Consolidated Financial Statements of

CITY OF ST. JOHN’S

December 31, 2025

CITY OF ST. JOHN'S
December 31, 2025

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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

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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, 2025, 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, 2025, 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 responsible to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting an, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements, or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, the future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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 30, 2026

CITY OF ST. JOHN'S
Consolidated Statement of Operations and Accumulated Surplus
Year ended December 31, 2025

	Budget 2025	**Actual 2025**	Actual 2024
	$	**$**	$
	(Schedule 8)		
Revenues (Schedule 5)			
Taxation	244,740,017	**245,558,537**	242,167,059
Grants in lieu of taxes	9,266,962	**9,338,652**	9,208,497
Grants and transfers	48,901,646	**63,453,381**	46,974,627
Sales of goods and services	56,235,570	**63,457,793**	60,421,617
Other revenue from own sources	27,461,331	**25,904,289**	27,318,453
	386,605,526	**407,712,652**	386,090,253
Expenditures (Schedule 6)			
General government services	44,854,480	**43,460,428**	47,972,302
Fiscal services	10,968,603	**11,365,985**	11,590,493
Transportation services	85,206,041	**83,180,883**	84,485,619
Protective services	41,167,224	**43,255,125**	41,579,640
Environmental health services	56,620,180	**58,579,800**	56,947,838
Recreation and cultural services	76,635,178	**80,614,765**	40,799,424
Environmental development services	9,742,601	**11,614,012**	8,261,146
Amortization and allowances	53,794,500	**54,332,828**	51,059,663
	378,988,807	**386,403,826**	342,696,125
Excess of revenues over expenditures	7,616,719	**21,308,826**	43,394,128
Accumulated surplus, beginning of year	909,903,663	**909,903,663**	866,509,535
Accumulated surplus, end of year (Note 16)	917,520,382	**931,212,489**	909,903,663

See accompanying notes to the consolidated financial statements

CITY OF ST. JOHN'S
Consolidated Statement of Financial Position
As at December 31, 2025

	2025	2024
	$	$
Financial assets		
Cash and cash equivalents (Note 3)	**107,753,866**	106,354,044
Investments (Note 4)	**13,726,157**	18,762,715
Accounts receivable - current (Note 5)	**58,962,513**	57,808,862
Accounts receivable - long-term (Note 6)	**245,035**	293,481
Sinking fund investments (Note 11 and Schedule 2)	**53,519,307**	54,181,892
	234,206,878	237,400,994
Financial liabilities		
Payables and accruals (Note 7)	**69,981,859**	70,681,556
Deferred revenue (Note 8)	**11,022,602**	8,926,335
Asset retirement obligations (Note 9)	**27,009,250**	25,929,529
Employee benefits (Note 10)	**226,414,041**	230,519,561
Debenture debt (Note 11 and Schedule 2)	**290,512,000**	317,902,000
Long-term debt (Note 12)	**4,327,921**	852,531
Trust funds payable	-	-
	629,267,673	654,811,512
Net debt	**(395,060,795)**	(417,410,518)
Non-financial assets		
Tangible capital assets (Schedule 1)	**1,316,851,078**	1,319,111,542
Inventory of materials and supplies	**5,921,361**	4,993,172
Prepaid expenditures	**3,500,845**	3,209,467
	1,326,273,284	1,327,314,181
Accumulated surplus (Note 16)	**931,212,489**	909,903,663

Contingencies and commitments (Note 19)

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, 2025

	Budget 2025	2025	2024
	$	$	$
Excess of revenues over expenditures	**7,616,719**	**21,308,826**	43,394,128
Changes in tangible capital assets			
Acquisition of tangible capital assets and contributed tangible capital assets	**(84,346,473)**	**(87,418,939)**	(84,346,473)
Net book value of tangible capital assets disposals/transfers	**1,566,908**	**38,515,389**	1,566,908
Amortization of tangible capital assets	**51,164,014**	**51,164,014**	47,603,952
Decrease (increase) in net book value of tangible capital assets	**(31,615,551)**	**2,260,464**	(35,175,613)
Changes in other non-financial assets			
Change in prepaid expenditures	**-**	**(291,378)**	541,919
Acquisition of inventory and supplies, net of usage	**-**	**(928,189)**	(252,234)
(Increase) decrease in other non-financial assets	**-**	**(1,219,567)**	289,685
Decrease (increase) in net debt	**(23,998,832)**	**22,349,723**	8,508,200
Net debt, beginning of year	**(417,410,518)**	**(417,410,518)**	(425,918,718)
Net debt, end of year	**(441,409,350)**	**(395,060,795)**	(417,410,518)

CITY OF ST. JOHN'S
Consolidated Statement of Cash Flows
Year ended December 31, 2025

	2025	2024
	$	$
Operating transactions		
Excess of revenues over expenditures	**21,308,826**	43,394,128
Non-cash charges to operations:		
Amortization of tangible capital assets	**51,164,014**	47,603,952
Change in estimate of ARO	**164,896**	(1,346,058)
Contributed tangible capital assets	**(11,581,127)**	-
Employee benefits	**(4,105,520)**	1,691,707
Loss on disposal of tangible capital assets	**35,641,486**	558,111
	92,592,575	91,901,840
Net change in working capital balances (Note 17)	**103,073**	14,254,161
	92,695,648	106,156,001
Capital transactions		
Acquisition of tangible capital assets	**(76,002,708)**	(83,000,415)
Proceeds from sale of tangible capital assets	**2,873,903**	1,008,797
	(73,128,805)	(81,991,618)
Financing transactions		
Decrease (increase) in long-term accounts receivable	**48,446**	(141,663)
Repayment of debenture debt	**(27,390,000)**	(20,000,000)
Increase (decrease) in long-term debt	**3,475,390**	(422,605)
	(23,866,164)	(20,564,268)
Investing transactions		
Decrease (increase) in sinking fund investments	**662,585**	(4,065,178)
Decrease (increase) in investments	**5,036,558**	(1,501,814)
	5,699,143	(5,566,992)
Increase (decrease) in cash and cash equivalents	**1,399,822**	(1,966,877)
Cash and cash equivalents, beginning of year	**106,354,044**	108,320,921
Cash and cash equivalents, end of year	**107,753,866**	106,354,044

Supplementary cash flow information (Note 17)

See accompanying notes to the consolidated financial statements

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:

Nature of operations

The City of St. John's (the "City") is a municipality incorporated in 1921 pursuant to the City of St. John's Act. The City provides or funds a broad range of municipal services for the benefit of residents, business, and visitors within its boundaries. These services include non-profit housing, fire protection, public works, transportation infrastructure, water and wastewater services, waste management, planning and development, recreation and cultural services, parks and open spaces, and other general government operations.

