



Consolidated Financial Statements

City of St. John's

December 31, 2016

CITY OF ST. JOHN'S
December 31, 2016

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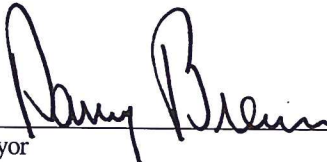
Statement of Responsibility

The accompanying financial statements are the responsibility of the management of the City of St. John's (the "City") and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.


In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

Prior to their submission to Council, the City's Audit Committee met with management and its external auditors to review a draft of the financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the finalized financial statements.

Grant Thornton LLP, as the City's appointed external auditors, has audited the financial statements. The auditor's report is addressed to the Mayor and Councillors and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the financial statements are free of material misstatement and present fairly the financial position and results of the City in accordance with Canadian public sector accounting standards.



Mayor



Deputy City Manager, Finance & Administration

Independent auditors' report

To His Worship the Mayor and Councillors, City of St. John's

We have audited the accompanying consolidated financial statements of the City of St. John's, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the 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 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 audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the City of St. John's, as at December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



St. John's, Canada

October 10, 2017

Chartered Professional Accountants

CITY OF ST. JOHN'S

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2016

	Budget 2016	Actual 2016	Actual 2015
	\$	\$	\$
	(Schedule 8)		
Revenues (Schedule 5)			
Taxation	208,401,655	210,151,372	187,730,985
Grants in lieu of taxes	9,080,000	9,157,840	6,505,174
Grants and transfers	21,176,436	26,053,311	29,306,064
Sales of goods and services	50,952,657	50,074,150	48,586,313
Other revenue from own sources	25,655,758	22,747,761	23,618,179
	315,266,506	318,184,434	295,746,715
Expenditures (Schedule 6)			
General government services	57,337,396	57,912,287	63,982,146
Fiscal services	19,712,503	20,670,747	18,351,617
Transportation services	61,097,463	56,732,273	56,963,278
Protective services	36,719,154	35,884,930	35,038,643
Environmental health services	51,639,977	43,942,210	50,516,222
Recreation and cultural services	31,428,093	29,526,962	28,509,679
Environmental development services	8,304,529	7,716,720	6,983,681
Amortization and allowances	48,032,369	47,723,099	41,994,182
	314,271,484	300,109,228	302,339,448
Excess of revenues over expenditures (expenditures over revenues)	995,022	18,075,206	(6,592,733)
Accumulated surplus, beginning of year	825,181,523	825,181,523	831,774,256
Accumulated surplus, end of year (Note 12)	826,176,545	843,256,729	825,181,523

See accompanying notes to the consolidated financial statements

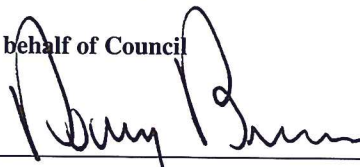
CITY OF ST. JOHN'S
Consolidated Statement of Financial Position
As at December 31, 2016

	2016	2015
	\$	\$
Financial assets		
Cash and cash equivalents (Note 2)	77,026,947	40,093,154
Accounts receivable - current (Note 3)	38,434,721	38,492,732
Accounts receivable - long-term (Note 4)	12,622,856	19,605,663
Investment in rental housing projects	157,912	199,434
Portfolio investments (Sinking funds) (Note 12 and Schedule 2)	121,830,054	106,071,312
	250,072,490	204,462,295
Financial liabilities		
Payables and accruals (Note 5 and Note 14)	64,736,351	147,807,162
Employee benefits (Note 6)	204,616,492	191,727,400
Debenture debt (Note 7 and Schedule 2)	444,500,000	324,500,000
Long-term debt (Note 8)	17,453,292	20,852,382
Trust funds payable	31,084	30,851
	731,337,219	684,917,795
Net debt	(481,264,729)	(480,455,500)
Non-financial assets		
Tangible capital assets (Schedule 1)	1,318,572,837	1,299,026,575
Inventory of materials and supplies	3,097,525	3,066,644
Prepaid expenditures	2,851,096	3,543,804
	1,324,521,458	1,305,637,023
Accumulated surplus (Note 12)	843,256,729	825,181,523

Contingencies and commitments (Note 15)

See accompanying notes to the consolidated financial statements

On behalf of Council



Mayor



Deputy City Manager, Finance & Administration

CITY OF ST. JOHN'S
Consolidated Statement of Changes in Net Debt

Year ended December 31, 2016

	Budget 2016	2016	2015
	\$	\$	\$
Excess of revenues over expenditures (expenditures over revenues)	995,022	18,075,206	(6,592,733)
Changes in tangible capital assets			
Acquisition of tangible capital assets	(88,162,624)	(64,922,248)	(88,162,624)
Net book value of tangible capital assets disposals/adjustments	35,790	1,343,229	35,790
Amortization of tangible capital assets	44,032,757	44,032,757	42,058,940
Increase in net book value of tangible capital assets	(44,094,077)	(19,546,262)	(46,067,894)
Changes in other non-financial assets			
Change in prepaid expenditures	-	692,708	(1,368,540)
Acquisition of inventory and supplies, net of usage	-	(30,881)	(177,557)
Increase in other non-financial assets	-	661,827	(1,546,097)
Increase in net debt	(43,099,055)	(809,229)	(54,206,724)
Net debt, beginning of year	(480,455,500)	(480,455,500)	(426,248,776)
Net debt, end of year	(523,554,555)	(481,264,729)	(480,455,500)

See accompanying notes to the consolidated financial statements

CITY OF ST. JOHN'S
Consolidated Statement of Cash Flows
Year ended December 31, 2016

	2016	2015
	\$	\$
Operating transactions		
Excess of revenues over expenditures (expenditures over revenue)	18,075,206	(6,592,733)
Non-cash charges to operations:		
Amortization of tangible capital assets	44,032,757	42,058,940
Employee benefits	12,889,092	14,797,348
Loss (gain) on disposal of tangible capital assets	1,255,517	(10,273)
	<u>76,252,572</u>	<u>50,253,282</u>
Net change in other (Note 13)	(12,350,973)	20,138,828
	<u>63,901,599</u>	<u>70,392,110</u>
Capital transactions		
Acquisition of tangible capital assets	(64,922,248)	(88,162,624)
Proceeds from sale of tangible capital assets	87,712	46,063
	<u>(64,834,536)</u>	<u>(88,116,561)</u>
Financing transactions		
Decrease in long-term accounts receivable	6,982,807	5,241,439
Issuance (repayment) of debenture debt	120,000,000	(5,000,000)
Repayment of long-term debt	(3,399,090)	(5,062,437)
(Decrease) increase in bank indebtedness	(70,000,000)	70,000,000
Other	-	956
	<u>53,583,717</u>	<u>65,179,958</u>
Investing transactions		
Increase in sinking fund investments	(15,758,742)	(8,857,170)
Increase in trust funds payable	233	122
Decrease in investment in rental housing projects	41,522	38,894
	<u>(15,716,987)</u>	<u>(8,818,154)</u>
Increase in cash and cash equivalents	36,933,793	38,637,353
Cash and cash equivalents, beginning of year	40,093,154	1,455,801
Cash and cash equivalents, end of year	<u>77,026,947</u>	<u>40,093,154</u>

Supplementary cash flow information (Note 13)

See accompanying notes to the consolidated financial statements

CITY OF ST. JOHN'S

Notes to the Consolidated Financial Statements

December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada and reflect the following significant accounting policies:

Basis of consolidation

The consolidated financial statements include all the accounts of the City of St. John's (the "City"), St. John's Transportation Commission and St. John's Sports & Entertainment Ltd., which are wholly-owned and operated by the City. Any inter-company transactions have been eliminated on consolidation. Any internal revenue and expenses for the City's Urban Living Non-Profit Housing Fund, Regional Fire Department, Regional Waste Water System, Robin Hood Bay Regional Waste Management Facility, and Regional Water Supply System have also been eliminated on consolidation.

