
Consolidated Financial Statements of

CITY OF ST. JOHN'S

December 31, 2020

CITY OF ST. JOHN'S

December 31, 2020

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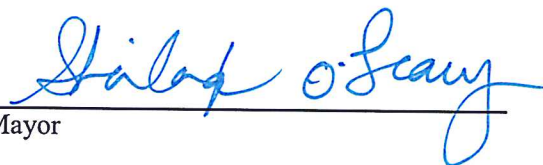
Statement of Responsibility

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 & Administration



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, 2020, 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, 2020, 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
July 13, 2021

CITY OF ST. JOHN'S

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2020

	Budget 2020 \$ (Schedule 8)	Actual 2020 \$	Actual 2019 \$
Revenues (Schedule 5)			
Taxation	208,042,658	209,648,466	209,227,666
Grants in lieu of taxes	9,126,000	9,129,980	8,813,567
Grants and transfers	31,240,029	41,962,974	46,054,639
Sales of goods and services	51,274,554	44,476,488	53,424,056
Other revenue from own sources	28,573,554	21,537,668	25,933,106
	<u>328,256,795</u>	<u>326,755,576</u>	<u>343,453,034</u>
Expenses (Schedule 6)			
General government services	52,513,689	55,929,926	55,583,376
Fiscal services	24,937,725	24,355,861	22,780,280
Transportation services	65,244,761	72,856,447	65,809,907
Protective services	37,548,954	37,118,223	37,346,013
Environmental health services	46,284,927	42,607,613	45,124,374
Recreation and cultural services	33,925,881	25,961,085	33,810,209
Environmental development services	7,185,397	6,809,575	7,530,746
Amortization and allowances	44,481,071	45,995,552	44,975,184
	<u>312,122,405</u>	<u>311,634,282</u>	<u>312,960,089</u>
Excess of revenues over expenses	16,134,390	15,121,294	30,492,945
Accumulated surplus, beginning of year	767,491,025	767,491,025	736,998,080
Accumulated surplus, end of year (Note 15)	<u>783,625,415</u>	<u>782,612,319</u>	<u>767,491,025</u>

See accompanying notes to the consolidated financial statements

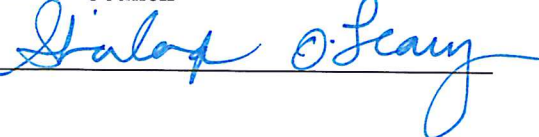
CITY OF ST. JOHN'S
Consolidated Statement of Financial Position
As at December 31, 2020

	2020	2019
	\$	\$
Financial assets		
Cash and cash equivalents (Note 3)	155,020,240	49,419,010
Investments (Note 4)	26,105,768	6,630,218
Accounts receivable - current (Note 5)	56,059,956	45,447,038
Accounts receivable - long-term (Note 6)	1,475,164	2,930,582
Investment in rental housing projects	-	15,692
Sinking fund investments (Schedule 2)	193,016,497	176,388,464
	431,677,625	280,831,004
Financial liabilities		
Payables and accruals (Note 7)	60,852,863	57,879,546
Asset Retirement Obligation (Note 8)	31,962,446	26,773,810
Employee benefits (Note 9)	221,939,060	214,274,584
Debenture debt (Note 10 and Schedule 2)	575,500,000	444,500,000
Long-term debt (Note 11)	7,319,882	9,665,541
	897,574,251	753,093,481
Net debt	(465,896,626)	(472,262,477)
Non-financial assets		
Tangible capital assets (Schedule 1)	1,242,391,602	1,234,799,571
Inventory of materials and supplies	3,694,898	3,422,112
Prepaid expenditures	2,422,445	1,531,819
	1,248,508,945	1,239,753,502
Accumulated surplus (Note 15)	782,612,319	767,491,025


Change in accounting estimate (Note 2)
Contingencies and commitments (Note 18)
Uncertainty due to COVID-19 (Note 21)

See accompanying notes to the consolidated financial statements

On behalf of Council



Mayor



Deputy City Manager, Finance & Administration

CITY OF ST. JOHN'S
Consolidated Statement of Changes in Net Debt
Year ended December 31, 2020

	Budget 2020	Actual 2020	Actual 2019
	\$	\$	\$
Excess of revenues over expenses	16,134,390	15,121,294	30,492,945
Changes in tangible capital assets			
Acquisition of tangible capital assets and contributed tangible capital assets	(63,807,606)	(50,924,533)	(63,807,606)
Net book value of tangible capital assets disposals/transfers	1,193,663	317,268	1,193,663
Amortization of tangible capital assets	43,015,234	43,015,234	42,028,845
Increase in net book value of tangible capital assets	(19,598,709)	(7,592,031)	(20,585,098)
Changes in other non-financial assets			
Change in prepaid expenditures	-	(890,626)	951,963
Acquisition of inventory and supplies, net of usage	-	(272,786)	(361,015)
(Increase) decrease in other non-financial assets	-	(1,163,412)	590,948
(Increase) decrease in net debt	(3,464,319)	6,365,851	10,498,795
Net debt, beginning of year	(472,262,477)	(472,262,477)	(482,761,272)
Net debt, end of year	(475,726,796)	(465,896,626)	(472,262,477)

See accompanying notes to the consolidated financial statements

CITY OF ST. JOHN'S
Consolidated Statement of Cash Flows
Year ended December 31, 2020

