

Consolidated Financial Statements of

CITY OF ST. JOHN'S

December 31, 2022

CITY OF ST. JOHN'S

December 31, 2022

Table of Contents

	<u>PAGE</u>
Statement of Responsibility	1
Independent Auditor's Report	2 - 4
Consolidated Statement of Operations and Accumulated Surplus	5
Consolidated Statement of Financial Position	6
Consolidated Statement of Changes in Net Debt	7
Consolidated Statement of Cash Flows	8
Notes to the Consolidated Financial Statements	9 - 27
Supplementary Schedules	
Consolidated Schedule of Tangible Capital Assets	28
Consolidated Schedule of Debenture Debt	29
Consolidated Schedule of Long-Term Debt	30
Consolidated Schedule of Mortgages – Urban Living Non-Profit Housing	31
Consolidated Schedule of Revenues	32 - 33
Consolidated Schedule of Expenditures	34 - 35
Consolidated Schedule of Segmented Information	36
Consolidated PSAB Budget	37
Consolidating Entries and PSAB Adjustments	38

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, 2022, 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, 2022, 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 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.
- 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 29, 2023

CITY OF ST. JOHN'S
Consolidated Statement of Operations and Accumulated Surplus
Year ended December 31, 2022

	Budget 2022	Actual 2022	Actual 2021
	\$	\$	\$
	(Schedule 8)		
Revenues (Schedule 5)			
Taxation	216,405,255	218,351,020	212,942,742
Grants in lieu of taxes	9,224,000	8,561,734	9,493,994
Grants and transfers	32,203,921	30,520,721	33,870,001
Sales of goods and services	54,299,366	54,367,315	48,775,287
Other revenue from own sources	30,511,195	30,073,379	26,001,708
	342,643,737	341,874,169	331,083,732
Expenditures (Schedule 6)			
General government services	50,439,394	41,718,812	56,872,192
Fiscal services	24,439,705	24,234,730	25,566,049
Transportation services	67,910,399	66,367,193	66,118,095
Protective services	37,484,438	40,273,823	38,169,937
Environmental health services	47,428,718	51,487,388	48,115,227
Recreation and cultural services	35,536,273	35,125,672	29,269,056
Environmental development services	6,798,706	6,750,395	6,496,295
Amortization and allowances	50,504,168	50,932,779	48,828,209
	320,541,801	316,890,792	319,435,060
Excess of revenues over expenditures	22,101,936	24,983,377	11,648,672
Accumulated surplus, beginning of year	794,260,991	794,260,991	782,612,319
Accumulated surplus, end of year (Note 15)	816,362,927	819,244,368	794,260,991

See accompanying notes to the consolidated financial statements

CITY OF ST. JOHN'S
Consolidated Statement of Financial Position
As at December 31, 2022

	2022	2021
	\$	\$
Financial assets		
Cash and cash equivalents (Note 3)	74,578,890	153,245,584
Investments (Note 4)	98,205,282	36,223,631
Accounts receivable - current (Note 5)	45,645,870	44,242,548
Accounts receivable - long-term (Note 6)	240,114	327,707
Sinking fund investments (Schedule 2)	209,193,259	201,328,131
	427,863,415	435,367,601
Financial liabilities		
Payables and accruals (Note 7)	73,389,479	70,283,935
Asset retirement obligations (Note 8)	29,304,150	28,384,061
Employee benefits (Note 9)	224,593,775	222,172,349
Debenture debt (Note 10 and Schedule 2)	544,000,000	560,500,000
Long-term debt (Note 11)	4,082,645	5,446,155
	875,370,049	886,786,500
Net debt	(447,506,634)	(451,418,899)
Non-financial assets		
Tangible capital assets (Schedule 1)	1,259,758,302	1,239,502,198
Inventory of materials and supplies	4,191,971	3,889,064
Prepaid expenditures	2,800,729	2,288,628
	1,266,751,002	1,245,679,890
Accumulated surplus (Note 15)	819,244,368	794,260,991

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, 2022

	Budget 2022	2022	2021
	\$	\$	\$
Excess of revenues over expenditures	22,101,936	24,983,377	11,648,672
Changes in tangible capital assets			
Acquisition of tangible capital assets and contributed tangible capital assets	(42,459,975)	(69,837,986)	(42,459,975)
Net book value of tangible capital assets disposals/transfers	1,425,579	427,713	1,425,579
Amortization of tangible capital assets	49,154,169	49,154,169	43,923,800
(Increase)/decrease in net book value of tangible capital assets	8,119,773	(20,256,104)	2,889,404
Changes in other non-financial assets			
Change in prepaid expenditures	-	(512,101)	133,817
Acquisition of inventory and supplies, net of usage	-	(302,907)	(194,166)
Increase in other non-financial assets	-	(815,008)	(60,349)
Decrease in net debt	30,221,709	3,912,265	14,477,727
Net debt, beginning of year	(451,418,899)	(451,418,899)	(465,896,626)
Net debt, end of year	(421,197,190)	(447,506,634)	(451,418,899)

See accompanying notes to the consolidated financial statements

CITY OF ST. JOHN'S
Consolidated Statement of Cash Flows
Year ended December 31, 2022