Revenue recognition

Revenues are recognized as earned and when collection is reasonably assured. Property tax billings are prepared by the City based on the assessed values of the respective property. The tax rates are approved annually by Council.

Government grants and transfers are recognized as revenue in the financial period in which events give rise to the transfer occurring, providing the transfers are authorized, any eligibility criteria have been met including performance and return requirements, and reasonable estimates of the amount can be determined.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks (net of overdrafts) and short-term deposits with original maturities of three months or less. Bank borrowings are considered to be financing activities.

Inventories

Inventories of material and supplies are carried at the lower of cost and net realizable value.

Investments in rental housing projects

Investments in rental housing projects are recorded at cost.

Short-term investments

Short-term investments consist of City bonds and are recorded at cost plus accumulated interest.

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Buildings	25-45 years
Parking spaces - garage	50-75 years
Vehicles	
Transit buses	7-12 years
Vehicles	7-20 years
Computer hardware and software	5 years
Other	
Machinery and equipment	10-30 years
Water and waste plants and networks	
Underground networks	75 years
Sewage treatment plants and lift stations	45 years
Water pumping stations and reservoirs	45 years
Flood stations and other infrastructure	45 years
Waste management facility and infrastructure	10-40 years
Transportation	
Roads	15-35 years
Bridges and structures	50 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Contribution of tangible capital assets

Contributions of tangible capital assets are recorded at fair value at the date of receipt. The contribution is recorded as revenue.

Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expense.

Assessments

Assessments for water and sewer installations and street improvements are recorded on an accrual basis.

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Portfolio investments (Sinking funds)

Sinking funds established for the retirement of debentures are held and administered by a third party and accounted for in the City's records on an accrual basis.

Reserve for snow and ice management

The City has established a snow and ice management reserve, to a maximum of \$2,000,000, to accumulate funds to be used in years of severe winter conditions.

Reserve for Civic Centre financing

The City has established a Civic Centre financing reserve to accumulate its share of revenue received from the accommodation tax. The accommodation tax, which was legislated effective January 1, 1999, represents a four percent room levy on all fixed roof accommodations in the City of St. John's. The funds in the reserve are used to reduce the debt related to the construction of the St. John's Convention Centre and to pay for capital improvements for the facility.

Solid waste landfill closure and post-closure costs

The liability for closure and post-closure care of the City's Robin Hood Bay landfill is recognized as the landfill site's capacity is used. Closure costs are included in annual operating costs as each section of the landfill site is filled and placed out of service. The present value of the estimated annual post-closure costs is being accrued over the remaining life of the landfill site.

Severance & Accrued Sick Leave Benefits

The cost and obligation of severance and accrued non-vesting sick leave benefits earned by employees are actuarially determined using the projected accrued benefit method prorated on service and management's best estimate of assumptions of future service, future benefit usage, salary changes, and retirement ages of those employees.

The discount rate used for determining the benefit obligation is the City's cost of borrowing.

Past service costs resulting from changes to these benefits are recognized at the date of amendment.

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued pension benefits

The cost and obligation of pension benefits, earned by employees and members of Council, are actuarially determined using the accrued benefit method prorated on service and management's best estimate of assumptions of future investment returns for funded plans, salary changes and retirement ages of employees. For the purpose of calculating the expected return on plan assets, those assets are valued at fair value.

The discount rate used for determining the benefit obligation is the expected rate of return on plan assets or the City's cost of borrowing.

Past service costs resulting from plan amendments are recognized at the date of amendment.

The excess of the net actuarial gain (loss) is amortized over the average remaining service period of active employees which is 15 years for the employee plan and 2 years for the Mayor and Councillors' plan.

Employee future benefits

The City provides post-retirement benefits in the form of extended life and health coverage to employees. The cost and obligations of these benefits earned by employees are actuarially determined using the accrued benefit method prorated on service and management's best estimate of assumptions and future claim rates and costs. There is no requirement to fund these future obligations on a current basis.

Use of estimates

In preparing the City's financial statements in conformity with PSAS, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the year. Items subject to management estimate include allowance for doubtful accounts, useful life of tangible capital assets, impairment of assets, employee future benefits, and closure and post-closure costs related to Robin Hood Bay Landfill. Actual results could differ from these estimates.

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2016

2. CASH AND CASH EQUIVALENTS

	2016	2015
	\$	\$
Cash	57,857,784	22,784,442
Restricted cash deposits:		
Accommodation tax	2,507,020	2,761,063
Robin Hood Bay post closure costs (Note 16)	9,447,459	8,128,564
Robin Hood Bay equipment replacement	3,699,855	3,373,898
Riverhead waste/water equipment replacement	1,274,965	851,599
Advance payments from developers	31,084	30,851
Urban living non-profit housing:		
Tenants' security deposits	112,453	107,628
Replacement reserve fund	2,096,327	2,055,109
	19,169,163	17,308,712
	77,026,947	40,093,154

The City has agreements with Canada Mortgage and Housing Corporation ("CMHC") and Newfoundland and Labrador Housing Corporation ("NLHC") which stipulate that cash be set aside for a replacement reserve fund. As at December 31, 2016 the City held cash of \$2,096,327 (2015 - \$2,055,109).

3. ACCOUNTS RECEIVABLE – CURRENT

	2016	2015
	\$	\$
Taxes	18,333,593	14,661,969
Other governments	10,891,309	17,914,146
Other	9,209,819	5,916,617
	38,434,721	38,492,732

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2016

4. ACCOUNTS RECEIVABLE - LONG-TERM

The Government of Canada, through CMHC, has agreed to pay grants to the City as a share of the cost of the Rennies River trunk sewer. The Province of Newfoundland and Labrador has agreed to pay grants to the City as a share of the costs of water and sewer, street paving and reconstruction, and recreational facilities. These grants are payable by annual instalments and have maturity dates to December, 2026.