	2020	2019
	\$	\$
Operating transactions		
Excess of revenues over expenses	15,121,294	30,492,945
Non-cash charges to operations:		
Amortization of tangible capital assets	43,015,234	42,028,845
Contributed tangible capital assets	(4,890,474)	(14,536,307)
Employee benefits	7,664,476	6,824,789
Loss on disposal of tangible capital assets	115,837	997,603
	<u>61,026,367</u>	<u>65,807,875</u>
Net change in other (Note 16)	(3,614,377)	2,751,373
	<u>57,411,990</u>	<u>68,559,248</u>
Capital transactions		
Acquisition of tangible capital assets	(46,034,059)	(49,271,299)
Proceeds from sale of tangible capital assets	201,431	196,060
	<u>(45,832,628)</u>	<u>(49,075,239)</u>
Financing transactions		
Decrease in long-term accounts receivable	1,455,418	2,597,888
Repayment of debenture debt	(7,000,000)	-
Issuance of debenture debt	138,000,000	-
Repayment of long-term debt	(2,345,659)	(2,969,245)
	<u>130,109,759</u>	<u>(371,357)</u>
Investing transactions		
Increase in sinking fund investments	(16,628,033)	(18,347,355)
Increase in investments	(19,475,550)	(6,630,218)
Decrease in trust funds payable	-	(31,902)
Decrease in investment in rental housing projects	15,692	50,550
	<u>(36,087,891)</u>	<u>(24,958,925)</u>
Increase (decrease) in cash and cash equivalents	105,601,230	(5,846,273)
Cash and cash equivalents, beginning of year	49,419,010	55,265,283
Cash and cash equivalents, end of year	<u>155,020,240</u>	<u>49,419,010</u>

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, 2020

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, 2020

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	25-60
Parking spaces - garage	50-75
Vehicles	
Transit buses	7-12
Vehicles	7-20
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	45
Water pumping stations and reservoirs	45
Flood stations and other infrastructure	45
Waste management facility and infrastructure	10-40
Transportation	
Roads	10-35
Roadbeds	75
Bridges and structures	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, 2020

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 available 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 Obligation

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 or amount required to settle the obligation. 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, 2020

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 14 years for the employee plan and 1 years for the Mayor and Councillors' plan.

Employee future benefits

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

Use of estimates

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

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2020

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 estimates used in its calculation of allowance for uncollectible accounts each year. During 2020 it was determined that the basis of allocating of interest to receivables by tax year based on the relative age of the receivable would more accurately measure the amount required than the current fixed percentage based allocation. The City also revised its policy on specific dollar value receivables in relation to the assessed value of a property. The effect of this change has been applied prospectively and has resulted in a decrease in allowance for uncollectable accounts expense of \$735,234 for 2020 in comparison to previously applied policy.

3. CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash	100,505,347	17,955,668
Restricted cash deposits:		
Robin Hood Bay post closure costs (Note 8)	14,613,038	11,162,899
Robin Hood Bay equipment replacement	8,775,347	4,428,768
Riverhead waste/water equipment replacement	2,888,039	2,071,070
Advance payments from developers	42,459	42,114
Federal gas tax fund	24,551,053	11,251,460
Urban living affordable housing:		
Tenants' security deposits	104,638	106,378
Replacement reserve fund	3,540,319	2,400,653
	54,514,893	31,463,342
	155,020,240	49,419,010

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, 2020 the City held cash of \$3,540,319 (2019 - \$2,400,653).

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2020

4. INVESTMENTS

	2020	2019
	\$	\$
Government bonds	26,105,768	5,218
Guaranteed investment certificates	-	6,625,000
	26,105,768	6,630,218

Government bonds consist of the City of St. John's debentures at coupon rates varying from 2.916% to 4.622% with a face value of \$25,522,987. 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 2.25% with a maturity date of January 30, 2020.

5. ACCOUNTS RECEIVABLE - CURRENT

	2020	2019
	\$	\$
Taxes	35,652,330	25,812,536
Other governments	15,986,270	18,076,913
Other	15,361,235	11,438,898
Allowance for doubtful accounts	(10,939,879)	(9,881,309)
	56,059,956	45,447,038

6. ACCOUNTS RECEIVABLE - LONG TERM

	2020	2019
	\$	\$
Government of Newfoundland and Labrador water and sewer projects (Schedule 2)	937,421	2,671,517
Other Civic assessments	537,743	259,065
	1,475,164	2,930,582

The Provincial government's share of cost shared loans is recorded in the accounts of the City as debt charges recoverable.

Year	Provincial	Total
	\$	\$
2021	937,421	937,421

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2020

7. PAYABLES AND ACCRUALS

	2020	2019
	\$	\$
Trade	30,093,173	29,836,798
Wages and benefits payable	11,077,218	9,240,365
Deferred revenue	3,540,079	3,933,469
Deposits and prepayments	10,867,326	10,873,412
Accrued interest	5,213,900	3,920,227
Other governments	61,167	75,275
	60,852,863	57,879,546

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, 2020, the estimated total undiscounted inflation-adjusted amount required to settle the asset retirement obligation is \$139,296,732. The cash flows are discounted at the rate of 3.2% (2019 - 3.5%) 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.

	2020	2019
	\$	\$
Beginning of year	26,773,810	25,868,415
Liabilities settled	(472,714)	-
Change in discount rate	3,280,269	-
Change in estimates	1,443,998	-
Accretion	937,083	905,395
End of year	31,962,446	26,773,810

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2020

8. ASSET RETIREMENT OBLIGATION (Continued)

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, 2020 was \$14,613,038 (2019 - \$11,162,899).

