

CITY OF FREDERICTON

Consolidated Financial Statements

Year ended December 31, 2022

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CITY OF FREDERICTON

Consolidated Statement of Financial Position

As at December 31, 2022

	2022	2021
Financial assets		
Cash and cash equivalents <i>[note 2]</i>	\$ 75,666,835	\$ 60,130,656
Investments	6,399,083	4,682,889
Accounts receivable	11,629,976	14,774,177
Accrued pension asset <i>[note 8]</i>	7,721,000	5,149,600
	\$ 101,416,894	\$ 84,737,322
Liabilities		
Accounts payable and accrued liabilities	\$ 12,668,136	\$ 13,137,098
Deferred revenue	5,687,396	3,813,889
Deferred government transfers <i>[note 4]</i>	12,513,896	8,396,633
Deposits <i>[note 3]</i>	794,484	794,576
Long-term debt <i>[note 5]</i>	34,835,335	39,143,541
Long-term commitment <i>[note 17]</i>	1,483,440	1,784,255
	\$ 67,982,687	\$ 67,069,992
Net surplus	\$ 33,434,207	\$ 17,667,330
Non-financial assets		
Tangible capital assets <i>[note 21]</i>	\$ 626,080,545	\$ 615,803,835
Supplies inventory	3,264,732	2,793,178
	\$ 629,345,277	\$ 618,597,013
Accumulated surplus	\$ 662,779,484	\$ 636,264,343

Contingencies *[note 11]*
See accompanying notes

Approved by:

Kate Rogers, Mayor

Alicia Keating, City Treasurer

CITY OF FREDERICTON

Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31, 2022

	2022 Budget	2022 Actual	2021 Actual
Revenue			
Property taxes	\$ 118,873,040	\$ 118,873,040	\$ 111,089,470
Community funding and equalization grant	1,967,081	1,967,081	2,026,188
Federal grant in lieu of taxes adjustment	14,504	14,504	11,627
Services to other governments	3,835,093	3,882,021	3,751,796
Sales, fines and other fees	28,814,146	30,428,041	29,047,882
Interest and return on investments	280,000	1,809,071	1,110,810
Third-party contributions	-	10,678,332	13,742,607
	\$ 153,783,864	\$ 167,652,090	\$ 160,780,380
Expenses			
General Government Services – Corporate	\$ 1,645,645	\$ 1,362,537	\$ 728,332
Sustainable Infrastructure	2,258,538	1,823,411	1,718,021
Economic Vitality	9,504,213	8,428,998	8,114,575
Environmental Stewardship	5,914,412	6,005,642	5,351,348
Governance and Civic Engagement	5,494,507	5,435,510	6,005,005
Livable Community	21,997,826	21,136,568	20,665,102
Mobility [including Transit]	32,706,793	34,674,817	31,057,512
Public Safety	47,489,036	45,189,868	45,661,100
Water and Wastewater	17,112,734	17,079,598	20,955,536
	\$ 144,123,704	\$ 141,136,949	\$ 140,256,531
Annual surplus	\$ 9,660,160	\$ 26,515,141	\$ 20,523,849
Accumulated surplus, beginning of year	588,357,639	636,264,343	615,740,494
Accumulated surplus, end of year	\$ 598,017,799	\$ 662,779,484	\$ 636,264,343

See accompanying notes

CITY OF FREDERICTON

Consolidated Statement of Changes in Net Surplus

For the year ended December 31, 2022

	2022 Budget	2022 Actual	2021 Actual
Annual surplus	\$ 9,660,160	\$ 26,515,141	\$ 20,523,849
Acquisition of tangible capital assets	(33,683,108)	(36,543,555)	(47,642,524)
Net increase in work-in-progress			
Disposal of tangible capital assets	4,222,261	2,317,820	7,262,777
Amortization of tangible capital assets	22,968,188	23,949,025	23,474,802
(Decrease) increase in supplies inventory	-	(471,554)	123,151
	\$ (6,492,659)	\$ (10,748,264)	\$ (16,781,794)
Increase in net surplus	3,167,501	15,766,877	3,742,055
Net surplus, beginning of year	17,667,330	17,667,330	13,925,275
Net surplus, end of year	\$ 20,834,832	\$ 33,434,207	\$ 17,667,330

See accompanying notes

CITY OF FREDERICTON

Consolidated Statement of Cash Flows

For the year ended December 31, 2022

	2022	2021
Operating activities		
Annual surplus	\$ 26,515,141	\$ 20,523,849
Items not affecting cash		
Amortization of tangible capital assets	23,949,025	23,474,802
Loss on sale of tangible capital assets	211,957	2,955,364
Uses		
Change in working capital	2,675,147	(2,499,093)
Change in accrued pension asset	(2,571,400)	48,500
Change in assets held for sale	-	806,374
Change in deferred revenue	1,873,507	(352,799)
Change in deferred government transfers	4,117,263	3,235,955
Change in long-term commitment	(300,815)	(302,131)
Change in supplies inventory	(471,554)	123,151
Cash provided by operating activities	\$ 55,998,271	\$ 48,013,972
Capital activities		
Proceeds on sale of tangible capital assets	2,105,863	4,307,413
Acquisition of tangible capital assets	(36,543,555)	(47,642,524)
Cash used in capital activities	\$ (34,437,692)	\$ (43,335,111)
Financing activities		
Proceeds of long-term debt	-	5,964,000
Repayment of long-term debt	(4,198,473)	(3,877,783)
Capital lease principal repayments	(109,733)	(130,789)
Cash (used in) provided by financing activities	\$ (4,308,206)	\$ 1,955,428
Investing activities		
Change in long-term investments	(1,716,194)	624,984
Cash provided by investing activities	\$ (1,716,194)	\$ 624,984
Change in cash and cash equivalents	15,536,179	7,259,273
Cash and cash equivalents, beginning of year	60,130,656	52,871,383
Cash and cash equivalents, end of year	\$ 75,666,835	\$ 60,130,656

See accompanying notes

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

1. Significant accounting policies:

(i) Reporting entity:

The consolidated financial statements of the City of Fredericton [the "City"] reflect the assets, liabilities, revenue, expenditures, and changes in net debt and accumulated surplus in the reporting entity. The reporting entity comprises the organizations accountable for the administration of their affairs and resources to City Council and owned or controlled by the City. Inter-fund and inter-corporate balances and transactions have been eliminated. The entities included in the consolidated financial statements are as follows:

Owned/controlled corporations

e-Novations ComNet Inc.
Fredericton Convention Centre Inc.
Newmarket Properties Inc.

(ii) Basis of accounting:

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board ["PSAB"] of the Chartered Professional Accountants of Canada.

(iii) Revenue recognition:

Revenue is recognized on the accrual basis and is measurable as it is earned. Revenue received prior to being earned is recorded as deferred revenue until such time as the revenue is earned.

(iv) Expense recognition:

Expenses are recorded on the accrual basis as they are incurred and are measurable based on receipt of goods or services and obligation to pay.

(v) Supplies inventory:

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

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

1. Significant accounting policies (continued)

(vi) Tangible capital assets

Tangible capital assets ["TCAs"] are physical assets that are used to provide city services, city administration, construction and/or maintenance of other TCAs owned by the City, will be used on a regular basis for a period greater than one year, and are not surplus properties held for resale or disposal. Studies and master plans are not considered TCAs.