	2016	2015
	\$	\$
Government of Canada		
Rennies River trunk sewer	31,638	60,403
Government of Newfoundland and Labrador		
Water and sewer projects	12,144,447	15,804,823
Civic Centre	-	2,045,437
	12,144,447	17,850,260
Other		
Civic Assessments	446,771	1,695,000
	12,622,856	19,605,663

The Federal and Provincial governments' share of cost shared loans is recorded in the accounts of the City as debt charges recoverable. For the next five years the amounts are as follows:

	Federal	Provincial	Total
	\$	\$	\$
2017	31,638	3,535,491	3,567,129
2018	-	3,349,218	3,349,218
2019	-	2,588,221	2,588,221
2020	-	1,734,096	1,734,096
2021	-	937,421	937,421

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2016

5. PAYABLES AND ACCRUALS

	2016	2015
	\$	\$
Trade	36,375,130	51,290,017
Deposits and prepayments	25,682,366	23,723,385
Accrued interest	2,569,305	2,573,993
Other governments	109,550	219,767
	64,736,351	77,807,162

6. EMPLOYEE BENEFITS

	2016	2015
	\$	\$
Employee future benefits (Note 10)	153,809,617	138,826,989
Accrued pension benefits (Note 9)	22,646,527	25,777,399
Severance & sick leave benefits (Note 11)	28,160,348	27,123,012
	204,616,492	191,727,400

7. DEBENTURE DEBT

	2016	2015
	\$	\$
Debenture debt outstanding (Schedule 2)	444,500,000	324,500,000
Less: debt charges recoverable from the Province of Newfoundland and Labrador (Schedule 2)	12,144,447	15,804,823
Less: sinking fund investments available (Schedule 2)	121,830,054	106,071,312
	310,525,499	202,623,865

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2016

7. DEBENTURE DEBT (Continued)

The annual requirements over the next five years and thereafter relating to scheduled sinking funds less debt charges recoverable from the Province of Newfoundland and Labrador (the "Province") are as follows:

Year	Scheduled Sinking Fund Requirements \$	Province of Newfoundland and Labrador \$	Net Amount \$
2017	11,112,500	(3,535,491)	7,577,009
2018	11,112,500	(3,349,218)	7,763,282
2019	11,112,500	(2,588,221)	8,524,279
2020	11,112,500	(1,734,096)	9,378,404
2021	10,937,500	(937,421)	10,000,079
Thereafter	97,593,750	-	97,593,750

8. LONG-TERM DEBT

	2016 \$	2015 \$
Long-term debt (Schedule 3)	64,243	2,168,104
Mortgages - Urban living non-profit housing (Schedule 4)	8,024,049	9,590,278
St. John's Transportation Commission	9,365,000	9,094,000
	17,453,292	20,852,382
Less: debt charges recoverable (Schedule 3)	(31,638)	(2,105,840)
	17,421,654	18,746,542

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2016

8. LONG-TERM DEBT (Continued)

Annual principal repayments over the next five years and thereafter relating to retirement of long-term debt are as follows:

Year	Long-term Debt	Non-Profit Housing Mortgages	Government of Newfoundland and Labrador and Canada Share	Net Amount
	\$	\$	\$	\$
2017	64,243	1,594,349	(31,638)	1,626,954
2018	-	1,477,159	-	1,477,159
2019	-	1,098,162	-	1,098,162
2020	-	791,547	-	791,547
2021	-	723,573	-	723,573
Thereafter	-	2,339,259	-	2,339,259

The Province's portion of cost shared loans is recorded in the accounts of the City as debt charges recoverable in accounts receivable.

Mortgages of the Urban Living Non-Profit Housing Fund are secured by specific rental properties situated in St. John's and an assignment of rental income.

The Commission has, guaranteed by the City, a \$15,000,000 credit facility, which was renewed on April 29, 2017, bearing interest at 1.94% and matures on May 30, 2017. Under the terms of its lending arrangements, the Commission issues bankers acceptances. At December 31, 2016 the outstanding banker's acceptances bear interest at 1.94% and mature on January 30, 2017.

9. ACCRUED PENSION BENEFITS

	2016	2015
	\$	\$
City of St. John's - Employees	17,512,400	21,956,700
City of St. John's - Mayor and Councillors	4,320,500	4,102,500
St. John's Transportation Commission	813,627	(281,801)
	22,646,527	25,777,399

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2016

9. ACCRUED PENSION BENEFITS (Continued)

Pension plans

The City maintains a defined benefit plan which provides pension benefits to its employees and the employees of St. John's Sports & Entertainment Ltd. The City also maintains a supplementary retirement arrangement for the members of Council. Both plans provide benefits based on length of service and average earnings.

An actuarial valuation of the plans was completed as at December 31, 2015 for Council and employees and extrapolated to December 31, 2016.

	Employees	Mayor and Councillors	Supplementary Plan	2016	2015
	\$	\$		\$	\$
<i>Accrued benefit obligation</i>					
Balance, beginning of year	330,357,900	4,204,800	547,200	335,109,900	317,354,300
Current service cost	13,670,100	101,400	19,700	13,791,200	14,244,100
Interest cost	19,085,900	158,200	21,200	19,265,300	17,470,600
Benefits paid	(11,284,400)	(184,600)	-	(11,469,000)	(10,894,000)
Past services and Flexible Ancillary Benefit					
Account ("FABA") contributions	755,100	-	-	755,100	878,800
Actuarial loss (gain)	14,516,200	225,600	1,093,600	15,835,400	(3,943,900)
Balance, end of year	367,100,800	4,505,400	1,681,700	373,287,900	335,109,900
<i>Plan assets</i>					
Fair value, beginning of year	285,629,300	-	-	285,629,300	254,807,100
Return on plan assets	13,759,800	-	-	13,759,800	17,127,900
Benefits paid	(11,284,400)	-	-	(11,284,400)	(10,711,700)
City contributions to plan	17,119,300	-	-	17,119,300	17,481,900
Employee contributions to plan	6,918,200	-	-	6,918,200	6,045,300
Past services and FABA contributions	755,100	-	-	755,100	878,800
Fair value, end of year	312,897,300	-	-	312,897,300	285,629,300
Funded status - deficit	54,203,500	4,505,400	1,681,700	60,390,600	49,480,600
Unamortized amounts	(36,997,000)	(184,900)	(1,375,800)	(38,557,700)	(23,421,400)
Accrued benefit liability	17,206,500	4,320,500	305,900	21,832,900	26,059,200

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2016

9. ACCRUED PENSION BENEFITS (Continued)

	Employees	Mayor and Councillors	Supplementary Plan	2016	2015
	\$	\$		\$	\$
<i>Significant assumptions used for 2016</i>					
Discount rate	5.75%	4.25%	4.25%		
Expected long-term rate of return on plan assets	5.75%	-	-		
Rate of compensation increase	4.00%	4.00%	4.00%		
Average remaining service period of active employees	15 years	2 years	5 years		
<i>Significant assumptions used for 2015</i>					
Discount rate	5.75%	3.80%	3.80%		
Expected long-term rate of return on plan assets	5.75%	-	-		
Rate of compensation increase	4.00%	4.00%	4.00%		
Average remaining service period of active employees	15 years	2 years	3 years		
<i>Net benefit expense for the year</i>					
Current service cost	13,670,100	101,400	19,700	13,791,200	14,244,100
Interest cost	19,085,900	158,200	21,200	19,265,300	17,470,600
Amortization of losses	3,460,900	143,000	147,400	3,751,300	4,402,000
Employee contributions	(6,918,200)	-		(6,918,200)	(6,045,300)
Expected return on plan assets	(16,812,000)	-		(16,812,000)	(14,372,500)
Net benefit expense	12,486,700	402,600	188,300	13,077,600	15,698,900

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2016

9. ACCRUED PENSION BENEFITS (Continued)

St. John's Transportation Commission ("Commission")

Defined benefit pension plans

The Commission maintains two defined benefit plans which provide pension benefits to its union and non-union employees. The plans provide benefits based on length of service and average earnings.