	2022	2021
	\$	\$
Operating transactions		
Excess of revenues over expenditures	24,983,377	11,648,672
Non-cash charges to operations:		
Amortization of tangible capital assets	49,154,169	43,923,800
Contributed tangible capital assets	(7,193,012)	(3,408,000)
Employee benefits	2,421,426	233,289
(Gain)/loss on disposal of tangible capital assets	(232,028)	1,248,776
	69,133,932	53,646,537
Net change in other (Note 16)	1,807,303	17,609,746
	70,941,235	71,256,283
Capital transactions		
Acquisition of tangible capital assets	(62,644,974)	(39,051,975)
Proceeds from sale of tangible capital assets	659,741	176,803
	(61,985,233)	(38,875,172)
Financing transactions		
Decrease in long-term accounts receivable	87,593	1,147,457
Repayment of debenture debt	(16,500,000)	(15,000,000)
Repayment of long-term debt	(1,363,510)	(1,873,727)
	(17,775,917)	(15,726,270)
Investing transactions		
Increase in sinking fund investments	(7,865,128)	(8,311,634)
Increase in investments	(61,981,651)	(10,117,863)
	(69,846,779)	(18,429,497)
Decrease in cash and cash equivalents	(78,666,694)	(1,774,656)
Cash and cash equivalents, beginning of year	153,245,584	155,020,240
Cash and cash equivalents, end of year	74,578,890	153,245,584

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, 2022

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 as revenue 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, 2022

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, 2022

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.

Portfolio investments (sinking funds)

Sinking funds established for the retirement of debentures are held and administered by a third party and accounted for in the City's records at 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, 2022

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 4 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, 2022

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.

2. CHANGE IN ACCOUNTING ESTIMATE

In accordance with its policy, the City reviews the estimated useful lives of its tangible capital assets on an ongoing basis. During 2022 it was determined that the actual expected lives for certain assets were different than the useful lives used for amortization purposes in the financial statements. Effective January 1, 2022 the City changed its estimated useful life of certain vehicles to better reflect current conditions. The useful life of vehicles, previously estimated to be 7-20 years, has been decreased to 5-20 years. The effect of this change has been applied prospectively and has resulted in an increase in amortization expense of \$4,659,423 for 2022 in comparison to previously applied policy.

3. CASH AND CASH EQUIVALENTS

	2022	2021
	\$	\$
Cash	14,404,869	92,241,422
Restricted cash deposits:		
Robin Hood Bay post closure costs (Note 8)	12,262,816	10,754,214
Robin Hood Bay equipment replacement	9,533,007	9,072,892
Riverhead waste/water equipment replacement	3,431,543	2,949,357
Advance payments from developers	43,613	42,671
Federal gas tax fund	29,626,482	33,756,529
Urban living affordable housing:		
Tenants' security deposits	118,882	110,794
Replacement reserve fund	5,157,678	4,317,705
	60,174,021	61,004,162
	74,578,890	153,245,584

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, 2022 the City held cash of \$5,157,678 (2021 - \$4,317,705).

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements

December 31, 2022

4. INVESTMENTS

	2022	2021
	\$	\$
Government bonds	38,205,282	36,223,631
Guaranteed investment certificates	60,000,000	-
	98,205,282	36,223,631

Government bonds consist of the City of St. John's debentures at coupon rates varying from 2.92% to 4.622% (2021 - 2.92% to 4.622%) with a face value of \$35,446,987 (2021 - \$34,446,987). Maturity dates on the investments in the portfolio range from August 2031 to September 2040.

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

5. ACCOUNTS RECEIVABLE - CURRENT

	2022	2021
	\$	\$
Taxes	26,857,964	29,437,169
Other governments	19,714,510	14,702,287
Other	12,207,761	13,475,507
Allowance for doubtful accounts	(13,134,365)	(13,372,415)
	45,645,870	44,242,548

6. ACCOUNTS RECEIVABLE - LONG TERM

	2022	2021
	\$	\$
Civic assessments	240,114	327,707
	240,114	327,707

7. PAYABLES AND ACCRUALS

	2022	2021
	\$	\$
Trade	43,103,927	40,172,883
Wages and benefits payable	13,338,708	12,650,848
Deferred revenue	3,222,146	3,095,040
Deposits and prepayments	8,633,987	8,933,971
Accrued interest	4,941,068	5,158,577
Other governments	149,643	272,616
	73,389,479	70,283,935

CITY OF ST. JOHN'S

Notes to the Consolidated Financial Statements

December 31, 2022

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, 2022, 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 3.6% (2021 - 3.2%) 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.

	2022	2021
	\$	\$
Beginning of year	28,384,061	31,962,446
Liabilities settled	-	(5,197,457)
Change in discount rate	(5,064,583)	-
Change in estimates	5,076,382	596,274
Accretion	908,290	1,022,798
End of year	29,304,150	28,384,061

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, 2022 was \$12,262,816 (2021 - \$10,754,214).

9. EMPLOYEE BENEFITS

	2022	2021
	\$	\$
Accrued pension benefits (Note 12)	(13,942,714)	(5,505,979)
Employee future benefits (Note 13)	211,733,476	202,448,696
Severance and sick leave benefits (Note 14)	26,803,013	25,229,632
	224,593,775	222,172,349

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2022

10. DEBENTURE DEBT

	2022	2021
	\$	\$
Debtenture debt outstanding (Schedule 2)	544,000,000	560,500,000
Less: sinking fund investments available (Schedule 2)	209,193,259	201,328,131
	334,806,741	359,171,869

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

Year	Sinking fund requirements
	\$
2023	13,462,500
2024	13,012,500
2025	12,475,000
2026	11,937,500
2027	10,750,000
Thereafter	87,700,000

Included in the City's sinking fund investments available are City of St. John's debentures at coupon rates varying between 2.92% to 6.68% (2021 - 2.92% to 6.68%) with a face value of \$174.7M (2021 - \$174.7M). Maturity dates on the investments in the portfolio range from February 2023 to September 2040.

