subsequently renewed on July 29th, 2008 expiring on June 30, 2010.

University funding

In June of 2005, the City approved a grant of \$2,000,000 to the University of New Brunswick, Saint John campus. This funding to the University's campaign "Forging Our Futures" is paid in cash and/or in kind over a period of 10 years commencing in 2006.

**The City of Saint John
General Fund**

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

6. CONTINGENCIES

The City is liable for the debentures and other long-term debt issued on behalf of its self-supporting entities: The Water and Sewerage Utility has outstanding debt outstanding as of December 31, 2008 in the amount of \$45,504,000 (2007 - \$45,307,000).

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. 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, 2008 was \$11,279,000 (2007 - \$12,993,000). Based on 2003 population figures, the City is liable for approximately 55% of the Commission's debt.

7. RESTRICTIONS ON MUNICIPAL BORROWINGS

Section 89 of the Municipalities Act of the Province of New Brunswick restricts a municipality's borrowings for operating purposes to less than four percent of the operating budget of the municipality, and to less than two percent of the assessed value of real property in the municipality for capital purposes. Borrowings by the General Operating Fund and the General Capital and Loan Fund are within these legislative restrictions.

8. INTER-FUND ACCOUNTS

All inter-fund accounts at December 31, 2008 represent current transactions and are in compliance with the policy established by the Department of Local Government.

**The City of Saint John
General Fund**

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

**9. TRANSACTIONS WITH THE CITY OF SAINT JOHN WATER AND
SEWERAGE UTILITY (the "Utility")**

The General Operating Fund reimbursed the Utility Operating Fund \$1,853,126 (2007 - \$1,909,618) for water supply for fire protection and \$918,016 (2007 - \$962,024) for storm sewerage charges.

The General Operating Fund charged the Utility Operating Fund \$1,367,000 (2007 - \$1,337,000) for its share of general government operating costs. Charges for the provision of direct service between funds are not reflected in these amounts.

Interest is charged on the balances between the General Fund and the Utility on a monthly basis.

10. COMPARATIVE FIGURES

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2008 financial statements.

**The City of Saint John
General Fund**

**OPERATING FUND
SCHEDULE OF REVENUE ITEMS (1 of 2)**

Year ended December 31	Budget 2008 Unaudited	Actual 2008	Actual 2007
Page	\$	\$	\$
Sale of Goods and Services			
Protective services			
Point Lepreau	40,000	40,000	40,000
Training	-	27,143	6,618
Garbage collection and disposal	5,000	-	-
Recreational and cultural	712,500	809,247	756,420
Administrative service			
Pension Fund	200,000	138,227	100,000
Housing Operations	45,000	45,000	44,000
Saint John Transit Commission	42,000	42,000	42,000
3	1,044,500	1,101,617	989,038

The City of Saint John
General Fund

OPERATING FUND
SCHEDULE OF REVENUE ITEMS (2 of 2)

Year ended December 31	Budget	Actual	Actual	
	2008	2008	2007	
Page	Unaudited	2008	2007	
	\$	\$	\$	
Other Revenue from Own Sources				
Licenses and permits				
Business and other	79,000	99,315	91,705	
Building	1,000,000	1,707,849	1,424,175	
Plumbing	70,000	128,484	98,744	
Gas pipeline	16,500	36,564	282,740	
	1,165,500	1,972,212	1,897,364	
Fines and parking				
Parking and traffic violations	596,000	598,137	580,853	
Parking meters	775,000	793,977	784,875	
Market Square Parking Garage	1,022,531	1,025,928	959,729	
	2,393,531	2,418,042	2,325,457	
Rentals				
Market	435,000	491,830	491,442	
Land and buildings	193,000	186,737	157,389	
	628,000	678,567	648,831	
17	Short-term interest <i>[note 9]</i>	250,000	667,129	853,363
		250,000	667,129	853,363
3		4,437,031	5,735,950	5,725,015
Conditional Grants from Other Governments				
Provincial government and agencies				
	Transportation services - highways	250,000	285,635	315,404
3		250,000	285,635	315,404

The City of Saint John
General Fund

OPERATING FUND
SCHEDULE OF EXPENSE ITEMS (1 of 6)

Year ended December 31	Budget	Actual	Actual	
	2008	2008	2007	
Page	Unaudited	2008	2007	
	\$	\$	\$	
General Government Services				
Legislative				
Mayor's Office	220,196	174,204	209,297	
Common Council	395,159	419,075	418,832	
General Administrative				
City Manager	520,960	515,002	482,499	
Vision 2015	577,652	527,066	618,404	
Plebiscite	-	-	267,490	
Common Clerk	788,352	721,437	695,255	
Solicitor	721,173	738,318	629,367	
Corporate Services				
Finance	1,546,829	1,449,811	1,207,691	
Human Resources	1,384,437	1,368,352	1,224,130	
Materials Management	1,057,159	1,113,445	1,011,541	
Information Systems & Support	2,018,794	1,628,199	1,815,109	
Communications	250,000	237,380	-	
Common Services				
City Hall Building	1,716,459	1,691,884	1,513,295	
Other General Government Services				
Property Assessment	1,009,743	1,009,743	938,685	
Public Liability Insurance	456,750	365,592	374,061	
	12,663,663	11,959,508	11,405,656	
17	Deduct administrative costs allocated to the Water and Sewerage Operating Fund [note 9]	(1,464,000)	(1,367,000)	(1,337,000)
3		11,199,663	10,592,508	10,068,656