An actuarial valuation of the employee plans was completed as at December 31, 2015 and extrapolated to December 31, 2016. The supplementary plan estimate was prepared using the same actuarial assumptions used for the Non-Union plan with the exception of the discount rate.

	Employees	Supplementary Plan	2016	2015
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	48,526,390	-	48,526,390	45,739,400
Current service cost	1,916,444	1,333	1,917,777	1,946,589
Interest cost	2,502,442	1,375	2,503,817	2,490,539
Benefits paid	(2,016,931)	-	(2,016,931)	(1,463,522)
Cost of plan amendments	-	95,035	95,035	-
Participant contributions	-	-	-	32,906
Actuarial (gain)	(1,314,166)	(56)	(1,314,222)	(219,522)
Balance, end of year	49,614,179	97,687	49,711,866	48,526,390
<i>Plan assets</i>				
Fair value, beginning of year	43,134,988	-	43,134,988	39,446,927
Return on plan assets	3,097,544	-	3,097,544	2,376,554
Benefits paid	(2,016,931)	-	(2,016,931)	(1,463,521)
Employer contributions to plan	1,006,032	-	1,006,032	2,038,103
Employee contributions to plan	789,066	-	789,066	736,925
Fair value, end of year	46,010,699	-	46,010,699	43,134,988
Funded status - deficit	3,603,480	97,687	3,701,167	5,391,402
Unamortized amounts	(2,887,540)	-	(2,887,540)	(5,673,203)
Accrued benefit liability (asset)	715,940	97,687	813,627	(281,801)
<i>Significant assumptions used</i>				
Discount rate	5.50%	4.25%		5.25%
Expected long-term rate of return on plan assets	5.25%	5.25%		5.50%
Rate of compensation increase	4.00%	4.00%		3.50%
Average remaining service period of active employees	15.8 years	11.0 years		15.7 years

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2016

9. ACCRUED PENSION BENEFITS (Continued)

	Employees	Supplementary Plan	2016	2015
			\$	\$
<i>Net benefit expense for the year</i>				
Current service cost	1,916,444	1,333	1,917,777	1,946,589
Interest cost	2,502,442	1,375	2,503,817	2,490,539
Amortization of losses	598,647	(56)	598,591	620,153
Cost of plan amendments	-	95,035	95,035	-
Liability increase due to flexible contributions	-	-	-	32,906
Employee contributions	(789,066)	-	(789,066)	(736,925)
Expected return on plan assets	(2,224,693)	-	(2,224,693)	(2,174,331)
Net benefit expense	2,003,774	97,687	2,101,461	2,178,931

During 2016 the Commission agreed on a new pension plan structure for both union and non-union groups. The agreement effectively closed the defined benefit plan to new entrants as of May 1, 2016. Employees in the defined benefit plan as of that date will continue to accrue benefits under the defined benefit plan. Employees hired on or after May 1, 2016 will be enrolled under a defined contribution pension plan.

A Supplementary Executive Retirement Plan (SERP) was established on September 1, 2016 to provide retirement benefits to members of the Non-Union Plan in respect to earnings in excess of those on which benefits can be provided under the defined benefits provisions of the Non-Union Plan.

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2016

10. EMPLOYEE FUTURE BENEFITS

The City and the Commission provide post-retirement health and life benefits to their retired employees.

An actuarial valuation of the plans was completed as at December 31, 2013 for the City and December 31, 2015 for the Commission and both extrapolated to December 31, 2016.

	City	Commission	2016 Total	2015 Total
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	160,860,000	13,796,994	174,656,994	170,055,985
Current period benefit cost	6,498,000	488,628	6,986,628	7,028,193
Interest cost	6,174,400	526,452	6,700,852	6,187,439
Benefit payments	(3,250,200)	(365,526)	(3,615,726)	(3,394,003)
Actuarial (gain) loss	(13,590,300)	(974,494)	(14,564,794)	(5,220,620)
Balance, end of year	156,691,900	13,472,054	170,163,954	174,656,994
Funded status - deficit	156,691,900	13,472,054	170,163,954	174,656,994
Unamortized amounts	(14,217,200)	(2,137,137)	(16,354,337)	(35,830,005)
Accrued benefit liability	142,474,700	11,334,917	153,809,617	138,826,989
<i>Significant assumptions used for 2016</i>				
Discount rate	4.25%	4.25%		
Average remaining service period of active employees	12 years	13.9 years		
<i>Significant assumptions used for 2015</i>				
Discount rate	3.80%	3.60%		
Average remaining service period of active employees	12 years	13.9 years		
<i>Net benefit expense for the year</i>				
Current period benefit cost	6,498,000	488,628	6,986,628	7,028,193
Amortization of actuarial losses	4,598,400	312,474	4,910,874	5,357,635
Interest cost	6,174,400	526,452	6,700,852	6,187,439
Net benefit expense	17,270,800	1,327,554	18,598,354	18,573,267

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2016

11. SEVERANCE AND SICK LEAVE BENEFITS

The City provides severance for employees hired before December 31, 1979 as a payout of their accumulated sick leave upon retirement or termination. Severance for those hired after December 31, 1979 consists of one week's salary for each year worked and is only paid upon retirement. These employees are also allowed to accumulate sick leave which is non-vesting.

An actuarial valuation of the plan was completed as at December 31, 2013 and extrapolated to December 31, 2016.

	Severance	Sick leave	2016 Total	2015 Total
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	20,159,433	6,482,104	26,641,537	25,706,517
Current period benefit cost	1,225,731	728,318	1,954,049	1,923,811
Interest cost	762,373	246,357	1,008,730	924,752
Benefit payments/contributions	(1,419,701)	(726,361)	(2,146,062)	(1,961,706)
Actuarial (gain) loss	(575,002)	(168,635)	(743,637)	48,163
Balance, end of year	20,152,834	6,561,783	26,714,617	26,641,537
Funded status - deficit	20,152,834	6,561,783	26,714,617	26,641,537
Unamortized amounts	(299,232)	(60,830)	(360,062)	(1,213,797)
Accrued benefit liability	19,853,602	6,500,953	26,354,555	25,427,740
<i>Significant assumptions used</i>				
Discount rate			4.25%	3.80%
Average remaining service period of active employees	12 years	14.8 years		
<i>Net benefit expense for the year</i>				
Current period benefit cost	1,225,731	728,318	1,954,049	1,923,811
Amortization of actuarial losses	87,576	22,523	110,099	106,086
Interest cost	762,373	246,357	1,008,730	924,752
Net benefit expense	2,075,680	997,198	3,072,878	2,954,649

St. John's Transportation Commission

As of June 1, 2015, retiring employees of the St. John's Transportation Commission who have completed at least 10 years of service will be paid a severance equal to 1 day for each year of service. The liability at December 31, 2016 is \$361,206 (2015 - \$359,674).

