

Consolidated Financial Statements of

CITY OF ST. JOHN'S

December 31, 2024

CITY OF ST. JOHN'S

December 31, 2024

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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.



Mayor



Deputy City Manager, Finance & Corporate Services



Independent Auditor's Report

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, 2024, 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, 2024, 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 Consolidated 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 consolidated 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 and, 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 25, 2025

CITY OF ST. JOHN'S

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2024

	Budget 2024	Actual 2024	Actual 2023
	\$	\$	\$
	(Schedule 7)		
Revenues (Schedule 4)			
Taxation	241,052,972	242,167,059	223,694,301
Grants in lieu of taxes	9,443,768	9,208,497	8,938,927
Grants and transfers	41,862,059	46,974,627	38,886,727
Sales of goods and services	54,015,158	60,421,617	59,105,203
Other revenue from own sources	25,565,511	27,318,453	27,484,825
	371,939,468	386,090,253	358,109,983
Expenditures (Schedule 5)			
General government services	48,664,066	47,972,302	46,417,568
Fiscal services	11,911,746	11,590,493	12,512,964
Transportation services	81,942,360	84,485,619	70,323,260
Protective services	41,469,651	41,579,640	38,812,790
Environmental health services	53,748,813	56,947,838	52,778,399
Recreation and cultural services	39,699,072	40,799,424	36,555,179
Environmental development services	10,076,539	8,261,146	7,221,837
Amortization and allowances	57,848,185	51,059,663	46,222,819
	345,360,432	342,696,125	310,844,816
Excess of revenues over expenditures	26,579,036	43,394,128	47,265,167
Accumulated surplus, beginning of year	866,509,535	866,509,535	819,244,368
Accumulated surplus, end of year (Note 15)	893,088,571	909,903,663	866,509,535

See accompanying notes to the consolidated financial statements

CITY OF ST. JOHN'S
Consolidated Statement of Financial Position
As at December 31, 2024

	2024	2023
	\$	\$
Financial assets		
Cash and cash equivalents (Note 3)	106,354,044	108,320,921
Investments (Note 4)	18,762,715	17,260,901
Accounts receivable - current (Note 5)	57,808,862	57,965,536
Accounts receivable - long-term (Note 6)	293,481	151,818
Sinking fund investments (Note 10 and Schedule 2)	54,181,892	50,116,714
	237,400,994	233,815,890
Financial liabilities		
Payables and accruals (Note 7)	70,681,556	63,187,405
Deferred Revenue (Note 20)	8,926,335	4,972,250
Asset retirement obligations (Note 8)	25,929,529	23,569,963
Employee benefits (Note 9)	230,519,561	228,827,854
Debenture debt (Note 10 and Schedule 2)	317,902,000	337,902,000
Long-term debt (Note 11)	852,531	1,275,136
	654,811,512	659,734,608
Net debt	(417,410,518)	(425,918,718)
Non-financial assets		
Tangible capital assets (Schedule 1)	1,319,111,542	1,283,935,929
Inventory of materials and supplies	4,993,172	4,740,938
Prepaid expenditures	3,209,467	3,751,386
	1,327,314,181	1,292,428,253
Accumulated surplus (Note 15)	909,903,663	866,509,535

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, 2024

	Budget 2024	2024	2023
	\$	\$	\$
Excess of revenues over expenditures	26,579,036	43,394,128	47,265,167
Changes in tangible capital assets			
Acquisition of tangible capital assets and contributed tangible capital assets	(70,675,472)	(84,346,473)	(70,675,472)
Net book value of tangible capital assets disposals/transfers	1,082,697	1,566,908	1,082,697
Amortization of tangible capital assets	47,603,952	47,603,952	45,415,148
Increase in net book value of tangible capital assets	(21,988,823)	(35,175,613)	(24,177,627)
Changes in other non-financial assets			
Change in prepaid expenditures	-	541,919	(950,657)
Acquisition of inventory and supplies, net of usage	-	(252,234)	(548,967)
Decrease (Increase) in other non-financial assets	-	289,685	(1,499,624)
Decrease in net debt	4,590,213	8,508,200	21,587,916
Net debt, beginning of year	(425,918,718)	(425,918,718)	(447,506,634)
Net debt, end of year	(421,328,505)	(417,410,518)	(425,918,718)

CITY OF ST. JOHN'S
Consolidated Statement of Cash Flows
Year ended December 31, 2024

	2024	2023
	\$	\$
Operating transactions		
Excess of revenues over expenditures	43,394,128	47,265,167
Non-cash charges to operations:		
Amortization of tangible capital assets	47,603,952	45,415,148
Change in estimate of ARO	(1,346,058)	6,789,136
Contributed tangible capital assets	-	(3,733,516)
Employee benefits	1,691,707	4,234,079
Loss on disposal of tangible capital assets	558,111	697,295
	91,901,840	100,667,309
Net change in working capital balances (Note 16)	14,254,161	(24,783,301)
	106,156,001	75,884,008
Capital transactions		
Acquisition of tangible capital assets	(83,000,415)	(73,731,092)
Proceeds from sale of tangible capital assets	1,008,797	385,402
	(81,991,618)	(73,345,690)
Financing transactions		
(Increase)/decrease in long-term accounts receivable	(141,663)	88,296
Repayment of debenture debt	(20,000,000)	(11,000,000)
Repayment of long-term debt	(422,605)	(2,807,509)
	(20,564,268)	(13,719,213)
Investing transactions		
Increase in sinking fund investments	(4,065,178)	(12,099,468)
(Increase)/decrease in investments	(1,501,814)	57,022,394
	(5,566,992)	44,922,926
(Decrease)/increase in cash and cash equivalents	(1,966,877)	33,742,031
Cash and cash equivalents, beginning of year	108,320,921	74,578,890
Cash and cash equivalents, end of year	106,354,044	108,320,921

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, 2024

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 uncollectable amounts.