TCAs are recorded at cost, which includes all amounts directly attributable to acquisition, construction, development or betterment of the asset, and are amortized on a straight-line basis over their estimated useful lives. Amortization begins in the year after the asset has been put into use. Assets under construction are not amortized until they are put into use. Descriptions and useful lives are as follows:

	Useful Lives
Land: all land owned by the City, including land under buildings	N/A
Land improvements: include major landscaping projects, sports fields/courts, trail culverts, paved trails, parking lots, playgrounds and similar assets	15–80 years
Buildings: all City-owned buildings, with the exception of treatment plants, as single assets or broken into components: structural, interior, exterior, mechanical, electrical, specialty items and equipment, and site works	20–60 years
Machinery and equipment: include information technology assets, large signage, transit fare boxes, motorized fleet equipment, parking meters, leasehold improvements and similar assets	3–40 years
Vehicles: all City vehicles, including cars, trucks, buses and similar assets	6–20 years
Linear assets: all Public Works infrastructure including roads, sidewalks, street lights, traffic signals, storm sewers, water and sewer mains	15–80 years
Water and wastewater treatment facilities: include water and wastewater treatment plants broken into components: process piping/equipment, electrical and instrumentation, structural, architectural, mechanical, and site works	10–60 years

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

1. Significant accounting policies (continued)

(vi) Tangible capital assets (continued)

The City has a capitalization threshold in the amount of \$25,000. Any item purchased under this threshold is recorded as an expense in the year during which the item is acquired. An exception is pooled assets, which include computers, street lights, parking meters and groups of assets of a similar nature.

All grants, donations from subdivision developers and other third-party contributions are recorded as income in the year during which the expenditure for the capital asset is incurred. The full cost of the asset is capitalized in the year during which the asset is substantially complete and put into use.

(vii) Employee future benefits

The City accrues its obligations under employee future benefit plans and the related costs, net of plan assets. The City has adopted the following policies:

a) The cost of pensions earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of expected plan investment performance, salary escalation and retirement ages of employees.

For the purpose of calculating the expected return on plan assets, those assets are valued at fair value.

Current service costs are expensed during the year.

The excess of net actuarial gains (losses) is amortized over the average remaining service period of active employees, which is estimated to be 16 years.

b) The City has a Supplemental Executive Retirement Plan ["SERP"] for eligible employees [see note 8].

c) City employees are entitled to a retirement allowance under collective agreements or in accordance with City policy. The liability is actuarially determined [see note 9].

(viii) Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions based on information available as at the date of the consolidated financial statements. Actual results may differ from those estimates.

2. Cash and cash equivalents

Cash and cash equivalents are recorded at cost, which approximates their quoted market value, and are redeemable upon demand. Included in this amount are funds internally restricted by City Council for predetermined projects in the amount of \$46,771,938 [2021 – \$36,827,220].

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

3. Deposits

Deposits consist of monies being held by the City that will either be refunded, provided certain requirements are met, or earned upon final sale of assets.

	2022	2021
Foundation locations	\$ 86,500	\$ 86,500
Tenders	50,622	52,914
Infrastructure fees	306,796	306,796
Performance bonds	205,806	205,806
Subdivision development		-
Animal control and other	240	240
Development fees	8,740	8,541
Water and sewer installations	135,780	133,779
	<u>\$ 794,484</u>	<u>\$ 794,576</u>

4. Deferred government transfers

Funding received as part of the Gas Tax Funding program is recorded as revenue in the year during which related expenditures are incurred. Monies that have not been spent are recorded as deferred government transfers on the consolidated statement of financial position. This amount consists of the following:

	2022	2021
Gas Tax Funding	<u>\$ 12,513,896</u>	<u>\$ 8,396,633</u>

These amounts are restricted to fund pre-approved projects that relate to the program objectives and cannot be used for other projects.

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

5. Long-term debt

	2022	2021
General Fund		
Debentures, 20-year amortization period:		
Maturing in 2023 bearing interest at 2.10% to 5.55%	\$ 3,828,000	\$ 4,377,000
Maturing in 2026 bearing interest at 1.45% to 2.90%	3,469,313	4,298,671
Maturing in 2026 bearing interest at 1.45% to 2.90%	651,716	807,512
Maturing in 2028 bearing interest at 2.10% to 3.45%	1,401,223	1,615,542
Maturing in 2029 bearing interest at 1.95% to 2.45%	9,089,000	10,282,000
Maturing in 2030 bearing interest at 0.50% to 1.80%	5,004,000	5,602,000
Maturing in 2033 bearing interest at 1.35% to 4.00%	5,591,000	6,003,000
Maturing in 2041 bearing interest at 0.86% to 2.96%	5,717,000	5,964,000
	34,751,252	38,949,725
Capital lease obligations with implicit interest rates of 2.85% and 4.54%	84,083	193,816
Total long-term debt	\$ 34,835,335	\$ 39,143,541

The General Fund debentures are amortized over 20 years with fixed rates of interest over the initial 10-year

The City has obtained approval of the Municipal Capital Borrowing Board for the long-term debt, and expects to renew each of the debentures for an additional term of 10 years as they mature.

Principal due within the next five years and thereafter on certificates of indebtedness is approximately as follows:

2023	7,536,910
2024	3,778,998
2025	3,858,759
2026	3,945,378
2027 and thereafter	15,631,207
	\$ 34,751,252

Interest in the amount of \$1,042,828 [2021 – \$1,048,040] relating to the debentures is included in interest expense.

Capital lease obligations due within the next year are as follows:

2023	84,083
Total minimum lease payments	\$ 84,083

Interest in the amount of \$8,957 [2021 – \$14,968] relating to the capital lease obligations is included in interest expense.

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

6. Capital borrowing

Requested and approved capital borrowing

The City obtained approval under Order in Council ["OIC"] and Ministerial order to borrow an amount of \$78,814,000, of which \$5,964,000 was financed in 2021, \$8,950,000 in 2013, \$1,100,000 in 2012, \$11,000,000 in 2010, \$21,800,000 in 2009, \$13,500,000 in 2008, and \$16,500,000 in 2006 by the New Brunswick Municipal Finance Corporation. Of this amount, \$9,934,000 and \$2,251,000 were refinanced with internal inter-fund debentures in 2016 and 2018, respectively.

		<u>Approved</u>	<u>Borrowed</u>
Recreation and Cultural	OIC 06-02	\$ 14,350,000	\$ 14,350,000
Recreation and Cultural	OIC 06-23	5,900,000	5,900,000
Recreation and Cultural	OIC 06-43	9,360,000	9,360,000
Protective Services	OIC 06-43	5,400,000	5,400,000
Protective Services	OIC 07-17	1,400,000	1,400,000
General Government	OIC 07-55	3,040,000	3,040,000
General Government	OIC 07-66	1,000,000	1,000,000
General Government	OIC 09-08	30,800,000	30,800,000
Protective Services	OIC 10-72	500,000	500,000
Environmental Health	OIC 11-06	1,100,000	1,100,000
General Government	OIC 21-0048	9,487,000	5,964,000
Total authorizations to December 31, 2022		\$ 82,337,000	\$ 78,814,000

Of the total amount borrowed, \$34,751,252 [2021 – \$36,863,508] remains to be repaid [see note 5].

7. Capital commitments

There are no significant capital commitments outstanding as at December 31, 2022 [2021 – nil].

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

8. Pension asset/liability

a - Superannuation Pension Plan

The City provides pension benefits to certain employees of the City, in accordance with the *New Brunswick Pension Benefits Act* and City By-Law A-5. The Superannuation Pension Plan [the "Plan"] is administered by City Council as the Board of Administrators. The Plan is a contributory defined benefit pension plan covering the active members of IAFF 1053 and UBCJ 911, and IAFF 1053 and UBCJ 911 retirees on or after March 31, 2013. Under the Plan, contributions are made by the Plan members and the City.