Sick pay benefits accrue to employees of the St. John's Transportation Commission at the rate of 12 days per year. Employees can accumulate up to 30 days of sick pay benefits to be paid to them upon retirement, termination, or illness. Any excess is paid out to the employee annually. The liability at December 31, 2016 is \$980,155 (2015 - \$883,026).

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2016

11. SEVERANCE AND SICK LEAVE BENEFITS (Continued)

St. John's Sports and Entertainment

St. John's Sports and Entertainment provides severance for full time employees and part time box office employees consisting of one week's salary for each year of service and is only paid upon retirement.

Sick leave benefits accrue to employees at the rate of 12 hours per month up to a maximum of 2,080 hours.

An actuarial valuation of the plan was completed as at December 31, 2015 and extrapolated to December 31, 2016.

	Severance	Sick leave	2016 Total	2015 Total
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	371,599	97,197	468,796	435,778
Current period benefit cost	31,521	15,661	47,182	47,907
Interest cost	13,954	3,719	17,673	16,983
Benefit payments/contributions	(40,275)	(14,333)	(54,608)	(51,232)
Actuarial (gain) loss	(16,380)	(2,394)	(18,774)	19,360
Balance, end of year	360,419	99,850	460,269	468,796
Funded status - deficit	360,419	99,850	460,269	468,796
Unamortized amounts	(12,978)	17,141	4,163	(16,224)
Accrued benefit liability	347,441	116,991	464,432	452,572
<i>Significant assumptions used</i>				
Discount rate			4.25%	3.80%
Average remaining service period of active employees			12 years	12 years
<i>Net benefit expense for the year</i>				
Current period benefit cost	31,521	15,661	47,182	47,907
Amortization of actuarial losses (gains)	3,069	(1,456)	1,613	3,136
Interest cost	13,954	3,719	17,673	16,983
Net benefit expense	48,544	17,924	66,468	68,026

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2016

12. ACCUMULATED SURPLUS

	2016	2015
	\$	(Note 19) \$
Accumulated surplus, beginning of year	825,181,523	831,774,256
Excess of revenue over expenditures (expenditures over revenues)	18,075,206	(6,592,733)
Accumulated surplus, end of year	843,256,729	825,181,523
Appropriated surplus		
Sinking fund - reserve for retirement of debentures	121,830,054	106,071,312
Reserve for Shoal Bay treatment plant	493,000	448,180
Reserve for landfill capital improvements	2,640,597	2,640,597
Urban living non-profit housing - replacement reserve	2,096,327	2,055,109
Reserve for snow and ice management	2,000,000	2,000,000
Reserve for salt savings	646,591	1,096,591
Reserve for Civic Centre financing	6,399,064	5,326,174
Reserve for capital	19,484,189	24,233,114
Reserve for employee benefits stabilization fund	1,997,091	1,997,091
Reserve for Robin Hood Bay equipment replacement	3,699,855	3,373,898
Reserve for Robin Hood Bay post-closure costs (Note 16)	9,447,459	8,128,564
Reserve for Riverhead Waste/water equipment replacement	1,274,965	851,599
	172,009,192	158,222,229
Unappropriated surplus	671,247,537	666,959,294
	843,256,729	825,181,523

13. SUPPLEMENTARY CASH FLOW INFORMATION

	2016	2015
	\$	\$
Changes in other balances:		
Accounts receivable	58,011	25,597,414
Inventory of materials and supplies	(30,881)	(177,557)
Prepaid expenditures	692,708	(1,369,496)
Payables and accruals	(13,070,811)	(3,851,453)
Deferred credits	-	(60,080)
	(12,350,973)	20,138,828
Interest paid	20,266,586	18,271,553

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2016

14. INTERIM FINANCING

The City had demand facilities with the Royal Bank totalling \$70,000,000 bearing interest on advances at Royal Bank prime rate minus 0.5%. Drawings on the facility in 2015 of \$70,000,000 was paid in 2016 subsequently expiring the loan agreement.

15. CONTINGENCIES AND COMMITMENTS

Expropriation and other claims

The City has received notices of claims. No provision has been made for these claims either because the City is not expected to incur any significant liability, or because an estimate of loss, if any, is not determinable at this time.

The Commission is contingently liable for claims below \$50,000 which are not covered under its current insurance policy.

Lease commitments

Under the terms of long-term operating leases on equipment, the City is required to make annual lease payments for the next five years:

2017	2,053,069
2018	1,460,804
2019	1,150,318
2020	915,815
2021	203,070
Thereafter	423,062

Greenbelt Tennis Club

The City guaranteed a loan of \$150,000 for the replacement of an air supported structure. The maturity date of the loan is March 1, 2017.

15 Covenant Square

During 2016 the City accepted a donation of land and building which will be redeveloped as affordable housing for seniors. The donation stipulates that if at any time the property is not used for the aforementioned purpose \$1.4 million in compensation will be payable to the donor.

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2016

16. ROBIN HOOD BAY CLOSURE AND POST-CLOSURE COSTS

The liability for closure and post-closure care of the Robin Hood Bay landfill is recognized as the landfill site's capacity is used. Closure costs include the final cover and landscaping while post-closure costs include cap maintenance, groundwater and leachate monitoring, continued gas management operations, inspections and annual reports. The liability recognized in the consolidated financial statement is subject to measurement uncertainty. The recognized amounts are based on the City's best information and judgement. Amounts could materially change in the long-term.

Estimated closure and post-closure costs over the next 35 years	\$47,000,000
Discount rate	5%
Discounted cost	\$9,863,710
Expected year capacity will be reached	2049
Percent utilized	20%
Liability based on the percentage utilized	\$1,972,742

The tipping fees charged by the City to all users, including the City itself, other municipalities and commercial users include a provision for closure and post-closure costs which is contributed to an interest-bearing reserve to accumulate the funds that will be required at each closure and post-closure phase. The balance in the reserve at December 31, 2016 was \$9,447,459 (2015 - \$8,128,564).

17. SEGMENTED INFORMATION

The Consolidated Statement of Operations and Accumulated Surplus has been prepared in accordance with PSAB Handbook Section 2700 (PS 2700) Segment Disclosures. The segments selected enhance the ability to understand the City's major revenue and expense activities. (Schedule 7)

For each reported segment, revenues and expenses represent amounts directly attributable to each segment. The segments have been selected based on there being a functional difference within the segments. Each segment has its own budget and financial reporting process. The segments include:

City of St. John's includes those operations primarily funded through property tax revenues.

Non-Profit Housing includes revenues and expenses related to the provision of housing to qualifying individuals. This segment includes Federal assistance through Canada Mortgage and Housing Corporation as well as through Newfoundland and Labrador Housing Corporation to reduce the operating costs for certain City projects.