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 uncollectible 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.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

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

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.

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.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Tangible capital assets

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

	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	10-50

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.

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.

Investments in rental housing projects

Investments in rental housing projects are recorded at cost.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 statement of financial position 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.

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.

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

2. CHANGE IN ACCOUNTING ESTIMATE

During the year, the City reviewed its methodology for determining the discount rate used in measuring its pension obligations in accordance with Public Sector Accounting Standard PS 3250 Retirement Benefits. Under PS 3250, actuarial assumptions are required to represent management's best estimate of future expectations.

Previously, the City applied a discount rate which aligned with the rate used for funding valuation purposes. Effective December 31, 2025, the City revised its approach to determining the discount rate for accounting purposes to better reflect a best-estimate, market-based assumption. Under the revised methodology, the discount rate is based on the expected long-term rate of return on plan assets.

The effect of this change has been applied prospectively and has resulted in an increase in deferred actuarial gains of $29.6 million for 2025 in comparison to the gain that would have been determined using the historic methodology for discount rates. The change will also result in a reduction of pension expense in future periods, as deferred gains are recognized.

3. CASH AND CASH EQUIVALENTS

	2025	2024
	$	$
Cash	**46,209,361**	48,990,297
Restricted cash deposits:		
Robin Hood Bay post closure costs (Note 9)	**17,862,358**	16,113,315
Robin Hood Bay equipment replacement	**10,329,343**	10,211,517
Robin Hood Bay operating reserve	**5,500,587**	-
Riverhead wastewater equipment replacement	**3,371,504**	2,858,659
Advance payments from developers	**49,534**	48,095
Canada community building fund	**15,113,482**	18,004,628
Fire department equipment replacement	**(162,284)**	1,751,077
Water system equipment replacement	**1,381,871**	1,057,223
Urban living affordable housing:		
Tenants' security deposits	**135,877**	132,911
Replacement reserve fund	**7,962,233**	7,186,322
	61,544,505	57,363,747
	107,753,866	106,354,044

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, 2025 the City held cash of $7,962,233 (2024 - $7,186,322).

4. INVESTMENTS

	2025	2024
	$	$
Government bonds	**10,891,661**	10,938,591
Short term investment funds	**2,834,496**	7,824,124
	13,726,157	18,762,715

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

	2025	2024
	$	$
Taxes	**25,890,842**	28,511,472
Other governments	**27,598,077**	25,976,522
Other	**18,162,374**	16,131,139
Allowance for doubtful accounts	**(12,688,780)**	(12,810,271)
	58,962,513	57,808,862

6. ACCOUNTS RECEIVABLE - LONG TERM

	2025	2024
	$	$
Civic assessments	**245,035**	293,481
	245,035	293,481

7. PAYABLES AND ACCRUALS

	2025	2024
	$	$
Trade	**46,377,912**	47,121,198
Wages and benefits payable	**9,638,071**	9,180,925
Deposits and prepayments	**9,366,849**	9,697,883
Accrued interest	**4,498,382**	4,540,288
Other governments	**100,645**	141,262
	69,981,859	70,681,556

8. DEFERRED REVENUE

	2025	2024
	$	$
Government transfers	**3,469,132**	4,766,481
Licenses and permits	**983,399**	905,088
Sales of goods and services	**2,179,525**	1,359,205
Events	**4,390,546**	1,895,561
	11,022,602	8,926,335

9. 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 accreted starting at initial recognition of the obligation to the end of the useful life of the landfill. Future retirement expenditures will be charged against the accumulated liability as incurred. The corresponding asset retirement cost is added to the carrying value of the related asset and is amortized on a straight line basis over the life of the asset.

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.

9. ASSET RETIREMENT OBLIGATION (Continued)

At December 31, 2025, the estimated total undiscounted inflation-adjusted amount required to settle the asset retirement obligation is $126,559,746. The cash flows are discounted at the rate of 4.8% (2024 - 4.8%) 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.

	2025	2024
	$	$
Beginning of year	**25,929,529**	23,569,963
Change in discount rate	**-**	(3,422,541)
Change in estimates	**(164,896)**	4,768,599
Accretion	**1,244,617**	1,013,508
End of year	**27,009,250**	25,929,529

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, 2025 was $17,862,358 (2024 - $16,113,315).

10. EMPLOYEE BENEFITS

	2025	2024
	$	$
Accrued pension benefits (Note 13)	**(20,155,208)**	(14,108,978)
Employee future benefits (Note 14)	**216,675,151**	216,651,203
Severance and sick leave benefits (Note 15)	**29,894,098**	27,977,336
	226,414,041	230,519,561

11. DEBENTURE DEBT

	2025	2024
	$	$
Debenture debt outstanding (Schedule 2)	**290,512,000**	317,902,000
Less: sinking fund investments available	**53,519,307**	54,181,892
	236,992,693	263,720,108

As at December 31, 2025, the City held a carrying value of $199.5M (2024 – $190.0M) 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 2025 on debt was $20,846,751 (2024 - $21,847,169). Interest received or receivable in 2025 on City owned debentures was $7,868,030 (2024 - $7,710,177).