11. LONG-TERM DEBT

	2022	2021
	\$	\$
Long-term debt (Schedule 3)	-	32,583
Mortgages - Urban living non-profit housing (Schedule 4)	1,726,645	2,330,572
St. John's Transportation Commission	2,356,000	3,083,000
	4,082,645	5,446,155

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.

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2022

11. LONG-TERM DEBT (Continued)

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

Year	Non-profit housing mortgages
	\$
2023	457,035
2024	428,038
2025	410,267
2026	218,675
2027	135,360
Thereafter	77,270

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, 2022 the outstanding banker's acceptances bore interest at 5.67% and matured on January 27, 2023. The credit facility, which was renewed on February 2, 2023, bears interest at 5.90% and matures on March 29, 2023. At December 31, 2022, the Commission has drawn \$2,356,000 (2021 - \$3,083,000) on the credit facility which is included in long-term debt.

12. ACCRUED PENSION BENEFITS

	2022	2021
	\$	\$
City of St. John's - Employees	(21,287,200)	(13,787,300)
City of St. John's - Mayor and Councillors	6,289,600	6,524,100
St. John's Transportation Commission	1,054,886	1,757,221
	(13,942,714)	(5,505,979)

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.

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2022

12. ACCRUED PENSION BENEFITS (Continued)

An actuarial valuation of the plans was completed as at December 31, 2021 for Council and as at December 31, 2020 for employees and the supplementary plan. All plans were extrapolated to December 31, 2022.

	Employees	Supplementary Plan	2022	2021
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	466,264,700	2,748,100	469,012,800	499,250,800
Current service cost	13,420,500	83,800	13,504,300	16,071,200
Interest cost	26,606,900	84,300	26,691,200	24,824,500
Benefits paid	(20,531,000)	(52,900)	(20,583,900)	(18,894,400)
Past services and FABA contributions	37,000	-	37,000	-
Actuarial gain	(34,317,200)	(887,500)	(35,204,700)	(52,239,300)
Balance, end of year	451,480,900	1,975,800	453,456,700	469,012,800
<i>Plan assets</i>				
Fair value, beginning of year	530,162,900	-	530,162,900	482,000,000
Return on plan assets	(70,372,100)	-	(70,372,100)	32,852,300
Benefits paid	(20,531,000)	-	(20,531,000)	(18,842,200)
Employer contributions	8,796,700	-	8,796,700	27,784,100
Employee contributions	6,123,700	-	6,123,700	6,368,700
Past services and FABA contributions	37,000	-	37,000	-
Fair value, end of year	454,217,200	-	454,217,200	530,162,900
Funded status (surplus)/deficit	(2,736,300)	1,975,800	(760,500)	(61,150,100)
Unamortized amounts	(21,351,200)	824,500	(20,526,700)	47,362,800
Accrued benefit (asset)/liability	(24,087,500)	2,800,300	(21,287,200)	(13,787,300)

Significant assumptions used for 2022

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

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2022

12. ACCRUED PENSION BENEFITS (Continued)

Significant assumptions used for 2021

Discount rate	5.75%	3.05%
Expected long-term rate of return on plan assets	5.75%	0.00%
Rate of compensation increase	1.00%	1.00%
Average remaining service period of active employees	14 years	12 years

	Employees	Supplementary Plan	2022	2021
	\$	\$	\$	\$
<i>Net benefit expense of the year</i>				
Current service cost	13,420,500	83,800	13,504,300	16,071,200
Interest cost	26,606,900	84,300	26,691,200	24,824,500
Amortization of (gains)/losses	(2,525,700)	127,700	(2,398,000)	4,337,800
Employee contributions	(6,123,700)	-	(6,123,700)	(6,368,700)
Expected return on plan assets	(30,324,100)	-	(30,324,100)	(24,482,800)
Net benefit expense	1,053,900	295,800	1,349,700	14,382,000

City of St. John's - Mayor and Councillors

	2022	2021
	\$	\$
<i>Accrued benefit obligation</i>		
Balance, beginning of year	6,252,900	6,481,500
Current service cost	149,600	155,200
Interest cost	188,400	172,100
Benefits paid	(301,300)	(284,700)
Actuarial gain	(917,000)	(271,200)
Balance, end of year	5,372,600	6,252,900
Unamortized amounts	917,000	271,200
Accrued benefit liability	6,289,600	6,524,100

Significant assumptions used

Discount rate	5.05%	3.05%
Rate of compensation increase	3.15%	2.50%
Average remaining service period	4 years	1 year

Net benefit expense of the year

Current service cost	149,600	155,200
Interest cost	188,400	172,100
Amortization of (gains)/losses	(271,200)	763,900
Net benefit expense	66,800	1,091,200

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2022

12. ACCRUED PENSION BENEFITS (Continued)

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, 2022. The supplementary plan estimate was prepared using the same actuarial assumptions used for the Non-Union plan with the exception of the discount rate.