9. EMPLOYEE BENEFITS

	2020	2019
	\$	\$
Accrued pension benefits (Note 12)	6,784,128	4,209,528
Employee future benefits (Note 13)	190,255,824	179,005,013
Severance and sick leave benefits (Note 14)	24,899,108	31,060,043
	221,939,060	214,274,584

10. DEBENTURE DEBT

	2020	2019
	\$	\$
Debenture debt outstanding (Schedule 2)	575,500,000	444,500,000
Less: debt charges recoverable from the Province of Newfoundland and Labrador (Schedule 2)	937,421	2,671,517
Less: sinking fund investments available (Schedule 2)	193,016,497	176,388,464
	381,546,082	265,440,019

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

Year	Sinking fund requirements	Newfoundland and Labrador	Net Amount
	\$	\$	\$
2021	14,200,000	(937,421)	13,262,579
2022	13,086,250	-	13,086,250
2023	13,600,000	-	13,600,000
2024	13,012,500	-	13,012,500
2025	12,475,000	-	12,475,000
Thereafter	110,387,500	-	110,387,500

Included in the City's sinking fund investments available are City of St. John's debentures at coupon rates varying between 2.92% to 7.38% (2019 - 4.22% to 7.38%) with a face value of \$170.2M (2019 - \$146.8M). Maturity dates on the investments in the portfolio range from August 2031 to September 2040.

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2020

11. LONG-TERM DEBT

	2020	2019
	\$	\$
Long-term debt (Schedule 3)	77,064	118,158
Mortgages - Urban living non-profit housing (Schedule 4)	3,052,818	3,848,383
St. John's Transportation Commission	4,190,000	5,699,000
	7,319,882	9,665,541

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	Total
	\$	\$
2021	725,221	725,221
2022	600,910	600,910
2023	455,943	455,943
2024	427,536	427,536
2025	409,377	409,377
Thereafter	433,831	433,831

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

The Commission has 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, 2020 the outstanding banker's acceptances bore interest at 1.46% and matured on January 28, 2021. The credit facility, which was renewed on February 26, 2021, bears interest at 1.46% and matures on March 29, 2021. At December 31, 2020, the Commission has drawn \$4,190,000 (2019 - \$5,699,000) on the credit facility which is included in long-term debt.

12. ACCRUED PENSION BENEFITS

	2020	2019
	\$	\$
City of St. John's - Employees	(333,000)	(2,432,900)
City of St. John's - Mayor and Councillors	5,717,600	5,247,600
St. John's Transportation Commission	1,399,528	1,394,828
	6,784,128	4,209,528

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2020

12. ACCRUED PENSION BENEFITS (Continued)

City of St. John's - Employees

The City maintains a defined benefit plan for employees hired before January 1, 2015 which provides pension benefits to its employees, members of council and the employees of St. John's Sports & Entertainment Ltd. 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. With the exception of the International Association of Firefighters Local 1075, employees hired after January 1, 2015 are enrolled in a defined contribution pension plan.

An actuarial valuation of the plans was completed as at December 31, 2018 for Council and as at December 31, 2019 for employees and the supplementary plan. All plans were extrapolated to December 31, 2020.

	Employees	Supplementary Plan	2020	2019
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	451,857,700	3,517,400	455,375,100	413,440,200
Current service cost	15,425,000	132,500	15,557,500	14,965,000
Interest cost	24,829,800	112,100	24,941,900	23,724,700
Benefits paid	(16,238,700)	(51,600)	(16,290,300)	(14,991,700)
Actuarial loss (gain)	20,526,600	(860,000)	19,666,600	18,236,900
Balance, end of year	496,400,400	2,850,400	499,250,800	455,375,100
<i>Plan assets</i>				
Fair value, beginning of year	436,618,700	-	436,618,700	370,594,500
Return on plan assets	42,516,200	-	42,516,200	55,567,500
Benefits paid	(16,238,700)	-	(16,238,700)	(14,940,800)
Employer contributions	12,363,800	-	12,363,800	18,447,400
Employee contributions	6,740,000	-	6,740,000	6,950,100
Fair value, end of year	482,000,000	-	482,000,000	436,618,700
Funded status - deficit	14,400,400	2,850,400	17,250,800	18,756,400
Unamortized amounts	(16,813,000)	(770,800)	(17,583,800)	(21,189,300)
Accrued benefit liability (asset)	(2,412,600)	2,079,600	(333,000)	(2,432,900)

Significant assumptions used for 2020

Discount rate	5.00%	2.65%
Expected long-term rate of return on plan assets	5.00%	0.00%
Rate of compensation increase	1.00%	1.00%
Average remaining service period of active employees	14 years	12 years

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2020

12. ACCRUED PENSION BENEFITS (Continued)

Significant assumptions used for 2019

Discount rate	5.50%	3.15%
Expected long-term rate of return on plan assets	5.50%	0.00%
Rate of compensation increase	3.50%	3.50%
Average remaining service period of active employees	14 years	13 years

