

Consolidated Financial Statements of

**CITY OF ST. JOHN'S**

December 31, 2023

# CITY OF ST. JOHN'S

December 31, 2023

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## Statement of Responsibility

The accompanying consolidated 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 public sector accounting standards 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.

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

BDO Canada LLP, as the City's appointed independent external auditors, has audited the consolidated 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 consolidated financial statements are free of material misstatement and present fairly the financial position, operations, changes in net debt and cash flows of the City in accordance with Canadian public sector accounting standards.



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Mayor



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Deputy City Manager, Finance & Corporate Services



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## Independent Auditor's Report

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

### **Opinion**

We have audited the accompanying consolidated financial statements of the City of St. John's (the "City"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2023, and its results of consolidated operations, its consolidated changes in net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements**

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

In preparing the consolidated financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting an, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, the future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

Chartered Professional Accountants

St. John's, Newfoundland and Labrador  
June 26, 2024

# CITY OF ST. JOHN'S

## Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2023

	Budget 2023	Actual 2023	Actual 2022
	\$	\$	\$
	(Schedule 7)		
<b>Revenues (Schedule 4)</b>			
Taxation	220,904,255	<b>223,694,301</b>	218,351,020
Grants in lieu of taxes	9,419,785	<b>8,938,927</b>	8,561,734
Grants and transfers	23,962,786	<b>38,886,727</b>	30,520,721
Sales of goods and services	52,399,181	<b>59,105,203</b>	54,367,315
Other revenue from own sources	28,741,633	<b>27,484,825</b>	30,073,379
	<b>335,427,640</b>	<b>358,109,983</b>	341,874,169
<b>Expenditures (Schedule 5)</b>			
General government services	49,684,218	<b>46,417,568</b>	41,718,812
Fiscal services	23,596,280	<b>12,512,964</b>	24,234,730
Transportation services	73,138,028	<b>70,323,260</b>	66,367,193
Protective services	40,244,520	<b>38,812,790</b>	40,273,823
Environmental health services	51,884,543	<b>52,778,399</b>	51,487,388
Recreation and cultural services	35,963,828	<b>36,555,179</b>	35,125,672
Environmental development services	10,870,231	<b>7,221,837</b>	6,750,395
Amortization and allowances	51,062,444	<b>46,222,819</b>	50,932,779
	<b>336,444,092</b>	<b>310,844,816</b>	316,890,792
Excess of revenues over expenditures	(1,016,452)	<b>47,265,167</b>	24,983,377
Accumulated surplus, beginning of year	819,244,368	<b>819,244,368</b>	794,260,991
<b>Accumulated surplus, end of year (Note 15)</b>	<b>818,227,916</b>	<b>866,509,535</b>	819,244,368

See accompanying notes to the consolidated financial statements

**CITY OF ST. JOHN'S**  
**Consolidated Statement of Financial Position**  
As at December 31, 2023

	2023	2022
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents (Note 3)	108,320,921	74,578,890
Investments (Note 4)	17,260,901	98,205,282
Accounts receivable - current (Note 5)	57,965,536	45,645,870
Accounts receivable - long-term (Note 6)	151,818	240,114
Sinking fund investments (Note 10 and Schedule 2)	50,116,714	209,193,259
	<b>233,815,890</b>	<b>427,863,415</b>
<b>Financial liabilities</b>		
Payables and accruals (Note 7)	68,159,655	73,389,479
Asset retirement obligations (Note 8)	23,569,963	29,304,150
Employee benefits (Note 9)	228,827,854	224,593,775
Debenture debt (Note 10 and Schedule 2)	337,902,000	544,000,000
Long-term debt (Note 11)	1,275,136	4,082,645
	<b>659,734,608</b>	<b>875,370,049</b>
<b>Net debt</b>	<b>(425,918,718)</b>	<b>(447,506,634)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	1,283,935,929	1,259,758,302
Inventory of materials and supplies	4,740,938	4,191,971
Prepaid expenditures	3,751,386	2,800,729
	<b>1,292,428,253</b>	<b>1,266,751,002</b>
<b>Accumulated surplus (Note 15)</b>	<b>866,509,535</b>	<b>819,244,368</b>

Contingencies and commitments (Note 18)

See accompanying notes to the consolidated financial statements

On behalf of Council



Mayor



Deputy City Manager, Finance & Corporate Services



# CITY OF ST. JOHN'S

## Consolidated Statement of Changes in Net Debt

Year ended December 31, 2023

	Budget 2023	2023	2022
	\$	\$	\$
<b>Excess of revenues over expenditures</b>	<b>(1,016,452)</b>	<b>47,265,167</b>	<b>24,983,377</b>
<b>Changes in tangible capital assets</b>			
Acquisition of tangible capital assets and contributed tangible capital assets	(69,837,986)	(70,675,472)	(69,837,986)
Net book value of tangible capital assets disposals/transfers	427,713	1,082,697	427,713
Amortization of tangible capital assets	45,415,148	45,415,148	49,154,169
<b>Increase in net book value of tangible capital assets</b>	<b>(23,995,125)</b>	<b>(24,177,627)</b>	<b>(20,256,104)</b>
<b>Changes in other non-financial assets</b>			
Change in prepaid expenditures	-	(950,657)	(512,101)
Acquisition of inventory and supplies, net of usage	-	(548,967)	(302,907)
<b>Increase in other non-financial assets</b>	<b>-</b>	<b>(1,499,624)</b>	<b>(815,008)</b>
Decrease (Increase) in net debt	(25,011,577)	21,587,916	3,912,265
Net debt, beginning of year	(447,506,634)	(447,506,634)	(451,418,899)
<b>Net debt, end of year</b>	<b>(472,518,211)</b>	<b>(425,918,718)</b>	<b>(447,506,634)</b>

**CITY OF ST. JOHN'S**  
**Consolidated Statement of Cash Flows**  
Year ended December 31, 2023

	2023	2022
	\$	\$
<b>Operating transactions</b>		
Excess of revenues over expenditures	47,265,167	24,983,377
Non-cash charges to operations:		
Amortization of tangible capital assets	45,415,148	49,154,169
Change in estimate of ARO	6,789,136	-
Contributed tangible capital assets	(3,733,516)	(7,193,012)
Employee benefits	4,234,079	2,421,426
Loss/(gain) on disposal of tangible capital assets	697,295	(232,028)
	<b>100,667,309</b>	<b>69,133,932</b>
Net change in other (Note 16)	(24,783,301)	1,807,303
	<b>75,884,008</b>	<b>70,941,235</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(73,731,092)	(62,644,974)
Proceeds from sale of tangible capital assets	385,402	659,741
	<b>(73,345,690)</b>	<b>(61,985,233)</b>
<b>Financing transactions</b>		
Decrease in long-term accounts receivable	88,296	87,593
Repayment of debenture debt	(11,000,000)	(16,500,000)
Repayment of long-term debt	(2,807,509)	(1,363,510)
	<b>(13,719,213)</b>	<b>(17,775,917)</b>
<b>Investing transactions</b>		
Increase in sinking fund investments	(12,099,468)	(7,865,128)
Decrease/(increase) in investments	57,022,394	(61,981,651)
	<b>44,922,926</b>	<b>(69,846,779)</b>
Increase/(decrease) in cash and cash equivalents	<b>33,742,031</b>	<b>(78,666,694)</b>
Cash and cash equivalents, beginning of year	<b>74,578,890</b>	<b>153,245,584</b>
<b>Cash and cash equivalents, end of year</b>	<b>108,320,921</b>	<b>74,578,890</b>

Supplementary cash flow information (Note 16)

See accompanying notes to the consolidated financial statements

# **CITY OF ST. JOHN'S**

## **Notes to the Consolidated Financial Statements**

**December 31, 2023**

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The City of St. John's (the "City") accounts include revenues 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.