	Employees	Supplementary	2022	2021
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	61,147,466	112,428	61,259,894	62,329,181
Current service cost	1,526,905	3,953	1,530,858	1,915,534
Interest cost	3,057,039	3,501	3,060,540	3,032,219
Benefits paid	(3,864,342)	-	(3,864,342)	(2,622,388)
Actuarial (gain)/loss	(6,094,190)	(54,587)	(6,148,777)	(3,394,652)
Balance, end of year	55,772,878	65,295	55,838,173	61,259,894
<i>Plan assets</i>				
Fair value, beginning of year	65,992,286	-	65,992,286	60,179,292
Return on plan assets	(7,379,245)	-	(7,379,245)	6,242,301
Benefits paid	(3,864,342)	-	(3,864,342)	(2,622,388)
Employer contributions	1,267,887	-	1,267,887	1,471,745
Employee contributions	608,608	-	608,608	721,336
Fair value, end of year	56,625,194	-	56,625,194	65,992,286
Funded status deficit/(surplus)	(852,316)	65,295	(787,021)	(4,732,392)
Unamortized amounts	1,731,085	110,822	1,841,907	6,489,613
Accrued benefit liability	878,769	176,117	1,054,886	1,757,221
<i>Significant assumptions used</i>				
Discount rate	6.00%	5.07%		5.20%
Expected long-term rate of return on plan assets	5.20%	4.95%		5.00%
Rate of compensation increase	0.00%	0.00%		2.00%
Average remaining service period of active employees	13.5 years	5 years		13.5 years

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2022

12. ACCRUED PENSION BENEFITS (Continued)

	Employees	Supplementary	2022	2021
	\$	\$	\$	\$
<i>Net benefit expense of the year</i>				
Current service cost	1,526,905	3,953	1,530,858	1,915,534
Interest cost	3,057,039	3,501	3,060,540	3,032,219
Amortization of (gains)/losses	(88,134)	(11,247)	(99,381)	545,261
Employee contributions	(608,608)	-	(608,608)	(721,336)
Expected return on plan assets	(3,317,857)	-	(3,317,857)	(2,942,240)
Net benefit expense	569,345	(3,793)	565,552	1,829,438

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, 2022.

	City	Commission	2022	2021
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	185,183,600	15,643,877	200,827,477	211,734,162
Current service cost	5,667,200	623,940	6,291,140	6,941,641
Interest cost	5,667,400	482,160	6,149,560	5,638,711
Benefits paid	(4,403,500)	(187,732)	(4,591,232)	(4,393,449)
Actuarial gain	(53,635,700)	(4,539,256)	(58,174,956)	(19,093,588)
Balance, end of year	138,479,000	12,022,989	150,501,989	200,827,477
Funded status - deficit	138,479,000	12,022,989	150,501,989	200,827,477
Unamortized amounts	55,033,100	6,198,387	61,231,487	1,621,219
Accrued benefit liability	193,512,100	18,221,376	211,733,476	202,448,696

Significant assumptions used for 2022

Discount rate	5.05%	5.07%
Average remaining service period of active employees	12 years	13.4 years

Significant assumptions used for 2021

Discount rate	3.05%	3.06%
Average remaining service period of active employees	12 years	13.4 years

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements

December 31, 2022

13. EMPLOYEE FUTURE BENEFITS (Continued)

	City	Commission	2022	2021
	\$	\$	\$	\$
<i>Net benefit expense of the year</i>				
Current service cost	5,667,200	623,940	6,291,140	6,941,641
Interest cost	5,667,400	482,160	6,149,560	5,638,711
Amortization of (gains)/losses	1,465,700	(30,388)	1,435,312	4,005,969
Net benefit expense	12,800,300	1,075,712	13,876,012	16,586,321

14. SEVERANCE AND SICK LEAVE BENEFITS

	2022	2021
	\$	\$
City of St. John's	25,388,900	23,764,800
St. John's Transportation Commission	1,095,226	1,171,095
St. John's Sports and Entertainment	318,887	293,737
	26,803,013	25,229,632

City of St. John's

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

An actuarial valuation of the plan was completed as at December 31, 2019 and extrapolated to December 31, 2022.

	Severance	Sick Leave	2022	2021
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	15,397,700	11,281,500	26,679,200	27,234,000
Current service cost	1,585,100	1,114,000	2,699,100	2,728,900
Interest cost	477,600	343,000	820,600	714,700
Benefits paid	(992,600)	(1,187,100)	(2,179,700)	(2,911,100)
Settlement payments	(68,300)	-	(68,300)	(312,600)
Settlement gain	-	-	-	(10,600)
Actuarial gain	(2,425,200)	(1,466,400)	(3,891,600)	(764,100)
Balance, end of year	13,974,300	10,085,000	24,059,300	26,679,200
Funded status - deficit	13,974,300	10,085,000	24,059,300	26,679,200
Unamortized amounts	1,623,000	(293,400)	1,329,600	(2,914,400)
Accrued benefit liability	15,597,300	9,791,600	25,388,900	23,764,800

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2022

14. SEVERANCE AND SICK LEAVE BENEFITS (Continued)

	Severance	Sick Leave	2022	2021
	\$	\$	\$	\$
<i>Significant assumptions used</i>				
Discount rate			5.05%	3.05%
Average remaining service period of active employees			13 years	13 years
<i>Net benefit expense of the year</i>				
Current service cost	1,585,100	1,114,000	2,699,100	2,728,900
Interest cost	477,600	343,000	820,600	714,700
Amortization of losses	147,700	204,700	352,400	411,200
Recognition of unamortized losses due to settlement	-	-	-	18,500
Recognized gain due to settlement	-	-	-	(10,600)
Net benefit expense	2,210,400	1,661,700	3,872,100	3,862,700

During 2019, members of CUPE Locals 569 and 1289 as well as management employees were given a one-time payout option of their severance accrued up to December 31, 2018 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, CUPE Local 569 members or management employees hired after September 30, 2019 and CUPE Local 1289 members hired after December 4, 2019 are no longer entitled to severance benefits.