**The City of Saint John
General Fund**

**OPERATING FUND
SCHEDULE OF EXPENSE ITEMS (2 of 6)**

Year ended December 31		Budget	Actual	Actual
		2008	2008	2007
Page		Unaudited		
		\$	\$	\$
Protective Services				
	Police Protection	20,063,849	21,214,898	18,975,273
	Fire Protection			
	Salaries and other operating costs	19,440,419	19,254,186	17,997,331
17	Water supply [note 9]	1,882,000	1,853,126	1,909,618
	Emergency Measures			
	Emergency Measures Organization	232,320	229,335	158,484
	Emergency Dispatch Centre	2,062,840	1,666,060	1,801,394
	Other Protection			
	Building Inspection	1,543,400	1,445,125	1,237,812
	Animal Rescue League	137,000	137,145	130,621
3		45,361,828	45,799,875	42,210,533

**The City of Saint John
General Fund**

**OPERATING FUND
SCHEDULE OF EXPENSE ITEMS (3 of 6)**

Year ended December 31		Budget	Actual	Actual
		2008	2008	2007
Page		Unaudited	2008	2007
		\$	\$	\$
Transportation Services				
Common Services				
	Mechanical	702,722	804,683	978,003
	Administration	1,863,747	1,771,975	1,810,043
	Engineering	414,810	359,516	382,973
Road Transport				
	Roads and Streets	11,481,179	12,978,114	10,820,342
	Street Lighting	925,000	983,888	894,784
	Traffic Services	1,242,986	1,276,507	1,112,357
	Parking	465,385	479,346	434,376
17	Storm Sewer <i>[note 9]</i>	2,178,248	1,666,157	1,481,754
14	Public Transit <i>[note 5]</i>			
	Operating Subsidy	3,519,925	4,129,712	3,436,818
	Interest expense and capital debt retirement	693,320	678,493	650,671
3		23,487,322	25,128,391	22,002,121

**The City of Saint John
General Fund**

**OPERATING FUND
SCHEDULE OF EXPENSE ITEMS (4 of 6)**

Year ended December 31		Budget		
		2008	Actual	Actual
Page		Unaudited	2008	2007
		\$	\$	\$
	Environmental Development Services			
	Research and Planning	890,207	877,203	742,952
	Administration and GIS	750,042	743,781	670,586
	Real Estate Management	1,403,633	1,392,121	1,241,203
	Market Square Corporation	296,028	296,028	310,616
	Environment Committee	4,400	4,048	2,314
	Heritage Development Board	224,702	211,309	199,734
14	Greater Saint John Economic Development <i>[note 5]</i>	437,616	437,616	408,420
	Saint John Industrial Parks	275,000	275,000	82,200
15	Market Square Common Area <i>[note 5]</i>	2,078,407	1,769,228	1,787,105
	Growth Strategy Initiative	25,000	25,000	28,641
15	Regional Facilities Commission <i>[note 5]</i>	1,577,543	1,599,389	1,841,424
	Tourism and Communications	1,035,218	894,626	911,478
	City Market	864,307	802,587	869,197
3		9,862,103	9,327,936	9,095,870

**The City of Saint John
General Fund**

**OPERATING FUND
SCHEDULE OF EXPENSE ITEMS (5 of 6)**

Year ended December 31	Budget	Actual	Actual
	2008	2008	2007
Page	Unaudited	2008	2007
	\$	\$	\$
Recreational and Cultural Services			
Recreational			
Administration	728,075	883,555	714,357
Pro Kids	76,147	78,101	74,808
Community Centers	1,236,002	1,244,985	1,153,285
Arenas	1,258,103	1,258,990	1,199,532
Sportsfields	1,482,937	1,256,512	1,370,125
Parks	1,539,927	1,736,235	1,507,030
Cultural			
Saint John Free Public Library	378,600	383,987	369,280
Cultural Services	103,697	94,740	94,390
Grants	1,079,000	1,039,932	858,038
3	7,882,488	7,977,037	7,340,845

**The City of Saint John
General Fund**

**OPERATING FUND
SCHEDULE OF EXPENSE ITEMS (6 of 6)**

Year ended December 31	Budget	Actual	Actual
Page	2008	2008	2007
	Unaudited	2008	2007
	\$	\$	\$
Fiscal Services			
Interest on long-term debt			
Debenture debt	2,862,935	2,617,622	2,521,078
Other long-term debt	9,500	9,417	11,786
Principal installments			
Debenture debt	7,664,100	7,664,100	8,098,100
Other long-term debt	73,570	73,570	79,528
Capital projects financed by the General Operating Fund	1,000,000	1,000,000	735,000
Other debt charges	280,000	93,727	54,108
Short-term financing	250,000	274,524	260,296
12 Funding of Pension Fund <i>[note 4]</i>	4,144,165	4,223,078	5,453,568
Other miscellaneous	-	617,188	460,072
3	16,284,270	16,573,226	17,673,536