### **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, St. John's Transportation Commission (the "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.

#### ***Revenue recognition***

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated amounts.

Other revenue mainly consists of sales of goods and services which are recognized when significant risks and rewards of ownership have been transferred and there are no significant obligations remaining, sales price is fixed and determinable, persuasive evidence of an arrangement exists and collection is reasonably assured. This usually coincides with the provision of the goods and services.

Interest revenue is recognized when earned.

#### ***Government Transfers***

When the City is the recipient, government transfers are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

When the City is the transferor, government transfers are recognized as an expense in the statement of operations when they are authorized and all eligibility criteria have been met by the recipient.

# CITY OF ST. JOHN'S

## Notes to the Consolidated Financial Statements

December 31, 2023

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### 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### *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.

#### *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:

	Years
Buildings	10-60
Parking spaces - garage	50-75
Vehicles	
Transit buses	7-12
Vehicles	5-20
Computer hardware and software	5
Other	
Machinery and equipment	5-30
Water and waste plants and networks	
Underground networks	75
Sewage treatment plants and lift stations	10-45
Water pumping stations and reservoirs	20-50
Flood stations and other infrastructure	45
Waste management facility and infrastructure	10-40
Transportation	
Roads	10-35
Roadbeds	75
Bridges and structures	25-50

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

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***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.

***Assessments***

Assessments for water and sewer installations and street improvements are recorded when work is completed.

***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 at cost or amortized cost.

***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, which are included in accumulated surplus, 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.

***Asset Retirement Obligations***

A liability for an asset retirement obligation related to Robin Hood Bay Regional Landfill is recognized at an amount that is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. This obligation is subsequently reviewed each fiscal year and adjusted for the passage of time along with any revisions to the timing, amount required to settle the obligation or the discount rate. Upon initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related long-lived asset. This cost is amortized on the same basis as the related asset.

***Severance and 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.

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Severance and accrued sick leave benefits (continued)***

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.

***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 13 years for the employee plan and 3 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 asset retirement obligations 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, 2023**

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**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Liability for contaminated sites***

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.

***Financial Instruments***

Cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities, long-term debt, and debenture debt are measured at cost or amortized cost. The carrying value of these financial instruments are presented on the statement of financial position.

For financial instruments measured using amortized cost the effective interest rate method is used to determine interest revenue or expense.

Transaction costs are added to the carrying value for financial instruments.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations, and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

**2. CHANGE IN ACCOUNTING POLICY**

Effective January 1, 2023, the City prospectively adopted PS 3450 Financial Instruments. This new section requires all financial instruments within the scope of the standard be measured at either fair value, cost or amortized cost. Derivatives and investments in equity instruments that are quoted in an active market must be measured at fair value. At year-end the City has no instruments that must be measured at fair value. The standard has been adopted prospectively in accordance with its transitional provisions, therefore, the comparative information has not been restated.

The standard also requires the adoption of a statement of remeasurement gains and losses. However, the City does not measure any of its financial instruments at fair value and therefore does not have any remeasurement gains or losses to recognize.

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**3. CASH AND CASH EQUIVALENTS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Cash	<b>54,380,332</b>	14,404,869
Restricted cash deposits:		
Robin Hood Bay post closure costs (Note 8)	<b>14,152,545</b>	12,262,816
Robin Hood Bay equipment replacement	<b>10,280,009</b>	9,533,007
Riverhead wastewater equipment replacement	<b>3,350,058</b>	3,431,543
Advance payments from developers	<b>45,841</b>	43,613
Federal gas tax fund	<b>16,994,436</b>	29,626,482
Fire department equipment replacement	<b>2,472,457</b>	-
Water system equipment replacement	<b>319,295</b>	-
Urban living affordable housing:		
Tenants' security deposits	<b>128,942</b>	118,882
Replacement reserve fund	<b>6,197,006</b>	5,157,678
	<b>53,940,589</b>	60,174,021
	<b>108,320,921</b>	74,578,890

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, 2023 the City held cash of \$6,197,006 (2022 - \$5,157,678).

**4. INVESTMENTS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Government bonds	<b>10,985,520</b>	36,240,888
Short term investment funds	<b>6,275,381</b>	1,964,394
Guaranteed investment certificates	-	60,000,000
	<b>17,260,901</b>	98,205,282

Government bonds include City of Toronto bonds valued at amortized cost with a coupon rate 4.15%, face value of \$10M and market value of \$9.8M. Maturity date is March 2044. These have been reclassified from sinking fund investments to portfolio investments in fiscal 2023.

In 2022, Government bonds consisted of City of St. John's debentures at coupon rates varying from 2.92% to 4.622% with a face value of \$35,446,987. Maturity dates on the investments in the portfolio range from August 2031 to September 2040. The adoption of PS 3450 requires the City's debentures to be recorded on a net basis with debenture debt (schedule 2) therefore these have been offset with the related financial liabilities in fiscal year 2023.

Short term investment funds consists of cash and cash equivalents held with RBC Investor and Treasury Services.

Guaranteed investment certificates (GICs) each with an annualized interest rate of 1.22% were redeemed January 4, 2023.



**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

**5. ACCOUNTS RECEIVABLE - CURRENT**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Taxes	<b>23,938,250</b>	26,857,964
Other governments	<b>31,410,682</b>	19,714,510
Other	<b>14,135,081</b>	12,207,761
Allowance for doubtful accounts	<b>(11,518,477)</b>	(13,134,365)
	<b>57,965,536</b>	45,645,870

**6. ACCOUNTS RECEIVABLE - LONG TERM**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Civic assessments	<b>151,818</b>	240,114
	<b>151,818</b>	240,114

**7. PAYABLES AND ACCRUALS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Trade	<b>40,026,013</b>	43,103,927
Wages and benefits payable	<b>8,636,403</b>	13,338,708
Deferred revenue	<b>4,972,250</b>	3,222,146
Deposits and prepayments	<b>9,552,205</b>	8,633,987
Accrued interest	<b>4,848,711</b>	4,941,068
Other governments	<b>124,073</b>	149,643
	<b>68,159,655</b>	73,389,479

**8. ASSET RETIREMENT OBLIGATION**

A liability is recognized for future retirement obligations associated with the City's landfill asset. The amount recognized is the net present value of estimated future expenditures required to fund the closure, decommissioning, and post-closure requirements of its landfill. The obligation is calculated using the current estimated costs to retire the asset inflated to the estimated retirement date and discounted to current present value. The retirement obligation is being provided for over the accreted value from the initial obligation to the end of the useful life of the landfill. Future retirement expenditures will be charged against the accumulated liability as incurred.

Estimating asset retirement obligations require estimation of costs many years into the future, inherent in the calculation are numerous assumptions and estimates, including the expected future costs, inflation factors, discount rates and the timing of settlement of obligations. Future revisions to any of these estimates may result in material changes to the asset retirement obligation.

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**8. ASSET RETIREMENT OBLIGATION (Continued)**

At December 31, 2023, the estimated total undiscounted inflation-adjusted amount required to settle the asset retirement obligation is \$164,353,662. The cash flows are discounted at the rate of 4.3% (2022 - 3.6%) based on the City's long term cost of borrowing. This is estimated by reference to the average of the past three years of the City's estimated net yield on its debenture debt at the end of the fiscal year. The discount rate will only be adjusted when the estimate using current information results in a difference of more than 25 basis points. The landfill is estimated to close in 2072 with the site continuing to be monitored for an additional 30 years post closure.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Beginning of year	<b>29,304,150</b>	28,384,061
Liabilities settled	-	-
Change in discount rate	<b>(6,789,136)</b>	(5,064,583)
Change in estimates	-	5,076,382
Accretion	<b>1,054,949</b>	908,290
End of year	<b>23,569,963</b>	29,304,150

The tipping fees charged by the City to all users include a provision for closure and post-closure costs which is contributed to an interest-bearing account to accumulate the funds that will be required at each closure and post-closure phase. The balance in the account at December 31, 2023 was \$14,152,545 (2022 - \$12,262,816).