Revenue from transactions with performance obligations is recognized when the City satisfies the performance obligations which occurs when control of the benefits associated with the promised goods or services has passed to the payor. Revenue from transactions with performance obligations consist of sales of goods and services, construction and other permits, licenses, rentals, and passenger fares. Performance obligations may be satisfied at a point in time or over a period of time depending on the nature and timing of the goods and services sold.

Revenue from transactions without performance obligations is recognized at realizable value when the City has the authority to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources. The City recognized revenue from fines at a realizable value when a fine is issued.

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.

CITY OF ST. JOHN'S

Notes to the Consolidated Financial Statements

December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government Transfers (continued)

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.

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

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible capital assets (Continued)

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.

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 Convention Centre financing

The City has established a Convention 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.

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 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, deferred revenue, 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, 2024

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.

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. The City does not measure any of its financial instruments at fair value and therefore the statement of remeasurement gains and losses is not presented.

2. CHANGE IN ACCOUNTING POLICY

Effective January 1, 2024, the City adopted public sector standard PS 3400, Revenue, which establishes standards on how to account for and report on revenue. This change in accounting policy affects the recognition and measurement of revenue streams.

The standard requires a classification of revenue transactions into exchange and non-exchange transactions, which determine the revenue recognition criteria. Exchange transactions include a performance obligation, while non-exchange transactions do not.

The standard has been applied prospectively in accordance with its transitional provisions, therefore, the comparative information has not been restated. This application has resulted in an increase in deferred revenue and a decrease in accumulated surplus of \$1,328,446 for 2024. The increase in deferred revenue is the result of recognizing permit income over time rather than at a point in time.

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2024

3. CASH AND CASH EQUIVALENTS

	2024	2023
	\$	\$
Cash	48,990,297	54,380,332
Restricted cash deposits:		
Robin Hood Bay post closure costs (Note 8)	16,113,315	14,152,545
Robin Hood Bay equipment replacement	10,211,517	10,280,009
Riverhead wastewater equipment replacement	2,858,659	3,350,058
Advance payments from developers	48,095	45,841
Canada community building fund	18,004,628	16,994,436
Fire department equipment replacement	1,751,077	2,472,457
Water system equipment replacement	1,057,223	319,295
Urban living affordable housing:		
Tenants' security deposits	132,911	128,942
Replacement reserve fund	7,186,322	6,197,006
	57,363,747	53,940,589
	106,354,044	108,320,921

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, 2024 the City held cash of \$7,186,322 (2023 - \$6,197,006).

4. INVESTMENTS

	2024	2023
	\$	\$
Government bonds	10,938,591	10,985,520
Short term investment funds	7,824,124	6,275,381
	18,762,715	17,260,901

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 \$9.6M. Maturity date is March 2044.

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

5. ACCOUNTS RECEIVABLE - CURRENT

	2024	2023
	\$	\$
Taxes	28,511,472	23,938,250
Other governments	25,976,522	31,410,682
Other	16,131,139	14,135,081
Allowance for doubtful accounts	(12,810,271)	(11,518,477)
	57,808,862	57,965,536

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2024

6. ACCOUNTS RECEIVABLE - LONG TERM

	2024	2023
	\$	\$
Civic assessments	293,481	151,818
	293,481	151,818

7. PAYABLES AND ACCRUALS

	2024	2023
	\$	\$
Trade	47,121,198	40,026,013
Wages and benefits payable	9,180,925	8,636,403
Deposits and prepayments	9,697,883	9,552,205
Accrued interest	4,540,288	4,848,711
Other governments	141,262	124,073
	70,681,556	63,187,405

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.

At December 31, 2024, the estimated total undiscounted inflation-adjusted amount required to settle the asset retirement obligation is \$126,433,387. The cash flows are discounted at the rate of 4.8% (2023 - 4.3%) 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 2061 with the site continuing to be monitored for an additional 30 years post closure.

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2024

8. ASSET RETIREMENT OBLIGATION (Continued)

	2024	2023
	\$	\$
Beginning of year	23,569,963	29,304,150
Change in discount rate	(3,422,541)	(6,789,136)
Change in estimates	4,768,599	-
Accretion	1,013,508	1,054,949
End of year	25,929,529	23,569,963

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, 2024 was \$16,113,315 (2023 - \$14,152,545).

9. EMPLOYEE BENEFITS

	2024	2023
	\$	\$
Accrued pension benefits (Note 12)	(14,108,978)	(12,459,123)
Employee future benefits (Note 13)	216,651,203	214,944,265
Severance and sick leave benefits (Note 14)	27,977,336	26,342,712
	230,519,561	228,827,854

10. DEBENTURE DEBT

	2024	2023
	\$	\$
Debenture debt outstanding (Schedule 2)	317,902,000	337,902,000
Less: sinking fund investments available	54,181,892	50,116,714
	263,720,108	287,785,286

As at December 31, 2024, the City held a carrying value of \$190.0M (2023 – \$195.0M) of its own debentures. 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.