St. John's Transportation Commission

As of June 1, 2015, retiring employees of the St. John's Transportation Commission who have completed at least 10 years of service will be paid a severance equal to 1 day for each year of service. The liability at December 31, 2022 is \$128,172 (2021 - \$139,760).

In 2020, employees were given a one-time payout option of their severance accrued up to November 26, 2020. Severance benefits continue to accrue to retirement, regardless of whether an employee elected to receive a one-time payout or not. However, employees hired after November 26, 2020 are no longer entitled to severance benefits.

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, 2022 is \$967,054 (2021 - \$1,031,355).

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2022

14. SEVERANCE AND SICK LEAVE BENEFITS (Continued)

St. John's Sports and Entertainment

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

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

An actuarial valuation of the plan was completed as at December 31, 2021 and extrapolated to December 31, 2022.

	Severance	Sick Leave	2022	2021
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	153,252	156,365	309,617	394,469
Current service cost	29,207	15,036	44,243	72,869
Interest cost	3,163	3,152	6,315	7,600
Benefits paid	-	(15,501)	(15,501)	(155,665)
Actuarial gain	(80,815)	(61,702)	(142,517)	(9,656)
Balance, end of year	104,807	97,350	202,157	309,617
Funded status - deficit	104,807	97,350	202,157	309,617
Unamortized amounts	69,266	47,464	116,730	(15,880)
Accrued benefit liability	174,073	144,814	318,887	293,737
<i>Significant assumptions used</i>				
Discount rate			5.05%	3.05%
Average remaining service period of active employees			13 years	13 years
<i>Net benefit expense of the year</i>				
Current service cost	29,207	15,036	44,243	72,869
Interest cost	3,163	3,152	6,315	7,600
Amortization of (gains)/losses	(4,811)	(5,096)	(9,907)	1,946
Net benefit expense	27,559	13,092	40,651	82,415

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2022

15. ACCUMULATED SURPLUS

	2022	2021
	\$	\$
Accumulated surplus, beginning of year	794,260,991	782,612,319
Excess of revenue over expenditures	24,983,377	11,648,672
Accumulated surplus, end of year	819,244,368	794,260,991
Appropriated surplus		
Reserve for Shoal Bay treatment plant	527,469	482,649
Urban living non-profit housing - replacement reserve	5,157,678	4,317,705
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	(4,688,111)	(3,056,434)
Reserve for capital	17,200,454	17,170,562
Reserve for employee benefits stabilization fund	1,997,091	1,997,091
Reserve for Robin Hood Bay equipment replacement	9,533,007	9,072,892
Reserve for Riverhead waste/water equipment replacement	3,431,543	2,949,357
Reserve for affordable housing	34,197	-
	35,256,268	34,996,762
Unappropriated surplus	783,988,100	759,264,229
	819,244,368	794,260,991

16. SUPPLEMENTARY CASH FLOW INFORMATION

	2022	2021
	\$	\$
Changes in other balances:		
Accounts receivable	(1,403,322)	11,817,408
Inventory of materials and supplies	(302,907)	(194,166)
Prepaid expenditures	(512,101)	133,817
Payables and accruals	4,025,633	5,852,687
	1,807,303	17,609,746
Interest paid	24,164,390	25,469,548

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, 2022 were nil (2021 - nil).

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2022

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, 2022, the City recorded an estimated liability of \$1,718,595 (2021 - \$2,006,781) 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 \$50,000 for all incidents prior to December 1, 2010 and claims below \$100,000 after that date which are not covered under its current insurance policy.

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:

2023	3,136,960
2024	2,752,551
2025	1,707,553
2026	1,580,814
2027	1,257,467
Thereafter	117,680

St. John's Sports and Entertainment entered into a 10-year food service management agreement with Servomation Inc, "Centerplate", to provide food services for the St. John's Convention Centre commencing June 1, 2018. Under this agreement, Centerplate would be paid a management fee of 5% of adjusted gross receipts collected on a monthly basis with an annual fee of not less than \$150,000. In addition, Centerplate would also be paid a share of net operating profits of 10% for the first year of the agreement and up to 10% in subsequent years.

15 Covenant Square

During 2016 the City accepted a donation of land and building which will be redeveloped as affordable housing for seniors. The donation stipulates that if at any time the property is not used for the aforementioned purpose \$1.2 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.

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2022

18. CONTINGENCIES AND COMMITMENTS (Continued)

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.

19. 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, 2022

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	2022 Totals	2021 Totals
	\$	\$		\$	\$	\$	\$	\$	\$	\$
Cost										
Balance, beginning of year	65,731,762	554,089,112	8,452,167	835,473,940	245,376,538	40,943,916	38,188,163	50,719,554	1,838,975,152	1,801,566,992
Add: Additions during the year	8,551	207,772	-	7,193,012	3,943,737	466,029	58,949,295	-	70,768,396	43,631,836
Less: Disposals during the year	-	-	-	(652,803)	(2,975,682)	(193,392)	(930,410)	-	(4,752,287)	(6,223,676)
Transfers	19,145	937,068	-	6,862,068	1,856,776	74,136	(9,749,193)	-	-	-
Balance, end 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
Accumulated amortization										
Balance, beginning of year	-	156,745,571	1,055,784	252,059,514	146,000,471	15,735,819	-	27,875,795	599,472,954	559,175,390
Add: Additions during the year	-	13,470,164	146,723	15,576,768	17,285,230	1,297,672	-	1,377,612	49,154,169	43,923,800
Less: Disposals during the year	-	-	-	(520,633)	(2,867,382)	(6,149)	-	-	(3,394,164)	(3,626,236)
Transfers	-	-	-	-	-	-	-	-	-	-
Balance, end 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
Net book value of tangible capital assets	65,759,458	385,018,217	7,249,660	581,760,568	87,783,050	24,263,347	86,457,855	21,466,147	1,259,758,302	1,239,502,198