11. 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
	$	$	$
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
2030	-	9,700,000	9,700,000
Thereafter	388,000,000	57,250,000	445,250,000

12. LONG-TERM DEBT

	2025	2024
	$	$
Long-term debt (Schedule 3)	**3,886,986**	-
Mortgages - Urban living non-profit housing (Schedule 4)	**440,935**	852,531
	4,327,921	852,531

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

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

Year	Non-profit housing mortgages	Long-term debt	Total
	$	$	$
2026	218,675	487,791	706,466
2027	135,360	509,649	645,009
2028	86,900	532,486	619,386
2029	-	556,347	556,347
2030	-	581,277	581,277
Thereafter	-	1,219,436	1,219,436

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 Term CORRA borrowing requests that can be paid in full at any time. At December 31, 2025, the outstanding balance of $1,685,833 (2024 - nil) bore interest of 3.54987%, with a rollover date of January 21, 2026.

13. ACCRUED PENSION BENEFITS

	2025	2024
	$	$
City of St. John's - Employees	**(24,955,400)**	(20,250,200)
City of St. John's - Mayor and Councillors	**5,941,200**	6,041,100
St. John's Transportation Commission	**(1,141,008)**	100,122
	(20,155,208)	(14,108,978)

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 ended December 31, 2024.

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, 2025.

	Employees	Supplementary Plan	2025	2024
	$	**$**	**$**	$
Accrued benefit obligation				
Balance, beginning of year	**516,152,200**	**1,727,700**	**517,879,900**	472,712,600
Current service cost	**12,055,700**	**37,100**	**12,092,800**	12,447,600
Interest cost	**26,537,900**	**81,600**	**26,619,500**	26,927,000
Benefits paid	**(22,802,900)**	**(54,900)**	**(22,857,800)**	(20,746,000)
Past services and FABA contributions	**15,800**	**-**	**15,800**	45,200
Actuarial loss/(gain)	**(34,403,600)**	**(36,500)**	**(34,440,100)**	26,493,500
Balance, end of year	**497,555,100**	**1,755,000**	**499,310,100**	517,879,900

13. ACCRUED PENSION BENEFITS (Continued)

	Employees	Supplementary Plan	2025	2024
	$	$	$	$
Plan assets				
Fair value, beginning of year	**575,062,200**	**-**	**575,062,200**	500,776,100
Return on plan assets	**27,199,500**	**-**	**27,199,500**	82,558,200
Benefits paid	**(22,802,900)**	**-**	**(22,802,900)**	(20,691,800)
Employer contributions	**6,505,100**	**-**	**6,505,100**	6,456,500
Employee contributions	**5,782,000**	**-**	**5,782,000**	5,918,000
Past services and FABA contributions	**15,800**	**-**	**15,800**	45,200
Fair value, end of year	**591,761,700**	**-**	**591,761,700**	575,062,200
Funded status (surplus)/deficit	**(94,206,600)**	**1,755,000**	**(92,451,600)**	(57,182,300)
Unamortized amounts	**66,390,000**	**1,106,200**	**67,496,200**	36,932,100
Accrued benefit (asset)/liability	**(27,816,600)**	**2,861,200**	**(24,955,400)**	(20,250,200)
Significant assumptions used for 2025				
Discount rate - Expense				
Ongoing plan	**5.75%**	**4.75%**		
Insured Annuities	**4.72%**	**0.00%**		
Discount rate - ABO				
Ongoing plan	**6.50%**	**4.90%**		
Insured Annuities	**4.90%**	**0.00%**		
Expected long-term rate of return on plan assets	**6.50%**	**0.00%**		
Rate of compensation increase	**3.50%**	**3.50%**		
Average remaining service period of active employees	**13 years**	**11 years**		
Significant assumptions used for 2024				
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	11 years		
Net benefit expense of the year				
Current service cost	**12,055,700**	**37,100**	**12,092,800**	12,447,600
Interest cost	**26,537,900**	**81,600**	**26,619,500**	26,927,000
Amortization of losses/(gains)	**(994,900)**	**(108,500)**	**(1,103,400)**	684,700
Employee contributions	**(5,782,000)**	-	**(5,782,000)**	(5,918,000)
Expected return on plan assets	**(29,972,100)**	-	**(29,972,100)**	(28,556,800)
Net benefit expense	**1,844,600**	**10,200**	**1,854,800**	5,584,500

13. ACCRUED PENSION BENEFITS (Continued)

City of St. John's - Mayor and Councillors

	2025	2024
	$	$
Accrued benefit obligation		
Balance, beginning of year	**5,693,300**	5,615,100
Current service cost	**131,300**	125,300
Past service amendment cost'	**-**	-
Interest cost	**265,900**	262,300
Benefits paid	**(323,200)**	(309,400)
Actuarial gain	**(506,300)**	-
Balance, end of year	**5,261,000**	5,693,300
Unamortized amounts	**680,200**	347,800
Accrued benefit liability	**5,941,200**	6,041,100
Significant assumptions used		
Discount rates		
Pension expense	**4.75%**	4.75%
Accrued benefit obligation	**4.90%**	4.75%
Rate of compensation increase	**3.50%**	3.15%
Average remaining service period	**4 years**	2 years
Net benefit expense of the year		
Current service cost	**131,300**	125,300
Interest cost	**265,900**	262,300
Amortization of gains	**(173,900)**	(173,900)
Net benefit expense	**223,300**	213,700

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, 2025. The supplementary plan estimate was prepared using the same actuarial assumptions used for the Non-Union plan with the exception of the discount rate.