Total interest paid or payable in 2024 on debt was \$26,693,287 (2023 - \$28,139,398). Interest received or receivable in 2024 on City owned debentures was \$9,504,819 (2023 - \$9,682,393)

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2024

10. DEBENTURE DEBT (Continued)

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
	\$	\$	\$
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
2029	27,000,000	10,375,000	37,375,000
Thereafter	388,000,000	66,950,000	454,950,000

11. LONG-TERM DEBT

	2024	2023
	\$	\$
Mortgages - Urban living non-profit housing (Schedule 3)	852,531	1,275,136
	852,531	1,275,136

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 four years relating to retirement of long-term debt are as follows:

Year	Non-profit housing mortgages
	\$
2025	410,267
2026	218,675
2027	135,360
2028	88,229

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, 2024, the Commission had a nil balance (2023 - nil) on the credit facility.

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2024

12. ACCRUED PENSION BENEFITS

	2024	2023
	\$	\$
City of St. John's - Employees	(20,250,200)	(19,323,900)
City of St. John's - Mayor and Councillors	6,041,100	6,136,800
St. John's Transportation Commission	100,122	727,977
	(14,108,978)	(12,459,123)

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.

On December 5, 2024, the City's defined benefit plan entered into a buy-in annuity contract where Blumont Annuity Company assumed pension liabilities valued at \$272.5 million at the time of purchase. The annuity purchase contract included the pension benefits of pensioners and other beneficiaries receiving benefits from the plan as at April 30, 2024. In exchange for the contract, the City transferred plan assets valued at \$270 million. The City recorded the gain on the transaction of \$2.5 million which is included in Pension Expense for the year.

The annuitized plan assets and pension obligation both remain recognized in employee benefits liability on the balance sheet. The valuation of the insured pension obligation reflects unique actuarial assumptions including discount rate, projected cash flows, and mortality. Any change in the valuation of the insured pension obligation is mirrored in the valuation of the transferred assets.

An actuarial valuation of the plans were completed as at December 31, 2021 for Council and as at December 31, 2023 for employees and the supplementary plan. All plans were extrapolated to December 31, 2024.

	Employees	Supplementary Plan	2024	2023
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	471,035,000	1,677,600	472,712,600	453,456,700
Current service cost	12,413,100	34,500	12,447,600	13,026,600
Interest cost	26,847,800	79,200	26,927,000	28,100,500
Benefits paid	(20,691,800)	(54,200)	(20,746,000)	(19,983,800)
Past services and FABA contributions	45,200	-	45,200	17,000
Actuarial loss/(gain)	26,502,900	(9,400)	26,493,500	(1,904,400)
Balance, end of year	516,152,200	1,727,700	517,879,900	472,712,600

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2024

12. ACCRUED PENSION BENEFITS (Continued)

	Employees	Supplementary Plan	2024	2023
	\$	\$	\$	\$
<i>Plan assets</i>				
Fair value, beginning of year	500,776,100	-	500,776,100	454,217,200
Return on plan assets	82,558,200	-	82,558,200	52,917,600
Benefits paid	(20,691,800)	-	(20,691,800)	(19,930,300)
Employer contributions	6,456,500	-	6,456,500	7,174,500
Employee contributions	5,918,000	-	5,918,000	6,380,100
Past services and FABA contributions	45,200	-	45,200	17,000
Fair value, end of year	575,062,200	-	575,062,200	500,776,100
Funded status (surplus)/deficit	(58,910,000)	1,727,700	(57,182,300)	(28,063,500)
Unamortized amounts	35,753,900	1,178,200	36,932,100	8,739,600
Accrued benefit (asset)/liability	(23,156,100)	2,905,900	(20,250,200)	(19,323,900)

Significant assumptions used for 2024

Discount rate		
Ongoing plan	5.75%	4.75%
Insured Annuities	4.72%	0.00%
Expected long-term rate of return on plan assets	5.75%	0.00%
Rate of compensation increase	3.15%	3.15%
Average remaining service period of active employees	13 years	11 years

Significant assumptions used for 2023

Discount rate	5.75%	4.75%
Expected long-term rate of return on plan assets	5.75%	0.00%
Rate of compensation increase	3.15%	3.15%
Average remaining service period of active employees	13 years	12 years

Net benefit expense of the year

Current service cost	12,413,100	34,500	12,447,600	13,026,600
Interest cost	26,847,800	79,200	26,927,000	28,100,500
Amortization of losses/(gains)	792,200	(107,500)	684,700	2,634,200
Employee contributions	(5,918,000)	-	(5,918,000)	(6,380,100)
Expected return on plan assets	(28,556,800)	-	(28,556,800)	(28,189,900)
Net benefit expense	5,578,300	6,200	5,584,500	9,191,300

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2024

12. ACCRUED PENSION BENEFITS (Continued)

City of St. John's - Mayor and Councillors

	2024	2023
	\$	\$
<i>Accrued benefit obligation</i>		
Balance, beginning of year	5,615,100	5,372,600
Current service cost	125,300	114,700
Interest cost	262,300	266,500
Benefits paid	(309,400)	(304,700)
Actuarial loss	-	166,000
Balance, end of year	5,693,300	5,615,100
Unamortized amounts	347,800	521,700
Accrued benefit liability	6,041,100	6,136,800
<i>Significant assumptions used</i>		
Discount rate	4.75%	4.75%
Rate of compensation increase	3.15%	3.15%
Average remaining service period	2 years	3 years
<i>Net benefit expense of the year</i>		
Current service cost	125,300	114,700
Interest cost	262,300	266,500
Amortization of gains	(173,900)	(229,300)
Net benefit expense	213,700	151,900