CITY OF ST. JOHN'S
Consolidated Schedule of Debenture Debt
December 31, 2022

Schedule 2

Date of Maturity	Interest Rate	Amount Issued	Amount Outstanding	2022			2021		
				Sinking Funds Available	Bond Premium	Sinking Fund Requirement in 2023	Sinking Funds Available	Bond Premium	Sinking Fund Requirement in 2022
		\$	\$	\$	\$	\$	\$	\$	\$
Apr. 2022	7.250%	16,500,000	-	-	-	-	16,343,021	135,400	206,250
Feb. 2023	6.680%	11,000,000	11,000,000	13,236,259	277,164	137,500	12,215,181	369,552	275,000
Feb. 2024	6.162%	25,000,000	25,000,000	24,713,341	316,103	625,000	22,743,320	397,282	625,000
June 2025	5.534%	18,000,000	18,000,000	16,579,186	240,936	450,000	15,230,524	316,101	450,000
Mar. 2026	5.300%	25,000,000	25,000,000	20,093,079	279,664	625,000	18,479,600	307,980	625,000
Dec. 2026	4.975%	35,000,000	35,000,000	32,747,165	591,932	875,000	30,377,139	776,208	875,000
Dec. 2027	5.400%	15,000,000	15,000,000	10,194,810	-	375,000	9,382,757	-	375,000
Nov. 2029	5.539%	27,000,000	27,000,000	15,112,969	116,046	675,000	11,375,219	137,645	675,000
Aug. 2031	4.622%	70,000,000	70,000,000	25,357,175	433,494	1,750,000	22,572,266	493,679	1,750,000
Dec. 2033	4.500%	60,000,000	60,000,000	16,671,242	761,918	1,500,000	14,458,522	845,409	1,500,000
Mar. 2036	4.215%	120,000,000	120,000,000	19,395,497	907,273	3,000,000	15,675,451	923,153	3,000,000
Sep. 2040	2.916%	138,000,000	138,000,000	7,193,105	3,974,901	3,450,000	3,533,009	4,239,713	3,450,000
		560,500,000	544,000,000	201,293,828	7,899,431	13,462,500	192,386,009	8,942,122	13,806,250

Included in the City's sinking funds are City of St. John's debentures at coupon rates varying between 2.92% to 6.68% (2021 - 2.92% to 6.68%) with a face value of \$174.7M (2021 - \$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
Consolidated Schedule of Long-Term Debt
December 31, 2022

Schedule 3

			2022		2021		
	Date of Maturity	Interest Rate	Amount Issued	Amount Outstanding	Principal Requirement in 2023	Amount Outstanding	Principal Requirement in 2022
			\$	\$	\$	\$	\$
Capital Lease							
Cisco Phone Equipment	Nov. 2022	2.037%	170,560	-	-	32,583	32,583
			170,560	-	-	32,583	32,583

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

Schedule 4

December 31, 2022

				2022	2021
	Date of Maturity	Interest Rate	Amount Issued	Amount Outstanding	Amount Outstanding
			\$	\$	\$
Newfoundland & Labrador Housing Corporation					
Hamlyn Road	Aug. 1, 2022	2.040%	2,207,290	-	79,924
Infill 1987	Apr. 1, 2023	2.040%	2,070,285	37,413	148,229
Gear Street - Infill 1988	Sept. 1, 2025	2.040%	1,929,560	269,191	363,873
Brookfield Road	Dec. 1, 2025	2.040%	2,203,600	331,575	438,245
Cochrane Street	Nov. 1, 2027	1.710%	745,887	160,065	193,696
Infill 1990	Nov. 1, 2026	1.640%	1,628,008	292,330	364,862
Campbell Avenue	Feb. 1, 2028	1.620%	968,952	236,815	279,939
Infill 1992	Dec. 1, 2028	2.040%	1,682,553	399,256	461,804
			13,436,135	1,726,645	2,330,572
Current portion				457,035	601,576

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 5

Year ended December 31, 2022

	2022	2021
	\$	\$
Taxation		
Real property and business	174,842,116	171,805,356
Water	33,507,972	32,906,794
Utility	6,503,966	6,643,633
Accommodation	3,496,966	1,586,959
	218,351,020	212,942,742
Grants in lieu of taxes		
Government of Canada	4,571,337	5,436,302
Government of Canada agencies	916,490	1,008,181
Water tax grant	3,073,907	3,049,511
	8,561,734	9,493,994
Grants and transfers		
Government of Canada		
Capital grant	4,697,228	3,394,589
St. John's Transportation Commission	94,500	145,990
Gas tax funding	2,392,952	9,363,725
Other federal grants	455,511	236,528
Government of Newfoundland and Labrador		
Gas tax funding	831,153	831,170
Municipal capital grant	11,446,717	7,679,596
Capital Grant - Non-Profit Housing	-	2,346
Rental housing projects	980,366	1,105,171
Other provincial grants	90,682	5,847,882
City of Mount Pearl and Town of Paradise		
Capital contribution	155,132	201,014
City of Mount Pearl and Town of Paradise		
Public transit contribution	1,433,440	1,399,659
Capital contribution from Developers	7,454,317	3,408,000
Other grants	488,723	254,331
	30,520,721	33,870,001
Sales of goods and services		
Environmental health services		
Water sales - commercial and shipping	7,240,919	6,355,388
Tipping fees	13,432,310	12,637,556
Recycling materials	928,278	958,731
Regional Fire recovery	11,989,420	13,366,935