13. ACCRUED PENSION BENEFITS (Continued)

	Employees	Supplementary	2025	2024
	$	$	$	$
Accrued benefit obligation				
Balance, beginning of year	**62,282,603**	**5,847**	**62,288,450**	58,123,236
Current service cost	**1,336,565**	**187**	**1,336,752**	1,463,833
Interest cost	**3,425,337**	**281**	**3,425,618**	3,248,536
Benefits paid	**(3,334,279)**	**-**	**(3,334,279)**	(3,516,934)
Actuarial loss/(gain)	**(6,851,973)**	**(314)**	**(6,852,287)**	2,969,779
Balance, end of year	**56,858,253**	**6,001**	**56,864,254**	62,288,450
Plan assets				
Fair value, beginning of year	**65,111,755**	**-**	**65,111,755**	60,924,136
Return on plan assets	**5,339,619**	**-**	**5,339,619**	6,079,102
Benefits paid	**(3,334,279)**	**-**	**(3,334,279)**	(3,516,934)
Employer contributions	**1,743,466**	**-**	**1,743,466**	1,052,827
Employee contributions	**534,607**	**-**	**534,607**	572,624
Fair value, end of year	**69,395,168**	**-**	**69,395,168**	65,111,755
Funded status (surplus)/deficit	**(12,536,915)**	**6,001**	**(12,530,914)**	(2,823,305)
Unamortized amounts	**11,297,428**	**92,478**	**11,389,906**	2,923,427
Accrued benefit (asset)/liability	**(1,239,487)**	**98,479**	**(1,141,008)**	100,122
Significant assumptions used				
Discount rate	**6.65%**	**5.16%**		5.70%
Expected long-term rate of return on plan assets	**5.70%**	**5.70%**		5.80%
Rate of compensation increase	**2.00%**	**2.00%**		2.00%
Average remaining service period of active employees	**11.9 years**	**2 years**		11.9 years
Net benefit expense of the year				
Current service cost	**1,336,565**	**187**	**1,336,752**	1,463,833
Interest cost	**3,425,337**	**281**	**3,425,618**	3,248,536
Amortization of (gains)/losses	**(68,085)**	**(46,081)**	**(114,166)**	(297,350)
Employee contributions	**(534,607)**	**-**	**(534,607)**	(572,624)
Expected return on plan assets	**(3,611,261)**	**-**	**(3,611,261)**	(3,417,423)
Net benefit expense	**547,949**	**(45,613)**	**502,336**	424,972

14. 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, 2025.

14. EMPLOYEE FUTURE BENEFITS (Continued)

	City	Commission	2025	2024
	$	$	$	$
Accrued benefit obligation				
Balance, beginning of year	**140,719,200**	**11,579,833**	**152,299,033**	149,111,752
Current service cost	**3,707,800**	**443,846**	**4,151,646**	4,030,093
Interest cost	**6,645,100**	**547,781**	**7,192,881**	7,046,140
Benefits paid	**(5,354,700)**	**(199,590)**	**(5,554,290)**	(5,254,549)
Actuarial gain	**(6,594,100)**	**(474,486)**	**(7,068,586)**	(2,634,403)
Balance, end of year	**139,123,300**	**11,897,384**	**151,020,684**	152,299,033
Funded status - deficit	**139,123,300**	**11,897,384**	**151,020,684**	152,299,033
Unamortized amounts	**58,108,500**	**7,545,967**	**65,654,467**	64,352,170
Accrued benefit liability	**197,231,800**	**19,443,351**	**216,675,151**	216,651,203
Significant assumptions used for 2025				
Discount rate	**4.90%**	**5.16%**		
Average remaining service period of active employees	**13 years**	**13.6 years**		
Significant assumptions used for 2024				
Discount rate	4.75%	4.73%		
Average remaining service period of active employees	13 years	13.6 years		
Net benefit expense of the year				
Current service cost	**3,707,800**	**443,846**	**4,151,646**	4,030,093
Interest cost	**6,645,100**	**547,781**	**7,192,881**	7,046,140
Amortization of gains	**(5,209,500)**	**(556,789)**	**(5,766,289)**	(4,114,746)
Net benefit expense	**5,143,400**	**434,838**	**5,578,238**	6,961,487

15. SEVERANCE AND SICK LEAVE BENEFITS

	2025	2024
	$	$
City of St. John's	**28,129,600**	26,409,300
St. John's Transportation Commission	**1,378,910**	1,227,256
St. John's Sports and Entertainment	**385,588**	340,780
	29,894,098	27,977,336

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.

15. SEVERANCE AND SICK LEAVE BENEFITS (Continued)

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, 2025.

	Severance	**Sick Leave**	**2025**	2024
	$	**$**	**$**	$
Accrued benefit obligation				
Balance, beginning of year	**13,389,300**	**14,184,600**	**27,573,900**	26,276,400
Current service cost	**1,281,100**	**1,296,000**	**2,577,100**	2,490,000
Interest cost	**643,100**	**671,100**	**1,314,200**	1,249,200
Benefits paid	**(983,000)**	**(1,408,100)**	**(2,391,100)**	(2,220,100)
Settlement payments	**-**	**-**	**-**	(221,600)
Actuarial (gain)/loss	**(174,000)**	**(145,600)**	**(319,600)**	-
Balance, end of year	**14,156,500**	**14,598,000**	**28,754,500**	27,573,900
Funded status - deficit	**14,156,500**	**14,598,000**	**28,754,500**	27,573,900
Unamortized amounts	**2,099,100**	**(2,724,000)**	**(624,900)**	(1,164,600)
Accrued benefit liability	**16,255,600**	**11,874,000**	**28,129,600**	26,409,300
Significant assumptions used				
Discount rate	**4.90%**	**4.90%**		4.75%
Average remaining service period of active employees	**13 years**	**14 years**		13 years
Net benefit expense of the year				
Current service cost	**1,281,100**	**1,296,000**	**2,577,100**	2,490,000
Interest cost	**643,100**	**671,100**	**1,314,200**	1,249,200
Amortization of (gain)/loss	**(100,400)**	**320,500**	**220,100**	240,200
Net benefit expense	**1,823,800**	**2,287,600**	**4,111,400**	3,979,400

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, 2025 is $192,290 (2024 - $162,518).

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, 2025 is $1,186,620 (2024 - $1,064,738).

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.