**9. EMPLOYEE BENEFITS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Accrued pension benefits (Note 12)	<b>(12,459,123)</b>	(13,942,714)
Employee future benefits (Note 13)	<b>214,944,265</b>	211,733,476
Severance and sick leave benefits (Note 14)	<b>26,342,712</b>	26,803,013
	<b>228,827,854</b>	224,593,775

**10. DEBENTURE DEBT**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Debenture debt outstanding (Schedule 2)	<b>337,902,000</b>	544,000,000
Less: sinking fund investments available	<b>50,116,714</b>	209,193,259
	<b>287,785,286</b>	334,806,741

As at December 31, 2023, the City held a carrying value of \$195.0M (2022 – \$200.0M) of its own debentures. Adoption of PS 3450 requires that when the City repurchases its own debenture, the repurchased instruments offset the original liabilities on the Consolidated Statement of Financial Position.

**CITY OF ST. JOHN'S**  
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**10. DEBENTURE DEBT (Continued)**

In 2022, City's sinking fund investments available included City of St. John's debentures at coupon rates varying between 2.92% to 6.68% with a face value of \$174.7M. Maturity dates on the investments in the portfolio range from February 2023 to September 2040.

Total interest paid or payable in 2023 on debt was \$28,139,398 (2022 - \$29,196,683). Interest received or receivable in 2023 on City owned debentures was \$9,682,393 (2022 - \$11,299,587)

The annual requirements over the next five years and thereafter relating to principal repayments and scheduled sinking funds are as follows:

Year	Principal Repayments	Sinking fund requirements	Total
	\$	\$	\$
2024	25,000,000	13,012,500	38,012,500
2025	18,000,000	12,475,000	30,475,000
2026	60,000,000	11,937,500	71,937,500
2027	15,000,000	10,750,000	25,750,000
2028	-	10,375,000	10,375,000
Thereafter	415,000,000	77,325,000	492,325,000

**11. LONG-TERM DEBT**

	2023	2022
	\$	\$
Mortgages - Urban living non-profit housing (Schedule 3)	1,275,136	1,726,645
St. John's Transportation Commission	-	2,356,000
	1,275,136	4,082,645

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.

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

Year	Non-profit housing mortgages
	\$
2024	428,038
2025	410,267
2026	218,675
2027	135,360
2028	82,796

**CITY OF ST. JOHN'S**  
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**11. LONG-TERM DEBT (Continued)**

The Commission has access to a \$15,000,000 credit facility, guaranteed by the City, for capital expenditures. Under the terms of its lending arrangements, the Commission issues banker's acceptances. At December 31, 2023, the Commission had a nil balance (2022 - \$2,356,000) on the credit facility which is included in long-term debt.

**12. ACCRUED PENSION BENEFITS**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
City of St. John's - Employees	<b>(19,323,900)</b>	(21,287,200)
City of St. John's - Mayor and Councillors	<b>6,136,800</b>	6,289,600
St. John's Transportation Commission	<b>727,977</b>	1,054,886
	<b>(12,459,123)</b>	(13,942,714)

*City of St. John's - Employees*

The City's defined benefit plan provides pension benefits to members of CUPE 569, CUPE 1289, NAPE 7808, management, council, and employees of St. John's Sports & Entertainment Ltd. hired before January 1, 2015, as well members of the IAFF 1075 hired before July 11, 2017. All subsequent hires from these groups are enrolled in a defined contribution pension plan. The City also maintains a Supplementary Executive Retirement Plan (SERP) for non-union employees in respect to earnings in excess of those on which benefits can be provided under the defined benefit provisions. Both plans provide benefits based on length of service and average earnings.

An actuarial valuation of the plans were completed as at December 31, 2021 for Council and as at December 31, 2022 for employees and the supplementary plan. All plans were extrapolated to December 31, 2023.

	<b>Employees</b>	<b>Supplementary Plan</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<i>Accrued benefit obligation</i>				
Balance, beginning of year	<b>451,480,900</b>	<b>1,975,800</b>	<b>453,456,700</b>	469,012,800
Current service cost	<b>12,973,100</b>	<b>53,500</b>	<b>13,026,600</b>	13,504,300
Interest cost	<b>28,000,700</b>	<b>99,800</b>	<b>28,100,500</b>	26,691,200
Benefits paid	<b>(19,930,300)</b>	<b>(53,500)</b>	<b>(19,983,800)</b>	(20,583,900)
Past services and FABA contributions	<b>17,000</b>	<b>-</b>	<b>17,000</b>	37,000
Actuarial gain	<b>(1,506,400)</b>	<b>(398,000)</b>	<b>(1,904,400)</b>	(35,204,700)
Balance, end of year	<b>471,035,000</b>	<b>1,677,600</b>	<b>472,712,600</b>	453,456,700

**CITY OF ST. JOHN'S**  
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**12. ACCRUED PENSION BENEFITS (Continued)**

	<b>Employees</b>	<b>Supplementary Plan</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<i>Plan assets</i>				
Fair value, beginning of year	<b>454,217,200</b>	-	<b>454,217,200</b>	530,162,900
Return on plan assets	<b>52,917,600</b>	-	<b>52,917,600</b>	(70,372,100)
Benefits paid	<b>(19,930,300)</b>	-	<b>(19,930,300)</b>	(20,531,000)
Employer contributions	<b>7,174,500</b>	-	<b>7,174,500</b>	8,796,700
Employee contributions	<b>6,380,100</b>	-	<b>6,380,100</b>	6,123,700
Past services and FABA contributions	<b>17,000</b>	-	<b>17,000</b>	37,000
Fair value, end of year	<b>500,776,100</b>	-	<b>500,776,100</b>	454,217,200
Funded status (surplus)/deficit	<b>(29,741,100)</b>	<b>1,677,600</b>	<b>(28,063,500)</b>	(760,500)
Unamortized amounts	<b>7,463,300</b>	<b>1,276,300</b>	<b>8,739,600</b>	(20,526,700)
Accrued benefit (asset)/liability	<b>(22,277,800)</b>	<b>2,953,900</b>	<b>(19,323,900)</b>	(21,287,200)
<i>Significant assumptions used for 2023</i>				
Discount rate	<b>5.75%</b>	<b>4.75%</b>		
Expected long-term rate of return on plan assets	<b>5.75%</b>	<b>0.00%</b>		
Rate of compensation increase	<b>3.15%</b>	<b>3.15%</b>		
Average remaining service period of active employees	<b>13 years</b>	<b>12 years</b>		
<i>Significant assumptions used for 2022</i>				
Discount rate	6.25%	5.05%		
Expected long-term rate of return on plan assets	6.25%	0.00%		
Rate of compensation increase	3.15%	3.15%		
Average remaining service period of active employees	13 years	12 years		
<i>Net benefit expense of the year</i>				
Current service cost	<b>12,973,100</b>	<b>53,500</b>	<b>13,026,600</b>	13,504,300
Interest cost	<b>28,000,700</b>	<b>99,800</b>	<b>28,100,500</b>	26,691,200
Amortization of losses/(gains)	<b>2,580,400</b>	<b>53,800</b>	<b>2,634,200</b>	(2,398,000)
Employee contributions	<b>(6,380,100)</b>	-	<b>(6,380,100)</b>	(6,123,700)
Expected return on plan assets	<b>(28,189,900)</b>	-	<b>(28,189,900)</b>	(30,324,100)
Net benefit expense	<b>8,984,200</b>	<b>207,100</b>	<b>9,191,300</b>	1,349,700