	Employees	Supplementary Plan	2020	2019
<i>Net benefit expense of the year</i>				
Current service cost	15,425,000	132,500	15,557,500	14,965,000
Interest cost	24,829,800	112,100	24,941,900	23,724,700
Amortization of losses	4,412,600	436,100	4,848,700	5,226,100
Employee contributions	(6,740,000)	-	(6,740,000)	(6,950,100)
Expected return on plan assets	(24,092,800)	-	(24,092,800)	(21,609,800)
Net benefit expense	13,834,600	680,700	14,515,300	15,355,900

City of St. John's - Mayor and Councillors

	2020	2019
	\$	\$
<i>Accrued benefit obligation</i>		
Balance, beginning of year	6,096,200	4,786,600
Current service cost	140,600	76,400
Past service amendment cost	-	394,300
Interest cost	191,900	191,800
Benefits paid	(286,800)	(282,900)
Actuarial loss	339,600	930,000
Balance, end of year	6,481,500	6,096,200
Unamortized amounts	(763,900)	(848,600)
Accrued benefit liability	5,717,600	5,247,600

Significant assumptions used

Discount rate	2.65%	3.15%
Rate of compensation increase	2.50%	2.50%
Average remaining service period	1 years	2 years

Net benefit expense of the year

Current service cost	140,600	76,400
Past service amendment cost	-	394,300
Interest cost	191,900	191,800
Amortization of losses	424,300	140,600
Net benefit expense	756,800	803,100

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2020

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. 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. Employees hired after May 1, 2016 are enrolled in a defined contribution pension plan.

An actuarial valuation of the employee plans was completed as at December 31, 2019 and extrapolated to December 31, 2020. 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	2020	2019
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	56,976,103	187,679	57,163,782	55,032,577
Current service cost	1,989,019	7,095	1,996,114	1,981,059
Interest cost	2,985,228	6,062	2,991,290	2,964,630
Benefits paid	(2,227,630)	-	(2,227,630)	(2,213,600)
Actuarial (gain) loss	2,410,175	(4,550)	2,405,625	(600,884)
Balance, end of year	62,132,895	196,286	62,329,181	57,163,782
<i>Plan assets</i>				
Fair value, beginning of year	56,001,049	-	56,001,049	48,931,425
Return on plan assets	4,016,489	-	4,016,489	6,623,799
Benefits paid	(2,227,630)	-	(2,227,630)	(2,213,600)
Employer contributions	1,539,902	-	1,539,902	1,794,416
Employee contributions	849,482	-	849,482	865,009
Fair value, end of year	60,179,292	-	60,179,292	56,001,049
Funded status - deficit	1,953,603	196,286	2,149,889	1,162,733
Unamortized amounts	(716,775)	(33,586)	(750,361)	232,095
Accrued benefit liability	1,236,828	162,700	1,399,528	1,394,828
<i>Significant assumptions used</i>				
Discount rate	5.00%	2.64%		5.35%
Expected long-term rate of return on plan assets	5.35%	5.10%		5.50%
Rate of compensation increase	2.00%	2.00%		2.00%
Average remaining service period of active employees	14.2 years	7 years		14.6 years

CITY OF ST. JOHN'S

Notes to the Consolidated Financial Statements

December 31, 2020

12. ACCRUED PENSION BENEFITS (Continued)

	Employees	Supplementary	2020	2019
	\$	\$	\$	\$
<i>Net benefit expense of the year</i>				
Current service cost	1,989,019	7,095	1,996,114	1,981,059
Interest cost	2,985,228	6,062	2,991,290	2,964,630
Amortization of losses	349,731	5,448	355,179	614,179
Employee contributions	(849,482)	-	(849,482)	(865,009)
Expected return on plan assets	(2,948,499)	-	(2,948,499)	(2,659,025)
Net benefit expense	1,525,997	18,605	1,544,602	2,035,834

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 December 31, 2018 for the Commission with both plans extrapolated to December 31, 2020.

	City	Commission	2020	2019
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	182,371,000	16,885,117	199,256,117	170,418,148
Current service cost	5,884,300	699,445	6,583,745	5,296,380
Interest cost	5,778,600	539,746	6,318,346	6,415,099
Benefits paid	(3,736,500)	(132,080)	(3,868,580)	(3,750,018)
Actuarial loss	2,068,800	1,375,734	3,444,534	20,876,508
Balance, end of year	192,366,200	19,367,962	211,734,162	199,256,117
Funded status - deficit	192,366,200	19,367,962	211,734,162	199,256,117
Unamortized amounts	(17,880,700)	(3,597,638)	(21,478,338)	(20,251,104)
Accrued benefit liability	174,485,500	15,770,324	190,255,824	179,005,013

Significant assumptions used for 2020

Discount rate	2.65%	2.64%
Average remaining service period of active employees	12 years	13.8 years

Significant assumptions used for 2019

Discount rate	3.15%	3.17%
Average remaining service period of active employees	12 years	13.8 years

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2020

13. EMPLOYEE FUTURE BENEFITS (Continued)

	City	Commission	2020	2019
	\$	\$	\$	\$
<i>Net benefit expense of the year</i>				
Current service cost	5,884,300	699,445	6,583,745	5,296,380
Interest cost	5,778,600	539,746	6,318,346	6,415,099
Amortization of losses	1,889,200	328,100	2,217,300	501,046
Net benefit expense	13,552,100	1,567,291	15,119,391	12,212,525

14. SEVERANCE AND SICK LEAVE BENEFITS

	2020	2019
	\$	\$
City of St. John's	23,125,800	28,879,100
St. John's Transportation Commission	1,406,321	1,597,136
St. John's Sports and Entertainment	366,987	583,807
	24,899,108	31,060,043

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, 2020.