15. SEVERANCE AND SICK LEAVE BENEFITS (Continued)

An actuarial valuation of the plan was completed as at December 31, 2023 and extrapolated to December 31, 2025.

	Severance	**Sick Leave**	**2025**	2024
	$	**$**	**$**	$
Accrued benefit obligation				
Balance, beginning of year	**147,958**	**169,602**	**317,560**	222,155
Current service cost	**31,461**	**36,671**	**68,132**	54,367
Interest cost	**7,640**	**8,292**	**15,932**	11,767
Benefits paid	**(5,695)**	**(26,723)**	**(32,418)**	(23,833)
Actuarial loss/(gain)	**(2,950)**	**(1,468)**	**(4,418)**	53,104
Balance, end of year	**178,414**	**186,374**	**364,788**	317,560
Funded status - deficit	**178,414**	**186,374**	**364,788**	317,560
Unamortized amounts	**39,765**	**(18,965)**	**20,800**	23,220
Accrued benefit liability	**218,179**	**167,409**	**385,588**	340,780
Significant assumptions used				
Discount rate			**4.75%**	4.75%
Average remaining service period of active employees			**11 years**	11 years
Net benefit expense of the year				
Current service cost	**31,461**	**36,671**	**68,132**	54,367
Interest cost	**7,640**	**8,292**	**15,932**	11,767
Amortization of gains	**(5,086)**	**(1,753)**	**(6,839)**	(9,729)
Net benefit expense	**34,015**	**43,210**	**77,225**	56,405

16. ACCUMULATED SURPLUS

	2025	2024
	$	$
Accumulated surplus, beginning of year	**909,903,663**	866,509,535
Excess of revenue over expenditures	**21,308,826**	43,394,128
Accumulated surplus, end of year	**931,212,489**	909,903,663
Appropriated surplus		
Urban living non-profit housing - replacement reserve	**7,962,233**	7,186,322
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	**(6,099,225)**	(6,084,344)
Reserve for capital	**16,758,377**	17,238,092
Reserve for employee benefits stabilization fund	**1,997,091**	1,997,091
Reserve for Robin Hood Bay equipment replacement	**10,329,343**	10,211,517
Reserve for Riverhead wastewater equipment replacement	**3,371,504**	2,858,659
Reserve for affordable housing	**146,132**	133,896
	36,528,395	35,604,173
Unappropriated surplus	**894,684,094**	874,299,490
	931,212,489	909,903,663

17. SUPPLEMENTARY CASH FLOW INFORMATION

	2025	2024
	$	$
Changes in working capital balances:		
Accounts receivable	**(1,153,651)**	156,674
Inventory of materials and supplies	**(928,189)**	(252,234)
Prepaid expenditures	**(291,378)**	541,919
Payables and accruals	**380,025**	9,853,717
Deferred revenue	**2,096,266**	3,954,085
	103,073	14,254,161
Interest paid	**11,289,330**	11,514,472

18. 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, 2025 were nil (2024 - nil).

19. 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, 2025, the City recorded an estimated liability of $4,267,634 (2024 - $4,572,622) for such claims. This liability, which is reported as payables and accruals on the statement of financial position, 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, 2025, the Commission recorded an estimated liability of $842,770 (2024 - $802,973) for such claims.

Lease and service agreements

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

2026	5,201,287
2027	4,494,447
2028	2,757,579
2029	2,025,628
2030	1,382,099
Thereafter	841,165

19. CONTINGENCIES AND COMMITMENTS (Continued)

St. John's Sports and Entertainment is currently in year 8 of a 10-year food service management agreement with Sodexo 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.

In 2024, preliminary environmental testing at 310 Empire Avenue, the site of a former landfill, indicated further assessment is required to determine whether environmental standards have been exceeded and if a remediation obligation exists. The site has been used as a sports field for several decades and is expected to continue in its current use. Additional testing is planned to supplement prior results. As at the audit report date the extent of any potential contamination and cost of remediation is unknown and a liability has not been recognized.

20. 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. Investments are held at amortized cost and consist primarily of government bonds. 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.

20. FINANCIAL RISK (Continued)

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

	2025	2024
	$	$
Less than 1 year	57,159,335	55,693,820
1 to 3 years	8,376,057	7,609,385
Over 3 years	6,115,901	7,315,928
Less: impairment allowance	(12,688,780)	(12,810,271)
	58,962,513	57,808,862

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:

	2025		
	Less than 1 year	1 to 5 years	Over 5 years
	$	$	$
Accounts payable and accrued liabilities	69,981,859	-	-
Long-term debt	706,466	3,010,671	612,113
Debenture debt	60,000,000	112,000,000	318,000,000
	130,688,325	115,010,671	318,612,113

	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
	89,091,823	102,442,264	388,000,000

21. 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

Schedule 1

Consolidated Schedule of Tangible Capital Assets

Year Ended December 31, 2025

	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	2025 Totals	2024 Totals
	$	$	$	$	$	$	$	$	$	$
Cost										
Balance, beginning 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
Add: Additions during the year	**-**	**658,663**	**-**	**11,238,547**	**20,895,946**	**2,897,097**	**52,297,223**	**-**	**87,987,476**	87,054,150
Less: Disposals during the year	**-**	**(36,172,988)**	**-**	**(92,549)**	**(15,248,464)**	**(2,452,570)**	**(403,641)**	**-**	**(54,370,212)**	(21,428,513)
Adjustments	**873,556**	**69,264,117**	**-**	**19,336,654**	**21,989,860**	**1,455,629**	**(112,919,816)**	**-**	**-**	-
Change in estimate of ARO	**-**	**(164,896)**	**-**	**-**	**-**	**-**	**-**	**-**	**(164,896)**	1,346,058
Balance, end of year	**66,692,930**	**600,258,591**	**8,452,167**	**945,159,961**	**295,823,384**	**44,536,432**	**59,458,995**	**50,719,554**	**2,071,102,014**	2,037,649,646
Accumulated amortization										
Balance, beginning 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
Add: Additions during the year	**-**	**14,749,360**	**146,723**	**17,624,145**	**16,035,733**	**1,475,700**	**-**	**1,132,353**	**51,164,014**	47,603,952
Less: Disposals during the year	**-**		**-**	**(84,119)**	**(13,097,885)**	**(2,269,178)**	**-**	**-**	**(15,451,182)**	(15,807,870)
Adjustments	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-
Balance, end of year	**-**	**212,036,702**	**1,642,676**	**314,372,866**	**174,346,222**	**18,711,486**	**-**	**33,140,984**	**754,250,936**	718,538,104
Net book value of tangible capital assets	**66,692,930**	**388,221,889**	**6,809,491**	**630,787,095**	**121,477,162**	**25,824,946**	**59,458,995**	**17,578,570**	**1,316,851,078**	1,319,111,542