An actuarial valuation of the Plan was completed for December 31, 2021 and extrapolated to December 31, 2022.

	2022	2021
Plan assets, at market-related value, January 1	\$ 104,750,500	\$ 102,243,700
Contributions – City	2,157,300	2,241,400
Contributions – employee required	1,900,300	1,868,900
Benefit payments	(5,373,300)	(6,587,000)
Administrative expenses paid from plan assets	(250,000)	(250,000)
Expected earnings on market-related value	6,861,800	5,346,600
Actuarial loss	(22,948,900)	(113,100)
Plan assets, at market-related value, December 31	\$ 87,097,700	\$ 104,750,500
Accrued benefit obligation, January 1	\$ 88,491,100	\$ 101,096,100
Current service cost	2,688,200	3,377,700
Benefit payments	(5,373,300)	(6,587,000)
Interest on accrued benefit obligation	5,748,700	5,270,600
Net actuarial loss (gain)	3,088,800	(14,666,300)
Accrued benefit obligation, December 31	\$ 94,643,500	\$ 88,491,100
Unamortized actuarial losses, January 1	\$ 10,741,800	\$ (4,428,400)
Current-year gains (losses) on accrued obligation	(3,088,800)	14,666,300
Actuarial losses on pension fund assets	(22,948,900)	(113,100)
Amortization of prior-year actuarial losses	(292,600)	617,000
Unamortized actuarial gains (losses), December 31	\$ (15,588,500)	\$ 10,741,800
Net pension fund asset comprising:		
Accrued benefit obligation	\$ 94,643,500	\$ 88,491,100
Less plan assets	(87,097,700)	(104,750,500)
Plus unamortized gains (losses)	(15,588,500)	10,741,800
Net pension fund asset	\$ (8,042,700)	\$ (5,517,600)
City portion of Plan expenses		
Current year benefit cost	\$ 2,938,200	\$ 3,627,700
Less employee contributions	(1,900,300)	(1,868,900)
(Deduct) add amortization of actuarial losses	(292,600)	617,000
	745,300	2,375,800
Interest during the year on average pension asset	(1,113,100)	(76,000)
Pension-related expense (income)	\$ (367,800)	\$ 2,299,800

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

8. Pension asset/liability (continued)

b - Supplemental Executive Retirement Plan

Accrued actuarial obligation

	2022	2021
	\$ 321,700	\$ 368,000

c - Net pension asset/liability

Superannuation Pension Plan

Supplemental Executive Retirement Plan

	2022	2021
	\$ (8,042,700)	\$ (5,459,600)
	321,700	368,000
	\$ (7,721,000)	\$ (5,091,600)

Significant management assumptions used in the actuarial valuation for the Superannuation Pension Plan are:

Discount rate:	7.00% for 2022 year-end disclosures [6.60% for fiscal 2022 expense and 2021 year-end disclosures]
Inflation rate:	2.10% [2021 – 2.00%] per annum
Salary growth rate:	2.85% [2021 – 2.75%] per annum, plus promotional and merit scale
Retirement age:	60% [2021 – 60%] at the age first eligible for an unreduced pension, 20% [2021 – 0%] at 35 years of service [if prior to age 65], remainder at age 65 [2021 – 65]

Significant management assumptions used in the actuarial valuation for the Supplemental Executive Retirement Plan are:

Discount rate:	2.85% [2021 – 1.85%] per annum
Inflation rate:	2.50% per annum

The Superannuation Pension Plan for certain employees of the City is exempted from funding on a solvency basis. The exemption was approved by the New Brunswick Superintendent of Pensions and recorded effective May 5, 2014.

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

9. Retirement allowance liability

The City provides a retirement allowance to employees of the City who have continuous service of five years or more and retire due to disability, death or age, or are laid off by the City. The City shall pay such employees or their beneficiaries an allowance equal to one month's pay for each five years of service or fraction thereof, but not exceeding six months, at the employee's regular rate of salary plus their benefit spending allowance at retirement.

Based on an actuarial valuation of the liability, the results as at December 31, 2022 are as follows:

	2022	2021
Accrued benefit liability as at January 1	\$ 11,179,100	\$ 10,866,600
Current service cost	904,900	846,800
Interest on obligation	251,400	239,800
Benefit payments	(744,800)	(1,041,000)
Amortization of losses	297,600	266,900
Accrued benefit liability as at December 31	\$ 11,888,200	\$ 11,179,100
Restricted cash and investments for retirement allowance	\$ 11,888,200	\$ 11,179,100
Net accrued benefit obligation	\$ -	\$ -
City portion of benefit expenses		
Current-period benefit cost	\$ 904,900	\$ 846,800
Interest cost	251,400	239,800
Amortization of losses	297,600	266,900
Retirement allowance expense	\$ 1,453,900	\$ 1,353,500

Significant economic and demographic assumptions used in the actuarial valuation are:

Discount rate:	2.85% [2021 – 1.85%] per annum
Salary growth rate:	2.75% in 2022, 5.38% in 2023, 6.00% in 2024 and 2.75% per annum thereafter, plus promotional and merit scale [2021 – 2.75% per annum, plus promotional and merit scale]
Retirement age:	60% at the age first eligible for an unreduced pension, remainder at age 65

10. Expenses by object

	2022	2021
Salaries and benefits	\$ 74,250,784	\$ 73,852,323
Goods and services	41,570,337	38,911,034
Amortization	23,949,025	23,474,802
Interest	1,051,785	1,063,009
Other	315,018	2,955,363
\$ 141,136,949	\$ 140,256,531	

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

11. Contingencies

(i) The City is subject to claims and lawsuits arising in the normal course of operations. Many of these claims, especially related to property expropriation, may take several years to resolve. Management is of the opinion that the ultimate resolution of any legal proceedings will not have a significant effect on the City's consolidated financial position.

12. Recreational service agreement

The City entered into Recreational Service Agreements ["Agreements"] with a number of surrounding Local Service Districts [the "LSDs"] and the Village of New Maryland [the "Village"]. The Agreements are in effect from January 1, 2008 to December 31, 2027 with an option to extend beyond this period.

Under the Agreements, the City is required to provide access to constituents of the LSDs and the Village to the City's recreational facilities as if they were residents of the City. In addition, the City is required to provide an audited consolidated schedule of net operating loss of the City's arena complexes [note 23]. A capital replacement fund is in place to plan for future capital expenditures relating to the arenas.

In return, the LSDs and the Village have agreed to have a portion of their property taxes paid to the City in order to help fund a proportional amount of the capital and operating expenses of the facilities. The contributions are collected by the Province of New Brunswick, then distributed to the City by the Minister of Local Government. Contributions under this agreement for the current year amounted to \$641,547 [2021 – \$585,499] and are included in revenue under services to other governments.

13. Other

Funds held in trust

Trust fund assets administered by the City for the benefit of external parties in the amount of \$845,440 [2021 – \$746,554] are not included in these consolidated financial statements.

Lease Arrangement

The City, through Newmarket Properties Inc., leases land and a building from the Province of New Brunswick for a nominal fee of \$1 per year under a five-year renewable lease agreement that terminated on April 30, 2014. Under the terms of the lease, the Province of New Brunswick is responsible for the provincial portion of the real property tax levy. The effect of this lease arrangement is not recorded in these consolidated financial statements.

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

14. Segmented information

The City is a diversified municipal government that provides a wide range of services to citizens. For management reporting purposes, these operations are broken into segments [note 20]. The segments are as follows:

General Government Services – Corporate

General Government Services are responsible for the internal services provided by and for the other City departments. They consist of Corporate Services—including Communications, Human Resources, Purchasing, Fleet, Information Technology, Building Services, Telecommunications, Real Estate and Finance. Internal services' costs are re-allocated to the public services areas below.