**CITY OF ST. JOHN'S**  
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**12. ACCRUED PENSION BENEFITS (Continued)**

*City of St. John's - Mayor and Councillors*

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<i>Accrued benefit obligation</i>		
Balance, beginning of year	<b>5,372,600</b>	6,252,900
Current service cost	<b>114,700</b>	149,600
Interest cost	<b>266,500</b>	188,400
Benefits paid	<b>(304,700)</b>	(301,300)
Actuarial loss/(gain)	<b>166,000</b>	(917,000)
Balance, end of year	<b>5,615,100</b>	5,372,600
Unamortized amounts	<b>521,700</b>	917,000
Accrued benefit liability	<b>6,136,800</b>	6,289,600
<i>Significant assumptions used</i>		
Discount rate	<b>4.75%</b>	5.05%
Rate of compensation increase	<b>3.15%</b>	3.15%
Average remaining service period	<b>3 years</b>	4 years
<i>Net benefit expense of the year</i>		
Current service cost	<b>114,700</b>	149,600
Interest cost	<b>266,500</b>	188,400
Amortization of gains	<b>(229,300)</b>	(271,200)
Net benefit expense	<b>151,900</b>	66,800

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

The Commission maintains a defined benefit plan which provide pension benefits to its union and non-union employees hired before May 1, 2016. Employees hired after this date are enrolled in a defined contribution pension plan. The Commission also maintains a Supplementary Executive Retirement Plan (SERP) for non-union employees in respect to earnings in excess of those on which benefits can be provided under the defined benefit provisions. Both plans provide benefits based on length of service and average earnings.

An actuarial valuation of the employee plans was completed as at December 31, 2020 and extrapolated to December 31, 2023. The supplementary plan estimate was prepared using the same actuarial assumptions used for the Non-Union plan with the exception of the discount rate.

**CITY OF ST. JOHN'S**  
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**12. ACCRUED PENSION BENEFITS (Continued)**

	Employees	Supplementary	2023	2022
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	55,772,878	65,295	55,838,173	61,259,894
Current service cost	1,437,167	2,242	1,439,409	1,530,858
Interest cost	3,215,587	3,367	3,218,954	3,060,540
Benefits paid	(3,880,531)	-	(3,880,531)	(3,864,342)
Actuarial loss/(gain)	1,504,432	2,799	1,507,231	(6,148,777)
Balance, end of year	58,049,533	73,703	58,123,236	55,838,173
<i>Plan assets</i>				
Fair value, beginning of year	56,625,194	-	56,625,194	65,992,286
Return on plan assets	6,201,359	-	6,201,359	(7,379,245)
Benefits paid	(3,880,531)	-	(3,880,531)	(3,864,342)
Employer contributions	1,307,313	-	1,307,313	1,267,887
Employee contributions	670,801	-	670,801	608,608
Fair value, end of year	60,924,136	-	60,924,136	56,625,194
Funded status (surplus)/deficit	(2,874,603)	73,703	(2,800,900)	(787,021)
Unamortized amounts	3,443,018	85,859	3,528,877	1,841,907
Accrued benefit liability	568,415	159,562	727,977	1,054,886
<i>Significant assumptions used</i>				
Discount rate	5.80%	4.74%		6.00%
Expected long-term rate of return on plan assets	6.00%	5.75%		5.20%
Rate of compensation increase	2.00%	2.00%		0.00%
Average remaining service period of active employees	13.5 years	4 years		13.5 years
<i>Net benefit expense of the year</i>				
Current service cost	1,437,167	2,242	1,439,409	1,530,858
Interest cost	3,215,587	3,367	3,218,954	3,060,540
Amortization of losses/(gains)	300,956	(22,164)	278,792	(99,381)
Employee contributions	(670,801)	-	(670,801)	(608,608)
Expected return on plan assets	(3,285,950)	-	(3,285,950)	(3,317,857)
Net benefit expense	996,959	(16,555)	980,404	565,552

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
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**13. 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, 2019 for the City and September 30, 2021 for the Commission with both plans extrapolated to December 31, 2023.

	City	Commission	2023	2022
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	138,479,000	12,022,989	150,501,989	200,827,477
Current service cost	3,455,000	403,902	3,858,902	6,291,140
Interest cost	6,965,200	608,916	7,574,116	6,149,560
Benefits paid	(4,561,500)	(186,490)	(4,747,990)	(4,591,232)
Actuarial (gain)/loss	(8,559,600)	484,335	(8,075,265)	(58,174,956)
Balance, end of year	135,778,100	13,333,652	149,111,752	150,501,989
Funded status - deficit	135,778,100	13,333,652	149,111,752	150,501,989
Unamortized amounts	60,487,600	5,344,913	65,832,513	61,231,487
Accrued benefit liability	196,265,700	18,678,565	214,944,265	211,733,476
<i>Significant assumptions used for 2023</i>				
Discount rate	4.75%	4.74%		
Average remaining service period of active employees	13 years	13.4 years		
<i>Significant assumptions used for 2022</i>				
Discount rate	5.05%	5.07%		
Average remaining service period of active employees	12 years	13.4 years		
<i>Net benefit expense of the year</i>				
Current service cost	3,455,000	403,902	3,858,902	6,291,140
Interest cost	6,965,200	608,916	7,574,116	6,149,560
Amortization of (gains)/losses	(3,105,100)	(369,139)	(3,474,239)	1,435,312
Net benefit expense	7,315,100	643,679	7,958,779	13,876,012

**14. SEVERANCE AND SICK LEAVE BENEFITS**

	2023	2022
	\$	\$
City of St. John's	24,871,600	25,388,900
St. John's Transportation Commission	1,162,904	1,095,226
St. John's Sports and Entertainment	308,208	318,887
	26,342,712	26,803,013



**CITY OF ST. JOHN'S**  
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**14. SEVERANCE AND SICK LEAVE BENEFITS (Continued)**

*City of St. John's*

Severance for eligible employees consists of one week's salary for each year worked and is only paid upon retirement. Eligible employees are CUPE Local 569 members and management employees hired before October 1, 2019, CUPE Local 1289 members hired before December 5, 2019 and IAFF Local 1075 members hired before January 1 2023.

All employees accumulate sick however it is non-vesting.

An actuarial valuation of the plan was completed as at December 31, 2019 and extrapolated to December 31, 2023.

	<b>Severance</b>	<b>Sick Leave</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<i>Accrued benefit obligation</i>				
Balance, beginning of year	<b>13,974,300</b>	<b>10,085,000</b>	<b>24,059,300</b>	26,679,200
Current service cost	<b>1,272,700</b>	<b>973,400</b>	<b>2,246,100</b>	2,699,100
Interest cost	<b>700,500</b>	<b>502,800</b>	<b>1,203,300</b>	820,600
Benefits paid	<b>(1,478,700)</b>	<b>(1,228,600)</b>	<b>(2,707,300)</b>	(2,179,700)
Settlement payments	<b>(1,237,600)</b>	-	<b>(1,237,600)</b>	(68,300)
Settlement loss	<b>180,700</b>	-	<b>180,700</b>	-
Actuarial (gain)/loss	<b>(785,400)</b>	<b>3,317,300</b>	<b>2,531,900</b>	(3,891,600)
Balance, end of year	<b>12,626,500</b>	<b>13,649,900</b>	<b>26,276,400</b>	24,059,300
Funded status - deficit	<b>12,626,500</b>	<b>13,649,900</b>	<b>26,276,400</b>	24,059,300
Unamortized amounts	<b>2,114,000</b>	<b>(3,518,800)</b>	<b>(1,404,800)</b>	1,329,600
Accrued benefit liability	<b>14,740,500</b>	<b>10,131,100</b>	<b>24,871,600</b>	25,388,900
<i>Significant assumptions used</i>				
Discount rate			<b>4.75%</b>	5.05%
Average remaining service period of active employees			<b>13 years</b>	13 years
<i>Net benefit expense of the year</i>				
Current service cost	<b>1,272,700</b>	<b>973,400</b>	<b>2,246,100</b>	2,699,100
Interest cost	<b>700,500</b>	<b>502,800</b>	<b>1,203,300</b>	820,600
Amortization of (gain)/loss	<b>(38,900)</b>	<b>91,900</b>	<b>53,000</b>	352,400
Recognition of unamortized gain due to settlement	<b>(255,500)</b>	-	<b>(255,500)</b>	-
Recognized loss due to settlement	<b>180,700</b>	-	<b>180,700</b>	-
Net benefit expense	<b>1,859,500</b>	<b>1,568,100</b>	<b>3,427,600</b>	3,872,100