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, 2023 and extrapolated to December 31, 2024. 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
Notes to the Consolidated Financial Statements
December 31, 2024

12. ACCRUED PENSION BENEFITS (Continued)

	Employees	Supplementary	2024	2023
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	58,049,533	73,703	58,123,236	55,838,173
Current service cost	1,461,389	2,444	1,463,833	1,439,409
Interest cost	3,244,985	3,551	3,248,536	3,218,954
Benefits paid	(3,516,934)	-	(3,516,934)	(3,880,531)
Actuarial loss/(gain)	3,043,630	(73,851)	2,969,779	1,507,231
Balance, end of year	62,282,603	5,847	62,288,450	58,123,236
<i>Plan assets</i>				
Fair value, beginning of year	60,924,136	-	60,924,136	56,625,194
Return on plan assets	6,079,102	-	6,079,102	6,201,359
Benefits paid	(3,516,934)	-	(3,516,934)	(3,880,531)
Employer contributions	1,052,827	-	1,052,827	1,307,313
Employee contributions	572,624	-	572,624	670,801
Fair value, end of year	65,111,755	-	65,111,755	60,924,136
Funded status (surplus)/deficit	(2,829,152)	5,847	(2,823,305)	(2,800,900)
Unamortized amounts	2,785,182	138,245	2,923,427	3,528,877
Accrued benefit (asset)/liability	(43,970)	144,092	100,122	727,977
<i>Significant assumptions used</i>				
Discount rate	5.70%	4.73%		5.80%
Expected long-term rate of return on plan assets	5.80%	5.55%		6.00%
Rate of compensation increase	2.00%	2.00%		2.00%
Average remaining service period of active employees	11.9 years	3 years		13.5 years
<i>Net benefit expense of the year</i>				
Current service cost	1,461,389	2,444	1,463,833	1,439,409
Interest cost	3,244,985	3,551	3,248,536	3,218,954
Amortization of (gains)/losses	(275,885)	(21,465)	(297,350)	278,792
Employee contributions	(572,624)	-	(572,624)	(670,801)
Expected return on plan assets	(3,417,423)	-	(3,417,423)	(3,285,950)
Net benefit expense	440,442	(15,470)	424,972	980,404

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2024

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, 2022 for the City and September 30, 2024 for the Commission with both plans extrapolated to December 31, 2024.

	City	Commission	2024	2023
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	135,778,100	13,333,652	149,111,752	150,501,989
Current service cost	3,579,200	450,893	4,030,093	3,858,902
Interest cost	6,414,400	631,740	7,046,140	7,574,116
Benefits paid	(5,052,500)	(202,049)	(5,254,549)	(4,747,990)
Actuarial gain	-	(2,634,403)	(2,634,403)	(8,075,265)
Balance, end of year	140,719,200	11,579,833	152,299,033	149,111,752
Funded status - deficit	140,719,200	11,579,833	152,299,033	149,111,752
Unamortized amounts	56,723,900	7,628,270	64,352,170	65,832,513
Accrued benefit liability	197,443,100	19,208,103	216,651,203	214,944,265
<i>Significant assumptions used for 2024</i>				
Discount rate	4.75%	4.73%		
Average remaining service period of active employees	13 years	13.6 years		
<i>Significant assumptions used for 2023</i>				
Discount rate	4.75%	4.74%		
Average remaining service period of active employees	13 years	13.6		
<i>Net benefit expense of the year</i>				
Current service cost	3,579,200	450,893	4,030,093	3,858,902
Interest cost	6,414,400	631,740	7,046,140	7,574,116
Amortization of gains	(3,763,700)	(351,046)	(4,114,746)	(3,474,239)
Net benefit expense	6,229,900	731,587	6,961,487	7,958,779

14. SEVERANCE AND SICK LEAVE BENEFITS

	2024	2023
	\$	\$
City of St. John's	26,409,300	24,871,600
St. John's Transportation Commission	1,227,256	1,162,904
St. John's Sports and Entertainment	340,780	308,208
	27,977,336	26,342,712

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2024

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 leave however it is non-vesting.

An actuarial valuation of the plan was completed as at December 31, 2022 and extrapolated to December 31, 2024.

	Severance	Sick Leave	2024	2023
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	12,626,500	13,649,900	26,276,400	24,059,300
Current service cost	1,237,800	1,252,200	2,490,000	2,246,100
Interest cost	603,500	645,700	1,249,200	1,203,300
Benefits paid	(856,900)	(1,363,200)	(2,220,100)	(2,707,300)
Settlement payments	(221,600)	-	(221,600)	(1,237,600)
Settlement loss	-	-	-	180,700
Actuarial (gain)/loss	-	-	-	2,531,900
Balance, end of year	13,389,300	14,184,600	27,573,900	26,276,400
Funded status - deficit	13,389,300	14,184,600	27,573,900	26,276,400
Unamortized amounts	2,025,500	(3,190,100)	(1,164,600)	(1,404,800)
Accrued benefit liability	15,414,800	10,994,500	26,409,300	24,871,600
<i>Significant assumptions used</i>				
Discount rate	4.75%	4.75%		4.75%
Average remaining service period of active employees	13 years	14 years		13 years
<i>Net benefit expense of the year</i>				
Current service cost	1,237,800	1,252,200	2,490,000	2,246,100
Interest cost	603,500	645,700	1,249,200	1,203,300
Amortization of (gain)/loss	(88,500)	328,700	240,200	53,000
Recognition of unamortized gain due to settlement	-	-	-	(255,500)
Recognized loss due to settlement	-	-	-	180,700
Net benefit expense	1,752,800	2,226,600	3,979,400	3,427,600

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2024

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, 2024 is \$162,518 (2023 - \$138,373).