Governance & Civic Engagement

Governance & Civic Engagement services provide legislation, community relations, and community and corporate leadership. This segment includes the Mayor and Council, and the City Administrator—including Strategic Initiatives, the City Solicitor and the City Clerk.

Sustainable Infrastructure

Sustainable Infrastructure services consist of planning for long-term infrastructure needs, creating long-term capital plans, and managing debt and affordability.

Public Safety

Public Safety services include Police, Fire, Bylaw and Building Inspection services within the City and aiding surrounding areas as required.

Mobility

Mobility services consist of common services, road and linear maintenance, street lighting, traffic services, Parking Services and Public Transit.

Environmental Stewardship

Environmental Stewardship consists of garbage and waste collection and disposal, and composting.

Economic Vitality

Economic Vitality consists of economic development, and tourism and culture. It includes the Fredericton Convention Centre Inc., e-Novations ComNet Inc. and Newmarket Properties Inc.

Livable Community

Livable Community services include recreation and cultural services consisting of administration, programs, community liaison, indoor and outdoor pools, arenas, community facilities, the Fredericton Public Library and the Fredericton Playhouse. Livable Community also includes Parks and Trees, outdoor sport, and community planning, building permits and inspection, development approval, heritage planning and conservation, and long-range land use planning.

Water and Wastewater (Utility Operations)

Water and Wastewater services consist of supply, purification and treatment, transportation, storage, distribution of water, and collection and treatment of wastewater.

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

15. Province of New Brunswick compliance requirements

The City is in compliance with the following requirements under the *Local Governance Act* of the Province of New Brunswick:

(i) Inter-fund accounts

All inter-fund accounts as at December 31, 2022 represent current transactions except as noted below and are in compliance with the policy established by the Department of Environment and Local Government.

(ii) Restrictions on municipal borrowings

Section 100 of the *Local Governance 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, as defined by the Province of New Brunswick, and to less than two percent of the assessed value of real property in the municipality for capital purposes. Borrowings by the City are within these legislative restrictions.

(iii) Water cost transfer

The City's water cost transfer is within the maximum allowable by regulation 2020-52 under the *Local Governance Act* based on the applicable percentage of water system expenditures for the population.

(iv) Second previous year's surplus

The *Local Governance Act* requires that the General Operating Fund surplus (deficit) be absorbed into the operating budget of the second subsequent year and that the Water and Sewerage Operating Fund surplus (deficit) be absorbed into one or more of the three operating budgets commencing with the second following year [see note 22].

16. Public Safety

Included in Public Safety expenses are amounts related to a contribution agreement between the Government of Canada, the Province of New Brunswick, the City of Fredericton and the Saint Mary's First Nation for policing services to St. Mary's First Nation. Amounts included relating to expenses and recoveries are as follows:

	2022	2021
St. Mary's First Nation policing expenses	\$ 730,494	\$ 816,058
Federal contribution	(320,198)	(311,628)
Provincial contribution	(295,555)	(287,656)
City contribution	\$ 114,741	\$ 216,774

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

17. Shared risk pension

The City is a participating contributing employer to the City of Fredericton Shared Risk Plan [the "SRP Plan"] which is a Shared Risk Plan in accordance with the *Pension Benefits Act* (New Brunswick). The SRP Plan is administered by an independent Board of Trustees and covers employees of the City who are not active members of IAFF 1053 or UBCJ 911. Under the SRP Plan, contributions are made by the SRP Plan members and the City. The SRP Plan was created effective March 31, 2013 as a result of a Memorandum of Understanding between the City and CUPE locals 508, 1709, 1783 and 3864.

Plan members contribute at a rate of 9% of pensionable earnings, with the exception that designated Police and Fire Management employees contribute at a rate of 12% of pensionable earnings. The City matches these contributions to form the Plan's Initial Contributions. In addition, the City is making initial Temporary Contributions in the amount of 5% of pensionable earnings for at least 10 years and at most 15 years beginning March 31, 2013. As per the Plan's Funding Policy, contributions may increase or decrease by 2.25% of payroll for both the City and the employees should certain funding levels be reached.

As a result of the split changes to the SRP Plan assets, the City made a new long-term commitment to increase the Temporary Contributions to the SRP Plan from the initial rate of 4.25% of payroll to 5.0% of payroll. The commitment for additional Temporary Contributions is for the same period as the initial Temporary Contributions.

The present value of the long-term commitment for additional Temporary Contributions is estimated to be \$1,483,440.

Additional Temporary Contributions due within the next five years on the long-term commitment are approximately as follows:

2023	299,474
2024	298,108
2025	296,715
2026	295,295
2027	293,848
	<hr/>
	\$ 1,483,440

For service up to and including March 31, 2013, benefits accrue at a rate of 1.3% on the first \$5,000 of earnings and 2.0% on the remainder of pensionable earnings, to a maximum benefit of \$2,000 per year of pensionable service. For this period of pre-conversion service, benefits are available on an unreduced basis for members who retire on or after age 55 and whose age plus service total at least 80 years [or 75 years for designated Police and Fire Management employees]. For service after March 31, 2013, benefits accrued at a rate of 1.8% of pensionable earnings. For this period of post-conversion service, benefits are available on an unreduced basis for members who retire on or after age 65 [or 60 for designated Police and Fire Management employees].

The last actuarial valuation of the Plan was conducted as at March 31, 2022. At that date, the open group funded ratio of the Plan was 122.0% [2021 – 116.9%].

18. Pension plan asset split

A split, and transfer of assets from the Superannuation Plan for Employees of the City of Fredericton (the "old plan") to the Superannuation Pension Plan for Certain Employees of the City of Fredericton (the "new plan") and the SRP Plan, was approved by the Superintendent of Pensions' office on November 18, 2014. The transfer of assets was based on a division of assets from the old plan to the new plan and SRP Plan using a going concern basis.

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

Mercer (Canada) Limited performed an actuarial valuation of the old plan with the purpose of determining the transfer of assets and liabilities as of March 31, 2013.

The use of a going concern basis to determine the transfer of assets was appealed by the police and fire union to the Financial and Consumer Services Tribunal ("The Tribunal"). The Tribunal issued its decision on the appeal on March 9, 2016, overturning the original basis used for the division of assets (a going concern basis) in favour of a solvency apportionment of assets (the "solvency basis").

During the year in 2016, Mercer (Canada) Limited performed new actuarial valuations of the plan asset split using the solvency basis. As a result of the revised actuarial valuation and remeasurement of the pension asset split value, an additional \$6,314,000 in pension assets have been transferred from the SRP Plan to the new plan.

As a result of additional appeals, regarding the results of the actuarial valuation, from the police and fire unions, The Tribunal held a hearing that resulted in an August 2020 decision. The decision resulted in the following actions: a) the Plan actuaries were removed; b) the plan administrator was required to retain a new actuary; c) the 2016 actuarial report was rejected; d) the new actuary was required to conduct analysis to determine appropriate funding levels since Plan inception in 2013 and determine if a Canada Revenue Agency ("CRA") exemption was to be required; and e) actuarial valuation reports for 2013 to present were required to be prepared again by the new actuary and re-submitted to the Superintendent of Pensions.

Eckler Limited has been appointed as Plan Actuary effective March 2021. New actuarial valuations for 2013 to 2021 have been completed, submitted and approved by the Superintendent of Pensions. In relation to the new valuations, there are no changes recommended or required relating to contributions, funding levels or CRA exemptions.