**CITY OF ST. JOHN'S**  
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**14. SEVERANCE AND SICK LEAVE BENEFITS (Continued)**

During 2023, members of IAFF Local 1075 were given a one-time payout option of their severance accrued to December 31 2020 or a portion thereof. Severance benefits continue to accrue to retirement, regardless of whether an employee elected to receive a one-time payout or not. However, members hired after December 31, 2022 are no longer entitled to severance benefits.

*St. John's Transportation Commission*

As of June 1, 2015, eligible 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. Eligible employees are those hired before November 27, 2020. The liability at December 31, 2022 is \$138,373 (2022 - \$128,172).

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, 2023 is \$1,024,531 (2022 - \$967,054).

*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, 2021 and extrapolated to December 31, 2023.

	<b>Severance</b>	<b>Sick Leave</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<i>Accrued benefit obligation</i>				
Balance, beginning of year	<b>104,807</b>	<b>97,350</b>	<b>202,157</b>	309,617
Current service cost	<b>23,974</b>	<b>14,032</b>	<b>38,006</b>	44,243
Interest cost	<b>5,118</b>	<b>4,880</b>	<b>9,998</b>	6,315
Benefits paid	<b>(30,910)</b>	<b>(15,459)</b>	<b>(46,369)</b>	(15,501)
Actuarial loss/(gain)	<b>9,869</b>	<b>8,494</b>	<b>18,363</b>	(142,517)
Balance, end of year	<b>112,858</b>	<b>109,297</b>	<b>222,155</b>	202,157
Funded status - deficit	<b>112,858</b>	<b>109,297</b>	<b>222,155</b>	202,157
Unamortized amounts	<b>53,072</b>	<b>32,981</b>	<b>86,053</b>	116,730
Accrued benefit liability	<b>165,930</b>	<b>142,278</b>	<b>308,208</b>	318,887

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
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**14. SEVERANCE AND SICK LEAVE BENEFITS (Continued)**

	Severance	Sick Leave	2023	2022
	\$	\$	\$	\$
<i>Significant assumptions used</i>				
Discount rate			4.75%	5.05%
Average remaining service period of active employees			13 years	13 years
<i>Net benefit expense of the year</i>				
Current service cost	23,974	14,032	38,006	44,243
Interest cost	5,118	4,880	9,998	6,315
Amortization of gains	(6,325)	(5,989)	(12,314)	(9,907)
Net benefit expense	22,767	12,923	35,690	40,651

**15. ACCUMULATED SURPLUS**

	2023	2022
	\$	\$
Accumulated surplus, beginning of year	819,244,368	794,260,991
Excess of revenue over expenditures	47,265,167	24,983,377
Accumulated surplus, end of year	866,509,535	819,244,368
Appropriated surplus		
Reserve for Shoal Bay treatment plant	572,289	527,469
Urban living non-profit housing - replacement reserve	6,197,006	5,157,678
Reserve for snow and ice management	2,000,000	2,000,000
Reserve for salt savings	62,940	62,940
Reserve for convention centre financing	(4,891,497)	(4,688,111)
Reserve for capital	17,023,383	17,200,454
Reserve for employee benefits stabilization fund	1,997,091	1,997,091
Reserve for Robin Hood Bay equipment replacement	10,280,009	9,533,007
Reserve for Riverhead wastewater equipment replacement	3,350,058	3,431,543
Reserve for affordable housing	83,896	34,197
	36,675,175	35,256,268
Unappropriated surplus	829,834,360	783,988,100
	866,509,535	819,244,368

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
December 31, 2023

**16. SUPPLEMENTARY CASH FLOW INFORMATION**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Changes in other balances:		
Accounts receivable	<b>(12,319,666)</b>	(1,403,322)
Inventory of materials and supplies	<b>(548,967)</b>	(302,907)
Prepaid expenditures	<b>(950,657)</b>	(512,101)
Payables and accruals	<b>(10,964,011)</b>	4,025,633
	<b>(24,783,301)</b>	1,807,303
Interest paid	<b>12,439,964</b>	24,164,390

**17. CREDIT FACILITIES**

The City has a demand credit facility with the Royal Bank of Canada totaling \$14,500,000 to meet its short-term financing needs. Drawings bear a maximum interest at the Royal Bank prime rate minus 0.50%. Drawings on this facility at December 31, 2023 were nil (2022 - nil).

**18. CONTINGENCIES AND COMMITMENTS**

*Expropriation and other claims*

In the normal course of business, the City is subject to several legal claims in which it intends to defend and negotiate. As of December 31, 2023, the City recorded an estimated liability of \$1,835,438 (2022 - \$1,718,595) for such claims. This liability only includes those claims in which there is an expectation of loss and the settlement amounts can be reasonably estimated however the exact amounts of each claim will not be known until it is settled.

The Commission is contingently liable for claims below \$100,000 which are not covered under its current insurance policy. As of December 31, 2023, the Commission recorded an estimated liability of \$834,535 (2022 - \$570,157) for such claims.

*Lease and service agreements*

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

2024	5,906,693
2025	3,666,783
2026	2,589,485
2027	1,961,379
2028	224,512

# **CITY OF ST. JOHN'S**

## **Notes to the Consolidated Financial Statements**

**December 31, 2023**

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### **18. CONTINGENCIES AND COMMITMENTS (Continued)**

St. John's Sports and Entertainment is currently in year 5 of a 10-year food service management agreement with Servomation Inc, "Centerplate", to provide food services for the St. John's Convention Centre. The Organization has committed to a management fee and a share of net operating profits. The Organization also has commitments relating to the general maintenance of the Mary Brown's Centre and the Convention Centre.

#### *15 Convent 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 \$1.2 million in compensation will be payable to the donor.

#### *Liability for Contaminated Sites*

The City has not recognized a liability for remediation of 245 Freshwater Road, the former location of Metrobus. The contamination exists as a result of two underground fuel tanks that have been removed and environmental monitoring is ongoing.

Subsequent to year end the City received preliminary environmental testing results indicating further assessment is required at 310 Empire Avenue, site of a former landfill. The site is currently being used as a sports field and has been for several decades. As at the audit date the full extent of any potential contamination and cost of remediation is unknown and a liability has not been recorded.

#### *Loan Guarantee*

The City is acting as a guarantor for the Celtics Centre Hockey Corporation (The Avalon Minor Hockey Association Inc) for a \$2.5 million dollar loan from Roynat Inc. In the event of a default the City may take over the loan payments or move to sell the arena.

Subsequent to year end, as its guarantor, the City extinguished the Celtics' \$2.5 million dollar loan from Roynat Inc.

### **19. FINANCIAL RISK**

The City is exposed to credit risk and liquidity risk from its financial instruments. This note describes the City's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency, or other price risks.