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, 2024 is \$1,064,738 (2023 - \$1,024,531).

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, 2023 and extrapolated to December 31, 2024.

	Severance	Sick Leave	2024	2023
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	112,858	109,297	222,155	202,157
Current service cost	23,792	30,575	54,367	38,006
Interest cost	5,802	5,965	11,767	9,998
Benefits paid	-	(23,833)	(23,833)	(46,369)
Actuarial loss/(gain)	5,506	47,598	53,104	18,363
Balance, end of year	147,958	169,602	317,560	222,155
Funded status - deficit	147,958	169,602	317,560	222,155
Unamortized amounts	41,901	(18,681)	23,220	86,053
Accrued benefit liability	189,859	150,921	340,780	308,208

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2024

14. SEVERANCE AND SICK LEAVE BENEFITS (Continued)

	Severance	Sick Leave	2024	2023
	\$	\$	\$	\$
<i>Significant assumptions used</i>				
Discount rate			4.75%	4.75%
Average remaining service period of active employees			11 years	13 years
<i>Net benefit expense of the year</i>				
Current service cost	23,792	30,575	54,367	38,006
Interest cost	5,802	5,965	11,767	9,998
Amortization of gains	(5,665)	(4,064)	(9,729)	(12,314)
Net benefit expense	23,929	32,476	56,405	35,690

15. ACCUMULATED SURPLUS

	2024	2023
	\$	\$
Accumulated surplus, beginning of year	866,509,535	819,244,368
Excess of revenue over expenditures	43,394,128	47,265,167
Accumulated surplus, end of year	909,903,663	866,509,535
Appropriated surplus		
Reserve for Shoal Bay treatment plant	617,109	572,289
Urban living non-profit housing - replacement reserve	7,186,322	6,197,006
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	(6,084,344)	(4,891,497)
Reserve for capital	17,238,092	17,023,383
Reserve for employee benefits stabilization fund	1,997,091	1,997,091
Reserve for Robin Hood Bay equipment replacement	10,211,517	10,280,009
Reserve for Riverhead wastewater equipment replacement	2,858,659	3,350,058
Reserve for affordable housing	133,896	83,896
	36,221,282	36,675,175
Unappropriated surplus	873,682,381	829,834,360
	909,903,663	866,509,535

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2024

16. SUPPLEMENTARY CASH FLOW INFORMATION

	2024	2023
	\$	\$
Changes in working capital balances:		
Accounts receivable	156,674	(12,319,666)
Inventory of materials and supplies	(252,234)	(548,967)
Prepaid expenditures	541,919	(950,657)
Payables and accruals	9,853,717	(12,714,115)
Deferred revenue	3,954,085	1,750,104
	14,254,161	(24,783,301)
Interest paid	11,514,472	12,439,964

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, 2024 were nil (2023 - 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, 2024, the City recorded an estimated liability of \$4,572,622 (2023 - \$1,835,438) 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, 2024, the Commission recorded an estimated liability of \$802,973 (2023 - \$834,535) 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:

2025	5,343,568
2026	4,434,313
2027	3,799,430
2028	2,062,563
2029	1,583,645
Thereafter	2,221,896

CITY OF ST. JOHN'S

Notes to the Consolidated Financial Statements

December 31, 2024

18. CONTINGENCIES AND COMMITMENTS (Continued)

St. John's Sports and Entertainment is currently in year 7 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 was 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.

During 2024 the City received preliminary environmental testing results indicating further assessment is required at 310 Empire Avenue, the site of a former landfill, to determine whether the relevant environmental standard has been exceeded and an obligation to remediate exists. The site is currently being used as a sports field and has been for several decades. As at the audit report date the full extent of any potential contamination and cost of remediation is unknown and a liability has not been recorded.

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.

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.

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2024

19. FINANCIAL RISK (Continued)

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

	2024	2023
	\$	\$
Less than 1 year	55,693,820	56,142,578
1 to 3 years	7,609,385	7,534,789
Over 3 years	7,315,928	5,806,646
Less: impairment allowance	(12,810,271)	(11,518,477)
	<u>57,808,862</u>	<u>57,965,536</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:

	2024		
	Less than 1 year	1 to 5 years	Over 5 years
	\$	\$	\$
Accounts payable and accrued liabilities	70,681,556	-	-
Long-term debt	410,267	442,264	-
Debenture debt	18,000,000	102,000,000	388,000,000
	<u>89,091,823</u>	<u>102,442,264</u>	<u>388,000,000</u>

	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, 2024

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.

20. COMPARATIVE FIGURES

In 2024 deferred revenue has been reclassified from payables and accruals and is presented separately on the statement of financial position to better reflect the nature of the liability.

As a result, the comparative figures for the prior year have been reclassified to conform with the current year's presentation. This reclassification had no impact on the previously reported net income or financial liabilities.