19. Local Governance Reform

As a result of Local Governance Reform in the Province of New Brunswick, the City will be growing in area, population and service delivery effective January 1, 2023. Based on current decisions, there will be no transfer of assets and service delivery changes will transition over time. While the new areas will be paying taxes to the City of Fredericton for all services with the exception of road maintenance, many services will continue to be provided by the Province of New Brunswick and/or third party for which the City will be billed.

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

20. Consolidated Schedule of Segment Disclosure

	Governance & Civic Engagement	General Government Services - Corporate	Sustainable Infrastructure	Public Safety	Mobility	Environmental Stewardship	Economic Vitality	Livable Community	Water and Wastewater	2022 Consolidated	2021 Consolidated
Revenue											
Property tax/Community Funding and Equalization Grant	\$ 5,455,194	\$ -	\$ 2,275,740	\$ 42,778,867	\$ 34,347,881	\$ 6,186,285	\$ 9,129,755	\$ 20,680,901	\$ -	\$ 120,854,625	\$ 113,127,285
Services to other governments	-	1,507,375	-	1,956,005	418,641	-	-	-	-	3,882,021	3,751,796
Sales and other fees	-	389,154	-	2,417,598	4,312,577	-	541,916	2,775,522	19,991,275	30,428,041	29,047,882
Interest and return on investments	-	1,565,580	-	-	-	-	-	-	243,491	1,809,071	1,110,810
Government transfers	-	-	1,647,869	152,273	1,225,300	3,129	-	401,450	2,442,308	5,872,329	11,592,391
Other	-	1,199	-	-	1,161,243	1,475,448	-	7,500	2,160,614	4,806,003	2,150,216
	\$ 5,455,194	\$ 3,463,308	\$ 3,923,609	\$ 47,304,743	\$ 41,465,642	\$ 7,664,862	\$ 9,671,671	\$ 23,865,373	\$ 24,837,688	\$ 167,652,090	\$ 160,780,380
Expenses											
Salaries and benefits	\$ 2,650,175	\$ 15,801,122	\$ 1,008,859	\$ 30,660,198	\$ 10,445,846	\$ 703,673	\$ 2,296,373	\$ 5,040,415	\$ 5,644,123	\$ 74,250,784	\$ 73,852,323
Goods and services	706,547	18,450,583	91,164	505,839	5,908,209	4,135,925	2,801,528	3,004,166	5,966,376	41,570,337	38,911,034
Amortization	128,974	-	84,552	1,954,533	9,909,181	643,487	1,661,193	4,173,110	5,393,995	23,949,025	23,474,802
Interest	-	-	-	157,907	226,366	-	202,907	464,605	-	1,051,785	1,063,009
Other (gain) loss on assets	-	-	-	2,006	232,925	-	1,574	3,409	75,104	315,018	2,955,363
Subtotal expenses	\$ 3,485,696	\$ 34,251,705	\$ 1,184,575	\$ 33,280,483	\$ 26,722,527	\$ 5,483,085	\$ 6,963,575	\$ 12,685,705	\$ 17,079,598	\$ 141,136,949	\$ 140,256,531
Allocation of Corporate overhead	1,949,814	(32,889,168)	638,836	11,909,385	7,952,290	522,557	1,465,423	8,450,863	-	-	-
Total expenses	5,435,510	1,362,537	1,823,411	45,189,868	34,674,817	6,005,642	8,428,998	21,136,568	17,079,598	\$ 141,136,949	\$ 140,256,531
Annual surplus	\$ 19,684	\$ 2,100,771	\$ 2,100,198	\$ 2,114,875	\$ 6,790,825	\$ 1,659,220	\$ 1,242,673	\$ 2,728,805	\$ 7,758,090	\$ 26,515,141	\$ 20,523,849

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

21. Schedule of Tangible Capital Assets

	Land	Land improvements	Buildings	Vehicles	Machinery and equipment	Treatment facilities	Linear assets	Assets under construction	2022 Total	2021 Total
Cost										
Balance, beginning of year	\$ 20,927,296	\$ 27,004,464	\$ 157,989,278	\$ 33,615,470	\$ 31,806,837	\$ 77,625,245	\$ 604,154,318	\$ 8,348,838	\$ 961,471,746	\$ 937,716,235
Net additions during the year	1,066,048	(2,282,336)	2,740,378	3,555,995	2,128,631	1,459,774	29,604,572	(1,729,507)	36,543,555	\$ 47,642,524
Disposals during the year	(214,298)	(119,103)	(169,121)	(1,354,332)	(789,121)	(989,791)	(5,650,591)	-	(9,286,357)	\$ (23,887,013)
Balance, end of year	\$ 21,779,046	\$ 24,603,025	\$ 160,560,535	\$ 35,817,133	\$ 33,146,347	\$ 78,095,228	\$ 628,108,299	\$ 6,619,331	\$ 988,728,944	\$ 961,471,746
Accumulated Amortization										
Balance, beginning of year	\$ -	\$ 10,120,712	\$ 65,271,629	\$ 17,377,267	\$ 15,609,620	\$ 35,957,033	\$ 201,331,650	\$ -	\$ 345,667,911	\$ 338,817,345
Amortization during the year	-	630,541	4,964,222	2,225,809	2,491,101	2,142,394	11,494,958	-	23,949,025	\$ 23,474,802
Accumulated amortization on disposals	-	(101,361)	(125,015)	(1,216,362)	(540,221)	(970,188)	(4,015,390)	-	(6,968,537)	\$ (16,624,236)
Balance, end of year	\$ -	\$ 10,649,892	\$ 70,110,836	\$ 18,386,714	\$ 17,560,500	\$ 37,129,239	\$ 208,811,218	\$ -	\$ 362,648,399	\$ 345,667,911
Net book value of tangible capital assets	\$ 21,779,046	\$ 13,953,133	\$ 90,449,699	\$ 17,430,419	\$ 15,585,847	\$ 40,965,989	\$ 419,297,081	\$ 6,619,331	\$ 626,080,545	\$ 615,803,835
Consists of:										
General Fund Assets	\$ 20,405,778	\$ 13,953,133	\$ 90,449,699	\$ 15,842,953	\$ 14,181,504	\$ -	\$ 236,523,930	\$ 4,611,661	\$ 395,968,657	\$ 391,270,961
Water and Sewer Fund Assets	1,373,268	-	-	1,587,466	1,404,343	40,965,989	182,773,151	2,007,672	230,111,888	\$ 224,532,874
	\$ 21,779,046	\$ 13,953,133	\$ 90,449,699	\$ 17,430,419	\$ 15,585,847	\$ 40,965,989	\$ 419,297,081	\$ 6,619,333	\$ 626,080,545	\$ 615,803,835

The City has tangible capital assets under capital leases as follows, included in the amounts listed above:

	Historical cost	Accumulated amortization	Net book value
Machinery and equipment	402,611	120,783	281,828
Total assets under capital leases	\$ 402,611	\$ 120,783	\$ 281,828

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

22. Consolidated Schedule of Accumulated Surplus Reconciliation to Province of New Brunswick ["PNB"] Compliance Requirements