CITY OF ST. JOHN'S
Consolidated Schedule of Revenues
Year ended December 31, 2022

Schedule 5 (continued)

	2022	2021
	\$	\$
Sales of goods and services (continued)		
Environmental health services (continued)		
Regional Water recovery	7,964,670	8,034,845
Regional Waste Water recovery	1,143,004	893,101
Other	407,511	381,384
General government services	1,242,047	1,263,680
Transportation services		
Parking meters	686,456	276,087
Parking permits	179,228	179,089
Other	15,164	13,775
Third party charges	104,686	384,183
Sale of land	57,921	318,323
Gain on disposal of capital assets	232,028	-
Recreation, parks and tourism	1,861,486	1,557,187
St. John's Sports & Entertainment Ltd.	6,093,839	1,544,974
Other general services	788,348	610,049
	54,367,315	48,775,287
Other revenue from own sources		
Interest on tax arrears	1,743,322	2,772,741
Interest earned on portfolio investments	9,935,941	9,486,777
Fines	2,255,549	1,067,285
Construction and other permits	2,794,355	2,728,432
Interest earned	2,760,347	1,072,802
Business and amusement licenses	163,325	136,615
Rents, concessions and franchises	65,645	66,799
Apartment rentals	3,187,532	2,969,247
St. John's Transportation Commission		
Passenger fares	6,805,672	5,249,702
Transit advertising	168,160	162,845
Charters	36,906	7,623
Sundry	130,841	104,438
Civic assessments	23,815	133,425
Sub - division assessments	1,969	42,977
	30,073,379	26,001,708
Total revenue	341,874,169	331,083,732

CITY OF ST. JOHN'S
Consolidated Schedule of Expenditures
Year ended December 31, 2022

Schedule 6

	2022	2021
	\$	\$
General government services		
Legislative	798,123	753,895
General government	25,046,380	23,691,078
Engineering services	7,478,506	7,058,862
Pension Expense	1,416,500	15,473,200
Employee future benefits and other related expenses	6,515,702	8,926,305
Other general government	463,601	968,852
	41,718,812	56,872,192
Fiscal services		
Interest on debenture debt	24,042,497	25,355,838
Non-Profit Housing mortgage interest	37,579	56,205
St. John's Transportation Commission interest	84,314	57,203
Interest on temporary bank loans	-	302
Other debt charges	70,340	96,501
	24,234,730	25,566,049
Transportation services		
Road transport		
Administration	3,038,677	2,864,616
Fleet services	1,049,181	511,940
Snow clearing	16,763,222	17,897,525
Streets, roads and sidewalks	10,955,808	11,904,571
Maintenance depot	1,779,981	1,631,290
Traffic services	1,597,285	1,632,853
Street cleaning	265,301	213,373
Street lighting	4,403,913	4,494,224
St. John's Transportation Commission	26,317,408	24,857,165
Parking meters	196,417	110,538
	66,367,193	66,118,095
Protective services		
Fire protection	33,635,667	32,351,535
Protective inspections	3,555,204	3,243,989
Traffic enforcement	1,684,732	1,263,579
Animal and pest control	1,398,220	1,310,834
	40,273,823	38,169,937

CITY OF ST. JOHN'S
Consolidated Schedule of Expenditures
Year ended December 31, 2022

Schedule 6 (continued)

	2022	2021
	\$	\$
Environmental health services		
Water supply and distribution	18,208,489	17,200,045
Regional Water system	7,676,873	7,376,471
Regional Waste Water system	4,351,634	3,722,503
Regional Robin Hood Bay landfill	14,505,694	14,430,120
Garbage, waste collection and disposal	6,744,698	5,386,088
	51,487,388	48,115,227
Recreation and cultural services		
Parks and open spaces	10,621,501	10,212,739
Recreation	8,788,906	7,713,012
St. John's Sports & Entertainment Ltd.	10,344,461	8,092,678
Destination St. John's	1,251,043	794,522
Other recreation and cultural services	4,119,761	2,456,105
	35,125,672	29,269,056
Environmental development services		
Environmental planning and zoning	2,042,825	1,802,675
Housing and real estate	3,610,926	3,700,109
Other environmental development services	1,096,644	993,511
	6,750,395	6,496,295
Amortization and allowances		
Allowance for uncollectible accounts	619,470	2,798,623
Allowance for obsolete inventory	47,229	43,884
Loss on disposal fixed assets	-	1,248,776
Amortization	49,154,169	43,923,800
Amortization of Sinking Fund Premium	1,111,911	813,126
	50,932,779	48,828,209
Total expenditures	316,890,792	319,435,060

CITY OF ST. JOHN'S
Consolidated Schedule of Segmented Information
Year ended December 31, 2022