CITY OF ST. JOHN'S
Consolidated Schedule of Tangible Capital Assets
Year Ended December 31, 2024

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	2024 Totals	2023 Totals
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost										
Balance, beginning of year	65,819,374	551,940,464	8,452,167	874,450,012	255,141,036	41,405,464	122,749,880	50,719,554	1,970,677,951	1,904,991,261
Add: Additions during the year	-	122,474	-	195,702	10,172,288	93,893	76,469,793	-	87,054,150	78,378,486
Less: Disposals during the year	-	-	-	(2,689,450)	(14,659,262)	(26,066)	(4,053,735)	-	(21,428,513)	(5,902,660)
Adjustments	-	13,264,699	-	42,721,045	17,531,980	1,162,985	(74,680,709)	-	-	-
Change in estimate of ARO	-	1,346,058	-	-	-	-	-	-	1,346,058	(6,789,136)
Balance, end of year	65,819,374	566,673,695	8,452,167	914,677,309	268,186,042	42,636,276	120,485,229	50,719,554	2,037,649,646	1,970,677,951
Accumulated amortization										
Balance, beginning 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
Add: Additions during the year	-	13,635,372	146,723	16,422,201	14,705,246	1,316,798	-	1,377,612	47,603,952	45,426,802
Less: Disposals during the year	-	-	-	(1,603,894)	(14,177,910)	(26,066)	-	-	(15,807,870)	(3,917,739)
Adjustments	-	-	-	-	-	-	-	-	-	-
Balance, end of year	-	197,287,342	1,495,953	296,832,840	171,408,374	19,504,964	-	32,008,631	718,538,104	686,742,022
Net book value of tangible capital assets	65,819,374	369,386,353	6,956,214	617,844,469	96,777,668	23,131,312	120,485,229	18,710,923	1,319,111,542	1,283,935,929

CITY OF ST. JOHN'S
Consolidated Schedule of Debenture Debt
December 31, 2024

Schedule 2

Date of Maturity	Interest Rate	Amount Issued	2024			2023		
			Sinking Funds Available	Bond Premium	Sinking Fund Requirement in 2025	Sinking Funds Available	Bond Premium	Sinking Fund Requirement in 2024
			\$	\$	\$	\$	\$	\$
Feb. 2024	6.162%	-	-	-	-	27,015,028	105,516	312,500
June 2025	5.534%	18,000,000	19,938,213	-	225,000	18,032,064	165,771	450,000
Mar. 2026	5.300%	25,000,000	23,287,912	238,828	625,000	21,626,454	252,185	625,000
Dec. 2026	4.975%	35,000,000	36,412,466	368,936	875,000	34,363,968	555,231	875,000
Dec. 2027	5.400%	15,000,000	10,251,529	-	375,000	9,339,198	-	375,000
Nov. 2029	5.539%	27,000,000	14,661,798	-	675,000	15,183,857	94,447	675,000
Aug. 2031	4.622%	70,000,000	48,203,258	163,037	1,750,000	37,561,127	427,578	1,750,000
Dec. 2033	4.500%	60,000,000	21,044,101	1,113,293	1,500,000	18,632,256	1,301,866	1,500,000
Mar. 2036	4.215%	120,000,000	26,887,064	2,957,259	3,000,000	22,727,102	3,038,886	3,000,000
Sep. 2040	2.916%	138,000,000	14,934,522	(104,311)	3,450,000	11,009,665	(139,472)	3,450,000
		508,000,000	215,620,863	4,737,042	12,475,000	215,490,719	5,802,008	13,012,500

As at December 31, 2024, the City held a carrying value of \$190.0M (2023 – \$195.0M) of its own debentures. 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 2024 are \$7.8M and \$22.3M respectively (2023 - \$8.2M and \$23.3M).

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, 2024

				2024	2023
	Date of	Interest	Amount	Amount	Amount
	Maturity	Rate	Issued	Outstanding	Outstanding
			\$	\$	\$
Newfoundland & Labrador Housing Corporation					
Gear Street - Infill 1988	Sept. 1, 2025	2.040%	1,929,560	75,926	173,459
Brookfield Road	Dec. 1, 2025	2.040%	2,203,600	114,283	223,824
Cochrane Street	Nov. 1, 2027	1.710%	745,887	91,898	126,596
Infill 1990	Nov. 1, 2026	1.640%	1,628,008	145,596	219,824
Campbell Avenue	Feb. 1, 2028	1.620%	968,952	150,688	194,609
Infill 1992	Dec. 1, 2028	2.040%	1,682,553	274,140	336,824
			9,158,560	852,531	1,275,136
Current portion				410,267	428,038

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

Schedule 4

Year ended December 31, 2024

	2024	2023
	\$	\$
Taxation		
Real property	193,784,443	176,300,015
Water	37,003,483	36,122,855
Utility	7,249,709	6,889,504
Accommodation	4,129,424	4,381,927
	242,167,059	223,694,301
Grants in lieu of taxes		
Government of Canada	4,955,519	4,729,697
Government of Canada agencies	936,132	917,075
Water tax grant	3,316,846	3,292,155
	9,208,497	8,938,927
Grants and transfers		
Government of Canada		
Capital grant	14,636,851	11,614,079
St. John's Transportation Commission	94,500	94,500
Community building fund	2,496,994	4,889,946
Other federal grants	1,929,812	433,626
Government of Newfoundland and Labrador		
Gas tax funding	831,153	831,153
Municipal capital grant	21,983,981	14,151,247
Recovery of debt charges	-	243,470
Rental housing projects	787,685	767,846
Other provincial grants	163,816	145,136
City of Mount Pearl and Town of Paradise		
Capital contribution	290,864	19,422
City of Mount Pearl and Town of Paradise		
Public transit contribution	1,490,059	1,546,780
Capital contribution from Developers	-	3,774,325
Other grants	2,268,912	375,197
	46,974,627	38,886,727
Sales of goods and services		
Environmental health services		
Water sales - commercial and shipping	7,627,900	7,707,457
Tipping fees	13,925,082	14,404,296
Recycling materials	935,698	674,752
Regional Fire recovery	12,535,648	12,202,090