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

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**19. FINANCIAL RISK (Continued)**

a. Credit risk

Credit risk arises from the potential that a party will fail to fulfill its obligations. Primarily the City is exposed to credit risk through its cash and cash equivalents, investments, and accounts receivable. Cash and cash equivalents are held with provincially and federally regulated chartered banks. Accounts receivables consist mainly of property taxes, an allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The City has a significant number of customers which minimizes concentration of credit risk. There have not been any changes from the prior year in the City's exposure to credit risk or the policies, procedures and methods it uses to manage and measure the risk.

At year end, the amounts outstanding for the City's accounts receivable are as follows:

	2023	2022
	\$	\$
Less than 1 year	56,142,578	43,306,871
1 to 3 years	7,534,789	9,280,294
Over 3 years	5,806,646	6,193,070
Less: impairment allowance	(11,518,477)	(13,134,365)
	<u>57,965,536</u>	<u>45,645,870</u>

b. Liquidity risk

Liquidity risk is the risk that the City will encounter difficulty in meeting obligations associated with financial liabilities. The City is exposed to this risk mainly in respect of receipt of government funding, long term debt and accounts payable. The City manages this risk through continuous monitoring of cash flows from operations and anticipated investing and financing activities to ensure it has sufficient liquidity to meet its liabilities when due. The City issues debenture with sinking fund provision. The sinking fund accounts for the accumulation of installments required for the retirement of the sinking fund debt at maturity. There have not been any changes from the prior year in the City's exposure to liquidity risk or the policies, procedures and methods it uses to manage and measure the risk.

The following table sets out the contractual maturities of the financial liabilities:

	2023		
	Less than 1 year	1 to 5 years	Over 5 years
	\$	\$	\$
Accounts payable and accrued liabilities	68,159,655	-	-
Long-term debt	428,038	847,098	-
Debenture debt	25,000,000	93,000,000	415,000,000
	<u>93,587,693</u>	<u>93,847,098</u>	<u>415,000,000</u>

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2023**

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**19. FINANCIAL RISK (Continued)**

	2022		
	Less than 1 year	1 to 5 years	Over 5 years
	\$	\$	\$
Accounts payable and accrued liabilities	73,389,479	-	-
Long-term debt	2,813,035	1,269,610	-
Debenture debt	11,000,000	118,000,000	415,000,000
	<u>87,202,514</u>	<u>119,269,610</u>	<u>415,000,000</u>

**20. SEGMENTED INFORMATION**

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

The City provides a wide range of services to its citizens, including fire, public transit, roads, waste and recycling, water supply and distribution, wastewater treatment, and recreation and cultural services. Segmented information is presented by major functional activities consistent with the Consolidated Statement of Operations.

**General Government Services** includes activities relating to the overall governance and financial administration of the City. This includes council functions and the following administrative activities: customer service administration, human resources, legal, internal audit, finance, communications, information technology, engineering services, assessment services, and city building maintenance.

**Fiscal Services** includes activities related to the City's debt.

**Transportation Services** includes activities related to public transportation including transportation services offered through the City of St. John's Transportation Commission and other transportation activities including road and sidewalk maintenance, traffic operations, parking, snow clearing and street lighting.

**Protective Services** includes activities related to fire protection, inspection services and animal control.

**Environmental Health Services** includes activities related to environmentally regulated services including waste collection and disposal as well as the supply and treatment of water and wastewater.

**Recreation and Cultural Services** includes activities related to the operation and maintenance of the City's recreation facilities including community centres, parks, swimming pools and St. John's Sports and Entertainment Limited. Also includes cultural and community services.

**Environmental Development Services** includes activities relating to non profit housing administration and maintenance. Also includes tourism and economic development services.

**Amortization and Allowances** includes activities related to allowances for doubtful accounts and capital contributions.

**CITY OF ST. JOHN'S**  
**Consolidated Schedule of Tangible Capital Assets**  
Year Ended December 31, 2023

**Schedule 1**

	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	2023 Totals	2022 Totals
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>										
Balance, beginning of year	65,759,458	555,233,952	8,452,167	848,876,217	248,201,369	41,290,689	86,457,855	50,719,554	1,904,991,261	1,838,975,152
Add: Additions during the year	450	53,191	-	3,733,515	4,071,196	202,814	70,317,320	-	78,378,486	70,768,396
Less: Disposals during the year	(8,552)	-	-	(2,198,384)	(2,771,773)	(87,769)	(836,182)	-	(5,902,660)	(4,752,287)
Adjustments	68,018	3,442,457	-	24,038,664	5,639,974	-	(33,189,113)	-	-	-
Change in estimate of ARO	-	(6,789,136)	-	-	-	-	-	-	(6,789,136)	-
Balance, end of year	65,819,374	551,940,464	8,452,167	874,450,012	255,140,766	41,405,734	122,749,880	50,719,554	1,970,677,951	1,904,991,261
<b>Accumulated amortization</b>										
Balance, beginning of year	-	170,215,735	1,202,507	267,115,649	160,418,319	17,027,342	-	29,253,407	645,232,959	599,472,954
Add: Additions during the year	-	13,436,235	146,723	16,095,893	13,095,680	1,274,659	-	1,377,612	45,426,802	49,154,169
Less: Disposals during the year	-	-	-	(1,197,009)	(2,632,961)	(87,769)	-	-	(3,917,739)	(3,394,164)
Adjustments	-	-	-	-	-	-	-	-	-	-
Balance, end of year	-	183,651,970	1,349,230	282,014,533	170,881,038	18,214,232	-	30,631,019	686,742,022	645,232,959
<b>Net book value of tangible capital assets</b>	<b>65,819,374</b>	<b>368,288,494</b>	<b>7,102,937</b>	<b>592,435,479</b>	<b>84,259,728</b>	<b>23,191,502</b>	<b>122,749,880</b>	<b>20,088,535</b>	<b>1,283,935,929</b>	<b>1,259,758,302</b>



**CITY OF ST. JOHN'S**  
**Consolidated Schedule of Debenture Debt**

**Schedule 2**

**December 31, 2023**

Date of Maturity	Interest Rate	Amount Issued and Outstanding	2023			2022		
			Sinking Funds Available	Bond Premium	Sinking Fund Requirement in 2024	Sinking Funds Available	Bond Premium	Sinking Fund Requirement in 2023
			\$	\$	\$	\$	\$	\$
Feb. 2023	6.680%	-	-	-	-	13,236,259	277,164	137,500
Feb. 2024	6.162%	25,000,000	27,015,028	105,516	312,500	24,713,341	316,103	625,000
June 2025	5.534%	18,000,000	18,032,064	165,771	450,000	16,579,186	240,936	450,000
Mar. 2026	5.300%	25,000,000	21,626,454	252,185	625,000	20,093,079	279,664	625,000
Dec. 2026	4.975%	35,000,000	34,363,968	555,231	875,000	32,747,165	591,932	875,000
Dec. 2027	5.400%	15,000,000	9,339,198	-	375,000	10,194,810	-	375,000
Nov. 2029	5.539%	27,000,000	15,183,857	94,447	675,000	15,112,969	116,046	675,000
Aug. 2031	4.622%	70,000,000	37,561,127	427,578	1,750,000	25,357,175	433,494	1,750,000
Dec. 2033	4.500%	60,000,000	18,632,256	1,301,866	1,500,000	16,671,242	761,918	1,500,000
Mar. 2036	4.215%	120,000,000	22,727,102	3,038,886	3,000,000	19,395,497	907,273	3,000,000
Sep. 2040	2.916%	138,000,000	11,009,665	(139,472)	3,450,000	7,193,105	3,974,901	3,450,000
		533,000,000	215,490,719	5,802,008	13,012,500	201,293,828	7,899,431	13,462,500

As at December 31, 2023, the City held a carrying value of \$195.0M (2022 – \$200.0M) of its own debentures. Adoption of PS 3450 requires that when the City repurchases its own debenture, the repurchased instruments offset the original liabilities on the Consolidated Statement of Financial Position (Note 10). Sinking funds available as presented in this schedule include the City's repurchased debentures. Interest revenue and interest expense associated with the repurchased instruments are offset in the Consolidated Statement of Operations. Interest revenue and interest expense for 2023 are \$8.2M and \$23.3M respectively (2022 - \$9.2M and \$23.7M).