	General Operating Fund	Water and Sewerage Operating Fund	Reserve Funds	Land Sales Fund	Parking Land Bank Fund	General Capital Fund	Water and Sewerage Capital Fund	Total
2022 annual surplus	\$ 1,237,344	\$ (902,944)	\$ 9,944,718	\$ 1,864,430	\$ 89,072	\$ 7,189,922	\$ 7,092,599	\$ 26,515,141
Adjustments to 2022 annual surplus for PNB compliance requirements								
Second previous year's surplus	\$ 2,783,002	\$ 1,718,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,501,132
Amortization expense	-	-	-	-	-	18,555,030	5,393,995	23,949,025
Accumulated amortization on asset disposal	-	-	-	-	-	(5,590,050)	(1,378,487)	(6,968,537)
PSAB adjusting entries	(2,825,914)	-	-	-	-	-	-	(2,825,914)
Total adjustments to 2022 annual surplus	\$ (42,912)	\$ 1,718,130	\$ -	\$ -	\$ -	\$ 12,964,980	\$ 4,015,508	\$ 18,655,706
2022 annual surplus per PNB compliance requirements	\$ 1,194,432	\$ 815,186	\$ 9,944,718	\$ 1,864,430	\$ 89,072	\$ 20,154,902	\$ 11,108,107	\$ 45,170,847
Accumulated surplus per PNB compliance requirements, beginning of year	5,709,876	3,792,785	36,827,220	7,006,999	3,794,579	560,916,530	358,160,166	976,208,155
Second previous year's surplus	(2,783,002)	(1,718,130)	-	-	-	-	-	(4,501,132)
Accumulated surplus per PNB compliance requirements, end of year	\$ 4,121,306	\$ 2,889,841	\$ 46,771,938	\$ 8,871,429	\$ 3,883,651	\$ 581,071,432	\$ 369,268,273	\$ 1,016,877,870

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

23. Consolidated Schedule of Net Operating Loss – Arena Complexes

	2022	2021
Revenue <i>[note 12]</i>		
Ice rental	\$ 1,312,293	\$ 1,328,033
Canteen rental	8,142	6,177
Building rental	16,209	-
Community room rental	17,396	5,740
Other	5,563	8,582
YMCA lease agreement	28,000	28,000
Total arena complex revenue	1,387,603	1,376,532
Expenses <i>[note 12]</i>		
Salaries and wages	1,794,677	1,855,908
Supplies	129,573	68,099
Repairs and maintenance	300,978	261,945
Utilities	900,532	830,461
Service contracts	202,582	266,557
Other	36,501	36,501
Total arena complex expenses	3,364,843	3,319,471
Net operating loss	\$ (1,977,240)	\$ (1,942,939)

Revenue is included in sales, fines and other fees and expenses are included in Livable Community in the consolidated statement of operations and accumulated surplus.

Capital Replacement Fund – Arenas *[note 12]*

	2022	2021
Opening balance, beginning of year	\$ 1,610,272	\$ 1,473,104
Contribution	125,140	125,140
Interest on balance	40,711	12,028
Closing balance, end of year	\$ 1,776,123	\$ 1,610,272

The Capital Replacement Fund is included with cash that is designated as reserves for spending in future years by City Council *[see note 2]*.

Total payments made during the year to the Municipal Capital Borrowing Board for the arena debt was \$2,133,420 [2021 – \$2,132,725]. The amount representing interest for the year was \$421,376 [2021 – \$451,494].

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

24. Statement of Reserves

	General Operating Reserve	General Capital Reserve	Water & Sewer Reserve	2022 Total	2021 Total
Assets					
Cash	\$ 5,771,794	\$ 27,975,633	\$ 8,065,801	\$ 41,813,228	\$ 33,894,556
Net receivables	(10,879)	(139,961)	(98,445)	(249,285)	(376,797)
Investments	- (a)	5,207,995	-	5,207,995	3,309,461
Accumulated surplus	\$ 5,760,915	\$ 33,043,667	\$ 7,967,356	\$ 46,771,938	\$ 36,827,220
Revenue					
Transfers from Operating Funds	\$ 502,915 (b)	\$ 10,244,248	\$ 3,110,232	\$ 13,857,395	\$ 10,431,020
Interest	124,416	504,500	128,049	756,965	277,355
	627,331	10,748,748	3,238,281	14,614,360	10,708,375
Expenditures	553,110	3,050,185	1,066,347	4,669,642	10,952,646
Annual surplus	\$ 74,221	\$ 7,698,563	\$ 2,171,934	\$ 9,944,718	\$ (244,271)
Balance, beginning of the year	5,686,694	25,345,104	5,795,422	36,827,220	37,071,491
Balance, end of the year	\$ 5,760,915	\$ 33,043,667	\$ 7,967,356	\$ 46,771,938	\$ 36,827,220

(a) Included in the assets of the General Capital Reserve is \$3,436,634 for the Capital Replacement Reserve of the Fredericton Convention Centre.

(b) Transfers from Operating Funds to the General Capital Reserve include \$193,908 from the Fredericton Convention Centre for the Capital Replacement Reserve.

Name of Investment	Principal Amount	Interest Rate	Date of Maturity
Interfund debenture	\$ 1,401,223	2.10%–3.45%	May 16, 2028
Interfund debenture	\$ 651,716	1.65%–2.90%	December 1, 2026
Non-cashable GIC	\$ 538,443	1.50%	August 4, 2024
Non-cashable GIC	\$ 300,000	5.05%	November 15, 2023
Non-cashable GIC	\$ 2,000,000	1.81%	February 14, 2023
Canadian equities	\$ 316,613	N/A	N/A

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

24. Statement of Reserves (continued)

Council resolutions regarding transfer to and from reserves:

Moved by: Councillor Jason LeJeune

Seconded by: Councillor Jocelyn Pike

THAT City Council adopt the following resolution:

BE IT RESOLVED that the Council of the City of Fredericton authorizes the City Treasurer to transfer the amount of \$553,110 to the General Operating Fund in order to fund projects completed in 2022 that were budgeted for in previous years from the General Operating Reserve Fund pursuant to Section 101 under Part 9 of the *Local Governance Act*;

BE IT RESOLVED that the Council of the City of Fredericton authorizes the City Treasurer to transfer the amount of \$3,050,185 to the General Operating Fund in order to fund projects completed in 2022 that were budgeted for in previous years from the General Capital Reserve Fund pursuant to Section 101 under Part 9 of the *Local Governance Act*;

BE IT RESOLVED that the Council of the City of Fredericton authorizes the City Treasurer to transfer the amount of \$1,066,347 to the Water & Sewer Operating Fund in order to fund projects completed in 2022 that were budgeted for in previous years from the Water & Sewer Capital Reserve Fund pursuant to Section 101 under Part 9 of the *Local Governance Act*;

BE IT RESOLVED that The Council of the City of Fredericton authorizes the City Treasurer to transfer the amount of \$502,915 to the General Operating Reserve Fund in order to complete projects budgeted in 2022 in future years from the General Operating Fund pursuant to Section 101 under Part 9 of the *Local Governance Act*;

BE IT RESOLVED that the Council of the City of Fredericton authorizes the City Treasurer to transfer the amount of \$10,050,340 to the General Capital Reserve Fund in order to complete projects budgeted in 2022 in future years from the General Operating Fund pursuant to Section 101 under Part 9 of the *Local Governance Act*;

BE IT RESOLVED that the Council of the City of Fredericton authorizes the City Treasurer to transfer the amount of \$3,110,232 to the Water & Sewer Capital Reserve Fund budgeted for in 2022 in future years from the Water & Sewer Operating Fund pursuant to Section 101 under Part 9 of the *Local Governance Act*.

I hereby certify that the above are true and exact copies of resolutions adopted by City Council on December 13, 2022.