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2016

17. SEGMENTED INFORMATION (Continued)

St. John's Transportation Commission includes those revenues and expenses related to provision of public transit services.

St. John's Sports & Entertainment Ltd. includes those revenues and expenses related to the operation of Mile One Centre and the St. John's Convention Centre.

18. EXPENDITURES BY OBJECT

	2016	2015
	\$	\$
Personnel	150,250,945	151,755,854
Contractual services	47,124,798	53,044,792
Materials and supplies	23,900,892	24,135,060
Grants and subsidies	6,145,575	6,373,767
Financial charges	22,741,746	22,162,021
Amortization and allowances	47,723,100	41,994,182
Other	2,222,172	2,873,772
	300,109,228	302,339,448

19. COMPARATIVE FIGURES

Comparative figures have been adjusted to conform to changes in the current year presentation.

CITY OF ST. JOHN'S
Consolidated Schedule of Tangible Capital Assets
 Year Ended December 31, 2016

Schedule 1

Cost	Land	Buildings & Permanent Improvements	Capital Lease-Parking Spaces	Roads & Underground Networks	Equipment, Vehicles & Moveable Plant	Fire Department Buildings & Equipment	Work in Process	Urban Living Non-profit Housing Buildings		2015 Totals
								2016 Totals	Totals	
Balance, beginning of year	59,597,443	393,736,832	8,452,167	903,308,934	205,297,885	28,676,646	107,256,932	45,867,132	1,752,193,971	1,666,693,119
Add: Additions during the year	4,507,942	67,737,206	-	20,395,666	19,550,615	5,778,021	-	570,004	118,539,454	203,347,800
Less: Disposals during the year	-	(1,902,347)	-	-	(4,604,808)	(12,056)	-	-	(6,519,211)	(2,661,773)
Adjustments	-	-	-	-	(178,920)	157,167	(53,595,453)	-	(53,617,206)	(115,185,175)
Balance, end of year	64,105,385	459,571,691	8,452,167	923,704,600	220,064,772	34,599,778	53,661,479	46,437,136	1,810,597,008	1,752,193,971
Accumulated amortization										
Balance, beginning of year	-	86,192,966	175,445	241,261,522	95,392,566	10,160,338	-	19,984,559	453,167,396	413,734,438
Add: Additions during the year	-	10,112,898	146,723	19,539,474	11,881,967	1,095,642	-	1,256,053	44,032,757	42,058,940
Less: Disposals during the year	-	(648,948)	-	-	(4,514,978)	(12,056)	-	-	(5,175,982)	(2,625,982)
Adjustments	-	-	-	-	(43,598)	43,598	-	-	-	-
Balance, end of year	-	95,656,916	322,168	260,800,996	102,715,957	11,287,522	-	21,240,612	492,024,171	453,167,396
Net book value of tangible capital assets	64,105,385	363,914,775	8,129,999	662,903,604	117,348,815	23,312,256	53,661,479	25,196,524	1,318,572,837	1,299,026,575

CITY OF ST. JOHN'S
Consolidated Schedule of Debenture Debt
December 31, 2016

Schedule 2

Date of Maturity	Interest Rate	Amount Issued	Amount Outstanding	2016		2015	
				Sinking Funds Available	Sinking Fund Requirement in 2017	Sinking Funds Available	Sinking Fund Requirement in 2016
		\$	\$	\$	\$	\$	\$
Dec. 2020	6.840%	7,000,000	7,000,000	5,951,294	175,000	5,450,716	175,000
Dec. 2021	7.380%	15,000,000	15,000,000	11,945,364	375,000	10,921,691	375,000
Apr. 2022	7.250%	16,500,000	16,500,000	11,420,709	412,500	10,487,179	412,500
Feb. 2023	6.680%	11,000,000	11,000,000	8,272,710	275,000	7,478,232	275,000
Feb. 2024	6.162%	25,000,000	25,000,000	14,875,394	625,000	13,354,435	625,000
June 2025	5.534%	18,000,000	18,000,000	9,768,513	450,000	8,704,253	450,000
Mar. 2026	5.300%	25,000,000	25,000,000	11,257,814	625,000	9,954,808	625,000
Dec. 2026	4.975%	35,000,000	35,000,000	20,714,717	875,000	19,653,206	875,000
Dec. 2027	5.400%	15,000,000	15,000,000	4,319,728	375,000	3,743,362	375,000
Nov. 2029	5.539%	27,000,000	27,000,000	5,680,455	675,000	4,748,414	675,000
Aug. 2031	4.622%	70,000,000	70,000,000	11,392,535	1,750,000	9,231,223	1,750,000
Dec. 2033	4.500%	60,000,000	60,000,000	4,730,420	1,500,000	2,343,793	1,500,000
Mar. 2036	4.215%	120,000,000	120,000,000	1,500,401	3,000,000	-	-
		444,500,000	444,500,000	121,830,054	11,112,500	106,071,312	8,112,500

For the debenture debt that matures in 2021, 2023, 2024, 2025, and 2026, there are debt recoverable charges from the Province of Newfoundland and Labrador of \$1,110,934, \$2,500,035, \$2,729,301 and \$5,804,177 respectively, for a total of \$12,144,447.

CITY OF ST. JOHN'S
Consolidated Schedule of Long-Term Debt
December 31, 2016

Schedule 3

	Date of Maturity	Interest Rate	Amount Issued	2016	Principal Requirement	2015	Principal Requirement
				Amount Outstanding	in 2017	Amount Outstanding	in 2016
			\$	\$	\$	\$	\$
Canada Mortgage and Housing Corporation							
Rennies River trunk sewer	Oct. 2017	9.750%	681,350	63,277	63,277	120,807	57,530
Wedgewood Park water and sewer	Jan. 2017	7.875%	12,410	966	966	1,860	894
Newfoundland Municipal Financing Corporation							
Mile One Stadium	Sept. 2016	7.750%	19,006,737	-	-	2,045,437	2,045,438
			19,700,497	64,243	64,243	2,168,104	2,103,862

For the long-term debt that matures in 2017, there is a debt recoverable charge from the Government of Canada of \$31,638.