	Severance	Sick Leave	2020	2019
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	23,093,300	9,799,100	32,892,400	32,364,200
Current service cost	1,704,300	983,800	2,688,100	2,426,700
Interest cost	561,900	309,200	871,100	1,212,300
Benefits paid	(1,774,400)	(953,300)	(2,727,700)	(2,498,900)
Settlement payments	(6,961,900)	-	(6,961,900)	(1,949,700)
Settlement gain	-	-	-	(220,900)
Actuarial (gain) loss	(720,600)	1,192,600	472,000	1,558,700
Balance, end of year	15,902,600	11,331,400	27,234,000	32,892,400
Funded status - deficit	15,902,600	11,331,400	27,234,000	32,892,400
Unamortized amounts	(1,597,300)	(2,510,900)	(4,108,200)	(4,013,300)
Accrued benefit liability	14,305,300	8,820,500	23,125,800	28,879,100

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2020

14. SEVERANCE AND SICK LEAVE BENEFITS (Continued)

	Severance	Sick Leave	2020	2019
	\$	\$	\$	\$
<i>Significant assumptions used</i>				
Discount rate			2.65%	3.15%
Average remaining service period of active employees			13 years	13 years
<i>Net benefit expense of the year</i>				
Current service cost	1,704,300	983,800	2,688,100	2,426,700
Interest cost	561,900	309,200	871,100	1,212,300
Amortization of losses	239,700	137,400	377,100	375,900
Recognition of unamortized losses due to settlement	-	-	-	1,265,800
Recognized gain due to settlement	-	-	-	(220,900)
Net benefit expense	2,505,900	1,430,400	3,936,300	5,059,800

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 elects 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, 2020 is \$193,241 (2019 - \$419,721).

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, 2020 is \$1,213,080 (2019 - \$1,177,415).

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2020

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, 2019 and extrapolated to December 31, 2020.

	Severance	Sick Leave	2020	2019
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	507,348	140,529	647,877	569,938
Current service cost	43,637	23,325	66,962	60,988
Interest cost	16,296	4,472	20,768	22,194
Benefits paid	(300,895)	(20,430)	(321,325)	(58,328)
Actuarial loss (gain)	(23,731)	3,918	(19,813)	53,085
Balance, end of year	242,655	151,814	394,469	647,877
Funded status - deficit	242,655	151,814	394,469	647,877
Unamortized amounts	(14,705)	(12,777)	(27,482)	(64,070)
Accrued benefit liability	227,950	139,037	366,987	583,807
<i>Significant assumptions used</i>				
Discount rate			2.65%	3.15%
Average remaining service period of active employees			13 years	13 years
<i>Net benefit expense of the year</i>				
Current service cost	43,637	23,325	66,962	60,988
Interest cost	16,296	4,472	20,768	22,194
Recognition of unamortized losses due to settlement	61,476		61,476	
Recognized gain due to settlement	(50,621)		(50,621)	
Amortization of losses	5,793	127	5,920	3,418
Net benefit expense	76,581	27,924	104,505	86,600

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2020

15. ACCUMULATED SURPLUS

	2020	2019
	\$	\$
Accumulated surplus, beginning of year	767,491,025	736,998,080
Excess of revenue over expenditures	15,121,294	30,492,945
Accumulated surplus, end of year	782,612,319	767,491,025
Appropriated surplus		
Reserve for Shoal Bay treatment plant	437,829	393,009
Reserve for landfill capital improvements	-	2,640,597
Urban living non-profit housing - replacement reserve	3,540,319	2,900,652
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	(1,255,880)	1,532,888
Reserve for capital	19,919,668	23,925,290
Reserve for employee benefits stabilization fund	1,997,091	1,997,091
Reserve for Robin Hood Bay equipment replacement	8,775,347	5,428,768
Reserve for Riverhead waste/water equipment replacement	2,578,600	2,446,070
	38,055,914	43,327,305
Unappropriated surplus	744,556,405	724,163,720
	782,612,319	767,491,025

16. SUPPLEMENTARY CASH FLOW INFORMATION

	2020	2019
	\$	\$
Changes in other balances:		
Accounts receivable	(10,612,918)	7,903,230
Inventory of materials and supplies	(272,786)	(361,015)
Prepaid expenditures	(890,626)	951,963
Payables and accruals	8,161,953	(5,742,805)
	(3,614,377)	2,751,373
Interest paid	23,919,253	22,714,914

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, 2020 were nil.

In 2020, a second demand facility in the amount of \$ 35,500,000, bearing a maximum interest on advances at Royal Bank prime rate, was negotiated with the Royal Bank of Canada.

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2020

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, 2020, the City recorded an estimated liability of \$1,952,875 (2019 - \$1,591,255) 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:

2021	3,398,742
2022	3,441,002
2023	2,861,813
2024	2,374,914
2025	1,349,247
Thereafter	2,133,091

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 results from two underground fuel tanks that are no longer in use. At December 31, 2020 the removal and reclamation has not yet been completed. The extent of the contamination and cost of remediation is not known and a liability has not been recorded.