In 2022, the City's sinking funds include City of St. John's debentures at coupon rates varying between 2.92% to 6.68% with a face value of \$174.7M. Maturity dates on the investments in the portfolio range from February 2023 to September 2040.

The City incurred a premium on bonds purchased in the market; this occurs when the price paid is greater than the settlement amount. Bonds purchased are mainly those of the City and will be held until maturity. As such, the City amortizes the bond premium over the remaining life to bond maturity.

**CITY OF ST. JOHN'S****Schedule 3****Consolidated Schedule of Mortgages - Urban Living****Non-Profit Housing****December 31, 2023**

				<b>2023</b>	<b>2022</b>
	Date of	Interest	Amount	<b>Amount</b>	Amount
	Maturity	Rate	Issued	<b>Outstanding</b>	Outstanding
			\$	\$	\$
<b>Newfoundland &amp; Labrador Housing Corporation</b>					
Infill 1987	Apr. 1, 2023	2.040%	2,070,285	-	37,413
Gear Street - Infill 1988	Sept. 1, 2025	2.040%	1,929,560	<b>173,459</b>	269,191
Brookfield Road	Dec. 1, 2025	2.040%	2,203,600	<b>223,824</b>	331,575
Cochrane Street	Nov. 1, 2027	1.710%	745,887	<b>126,596</b>	160,065
Infill 1990	Nov. 1, 2026	1.640%	1,628,008	<b>219,824</b>	292,330
Campbell Avenue	Feb. 1, 2028	1.620%	968,952	<b>194,609</b>	236,815
Infill 1992	Dec. 1, 2028	2.040%	1,682,553	<b>336,824</b>	399,256
			11,228,845	<b>1,275,136</b>	1,726,645
<b>Current portion</b>				<b>428,038</b>	457,035

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, 2023

**Schedule 4**

	2023	2022
	\$	\$
<b>Taxation</b>		
Real property	176,300,015	174,842,116
Water	36,122,855	33,507,972
Utility	6,889,504	6,503,966
Accommodation	4,381,927	3,496,966
	<b>223,694,301</b>	<b>218,351,020</b>
<b>Grants in lieu of taxes</b>		
Government of Canada	4,729,697	4,571,337
Government of Canada agencies	917,075	916,490
Water tax grant	3,292,155	3,073,907
	<b>8,938,927</b>	<b>8,561,734</b>
<b>Grants and transfers</b>		
Government of Canada		
Capital grant	11,614,079	4,697,228
St. John's Transportation Commission	94,500	94,500
Gas tax funding	4,889,946	2,392,952
Other federal grants	433,626	455,511
Government of Newfoundland and Labrador		
Gas tax funding	831,153	831,153
Municipal capital grant	14,151,247	11,446,717
Recovery of debt charges	243,470	-
Rental housing projects	767,846	980,366
Other provincial grants	145,136	90,682
City of Mount Pearl and Town of Paradise		
Capital contribution	19,422	155,132
City of Mount Pearl and Town of Paradise		
Public transit contribution	1,546,780	1,433,440
Capital contribution from Developers	3,774,325	7,454,317
Other grants	375,197	488,723
	<b>38,886,727</b>	<b>30,520,721</b>
<b>Sales of goods and services</b>		
Environmental health services		
Water sales - commercial and shipping	7,707,457	7,240,919
Tipping fees	14,404,296	13,432,310
Recycling materials	674,752	928,278
Regional Fire recovery	12,202,090	11,989,420

**CITY OF ST. JOHN'S**  
**Consolidated Schedule of Revenues**  
Year ended December 31, 2023

Schedule 4 (continued)

	2023	2022
	\$	\$
<b>Sales of goods and services (continued)</b>		
Environmental health services (continued)		
Regional Water recovery	8,937,410	7,964,670
Regional Waste Water recovery	1,026,562	1,143,004
Other	656,722	407,511
General government services	1,186,934	1,242,047
Transportation services		
Parking	1,244,877	686,456
Parking permits	183,563	179,228
Other	30,491	15,164
Third party charges	120,491	104,686
Sale of land	232,639	57,921
Gain on disposal of capital assets	-	232,028
Recreation, parks and tourism	2,453,136	1,861,486
St. John's Sports & Entertainment Ltd.	6,288,606	6,093,839
Other general services	1,755,177	788,348
	<b>59,105,203</b>	<b>54,367,315</b>
<b>Other revenue from own sources</b>		
Interest on tax arrears	2,179,544	1,743,322
Interest earned on portfolio investments	415,000	9,935,941
Fines	2,349,461	2,255,549
Construction and other permits	3,078,156	2,794,355
Interest earned	6,778,940	2,760,347
Business and amusement licenses	169,514	163,325
Rents, concessions and franchises	77,061	65,645
Apartment rentals	3,534,830	3,187,532
St. John's Transportation Commission		
Passenger fares	8,315,210	6,805,672
Transit advertising	161,577	168,160
Charters	40,414	36,906
Sundry	343,320	130,841
Civic assessments	31,910	23,815
Sub - division assessments	9,888	1,969
	<b>27,484,825</b>	<b>30,073,379</b>
<b>Total revenue</b>	<b>358,109,983</b>	<b>341,874,169</b>

**CITY OF ST. JOHN'S**  
**Consolidated Schedule of Expenditures**  
Year ended December 31, 2023

**Schedule 5**

	2023	2022
	\$	\$
<b>General government services</b>		
Legislative	926,230	798,123
General government	25,280,293	25,046,380
Engineering services	7,516,437	7,478,506
Pension Expense	9,343,200	1,416,500
Employee future benefits and other related expenses	2,721,161	6,515,702
Other general government	630,247	463,601
	<b>46,417,568</b>	<b>41,718,812</b>
<b>Fiscal services</b>		
Interest on debenture debt	12,256,695	24,042,497
Non-Profit Housing mortgage interest	37,607	37,579
St. John's Transportation Commission interest	145,662	84,314
Other debt charges	73,000	70,340
	<b>12,512,964</b>	<b>24,234,730</b>
<b>Transportation services</b>		
Road transport		
Administration	3,291,606	3,038,677
Fleet services	1,171,663	1,049,181
Snow clearing	20,534,978	16,763,222
Streets, roads and sidewalks	10,354,425	10,955,808
Maintenance depot	1,668,874	1,779,981
Traffic services	1,748,411	1,597,285
Street cleaning	283,787	265,301
Street lighting	4,347,350	4,403,913
St. John's Transportation Commission	26,660,826	26,317,408
Parking	261,340	196,417
	<b>70,323,260</b>	<b>66,367,193</b>
<b>Protective services</b>		
Fire protection	32,172,677	33,635,667
Protective inspections	3,395,380	3,555,204
Traffic enforcement	1,823,944	1,684,732
Animal and pest control	1,420,789	1,398,220
	<b>38,812,790</b>	<b>40,273,823</b>