Jennifer Lawson Murray
City Clerk
City of Fredericton

Date

Municipal Seal

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

25. Statement of Controlled Entities

	Controlled entities consolidated with the General Operating Fund				2022 Total	2021 Total
	e-Novations ComNet Inc.	Newmarket Properties Inc.	Fredericton Convention Centre	Intercompany Eliminations		
Assets	\$ 2,122,783	\$ 1,290,628	\$ 824,212	\$ (1,657,347)	\$ 2,580,276	\$ 2,385,610
Liabilities	(879,290)	(45,417)	(353,757)	(758)	(1,279,222)	(1,276,626)
Accumulated surplus	\$ 1,243,493	\$ 1,245,211	\$ 470,455	\$ (1,658,105)	\$ 1,301,054	\$ 1,108,984
Revenue	\$ 181,888	\$ 335,079	\$ 3,032,536	\$ (1,101,822)	\$ 2,447,681	\$ 891,218
Expenditures	(149,396)	(280,673)	(2,817,083)	1,185,451	(2,061,701)	(364,301)
Annual surplus – Per PNB compliance requirements	\$ 32,492	\$ 54,406	\$ 215,453	\$ 83,629	\$ 385,980	\$ 526,917

The above-noted entities are included in the consolidated financial statements of the City of Fredericton.

Intercompany revenue and expenses, and accounts payable and receivable are eliminated upon consolidation.

The controlled entities are consolidated with the General Operating Fund per the Province of New Brunswick compliance requirements.

Surplus includes eliminating adjustments for depreciation and capital expenditures, and the second previous year's surplus as per PNB requirements.

The net of revenue and expenses are included in expenses for the Economic Vitality segment.

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

26. Reconciliation of Operating Budget for Provincial Compliance Requirements to Public Sector Accounting Standards ["PSAB"]

	Operating Budget General	Operating Budget Water & Sewer	Amortization TCA	Adjustments for Full Accrual Accounting	Total Budget to PSAB Budget
Revenue					
Property taxes	\$ 118,873,040	\$ -	\$ -	\$ -	\$ 118,873,040
Community Funding and Equalization Grant	1,967,081	-	-	-	1,967,081
Federal grant in lieu of taxes adjustment	14,504	-	-	-	14,504
Services to other governments	3,835,093	-	-	-	3,835,093
Licenses, permits and fines	1,934,500	-	-	-	1,934,500
Sales and own source revenue	5,414,844	21,464,802	-	-	26,879,646
Interest and return on investments	280,000	-	-	-	280,000
Second previous year's surplus	2,783,002	1,718,130	-	(4,501,132) (a)	-
	\$ 135,102,064	\$ 23,182,932	\$ -	\$ (4,501,132)	\$ 153,783,864
Expenses					
Governance and Civic Engagement	\$ 5,365,533	\$ -	\$ 128,974	\$ -	5,494,507
Sustainable Infrastructure	2,173,986	-	84,552	-	2,258,538
General Government Services - Corporate	1,645,645	-	-	-	1,645,645
Public Safety [note 18]	45,349,102	-	1,954,533	185,401 (b)	47,489,036
Mobility [including Transit]	22,531,832	-	9,909,181	265,780 (b)	32,706,793
Environmental Stewardship	5,270,925	-	643,487	-	5,914,412
Economic Vitality	7,604,783	-	1,661,193	238,237 (b)	9,504,213
Livable Community	17,279,215	-	4,173,110	545,501 (b)	21,997,826
Fiscal Services	-	-	-	-	-
Principal payments on long-term debt	4,427,210	-	-	(4,427,210) (c)	-
Interest payments on long-term debt	1,234,918	-	-	(1,234,918) (b)	-
Funding current year's capital projects	22,218,915	11,464,193	-	(33,683,108) (d)	-
Water and Wastewater	-	11,718,739	5,393,995	-	17,112,734
	\$ 135,102,064	\$ 23,182,932	\$ 23,949,025	\$ (38,110,317)	\$ 144,123,704
Annual surplus	\$ -	\$ -	\$ (23,949,025)	\$ 33,609,185	\$ 9,660,160

(a) Eliminate second previous year's surplus (deficit) for PSAB

(b) Allocation of interest expense

(c) Principal debt repayment

(d) Funding for current year's capital projects

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

27. Detailed Statement of Revenue and Expenditure

General Operating Fund – Consolidated

	2022		2021
	Budget	Actual	Actual
Revenue from operations			
Province of New Brunswick			
Property taxes	\$ 118,873,040	\$ 118,873,040	\$ 111,089,470
Community funding and equalization grant	1,967,081	1,967,081	2,026,188
	120,840,121	120,840,121	113,115,658
Federal payment in lieu of taxes	14,504	14,504	11,627
Services provided to other governments			
Transportation services – provincial routes	415,835	418,641	415,835
Public Safety Emergency Dispatch and 911	1,470,021	1,507,375	1,372,812
Fire services – local service districts	935,384	935,384	971,084
Fire services – provincial hazmat	100,633	107,414	100,633
Services to Saint Mary's First Nation			
Fire services – Federal transfer	297,455	297,455	292,148
Police services – Federal transfer	320,198	320,198	311,628
Police services – Provincial transfer	295,567	295,555	287,656
	3,835,093	3,882,022	3,751,796
Licenses, permits and fines			
Taxi, business and dog licenses	26,500	16,902	16,664
Building permits	1,347,000	2,250,706	1,854,067
Development approval	78,000	82,575	120,275
Parking, municipal bylaw and other fines	406,000	350,335	436,125
Police security checks, fine sharing and false alarms	77,000	121,112	97,115
	1,934,500	2,821,630	2,524,246
Sales and other revenue			
Parking meters	430,000	575,611	516,999
Parking lots and garages	1,220,160	1,179,795	1,123,938
Public transit	1,547,100	2,186,695	1,509,790
Para transit	22,000	26,284	25,829
Arena rentals	1,122,096	1,387,468	1,376,532
Outside user fee	626,484	680,167	614,271
Community centres	122,283	266,694	126,028
Indoor pool	211,238	253,282	165,865
Sports fields	95,933	178,653	156,891
Cultural development	6,800	52,198	3,557
Police sale of unclaimed goods	2,000	15,263	1,951
Cash flow and investment management	280,000	867,085	338,413
Miscellaneous	8,750	249,346	400,931
Vehicle auction proceeds	-	41,902	83,168
Hotel accommodation levy	-	412,901	306,084
	5,694,844	8,373,344	6,750,247
Total revenue from operations	\$ 132,319,062	\$ 135,931,621	\$ 126,153,574

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

General Operating Fund – Consolidated (continued)			
	2022		2021
	Budget	Actual	Actual
Revenue (continued):			
Government transfers	\$ -	\$ 3,430,020	\$ 6,097,734
Insurance proceeds	-	-	588,942
Third party contributions	-	1,269,942	1,135,206
Sale of assets	-	-	2,922,383
	-	1,269,942	4,646,531
Transfer from General Capital Reserve	-	3,050,185	3,708,053
Transfer from Operating Reserve	-	553,110	2,969,866
Total transfers from reserves	-	3,603,295	6,677,919
Revenue from contingency	-	-	1,627,115
Second previous years' surplus	2,783,002	2,783,002	-
Total revenue	\$ 135,102,064	\$ 147,017,880	\$ 145,202,873