CITY OF ST. JOHN'S
Notes to the Consolidated Financial Statements
December 31, 2020

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
Notes to the Consolidated Financial Statements
December 31, 2020

20. COMPARATIVE FIGURES

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

21. UNCERTAINTY DUE TO COVID-19

In March of 2020, the World Health Organization announced a global pandemic due to the COVID-19 outbreak which has caused significant disruption to businesses, government and municipal services and individuals all around the world. Municipal services are considered essential services and, consequently, the City has been able to continue to operate, providing services to support residents. As a result of the pandemic, the City has seen a decrease in sales of goods and services and revenue from other sources, an increase in allowance for doubtful accounts, as well as a decrease in costs of operations. The COVID-19 outbreak may also have further negative financial impacts on the City, however they are not readily determinable at this time. The impact on operations and the financial results of the City is being continuously monitored and evaluated by management.

CITY OF ST. JOHN'S
Consolidated Schedule of Tangible Capital Assets
Year Ended December 31, 2020

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	2020 Totals	2019 Totals
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost										
Balance, beginning of year	64,936,682	535,553,431	8,452,167	789,060,411	237,179,460	38,248,895	31,927,786	50,564,764	1,755,923,596	1,699,516,335
Add: Additions during the year	215,941	4,750,241	-	4,890,474	2,846,406	232,427	38,150,284	-	51,085,773	64,485,195
Less: Disposals during the year	-	-	-	(991,440)	(4,233,167)	(56,530)	(161,240)	-	(5,442,377)	(8,077,934)
Transfers	302,970	10,000,329	-	21,788,061	4,817,912	2,015,246	(39,079,308)	154,790	-	-
Balance, end of year	65,455,593	550,304,001	8,452,167	814,747,506	240,610,611	40,440,038	30,837,522	50,719,554	1,801,566,992	1,755,923,596
Accumulated amortization										
Balance, beginning of year	-	130,511,464	762,338	223,826,921	126,723,893	14,178,838	-	25,120,571	521,124,025	485,301,862
Add: Additions during the year	-	12,950,137	146,723	14,864,893	12,378,272	1,297,597	-	1,377,612	43,015,234	42,028,845
Less: Disposals during the year	-	-	-	(781,660)	(4,125,679)	(56,530)	-	-	(4,963,869)	(6,206,682)
Transfers	-	-	-	-	-	-	-	-	-	-
Balance, end of year	-	143,461,601	909,061	237,910,154	134,976,486	15,419,905	-	26,498,183	559,175,390	521,124,025
Net book value of tangible capital assets										
	65,455,593	406,842,400	7,543,106	576,837,352	105,634,125	25,020,133	30,837,522	24,221,371	1,242,391,602	1,234,799,571

CITY OF ST. JOHN'S
Consolidated Schedule of Debenture Debt
December 31, 2020

Schedule 2

Date of Maturity	Interest Rate	Amount Issued	Amount Outstanding	2020			2019		
				Sinking Funds Available	Bond Premium	Sinking Fund Requirement in 2021	Sinking Funds Available	Bond Premium	Sinking Fund Requirement in 2020
		\$	\$	\$	\$	\$	\$	\$	\$
Dec. 2020	6.840%	-	-	366,700	-	-	7,153,099	-	175,000
June 2021	7.380%	15,000,000	15,000,000	15,920,739	171,213	187,500	14,640,425	311,746	375,000
Apr. 2022	7.250%	16,500,000	16,500,000	15,267,090	140,479	412,500	14,231,339	153,945	412,500
Feb. 2023	6.680%	11,000,000	11,000,000	11,223,057	435,027	275,000	10,249,517	549,014	275,000
Feb. 2024	6.162%	25,000,000	25,000,000	20,923,459	449,791	625,000	19,135,609	552,385	625,000
June 2025	5.534%	18,000,000	18,000,000	13,929,919	366,745	450,000	12,654,034	460,784	450,000
Mar. 2026	5.300%	25,000,000	25,000,000	16,882,543	339,933	625,000	15,314,094	393,202	625,000
Dec. 2026	4.975%	35,000,000	35,000,000	27,873,260	749,367	875,000	25,661,324	938,790	875,000
Dec. 2027	5.400%	15,000,000	15,000,000	6,900,947	-	375,000	6,200,455	-	375,000
Nov. 2029	5.539%	27,000,000	27,000,000	9,586,513	153,640	675,000	8,481,217	179,544	675,000
Aug. 2031	4.622%	70,000,000	70,000,000	19,870,857	567,439	1,750,000	17,849,993	602,610	1,750,000
Dec. 2033	4.500%	60,000,000	60,000,000	12,487,852	1,724,500	1,500,000	10,403,299	525,217	1,500,000
Mar. 2036	4.215%	120,000,000	120,000,000	12,048,482	4,586,837	3,000,000	8,870,888	875,934	3,000,000
Sep. 2040	2.916%	138,000,000	138,000,000	-	50,108	3,450,000	-	-	-
		575,500,000	575,500,000	183,281,418	9,735,079	14,200,000	170,845,293	5,543,171	11,112,500

Included in the City's sinking funds available are City of St. John's debentures at coupon rates varying between 2.92% to 7.38% (2019 - 4.22% to 7.38%) with a face value of \$170.2M (2019 - \$146.8M). Maturity dates on the investments in the portfolio range from August 2031 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.