**CITY OF ST. JOHN'S**  
**Consolidated Schedule of Expenditures**  
Year ended December 31, 2023

**Schedule 5 (continued)**

	2023	2022
	\$	\$
<b>Environmental health services</b>		
Water supply and distribution	17,832,502	18,208,489
Regional Water system	8,602,030	7,676,873
Regional Waste Water system	4,315,074	4,351,634
Regional Robin Hood Bay landfill	15,617,874	14,505,694
Garbage, waste collection and disposal	6,410,919	6,744,698
	<b>52,778,399</b>	<b>51,487,388</b>
<b>Recreation and cultural services</b>		
Parks and open spaces	10,844,705	10,621,501
Recreation	9,236,894	8,788,906
St. John's Sports & Entertainment Ltd.	11,197,811	10,344,461
Destination St. John's	1,659,393	1,251,043
Other recreation and cultural services	3,616,376	4,119,761
	<b>36,555,179</b>	<b>35,125,672</b>
<b>Environmental development services</b>		
Environmental planning and zoning	2,186,046	2,042,825
Housing and real estate	3,801,269	3,610,926
Other environmental development services	1,234,522	1,096,644
	<b>7,221,837</b>	<b>6,750,395</b>
<b>Amortization and allowances</b>		
Allowance for uncollectible accounts	(975,590)	619,470
Allowance for obsolete inventory	(25,937)	47,229
Loss on disposal fixed assets	697,295	-
Amortization	45,415,148	49,154,169
Amortization of Sinking Fund Premium	1,111,903	1,111,911
	<b>46,222,819</b>	<b>50,932,779</b>
<b>Total expenditures</b>	<b>310,844,816</b>	<b>316,890,792</b>

**CITY OF ST. JOHN'S**  
**Consolidated Schedule of Segmented Information**  
Year ended December 31, 2023

Schedule 6

	General Government Services	Fiscal Services	Transportation Services	Protective Services	Environmental Health Services	Recreation and Cultural Services	Environmental Development Services	Amortization and Allowances	Consolidated 2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue (Schedule 4)										
Taxation	219,312,374	-	-	-	-	4,381,927	-	-	223,694,301	218,351,020
Grants in lieu of taxes	8,938,927	-	-	-	-	-	-	-	8,938,927	8,561,734
Grants and transfers	35,736,539	547,980	1,641,280	2,479	-	355,948	602,501	-	38,886,727	30,520,721
Sales of goods and services	13,279,713	-	1,247,670	11,383,880	24,386,237	8,739,309	68,394	-	59,105,203	54,367,315
Other revenue from own sources	8,250,089	-	9,104,430	4,702,866	1,460,742	-	3,966,698	-	27,484,825	30,073,379
	285,517,642	547,980	11,993,380	16,089,225	25,846,979	13,477,184	4,637,593	-	358,109,983	341,874,169
Expenditure (Schedule 5)										
Personnel	38,385,171	-	33,226,034	35,435,277	17,241,444	21,089,936	3,473,242	-	148,851,104	144,025,410
Contractual Services	7,223,215	-	18,165,133	2,027,477	25,726,945	6,420,427	3,006,545	-	62,569,742	59,108,610
Materials & Supplies	675,544	-	18,881,845	1,224,168	8,337,937	4,436,610	39,293	-	33,595,397	31,172,876
Capital Out of Revenue	133,638	-	6,179	31,284	224,055	52,627	1,007	-	448,790	674,109
Grants & Subsidies	-	-	-	94,584	-	2,892,332	646,481	-	3,633,397	4,409,231
Financial Charges	-	12,512,964	-	-	-	1,638,556	1,350	-	14,152,870	25,598,124
Other	-	-	44,069	-	1,248,018	24,690	53,919	46,222,820	47,593,516	51,902,432
	46,417,568	12,512,964	70,323,260	38,812,790	52,778,399	36,555,178	7,221,837	46,222,820	310,844,816	316,890,792
Excess of revenues over expenditures	239,100,074	(11,964,984)	(58,329,880)	(22,723,565)	(26,931,420)	(23,077,994)	(2,584,244)	(46,222,820)	47,265,167	24,983,377
Accumulated surplus, beginning of year									819,244,368	794,260,991
Accumulated surplus, end of year (Note 15)									866,509,535	819,244,368

**CITY OF ST. JOHN'S**  
**Consolidated PSAB Budget**  
Year ended December 31, 2023

Schedule 7

	City	St. John's Transportation Commission	St. John's Sports & Entertainment Ltd.	Adopted Budget	Consolidating Entries and PSAB Adjustments (Page 39)	Consolidated Budget
	\$	\$	\$	\$	\$	\$
<b>Revenues</b>						
Taxation	222,393,000	-	-	222,393,000	(1,488,745)	220,904,255
Grants in lieu of taxes	9,419,785	-	-	9,419,785	-	9,419,785
Grants and transfers	34,174,188	21,117,520	5,562,382	60,854,090	(36,891,304)	23,962,786
Sales of goods and services	46,797,522	-	4,592,279	51,389,801	1,009,380	52,399,181
Other revenue from own sources	20,497,861	8,631,280	-	29,129,141	(387,508)	28,741,633
	333,282,356	29,748,800	10,154,661	373,185,817	(37,758,177)	335,427,640
<b>Expenditures</b>						
General government services	42,750,502	-	-	42,750,502	6,933,716	49,684,218
Fiscal services	39,851,186	178,000	-	40,029,186	(16,432,906)	23,596,280
Transportation services	65,949,082	29,570,800	-	95,519,882	(22,381,854)	73,138,028
Protective services	33,741,135	-	-	33,741,135	6,503,385	40,244,520
Environmental health services	84,521,373	-	-	84,521,373	(32,636,830)	51,884,543
Recreation and cultural services	29,276,182	-	10,154,661	39,430,843	(3,467,015)	35,963,828
Environmental development services	15,496,154	-	-	15,496,154	(4,625,923)	10,870,231
Amortization and allowances	21,696,742	-	-	21,696,742	29,365,702	51,062,444
	333,282,356	29,748,800	10,154,661	373,185,817	(36,741,725)	336,444,092
<b>Excess of revenue over expenditures</b>	-	-	-	-	(1,016,452)	(1,016,452)

Council approved the City's 2023 budget on December 12, 2022



**CITY OF ST. JOHN'S**  
**Consolidating Entries and PSAB Adjustments**  
Year ended December 31, 2023

**Schedule 7 (continued)**

\$

**Revenues**

1. Eliminate transfers from reserves	(778,508)
2. Eliminate grants to SJSE	(6,062,784)
3. Eliminate grants to SJTC	(22,064,757)
4. Eliminate subsidy to NPH	(24,000)
5. Eliminate property taxes paid by City entities	(661,745)
6. Eliminate water revenue paid by City entities	(6,084,900)
7. Eliminate tipping fees paid by City entities	(2,608,679)
8. Eliminate general government charges	(3,409,084)
9. Eliminate debt charges recoverable	(24,672,500)
10. Record provincial capital grants	145,136
11. Record federal capital grants	11,614,079
12. Record other capital grants	375,197
13. Record capital contribution from developers	3,774,326
14. Record recovery of fire protection services	12,052,403
15. Record interest earned on sinking funds	415,000
16. Record gain on sale of capital assets	232,639
	<u>(37,758,177)</u>

**Expenses**

1. Eliminate transfers from reserves	(3,141,726)
2. Eliminate grants to SJSE	(6,062,784)
3. Eliminate grants to SJTC	(22,064,757)
4. Eliminate subsidy to NPH	(24,000)
5. Eliminate property taxes paid by City entities	(661,745)
6. Eliminate water revenue paid by City entities	(6,084,900)
7. Eliminate tipping fees paid by City entities	(2,608,679)
8. Eliminate general government charges	(3,409,084)
9. Eliminate debt charges recoverable	(25,671,500)
10. Eliminate capital expenditures	(11,750,132)
11. Eliminate sinking fund payments	(16,432,905)
12. Eliminate principal payments on LTD	(809,379)
13. Eliminate recovery of fire protection services	12,052,403
14. Record amortization of capital assets	45,415,148
15. Record employee post retirement benefits	4,512,315
	<u>(36,741,725)</u>

**Excess of revenues over expenditures**

(1,016,452)