Included in Equipment, Vehicles & Moveable Plant are assets acquired under capital lease with a carrying value of $3,751,112 (2024 - nil). Amortization expense for the year related to these assets is $332,710 (2024 - nil). These assets are amortized on a straight-line basis over their useful life.

Included in disposals of Buildings & Permanent Improvements is the transfer of the 2025 Canada Summer Games Track and Field Facility to the Government of Newfoundland and Labrador, in accordance with the terms and conditions of the original construction and funding agreements. No proceeds were received on transfer. As a result, a loss equal to the net book value of $36,172,988 has been recognized in the statement of operations for the year. (Schedule 6)

CITY OF ST. JOHN'S

Schedule 2

Consolidated Schedule of Debenture Debt

December 31, 2025

			2025			2024		
Date of Maturity	Interest Rate	Amount Issued	**Sinking Funds Available**	**Bond Premium**	**Sinking Fund Requirement in 2026**	Sinking Funds Available	Bond Premium	Sinking Fund Requirement in 2025
		$	**$**	**$**	**$**	$	$	$
Jun. 2025	5.534%			**-**		19,938,213	-	225,000
Mar. 2026	5.300%	25,000,000	**25,000,000**	**-**	**312,500**	23,287,912	238,828	625,000
Dec. 2026	4.975%	35,000,000	**35,000,000**	**-**	**875,000**	36,412,466	368,936	875,000
Dec. 2027	5.400%	15,000,000	**15,000,000**	**421,400**	**375,000**	10,251,529	-	375,000
Nov. 2029	5.539%	27,000,000	**27,000,000**	**-**	**675,000**	14,661,798	-	675,000
Aug. 2031	4.622%	70,000,000	**46,724,576**	**135,864**	**1,750,000**	48,203,258	163,037	1,750,000
Dec. 2033	4.500%	60,000,000	**23,672,995**	**1,257,354**	**1,500,000**	21,044,101	1,113,293	1,500,000
Mar. 2036	4.215%	120,000,000	**31,433,744**	**2,684,111**	**3,000,000**	26,887,064	2,957,259	3,000,000
Sep. 2040	2.916%	138,000,000	**18,888,317**	**(122,038)**	**3,450,000**	14,934,522	(104,311)	3,450,000
		490,000,000	**222,719,632**	**4,376,691**	**11,937,500**	215,620,863	4,737,042	12,475,000

As at December 31, 2025, the City held a carrying value of $199.5M (2024 – $190.0M) 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 11). 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 2025 are $7.8M and $21.7M respectively (2024 - $7.8M and $22.3M).

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 Long-Term Debt

December 31, 2025

	Date of Maturity	Interest Rate	Amount Issued	**2025** Amount Outstanding	**2025** Principal Requirement in 2026	2024 Amount Outstanding	2024 Principal Requirement in 2025
			$	**$**	**$**	$	$
Capital Lease							
4 Wheel Loaders	Nov. 19, 2032	4.3936%	1,618,982	**1,602,485**	**202,732**	-	-
6 Wheel Loaders	Dec. 1, 2032	4.3900%	2,284,501	**2,284,501**	**285,059**	-	-
			3,903,483	**3,886,986**	**487,791**	-	-

CITY OF ST. JOHN'S

Schedule 4

Consolidated Schedule of Mortgages - Urban Living Non-Profit Housing

December 31, 2025

	Date of Maturity	Interest Rate	Amount Issued	**2025 Amount Outstanding**	2024 Amount Outstanding
			$	**$**	$
Newfoundland & Labrador Housing Corporation					
Gear Street - Infill 1988	Sept. 1, 2025	2.040%	1,929,560	**-**	75,926
Brookfield Road	Dec. 1, 2025	2.040%	2,203,600	**-**	114,283
Cochrane Street	Nov. 1, 2027	1.710%	745,887	**56,037**	91,898
Infill 1990	Nov. 1, 2026	1.640%	1,628,008	**70,188**	145,596
Campbell Avenue	Feb. 1, 2028	1.620%	968,952	**105,059**	150,688
Infill 1992	Dec. 1, 2028	2.040%	1,682,553	**209,651**	274,140
			9,158,560	**440,935**	852,531
Current portion				**218,675**	410,267

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

CITY OF ST. JOHN'S

Schedule 5

Consolidated Schedule of Revenues

Year ended December 31, 2025

	2025	2024
	$	$
Taxation		
Real property	**195,147,832**	193,784,443
Water	**38,242,201**	37,003,483
Utility	**7,568,387**	7,249,709
Accommodation	**4,600,117**	4,129,424
	245,558,537	242,167,059
Grants in lieu of taxes		
Government of Canada	**4,955,519**	4,955,519
Government of Canada agencies	**953,195**	936,132
Water tax grant	**3,429,938**	3,316,846
	9,338,652	9,208,497
Grants and transfers		
Government of Canada		
Capital grant	**12,839,546**	14,636,851
St. John's Transportation Commission	**94,500**	94,500
Community building fund	**7,629,428**	2,496,994
Other federal grants	**5,277,150**	1,929,812
Government of Newfoundland and Labrador		
Gas tax funding	**831,153**	831,153
Municipal capital grant	**21,008,064**	21,983,981
Capital Grant - Non-Profit Housing	**-**	-
Recovery of debt charges	**-**	-
Rental housing projects	**898,162**	787,685
Other provincial grants	**1,224,184**	163,816
City of Mount Pearl and Town of Paradise		
Capital contribution	**218,792**	290,864
City of Mount Pearl and Town of Paradise		
Public transit contribution	**1,704,575**	1,490,059
Capital contribution from Developers	**11,581,128**	-
Other grants	**146,699**	2,268,912
	63,453,381	46,974,627
Sales of goods and services		
Environmental health services		
Water sales - commercial and shipping	**7,408,623**	7,627,900
Tipping fees	**14,713,003**	13,925,082
Recycling materials	**762,049**	935,698
Regional Fire recovery	**12,849,867**	12,535,648