For the debenture debt that matures in 2026, there are debt recoverable charges from the Province of Newfoundland and Labrador in the amount of \$937,420. (Note 10)

CITY OF ST. JOHN'S
Consolidated Schedule of Long-Term Debt
December 31, 2020

Schedule 3

			2020		2019		
	Date of Maturity	Interest Rate	Amount Issued	Amount Outstanding	Principal Requirement in 2021	Amount Outstanding	Principal Requirement in 2020
			\$	\$	\$	\$	\$
Capital Lease							
Cisco Phone Equipment	Nov. 2022	2.037%	170,560	67,440	34,858	98,604	33,468
Canlease Office Trailer	Nov. 2021	12.975%	39,544	9,624	9,624	19,554	8,728
			210,104	77,064	44,482	118,158	42,196

CITY OF ST. JOHN'S
Consolidated Schedule of Mortgages - Urban Living
Non-Profit Housing
December 31, 2020

Schedule 4

	Date of Maturity	Interest Rate	Amount Issued	2020 Amount Outstanding	2019 Amount Outstanding
			\$	\$	\$
Newfoundland & Labrador Housing Corporation					
Hamlyn Road	Aug. 1, 2022	2.040%	2,207,290	197,015	312,933
Infill 1987	Apr. 1, 2023	2.040%	2,070,285	256,026	362,808
Gear Street - Infill 1988	Sept. 1, 2025	2.040%	1,929,560	455,920	546,349
Brookfield Road	Dec. 1, 2025	2.040%	2,203,600	540,845	643,727
Cochrane Street	Nov. 1, 2027	1.710%	745,887	226,816	259,435
Infill 1990	Nov. 1, 2026	1.640%	1,628,008	436,268	506,704
Campbell Avenue	Feb. 1, 2028	1.620%	968,952	321,500	362,247
Infill 1992	Dec. 1, 2028	2.040%	1,682,553	522,219	581,573
Canada Mortgage and Housing Corporation					
Carter's Hill	Jan. 1, 2020	1.390%	1,406,630	-	7,373
Infill 1985	Apr. 1, 2021	2.260%	880,530	17,421	69,265
Carter's Hill - Sebastian Court	Aug. 1, 2021	1.800%	2,031,175	78,788	195,969
			17,754,470	3,052,818	3,848,383
Current portion				725,221	791,770

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

CITY OF ST. JOHN'S
Consolidated Schedule of Revenues
Year ended December 31, 2020

Schedule 5

	2020	2019
	\$	\$
Taxation		
Real property and business	170,569,873	168,538,784
Water	31,504,403	31,276,937
Utility	6,552,158	6,290,359
Accommodation	1,022,032	3,121,586
	209,648,466	209,227,666
Grants in lieu of taxes		
Government of Canada	5,197,512	4,855,048
Government of Canada agencies	956,754	982,806
Water tax grant	2,975,714	2,975,713
	9,129,980	8,813,567
Grants and transfers		
Government of Canada		
Capital grant	1,996,656	5,378,416
St. John's Transportation Commission	179,500	194,500
Gas tax funding	11,842,938	4,711,922
Other federal grants	704,710	1,393,900
Government of Newfoundland and Labrador		
Gas tax funding	831,153	831,153
Municipal capital grant	10,975,103	12,168,887
Capital Grant - Non-Profit Housing	50,000	44,030
Recovery of debt charges	110,909	688,172
Rental housing projects	1,035,776	1,124,499
Other provincial grants	6,767,761	363,853
City of Mount Pearl and Town of Paradise		
Capital contribution	885,319	191,500
City of Mount Pearl and Town of Paradise		
Public transit contribution	1,421,917	1,408,895
Capital contribution from Developers	4,891,567	14,550,986
Other grants	269,665	3,003,926
	41,962,974	46,054,639
Sales of goods and services		
Environmental health services		
Water sales - commercial and shipping	6,405,079	6,952,233
Tipping fees	10,840,442	10,852,224
Recycling materials	661,637	671,810
Regional Fire recovery	11,687,590	11,871,825

CITY OF ST. JOHN'S
Consolidated Schedule of Revenues
Year ended December 31, 2020

Schedule 5 (continued)

	2020	2019
	\$	\$
Sales of goods and services (continued)		
Environmental health services (continued)		
Regional Water recovery	7,306,598	6,822,717
Regional Waste Water recovery	826,463	759,036
Other	1,945,273	2,246,054
General government services	1,134,695	1,004,090
Transportation services		
Parking meters	102,390	590,551
Parking permits	203,528	300,837
Other	20,836	7,675
Third party charges	169,950	253,878
Sale of land	31,762	21,321
Recreation, parks and tourism	1,236,455	2,391,174
St. John's Sports & Entertainment Ltd.	1,153,330	7,545,130
Other general services	750,460	1,133,501
	44,476,488	53,424,056
Other revenue from own sources		
Interest on tax arrears	333,183	2,024,376
Interest earned on portfolio investments	8,250,908	7,401,620
Fines	1,142,692	1,497,540
Construction and other permits	2,524,349	3,347,406
Interest earned	1,010,606	1,505,046
Business and amusement licenses	197,795	147,403
Rents, concessions and franchises	59,287	87,089
Apartment rentals	2,949,725	2,960,963
St. John's Transportation Commission		
Passenger fares	4,470,328	6,485,334
Charters	95,478	151,178
Transit advertising	1,902	43,337
Sundry	106,066	90,226
Civic assessments	371,914	90,332
Sub - division assessments	23,435	101,256
	21,537,668	25,933,106
Total revenue	326,755,576	343,453,034

CITY OF ST. JOHN'S
Consolidated Schedule of Expenses
Year ended December 31, 2020