CITY OF ST. JOHN'S
Consolidated Schedule of Mortgages - Urban Living
Non-Profit Housing

Schedule 4

December 31, 2016

	Date of Maturity	Interest Rate	Amount Issued	2016 Amount Outstanding	2015 Amount Outstanding
			\$	\$	\$
Newfoundland & Labrador Housing Corporation					
Hamlyn Road	Aug. 1, 2022	2.040%	2,207,290	645,077	751,388
Infill 1987	Apr. 1, 2023	2.040%	2,070,285	668,754	766,687
Gear Street - Infill 1988	Sept. 1, 2025	2.040%	1,929,560	806,768	890,156
Brookfield Road	Dec. 1, 2025	2.040%	2,203,600	937,007	1,030,922
Cochrane Street	Nov. 1, 2027	1.710%	745,887	353,794	384,306
Infill 1990	Nov. 1, 2026	1.640%	1,628,008	712,645	778,286
Campbell Avenue	Feb. 1, 2028	1.620%	968,952	480,556	519,523
Infill 1992	Dec. 1, 2028	2.040%	1,682,553	752,719	807,545
Canada Mortgage and Housing Corporation					
Forest Road	Jan. 1, 2018	1.620%	1,647,890	110,014	210,098
Cuckholds Cove Road	Apr. 1, 2018	1.670%	804,200	64,518	111,979
Infill 1982	July 1, 2018	2.350%	651,550	63,274	102,052
Rawlins Cross	Dec. 1, 2018	2.110%	1,249,485	149,790	222,376
Hamilton Avenue - Riverhead Towers	Feb. 1, 2019	1.920%	3,736,230	461,761	668,493
Fahey's Row - Infill 1983	May 1, 2019	1.820%	962,163	142,835	200,138
Alexander Street - Hamilton Avenue	June 1, 2019	1.820%	1,920,998	293,076	406,649
Carnell Street - Larkin Square	Jan. 1, 2020	1.120%	1,910,065	352,220	467,071
Carter's Hill	Jan. 1, 2020	1.390%	1,406,630	267,281	351,542
Infill 1985	Apr. 1, 2021	2.260%	880,530	221,579	270,254
Carter's Hill - Sebastian Court	Aug. 1, 2021	1.800%	2,031,175	540,381	650,813
			30,637,051	8,024,049	9,590,278
Current portion				1,594,349	1,559,871

Mortgages are secured by specific rental properties situated in St. John's and assignment of rental income.

CITY OF ST. JOHN'S
Consolidated Schedule of Revenues
Year ended December 31, 2016

Schedule 5

	2016	2015
	\$	(Note 19) \$
Taxation		
Real property and business	167,377,204	146,685,738
Water	31,675,399	30,596,451
Utility	7,276,962	7,362,574
Accommodation	3,821,807	3,086,222
	210,151,372	187,730,985
Grants in lieu of taxes		
Government of Canada	5,089,203	2,864,567
Government of Canada agencies	971,178	619,439
Water tax grant	3,097,459	3,021,168
	9,157,840	6,505,174
Grants and transfers		
Government of Canada		
Capital grant	257,852	6,372,187
St. John's Transportation Commission	110,869	106,178
Gas tax rebate	5,095,305	4,291,477
Other federal grants	961,916	430,202
Government of Newfoundland and Labrador		
Municipal capital grant	9,931,434	13,468,295
Capital Grant - Non-Profit Housing	341,829	61,513
Recovery of debt charges	843,887	1,143,886
Rental housing projects	1,208,873	1,256,181
Other provincial grants	160,760	106,900
City of Mount Pearl public transit contribution	1,110,603	1,013,657
Capital contribution from Developers	5,442,070	375,000
Other grants	587,913	680,588
	26,053,311	29,306,064
Sales of goods and services		
Environmental health services		
Water sales - commercial and shipping	8,027,053	7,808,828
Tipping fees	11,449,451	11,104,216
Recycling materials	750,461	639,369
Regional Fire recovery	8,514,058	6,875,848

CITY OF ST. JOHN'S
Consolidated Schedule of Revenues
Year ended December 31, 2016

Schedule 5 (continued)

	2016	2015
	\$	\$
Sales of goods and services (continued)		
Environmental health services (continued)		
Regional Water recovery	6,956,923	6,778,105
Regional Waste Water recovery	1,461,401	769,911
Other	1,153,522	217,714
General government services	1,048,776	1,038,562
Transportation services		
Parking meters	1,727,517	1,986,418
Parking permits	316,399	281,451
Other	45,080	51,503
Third party charges	326,933	125,278
Sale of land	14,716	15,210
Gain on disposal of equipment	-	10,273
Recreation, parks and tourism	1,314,294	1,656,753
St. John's Sports & Entertainment Ltd.	6,322,842	5,033,881
Railway Coastal Museum	108,653	118,071
Other general services	536,071	4,074,922
	50,074,150	48,586,313
Other revenue from own sources		
Interest on tax arrears	2,254,534	2,154,719
Interest earned on portfolio investments	5,319,041	4,792,902
Interest savings, Green Municipal Infrastructure Fund	-	60,080
Fines	2,006,967	1,921,115
Construction and other permits	2,964,771	3,725,788
Interest earned	649,551	371,064
Business and amusement licenses	168,028	161,447
Rents, concessions and franchises	98,892	74,796
Apartment rentals	3,153,885	3,027,757
St. John's Transportation Commission		
Passenger fares	5,315,978	5,490,567
Charters	61,814	58,962
Transit advertising	262,079	252,941
Sundry	153,766	104,212
Civic assessments	327,802	1,213,855
Sub - division assessments	10,653	207,974
	22,747,761	23,618,179
Total revenue	318,184,434	295,746,715

CITY OF ST. JOHN'S
Consolidated Schedule of Expenditures
Year ended December 31, 2016

Schedule 6

	2016	2015
	\$	\$
General government services		
Legislative	887,903	1,006,812
General government	23,146,527	24,914,828
Engineering services	8,562,383	9,518,121
Pensions and employee benefits	17,255,042	14,907,199
Employee future benefits	7,193,241	13,126,642
Other general government	867,191	508,544
	57,912,287	63,982,146
Fiscal services		
Debtenture debt charges		
Interest	19,889,650	17,705,714
Amortization	-	956
Long-term debt interest	10,747	137,050
Non-Profit Housing mortgage interest	160,104	196,207
St. John's Transportation Commission interest	197,477	188,595
Interest on temporary bank loans	8,609	43,031
Other debt charges	404,160	80,064
	20,670,747	18,351,617
Transportation services		
Road transport		
Administration	2,638,858	3,574,349
Fleet services	863,329	1,394,969
Snow clearing	15,122,780	17,148,775
Streets, roads and sidewalks	7,834,716	6,734,292
Maintenance depot	1,779,690	1,769,489
Traffic services	-	131,364
Street cleaning	233,635	261,424
Street lighting	4,250,368	4,272,504
St. John's Transportation Commission	20,753,070	17,850,695
St. John's Para-Transit System	3,051,784	3,393,002
Parking meters	204,043	432,415
	56,732,273	56,963,278

CITY OF ST. JOHN'S
Consolidated Schedule of Expenditures
Year ended December 31, 2016

Schedule 6 (continued)