CITY OF ST. JOHN'S

Schedule 5 (continued)

Consolidated Schedule of Revenues

Year ended December 31, 2025

	2025	2024
	$	$
Sales of goods and services (continued)		
Environmental health services (continued)		
Regional Water recovery	**9,643,007**	9,061,544
Regional Waste Water recovery	**998,736**	883,456
Other	**559,759**	734,303
General government services	**1,167,888**	1,264,532
Transportation services		
Parking	**1,497,490**	1,413,771
Parking permits	**274,402**	206,435
Other	**32,625**	51,550
Third party charges	**145,996**	540,817
Sale of land	**803,132**	322,859
Gain on disposal of capital assets	**531,502**	-
Recreation, parks and tourism	**2,769,414**	2,695,441
St. John's Sports & Entertainment Ltd.	**8,808,300**	7,990,728
Other general services	**492,000**	231,853
	63,457,793	60,421,617
Other revenue from own sources		
Interest on tax arrears	**2,625,998**	2,480,245
Interest earned on portfolio investments	**415,000**	415,000
Fines	**2,290,893**	2,073,342
Construction and other permits	**3,300,756**	2,633,724
Interest earned	**4,345,762**	6,454,451
Business and amusement licenses	**179,238**	130,968
Rents, concessions and franchises	**83,346**	71,288
Apartment rentals	**3,787,941**	3,717,466
St. John's Transportation Commission		
Passenger fares	**8,310,336**	8,260,572
Transit advertising	**259,459**	212,956
Charters	**13,524**	24,085
Sundry	**245,725**	183,827
Civic assessments	**32,750**	490,298
Sub - division assessments	**13,561**	170,231
	25,904,289	27,318,453
Total revenue	**407,712,652**	386,090,253

CITY OF ST. JOHN'S

Schedule 6

Consolidated Schedule of Expenditures

Year ended December 31, 2025

	2025	2024
	$	$
General government services		
Legislative	**916,933**	943,394
General government	**27,870,629**	29,717,018
Engineering services	**9,293,152**	8,611,592
Pension Expense	**2,078,100**	5,798,200
Employee future benefits and other related expenses	**2,087,625**	1,952,317
Other general government	**1,213,989**	949,781
	43,460,428	47,972,302
Fiscal services		
Interest on debenture debt	**11,260,640**	11,478,285
Non-Profit Housing mortgage interest	**22,094**	36,187
St. John's Transportation Commission interest	**6,596**	-
Other debt charges	**76,655**	76,021
	11,365,985	11,590,493
Transportation services		
Road transport		
Administration	**3,810,339**	3,520,606
Fleet services	**636,620**	864,352
Snow clearing	**22,791,475**	25,153,233
Streets, roads and sidewalks	**17,824,093**	18,363,543
Maintenance depot	**1,651,531**	1,802,169
Traffic services	**1,927,735**	2,093,474
Street cleaning	**290,952**	279,875
Street lighting	**4,471,106**	4,353,277
St. John's Transportation Commission	**29,229,674**	27,613,565
Parking	**547,358**	441,525
	83,180,883	84,485,619
Protective services		
Fire protection	**35,904,460**	34,358,019
Protective inspections	**3,709,343**	3,499,257
Traffic enforcement	**2,138,449**	2,260,720
Animal and pest control	**1,502,873**	1,461,644
	43,255,125	41,579,640
Environmental health services		
Water supply and distribution	**21,148,180**	21,034,182
Regional Water system	**8,763,777**	8,616,082
Regional Waste Water system	**4,900,170**	4,304,327
Regional Robin Hood Bay landfill	**16,509,367**	15,764,988
Garbage, waste collection and disposal	**7,258,306**	7,228,259
	58,579,800	56,947,838

CITY OF ST. JOHN'S

Schedule 6 (continued)

Consolidated Schedule of Expenditures

Year ended December 31, 2025

	2025	2024
	$	$
Recreation and cultural services		
Parks and open spaces	**14,403,648**	11,304,838
Recreation	**11,205,634**	10,441,882
St. John's Sports & Entertainment Ltd.	**13,516,633**	12,302,979
Destination St. John's	**2,051,460**	2,051,356
Loss on disposal of asset (Schedule 1)	**36,172,988**	-
Other recreation and cultural services	**3,264,402**	4,698,369
	80,614,765	40,799,424
Environmental development services		
Environmental planning and zoning	**2,710,208**	2,484,687
Housing and real estate	**7,359,139**	4,293,461
Other environmental development services	**1,544,665**	1,482,998
	11,614,012	8,261,146
Amortization and allowances		
Allowance for uncollectible accounts	**1,439,848**	1,745,409
Allowance for obsolete inventory	**148,480**	40,288
Loss on disposal fixed assets	**-**	558,111
Amortization	**51,164,014**	47,603,952
Amortization of Sinking Fund Premium	**1,580,486**	1,111,903
	54,332,828	51,059,663
Total expenditures	**386,403,826**	342,696,125