CITY OF ST. JOHN'S
Consolidated Schedule of Revenues
Year ended December 31, 2024

Schedule 4 (continued)

	2024	2023
	\$	\$
Sales of goods and services (continued)		
Environmental health services (continued)		
Regional Water recovery	9,061,544	8,937,410
Regional Waste Water recovery	883,456	1,026,562
Other	734,303	656,722
General government services	1,264,532	1,186,934
Transportation services		
Parking	1,413,771	1,244,877
Parking permits	206,435	183,563
Other	51,550	30,491
Third party charges	540,817	120,491
Sale of land	322,859	232,639
Recreation, parks and tourism	2,695,441	2,453,136
St. John's Sports & Entertainment Ltd.	7,990,728	6,288,606
Other general services	231,853	1,755,177
	60,421,617	59,105,203
Other revenue from own sources		
Interest on tax arrears	2,480,245	2,179,544
Interest earned on portfolio investments	415,000	415,000
Fines	2,073,342	2,349,461
Construction and other permits	2,633,724	3,078,156
Interest earned	6,454,451	6,778,940
Business and amusement licenses	130,968	169,514
Rents, concessions and franchises	71,288	77,061
Apartment rentals	3,717,466	3,534,830
St. John's Transportation Commission		
Passenger fares	8,260,572	8,315,210
Transit advertising	212,956	161,577
Charters	24,085	40,414
Sundry	183,827	343,320
Civic assessments	490,298	31,910
Sub - division assessments	170,231	9,888
	27,318,453	27,484,825
Total revenue	386,090,253	358,109,983

CITY OF ST. JOHN'S
Consolidated Schedule of Expenditures
Year ended December 31, 2024

Schedule 5

	2024	2023
	\$	\$
General government services		
Legislative	943,394	926,230
General government	29,717,018	25,280,293
Engineering services	8,611,592	7,516,437
Pension Expense	5,798,200	9,343,200
Employee future benefits and other related expenses	1,952,317	2,721,161
Other general government	949,781	630,247
	47,972,302	46,417,568
Fiscal services		
Interest on debenture debt	11,478,285	12,256,695
Non-Profit Housing mortgage interest	36,187	37,607
St. John's Transportation Commission interest	-	145,662
Other debt charges	76,021	73,000
	11,590,493	12,512,964
Transportation services		
Road transport		
Administration	3,520,606	3,291,606
Fleet services	864,352	1,171,663
Snow clearing	25,153,233	20,534,978
Streets, roads and sidewalks	18,363,543	10,354,425
Maintenance depot	1,802,169	1,668,874
Traffic services	2,093,474	1,748,411
Street cleaning	279,875	283,787
Street lighting	4,353,277	4,347,350
St. John's Transportation Commission	27,613,565	26,660,826
Parking	441,525	261,340
	84,485,619	70,323,260
Protective services		
Fire protection	34,358,019	32,172,677
Protective inspections	3,499,257	3,395,380
Traffic enforcement	2,260,720	1,823,944
Animal and pest control	1,461,644	1,420,789
	41,579,640	38,812,790

CITY OF ST. JOHN'S
Consolidated Schedule of Expenditures
Year ended December 31, 2024

Schedule 5 (continued)

	2024	2023
	\$	\$
Environmental health services		
Water supply and distribution	21,034,182	17,832,502
Regional Water system	8,616,082	8,602,030
Regional Waste Water system	4,304,327	4,315,074
Regional Robin Hood Bay landfill	15,764,988	15,617,874
Garbage, waste collection and disposal	7,228,259	6,410,919
	56,947,838	52,778,399
Recreation and cultural services		
Parks and open spaces	11,304,838	10,844,705
Recreation	10,441,882	9,236,894
St. John's Sports & Entertainment Ltd.	12,302,979	11,197,811
Destination St. John's	2,051,356	1,659,393
Other recreation and cultural services	4,698,369	3,616,376
	40,799,424	36,555,179
Environmental development services		
Environmental planning and zoning	2,484,687	2,186,046
Housing and real estate	4,293,461	3,801,269
Other environmental development services	1,482,998	1,234,522
	8,261,146	7,221,837
Amortization and allowances		
Allowance for uncollectible accounts	1,745,409	(975,590)
Allowance for obsolete inventory	40,288	(25,937)
Loss on disposal fixed assets	558,111	697,295
Amortization	47,603,952	45,415,148
Amortization of Sinking Fund Premium	1,111,903	1,111,903
	51,059,663	46,222,819
Total expenditures	342,696,125	310,844,816

CITY OF ST. JOHN'S
Consolidated Schedule of Segmented Information
Year ended December 31, 2024