	2016	2015
	\$	\$
Protective services		
Fire protection	27,924,245	27,066,537
Protective inspections	4,024,346	3,908,397
Traffic enforcement	2,653,214	2,640,851
Animal and pest control	1,283,125	1,422,858
	35,884,930	35,038,643
Environmental health services		
Water supply and distribution	14,946,398	21,909,255
Regional Water system	6,538,291	7,098,340
Regional Waste Water system	4,046,843	3,756,750
Regional Robin Hood Bay landfill	13,314,379	12,334,097
Garbage, waste collection and disposal	4,518,468	4,810,674
Sewage collection and disposal	577,831	607,106
	43,942,210	50,516,222
Recreation and cultural services		
Parks and open spaces	9,471,578	9,148,739
Recreation	7,422,070	8,177,535
St. John's Sports & Entertainment Ltd.	8,280,466	7,201,260
Railway Coastal Museum	468,825	392,194
Destination St. John's	1,763,888	1,501,124
Other recreation and cultural services	2,120,135	2,088,827
	29,526,962	28,509,679
Environmental development services		
Environmental planning and zoning	1,533,005	1,650,305
Housing and real estate	3,937,814	3,120,041
Other environmental development services	2,245,901	2,213,335
	7,716,720	6,983,681
Amortization and allowances		
Allowance for uncollectible accounts	2,413,771	(136,478)
Allowance for obsolete inventory	21,054	71,720
Loss on disposal fixed assets	1,255,517	-
Amortization	44,032,757	42,058,940
	47,723,099	41,994,182
Total expenditures	300,109,228	302,339,448

CITY OF ST. JOHN'S
Consolidated Schedule of Segmented Information
Year ended December 31, 2016

Schedule 7

	City	Non Profit Housing	St. John's Transportation Commission	St. John's Sports & Entertainment Ltd.	Non Profit Housing eliminations	St. John's Transportation Commission eliminations	St. John's Sports & Entertainment Ltd. eliminations	Consolidated 2016	2015
								\$	\$
Revenue (Schedule 5)									
Taxation	210,850,616	-	-	-	(699,244)			210,151,372	187,730,985
Grants in lieu of taxes	9,157,840	-	-	-				9,157,840	6,505,174
Grants and transfers	23,206,634	1,536,719	14,237,593	71,272,310	(215,030)	(13,012,605)	(70,972,310)	26,053,311	29,306,064
Sales of goods and services	44,321,548	-	-	6,322,842	(570,240)			50,074,150	48,586,313
Other revenue from own sources	13,733,792	3,218,642	5,810,911	-	(15,584)			22,747,761	23,618,179
	301,270,430	4,755,361	20,048,504	77,595,152	(1,500,098)	(13,012,605)	(70,972,310)	318,184,434	295,746,715
Expenditure (Schedule 6)									
General government services	57,912,287							57,912,287	63,982,145
Fiscal services	20,313,166	375,134	197,477		(215,030)			20,670,747	18,351,617
Transportation services	48,992,321		20,752,557			(13,012,605)		56,732,273	56,963,278
Protective services	35,884,930							35,884,930	35,038,643
Environmental health services	43,942,210							43,942,210	50,516,222
Recreation and cultural services	91,918,806			8,580,466			(70,972,310)	29,526,962	28,509,679
Environmental development services	5,723,852	3,277,936			(1,285,068)			7,716,720	6,983,681
Amortization and allowances	39,749,322	1,256,053	3,066,061	3,651,663				47,723,099	41,994,183
	344,436,894	4,909,123	24,016,095	12,232,129	(1,500,098)	(13,012,605)	(70,972,310)	300,109,228	302,339,448
Excess of revenues over expenditures (expenditures over revenues)	(43,166,464)	(153,762)	(3,967,591)	65,363,023	-	-	-	18,075,206	(6,592,733)
Accumulated surplus, beginning of year								825,181,523	831,774,256
Accumulated surplus, end of year (Note 12)								843,256,729	825,181,523

CITY OF ST. JOHN'S
Consolidated PSAB Budget
Year ended December 31, 2016

Schedule 8

	City	St. John's Transportation Commission	St. John's Sports & Entertainment Ltd.	Adopted Budget	Consolidating Entries and PSAB Adjustments (Page 37)	Consolidated Budget
	\$	\$	\$	\$	\$	\$
Revenues						
Taxation	231,630,802			231,630,802	(23,229,147)	208,401,655
Grants in lieu of taxes	9,080,000			9,080,000	-	9,080,000
Grants and transfers	26,770,130	13,033,130	2,070,000	41,873,260	(20,696,824)	21,176,436
Sales of goods and services	20,345,894		7,502,729	27,848,623	23,104,034	50,952,657
Other revenue from own sources	14,356,056	7,119,420		21,475,476	4,180,282	25,655,758
	302,182,882	20,152,550	9,572,729	331,908,161	(16,641,655)	315,266,506
Expenditures						
General government services	44,364,456			44,364,456	12,972,940	57,337,396
Fiscal services	31,237,901	229,300		31,467,201	(11,754,698)	19,712,503
Transportation services	55,101,834	19,923,250		75,025,084	(13,927,621)	61,097,463
Protective services	32,931,079			32,931,079	3,788,075	36,719,154
Environmental health services	75,462,854			75,462,854	(23,822,877)	51,639,977
Recreation and cultural services	22,942,291		9,572,729	32,515,020	(1,086,927)	31,428,093
Environmental development services	13,450,039			13,450,039	(5,145,510)	8,304,529
Amortization and allowances	26,692,428			26,692,428	21,339,941	48,032,369
	302,182,882	20,152,550	9,572,729	331,908,161	(17,636,677)	314,271,484
Excess of revenues over expenditures	-	-	-	-	995,022	995,022

Council approved the City's 2016 budget on December 14, 2015

CITY OF ST. JOHN'S
Consolidating Entries and PSAB Adjustments
Year ended December 31, 2016

Schedule 8 (continued)

	\$
Revenues	
1. Eliminate transfers from reserves	(1,114,759)
2. Eliminate grants to SJSE	(2,570,000)
3. Eliminate grants to SJTC	(14,345,425)
4. Eliminate subsidy to NPH	(24,000)
5. Eliminate property taxes paid by City entities	(648,345)
6. Eliminate water revenue paid by City entities	(4,786,819)
7. Eliminate tipping fees paid by City entities	(2,387,936)
8. Eliminate general government charges	(786,792)
9. Eliminate debt charges recoverable	(19,955,204)
10. Record provincial capital grants	10,273,262
11. Record federal capital grants	257,852
12. Record other capital grants	200,621
13. Record capital contribution from developers	5,442,070
14. Record recovery of fire protection services	8,470,063
15. Record interest earned on sinking funds	5,319,041
16. Record gain on sale of capital assets	14,716
	<u>(16,641,655)</u>
Expenses	
1. Eliminate transfers from reserves	(4,924,201)
2. Eliminate grants to SJSE	(2,570,000)
3. Eliminate grants to SJTC	(14,345,425)
4. Eliminate subsidy to NPH	(24,000)
5. Eliminate property taxes paid by City entities	(648,345)
6. Eliminate water revenue paid by City entities	(4,786,819)
7. Eliminate tipping fees paid by City entities	(2,387,936)
8. Eliminate general government charges	(786,792)
9. Eliminate debt charges recoverable	(17,769,829)
10. Eliminate capital expenditures	(21,360,539)
11. Eliminate sinking fund payments	(10,426,611)
12. Eliminate principal payments on LTD	(1,636,869)
13. Eliminate recovery of fire protection services	8,470,063
14. Record amortization of capital assets	43,995,557
15. Record employee post retirement benefits	11,565,069
	<u>(17,636,677)</u>
Excess of revenues over expenditures	<u><u>995,022</u></u>