CITY OF ST. JOHN'S **Schedule 7**

Consolidated Schedule of Segmented Information

Year ended December 31, 2025

	General Government Services	Fiscal Services	Transportation Services	Protective Services	Environmental Health Services	Recreation and Cultural Services	Environmental Development Services	Amortization and Allowances	Consolidated 2025	2024
	$	$	$	$	$	$	$	$	$	$
Revenue (Schedule 5)										
Taxation	240,958,420	-	-	-	-	4,600,117	-	-	245,558,537	242,167,059
Grants in lieu of taxes	9,338,652	-	-	-	-	-	-	-	9,338,652	9,208,497
Grants and transfers	56,874,435	304,510	1,799,075	1,467	-	1,066,979	3,406,915	-	63,453,381	46,974,627
Sales of goods and services	12,496,058	-	1,501,130	12,132,826	25,499,556	11,585,601	242,622	-	63,457,793	60,421,617
Other revenue from own sources	7,103,662	-	9,018,838	4,761,945	945,444	-	4,074,400	-	25,904,289	27,318,453
	326,771,227	304,510	12,319,043	16,896,238	26,445,000	17,252,697	7,723,937	-	407,712,652	386,090,253
Expenditure (Schedule 6)										
Personnel	32,771,989	-	37,943,067	38,321,153	19,321,733	24,074,595	4,019,708	-	156,452,245	152,870,126
Contractual Services	9,567,726	-	25,482,370	2,560,780	29,069,363	10,220,071	4,827,218	-	81,727,528	82,993,296
Materials & Supplies	991,390	-	19,528,147	2,030,068	8,136,366	4,546,817	87,431	-	35,320,219	35,223,642
Capital Out of Revenue	124,078	-	19,580	37,790	775,263	42,811	-	-	999,522	385,953
Grants & Subsidies	-	-	142,229	154,132	-	39,260,929	2,595,435	-	42,152,725	5,839,457
Financial Charges	-	11,365,985	5,928	-	-	2,423,178	1,821	-	13,796,912	13,824,236
Other	5,245	-	59,562	151,202	1,277,075	46,364	82,399	54,332,828	55,954,675	51,559,415
	43,460,428	11,365,985	83,180,883	43,255,125	58,579,800	80,614,765	11,614,012	54,332,828	386,403,826	342,696,125
Excess of revenues over expenditures	283,310,799	(11,061,475)	(70,861,840)	(26,358,887)	(32,134,800)	(63,362,068)	(3,890,075)	(54,332,828)	21,308,826	43,394,128
Accumulated surplus, beginning of year									909,903,663	866,509,535
Accumulated surplus, end of year (Note 16)									931,212,489	909,903,663

CITY OF ST. JOHN'S

Schedule 8

Consolidated PSAB Budget

Year ended December 31, 2025

	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	245,877,368	-	-	245,877,368	(1,137,351)	244,740,017
Grants in lieu of taxes	9,266,962	-	-	9,266,962	-	9,266,962
Grants and transfers	28,514,418	20,229,850	5,412,760	54,157,028	(5,255,382)	48,901,646
Sales of goods and services	48,358,860	-	5,927,890	54,286,750	1,948,820	56,235,570
Other revenue from own sources	17,134,273	10,773,270	-	27,907,543	(446,212)	27,461,331
	349,151,881	31,003,120	11,340,650	391,495,651	(4,890,125)	386,605,526
Expenditures						
General government services	45,900,849	-	-	45,900,849	(1,046,369)	44,854,480
Fiscal services	36,146,109	185,100	-	36,331,209	(25,362,606)	10,968,603
Transportation services	73,477,711	30,818,020	-	104,295,731	(19,089,690)	85,206,041
Protective services	35,606,585	-	-	35,606,585	5,560,639	41,167,224
Environmental health services	91,872,932	-	-	91,872,932	(35,252,752)	56,620,180
Recreation and cultural services	31,211,989	-	11,340,650	42,552,639	34,082,539	76,635,178
Environmental development services	16,456,785	-	-	16,456,785	(6,714,184)	9,742,601
Amortization and allowances	18,478,921	-	-	18,478,921	35,315,579	53,794,500
	349,151,881	31,003,120	11,340,650	391,495,651	(12,506,844)	378,988,807
Excess of revenue over expenditures	-	-	-	-	7,616,719	7,616,719

Council approved the City's 2025 budget on December 10, 2024

CITY OF ST. JOHN'S

Schedule 8 (continued)

Consolidating Entries and PSAB Adjustments

Year ended December 31, 2025

Revenues	**$**
1. Eliminate transfers from reserves	(837,210)
2. Eliminate grants to SJSE	(5,912,759)
3. Eliminate grants to SJTC	(21,227,087)
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	(6,357,630)
7. Eliminate tipping fees paid by City entities	(2,710,679)
8. Eliminate general government charges	(3,411,920)
9. Eliminate debt charges recoverable	(23,915,157)
10. Record provincial capital grants	21,232,248
11. Record federal capital grants	12,839,546
12. Record other capital grants	146,699
13. Record capital contribution from developers	11,581,127
14. Record recovery of fire protection services	12,690,316
15. Record interest earned on sinking funds	415,000
16. Record gain on sale of capital assets	1,334,633
16. Other	-
	(4,890,125)
Expenses	
1. Eliminate transfers from reserves	(4,779,923)
2. Eliminate grants to SJSE	(5,912,759)
3. Eliminate grants to SJTC	(21,227,087)
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	(6,357,630)
7. Eliminate tipping fees paid by City entities	(2,710,679)
8. Eliminate general government charges	(3,411,920)
9. Eliminate debt charges recoverable	(24,453,157)
10. Eliminate capital expenditures	19,469,711
11. Eliminate sinking fund payments	(24,719,900)
12. Eliminate principal payments on LTD	(411,596)
13. Record amortization of sinking fund premium	1,580,486
14. Eliminate recovery of fire protection services	12,690,316
15. Record amortization of capital assets	51,164,014
16 Record employee post retirement benefits	(2,669,468)
	(12,506,844)
Excess of revenues over expenditures	7,616,719