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

General Operating Fund – Consolidated (continued)			
	2022		2021
	Budget	Actual	Actual
Expenditure from operations			
Governance and Civic Engagement			
Community Leadership	\$ 2,634,661	\$ 2,801,860	\$ 3,320,376
Management Systems	2,647,950	2,426,516	2,538,252
Intergovernmental Affairs	82,922	78,160	67,163
	5,365,533	5,306,536	5,925,791
Economic Vitality			
Business Attraction and Retention	907,255	876,106	869,796
Development Approval	1,252,353	1,140,481	1,141,156
Land Use Planning	1,155,005	764,624	576,282
Tourism Development and Operations	1,300,471	1,168,222	1,162,047
Tourism Marketing and Sales	2,989,699	3,049,045	3,134,985
	7,604,783	6,998,478	6,884,266
Environmental Stewardship			
Composting	58,953	91,931	(2,233)
Environmental Strategy	369,518	322,137	386,829
Solid Waste Management	3,504,967	3,541,618	3,341,205
Storm Water Management	1,337,487	1,406,469	1,160,721
	5,270,925	5,362,155	4,886,522
Livable Community			
Arboriculture	1,422,349	1,538,577	1,439,760
Community Inclusion	379,064	296,202	242,961
Community Special Event Coordination and Support	464,724	487,714	588,987
Cultural Development	2,524,311	2,475,137	2,456,274
Heritage Planning and Conservation	156,009	130,762	185,343
Horticulture	809,970	896,691	825,206
Leisure and Recreation Development and Delivery	3,915,953	3,040,812	2,961,665
Parks and Playground Management	2,219,767	2,329,276	3,032,789
Recreation Facility Scheduling	4,563,540	4,622,870	4,840,663
Sport Field Management	823,528	777,270	760,501
	17,279,215	16,595,311	17,334,149
Mobility [including Transit]			
Para Transit	661,199	672,099	621,647
Fixed Route Scheduled Transit	6,047,439	6,685,309	6,008,632
Parking Management	1,975,740	1,889,532	2,241,460
Roadway Management	9,173,464	11,357,427	9,381,831
Sidewalk Management	1,848,457	1,425,644	1,196,248
Taxi Industry Regulation	88,398	81,744	76,257
Trails Management	1,007,178	1,003,689	854,806
Transportation System Management	1,729,957	1,210,686	1,244,144
	\$ 22,531,832	\$ 24,326,130	\$ 21,625,025

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

General Operating Fund – Consolidated (continued)

	2022		2021
	Budget	Actual	Actual
Expenditure from operations (Continued)			
Public Safety			
Animal Registration and Control	\$ 147,447	\$ 134,100	\$ 132,264
Building Construction Permission and Enforcement	1,349,519	1,359,733	1,238,969
Bylaw Enforcement	428,448	422,519	368,009
Emergency Preparedness	2,628,251	2,723,266	2,689,397
Fire Emergency Incident Mitigation	14,364,454	14,556,527	14,077,840
Fire Investigation	289,445	311,603	269,520
Fire Prevention and Inspection	775,636	799,987	683,070
Police - Enforce Federal, Provincial and Municipal Laws	4,605,943	4,797,006	4,741,478
Police - Keeping the Peace	4,321,794	4,466,123	4,424,527
Police - Prevent and Detect Crime	8,677,165	8,977,295	8,751,527
Police - Protect Life and Property	7,761,000	8,054,167	7,787,137
	45,349,102	46,602,326	45,163,738
Corporate Services			
Communications Management	950,358	826,599	857,980
Continuous Improvement	644,998	641,177	623,418
Facilities Management	9,170,428	9,312,064	8,539,243
Financial Management	1,764,081	1,614,571	3,672,440
Fleet and Equipment Management	4,626,078	4,930,737	4,276,551
Human Resource Management	1,167,689	1,138,668	828,054
Information Technology Solution Delivery	923,020	1,047,488	1,210,610
Information Technology Support	1,999,277	2,488,588	2,056,269
Insurance Coverage Service	383,672	396,763	294,292
Legal Services	696,008	661,505	617,336
Occupational Health and Safety	170,851	163,331	161,718
Public Procurement Management	389,321	365,488	357,703
Public Safety Service Request Management	2,694,393	2,587,268	2,655,199
Real Estate Management	1,867,233	1,901,840	1,934,623
Records Management	259,210	315,359	171,940
Request Management	352,211	328,756	250,125
Corporate overhead allocated to external services	(28,058,825)	(28,720,202)	(28,507,501)
Property assessment and collection [PNB]	1,645,642	1,645,642	1,506,840
	\$ 1,645,645	\$ 1,645,642	\$ 1,506,840

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

General Operating Fund - Consolidated (Continued)

	2022		2021
	Budget	Actual	Actual
Expenditure from operations (Continued)			
Sustainable Infrastructure			
Capital Asset Management	82,155	74,586	66,979
Capital Planning and Implementation	697,034	779,551	706,216
Capital Prioritization and Investment Service	1,362,400	853,334	865,804
Debt and Affordability Management Service	32,397	31,389	27,009
Debt principal repayment	4,427,210	4,313,233	4,012,343
Interest on capital debt	1,234,918	1,051,785	1,063,008
Funding current year's new capital projects	5,999,365	7,581,017	5,954,636
Funding current year's capital renewal projects	16,219,550	13,952,768	17,468,908
	30,055,029	28,637,663	30,164,903
Second previous years' deficit	-	-	840,030
Transfer to General Capital Reserve	-	10,244,248	6,570,420
Transfer to General Operating Reserve	-	502,915	2,233,600
Total transfer to reserves	-	10,747,163	8,804,020
Total expenditure from operations	\$ 135,102,064	\$ 146,221,404	\$ 143,135,284
General Operating Fund surplus from operations	\$ -	\$ 796,476	\$ 2,067,589
Remeasurement gains and losses			
Unrealized gain (loss) attributable to foreign exchange	\$ -	\$ 199,250	\$ (10,577)
Unrealized (loss) gain on investments	-	(187,274)	342,938
Unrealized surplus from subsidiary entities	-	385,980	526,917
Total remeasurement gains	\$ -	\$ 397,956	\$ 859,278
Consolidated General Fund annual surplus	\$ -	\$ 1,194,432	\$ 2,926,867

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

Water and Sewerage Operating Fund – Consolidated Statement of Revenue and Expenditure

	2022		2021
	Budget	Actual	Actual
Revenue			
Water and sewerage rates	\$ 20,283,160	\$ 19,946,192	\$ 19,347,205
Water supply for fire protection	1,000,612	1,000,612	1,000,612
Miscellaneous revenue	181,030	209,374	210,292
Interest	-	115,442	43,974
Transfer from utility reserve	-	1,066,347	4,274,727
Land sales and vehicle auction proceeds	-	-	83,921
Third-party contributed capital	-	-	223,490
Federal and Provincial grant funding	-	2,442,308	5,494,657
Second previous years' surplus	1,718,130	1,718,130	1,432,615
Total revenue	\$ 23,182,932	\$ 26,498,405	\$ 32,111,493
Expenditure			
Water			
Purification and treatment	\$ 364,300	\$ 659,234	\$ 666,108
Source of supply	290,000	289,267	259,902
Transmission and distribution	63,839	84,211	58,062
Plant and equipment maintenance	492,642	713,383	948,100
Billing and collecting	106,770	167,058	139,266
Water meters	65,000	347,692	358,418
	1,382,551	2,260,845	2,429,856
Sewerage			
Lift stations and system maintenance	607,650	871,866	915,041
Sewerage treatment and disposal	2,332,048	2,353,749	2,937,937
	2,939,698	3,225,615	3,852,978
Common services			
	7,396,490	6,124,036	5,962,824
Fiscal services			
Funding current year's new capital projects	2,945,545	498,442	799,468
Funding current year's renewal capital projects	8,518,648	10,464,049	15,364,709
Transfer to water and sewer capital reserve	-	3,110,232	1,627,000
	11,464,193	14,072,723	17,791,177
Total expenditure	\$ 23,182,932	\$ 25,683,219	\$ 30,036,835
Annual surplus	\$ -	\$ 815,186	\$ 2,074,658

CITY OF FREDERICTON

Notes to Consolidated Financial Statements

Year ended December 31, 2022

28. Comparative figures

Certain amounts of the previous year have been reclassified to conform to the presentation adopted for the current year.

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