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 2024	2023
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue (Schedule 4)										
Taxation	238,037,635	-	-	-	-	4,129,424	-	-	242,167,059	223,694,301
Grants in lieu of taxes	9,208,497	-	-	-	-	-	-	-	9,208,497	8,938,927
Grants and transfers	42,400,819	304,510	1,584,559	1,180	2,184	1,105,271	1,576,104	-	46,974,627	38,886,727
Sales of goods and services	11,895,051	-	1,409,378	11,814,681	24,297,625	10,813,299	191,583	-	60,421,617	59,105,203
Other revenue from own sources	8,781,797	-	8,968,614	3,907,773	1,443,901	-	4,216,368	-	27,318,453	27,484,825
	310,323,799	304,510	11,962,551	15,723,634	25,743,710	16,047,994	5,984,055	-	386,090,253	358,109,983
Expenditure (Schedule 5)										
Personnel	36,071,976	-	35,287,412	37,393,309	18,102,307	21,951,141	4,063,981	-	152,870,126	148,851,104
Contractual Services	10,579,442	-	29,004,367	2,249,924	30,401,317	7,726,780	3,031,466	-	82,993,296	62,569,742
Materials & Supplies	1,150,385	-	20,041,521	1,586,545	8,052,982	4,353,300	38,909	-	35,223,642	33,595,397
Capital Out of Revenue	170,499	-	10,830	92,124	58,273	47,559	6,668	-	385,953	448,790
Grants & Subsidies	-	-	4,660	257,738	-	4,450,109	1,126,950	-	5,839,457	3,633,397
Financial Charges	-	11,590,493	-	-	-	2,232,189	1,554	-	13,824,236	14,152,870
Other	-	-	136,829	-	332,959	38,346	(8,382)	51,059,663	51,559,415	47,593,516
	47,972,302	11,590,493	84,485,619	41,579,640	56,947,838	40,799,424	8,261,146	51,059,663	342,696,125	310,844,816
Excess of revenues over expenditures	262,351,497	(11,285,983)	(72,523,068)	(25,856,006)	(31,204,128)	(24,751,430)	(2,277,091)	(51,059,663)	43,394,128	47,265,167
Accumulated surplus, beginning of year									866,509,535	819,244,368
Accumulated surplus, end of year (Note 15)									909,903,663	866,509,535

CITY OF ST. JOHN'S
Consolidated PSAB Budget
Year ended December 31, 2024

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
	\$	\$	\$	\$	\$	\$
Revenues						
Taxation	241,786,224	-	-	241,786,224	(733,252)	241,052,972
Grants in lieu of taxes	9,443,768	-	-	9,443,768	-	9,443,768
Grants and transfers	29,044,750	19,682,140	6,139,920	54,866,810	(13,004,751)	41,862,059
Sales of goods and services	47,532,304	-	6,047,928	53,580,232	434,926	54,015,158
Other revenue from own sources	16,139,995	10,098,900	-	26,238,895	(673,384)	25,565,511
	343,947,041	29,781,040	12,187,848	385,915,929	(13,976,461)	371,939,468
Expenditures						
General government services	44,302,055	-	-	44,302,055	4,362,011	48,664,066
Fiscal services	38,121,231	-	-	38,121,231	(26,209,485)	11,911,746
Transportation services	72,222,668	29,781,040	-	102,003,708	(20,061,348)	81,942,360
Protective services	34,129,954	-	-	34,129,954	7,339,697	41,469,651
Environmental health services	89,830,030	-	-	89,830,030	(36,081,217)	53,748,813
Recreation and cultural services	31,312,963	-	12,187,848	43,500,811	(3,801,739)	39,699,072
Environmental development services	16,243,823	-	-	16,243,823	(6,167,284)	10,076,539
Amortization and allowances	17,784,317	-	-	17,784,317	40,063,868	57,848,185
	343,947,041	29,781,040	12,187,848	385,915,929	(40,555,497)	345,360,432
Excess of revenue over expenditures	-	-	-	-	26,579,036	26,579,036

Council approved the City's 2024 budget on December 12, 2023

CITY OF ST. JOHN'S
Consolidating Entries and PSAB Adjustments
Year ended December 31, 2024

Schedule 7 (continued)

Revenues	\$
1. Eliminate transfers from reserves	(1,064,384)
2. Eliminate grants to SJSE	(6,939,920)
3. Eliminate grants to SJTC	(20,629,377)
4. Eliminate subsidy to NPH	(24,000)
5. Eliminate property taxes paid by City entities	(733,252)
6. Eliminate water revenue paid by City entities	(6,130,247)
7. Eliminate tipping fees paid by City entities	(2,710,679)
8. Eliminate general government charges	(3,411,920)
9. Eliminate debt charges recoverable	(24,451,619)
10. Record provincial capital grants	22,110,403
11. Record federal capital grants	14,636,851
12. Record other capital grants	2,268,911
13. Record recovery of fire protection services	12,364,913
14. Record interest earned on sinking funds	415,000
15. Record gain on sale of capital assets	322,859
	<u>(13,976,461)</u>

Expenses	
1. Eliminate transfers from reserves	(3,607,621)
2. Eliminate grants to SJSE	(6,639,920)
3. Eliminate grants to SJTC	(20,629,377)
4. Eliminate subsidy to NPH	(24,000)
5. Eliminate property taxes paid by City entities	(733,252)
6. Eliminate water revenue paid by City entities	(6,130,247)
7. Eliminate tipping fees paid by City entities	(2,710,679)
8. Eliminate general government charges	(3,411,920)
9. Eliminate debt charges recoverable	(24,700,619)
10. Eliminate capital expenditures	(8,084,025)
11. Eliminate sinking fund payments	(26,209,485)
12. Eliminate principal payments on LTD	(642,706)
13. Eliminate recovery of fire protection services	12,364,913
14. Record amortization of capital assets	47,581,510
15. Record employee post retirement benefits	3,021,931
	<u>(40,555,497)</u>

Excess of revenues over expenditures	<u><u>26,579,036</u></u>
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