Schedule 7

	General Government Services	Fiscal Services	Transportation Services	Protective Services	Environmental Health Services	Recreation and Cultural Services	Environmental Development Services	Amortization and Allowances	Consolidated 2022	2021
									\$	\$
Revenue (Schedule 5)										
Taxation	214,854,054	-	-	-	-	3,496,966	-	-	218,351,020	212,942,742
Grants in lieu of taxes	8,561,734	-	-	-	-	-	-	-	8,561,734	9,493,994
Grants and transfers	27,296,980	304,511	1,527,940	1,997	5,544	494,833	888,916	-	30,520,721	33,870,001
Sales of goods and services	11,225,211	-	702,826	11,625,112	22,772,856	7,939,650	101,660	-	54,367,315	48,775,287
Other revenue from own sources	14,311,208	-	7,218,235	4,511,217	646,874	-	3,385,845	-	30,073,379	26,001,708
	276,249,187	304,511	9,449,001	16,138,326	23,425,274	11,931,449	4,376,421	-	341,874,169	331,083,732
Expenditure (Schedule 6)										
Personnel	34,560,863	-	32,177,359	36,868,720	17,389,495	19,844,458	3,184,515	-	144,025,410	143,982,856
Contractual Services	6,352,108	-	17,142,467	2,114,555	24,656,862	5,918,683	2,923,935	-	59,108,610	59,322,714
Materials & Supplies	723,715	-	17,027,954	1,000,051	8,195,836	4,194,941	30,379	-	31,172,876	24,060,451
Capital Out of Revenue	82,126	-	9,191	213,913	323,332	45,547	-	-	674,109	273,080
Grants & Subsidies	-	-	-	76,584	-	3,759,786	572,861	-	4,409,231	14,990,109
Financial Charges	-	24,234,730	-	-	-	1,362,257	1,137	-	25,598,124	26,403,486
Other	-	-	10,222	-	921,863	-	37,568	50,932,779	51,902,432	50,402,364
	41,718,812	24,234,730	66,367,193	40,273,823	51,487,388	35,125,672	6,750,395	50,932,779	316,890,792	319,435,060
Excess of revenues over expenditures	234,530,375	(23,930,219)	(56,918,192)	(24,135,497)	(28,062,114)	(23,194,223)	(2,373,974)	(50,932,779)	24,983,377	11,648,672
Accumulated surplus, beginning of year									794,260,991	782,612,319
Accumulated surplus, end of year (Note 15)									819,244,368	794,260,991

CITY OF ST. JOHN'S
Consolidated PSAB Budget
Year ended December 31, 2022

Schedule 8

	City	St. John's Transportation Commission	St. John's Sports & Entertainment Ltd.	Adopted Budget	Consolidating Entries and PSAB Adjustments (Page 38)	Consolidated Budget
	\$	\$	\$	\$	\$	\$
Revenues						
Taxation	217,847,000	-	-	217,847,000	(1,441,745)	216,405,255
Grants in lieu of taxes	9,224,000	-	-	9,224,000	-	9,224,000
Grants and transfers	34,115,088	19,193,150	4,216,911	57,525,149	(25,321,228)	32,203,921
Sales of goods and services	45,854,987	-	6,301,908	52,156,895	2,142,471	54,299,366
Other revenue from own sources	12,562,410	8,043,610	-	20,606,020	9,905,175	30,511,195
	319,603,485	27,236,760	10,518,819	357,359,064	(14,715,327)	342,643,737
Expenditures						
General government services	43,410,445	-	-	43,410,445	7,028,949	50,439,394
Fiscal services	41,215,261	55,900	-	41,271,161	(16,831,456)	24,439,705
Transportation services	59,764,774	27,180,860	-	86,945,634	(19,035,235)	67,910,399
Protective services	32,858,873	-	-	32,858,873	4,625,565	37,484,438
Environmental health services	79,473,539	-	-	79,473,539	(32,044,821)	47,428,718
Recreation and cultural services	27,080,877	-	10,518,819	37,599,696	(2,063,423)	35,536,273
Environmental development services	14,102,974	-	-	14,102,974	(7,304,268)	6,798,706
Amortization and allowances	21,696,742	-	-	21,696,742	28,807,426	50,504,168
	319,603,485	27,236,760	10,518,819	357,359,064	(36,817,263)	320,541,801
Excess of revenue over expenditures	-	-	-	-	22,101,936	22,101,936

Council approved the City's 2022 budget on December 13, 2021

CITY OF ST. JOHN'S
Consolidating Entries and PSAB Adjustments
Year ended December 31, 2022

Schedule 8 (continued)

	\$
Revenues	
1. Eliminate transfers from reserves	(6,766)
2. Eliminate grants to SJSE	(5,101,586)
3. Eliminate grants to SJTC	(20,140,387)
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	(5,357,165)
7. Eliminate tipping fees paid by City entities	(2,408,679)
8. Eliminate general government charges	(2,914,133)
9. Eliminate debt charges recoverable	(24,672,499)
10. Record provincial capital grants	11,952,976
11. Record federal capital grants	4,697,228
12. Record other capital grants	488,723
13. Record capital contribution from developers	7,454,317
14. Record recovery of fire protection services	11,752,499
15. Record interest earned on sinking funds	9,935,941
16. Record gain on sale of capital assets	289,949
	<u>(14,715,327)</u>
Expenses	
1. Eliminate transfers from reserves	(3,038,385)
2. Eliminate grants to SJSE	(5,101,586)
3. Eliminate grants to SJTC	(20,140,387)
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	(5,357,165)
7. Eliminate tipping fees paid by City entities	(2,408,679)
8. Eliminate general government charges	(2,914,133)
9. Eliminate debt charges recoverable	(25,865,499)
10. Eliminate capital expenditures	(18,289,785)
11. Eliminate sinking fund payments	(16,831,456)
12. Eliminate principal payments on LTD	(809,379)
13. Eliminate recovery of fire protection services	11,752,499
14. Record amortization of capital assets	49,154,169
15. Record employee post retirement benefits	3,718,268
	<u>(36,817,263)</u>
Excess of revenues over expenditures	<u><u>22,101,936</u></u>