Schedule 6

	2020	2019
	\$	\$
General government services		
Legislative	777,124	902,952
General government	23,520,275	24,587,574
Engineering services	7,471,163	8,116,025
Pension Expense	15,272,100	16,159,000
Employee future benefits and other related expenses	8,295,890	5,342,126
Other general government	593,374	475,699
	55,929,926	55,583,376
Fiscal services		
Interest on debenture debt	23,713,557	22,418,650
Non-Profit Housing mortgage interest	64,197	82,484
St. John's Transportation Commission interest	99,795	208,854
Interest on temporary bank loans	41,704	4,925
Other debt charges	436,608	65,367
	24,355,861	22,780,280
Transportation services		
Road transport		
Administration	3,001,310	2,787,856
Fleet services	5,839,951	1,383,070
Snow clearing	23,537,510	15,242,096
Streets, roads and sidewalks	9,678,349	12,297,119
Maintenance depot	1,270,416	1,340,156
Traffic services	1,766,328	1,801,915
Street cleaning	231,470	237,180
Street lighting	4,439,070	4,430,361
St. John's Transportation Commission	22,960,648	25,969,336
Parking meters	131,395	320,818
	72,856,447	65,809,907
Protective services		
Fire protection	31,400,669	30,862,388
Protective inspections	3,244,820	3,564,810
Traffic enforcement	1,215,944	1,596,403
Animal and pest control	1,256,790	1,322,412
	37,118,223	37,346,013

CITY OF ST. JOHN'S
Consolidated Schedule of Expenditures
Year ended December 31, 2020

Schedule 6 (continued)

	2020	2019
	\$	\$
Environmental health services		
Water supply and distribution	15,855,327	15,878,400
Regional Water system	7,053,937	6,438,240
Regional Waste Water system	3,518,448	3,754,956
Regional Robin Hood Bay landfill	12,198,337	12,453,537
Garbage, waste collection and disposal	3,981,564	6,599,241
	<u>42,607,613</u>	<u>45,124,374</u>
Recreation and cultural services		
Parks and open spaces	9,315,590	10,879,616
Recreation	7,780,412	9,236,610
St. John's Sports & Entertainment Ltd.	5,961,034	9,774,997
Destination St. John's	592,381	1,609,184
Other recreation and cultural services	2,311,668	2,309,802
	<u>25,961,085</u>	<u>33,810,209</u>
Environmental development services		
Environmental planning and zoning	1,546,778	1,638,521
Housing and real estate	4,037,348	3,861,051
Other environmental development services	1,225,449	2,031,174
	<u>6,809,575</u>	<u>7,530,746</u>
Amortization and allowances		
Allowance for uncollectible accounts	1,561,313	924,983
Allowance for obsolete inventory	(97,114)	18,714
Loss on disposal fixed assets	115,837	997,603
Amortization	43,015,234	42,028,845
Amortization of Sinking Fund Premium	1,400,282	1,005,039
	<u>45,995,552</u>	<u>44,975,184</u>
Total expenditures	<u>311,634,282</u>	<u>312,960,089</u>

CITY OF ST. JOHN'S
Consolidated Schedule of Segmented Information
 Year ended December 31, 2020

Schedule 7

	General							Consolidated		
	Government Services	Fiscal Services	Transportation Services	Protective Services	Environmental Health Services	Recreation and Cultural Services	Environmental Development Services	Amortization and Allowances	2020	2019
								\$	\$	\$
Revenue (Schedule 5)										
Taxation	208,626,433	-	-	-	-	-	1,022,033	-	209,648,466	209,227,666
Grants in lieu of taxes	9,129,980	-	-	-	-	-	-	-	9,129,980	8,813,567
Grants and transfers	37,941,517	415,419	1,601,417	56,139	-	345,649	1,602,833	-	41,962,974	46,054,639
Sales of goods and services	10,309,332	-	112,390	11,177,546	20,494,607	2,371,288	11,325	-	44,476,488	53,424,056
Other revenue from own sources	10,449,981	-	4,759,567	3,006,577	269,554	-	3,051,989	-	21,537,668	25,933,106
	276,457,243	415,419	6,473,374	14,240,262	20,764,161	3,738,970	4,666,147	-	326,755,576	343,453,034
Expenses (Schedule 6)										
Personnel	49,293,638	-	35,092,289	34,127,058	16,171,798	17,092,151	3,105,722	-	154,882,656	154,894,178
Contractual Services	6,309,164	-	25,330,559	1,649,302	19,218,696	4,709,383	3,152,028	-	60,369,132	57,789,668
Materials & Supplies	450,743	-	12,440,258	1,154,039	6,009,535	1,860,231	19,055	-	21,933,861	26,184,954
Capital Out of Revenue	90,181	-	3,980	9,467	(7,611)	26,088	793	-	122,898	713,619
Grants & Subsidies	2,500	-	-	76,584	-	1,658,988	495,503	-	2,233,575	2,371,968
Financial Charges	-	24,355,861	-	-	245,769	655,046	973	-	25,257,649	24,717,636
Other	(216,300)	-	(10,639)	101,773	969,426	(40,802)	35,501	45,995,552	46,834,511	46,288,066
	55,929,926	24,355,861	72,856,447	37,118,223	42,607,613	25,961,085	6,809,575	45,995,552	311,634,282	312,960,089
Excess of revenues over expenditures	220,527,317	(23,940,442)	(66,383,073)	(22,877,961)	(21,843,452)	(22,222,115)	(2,143,428)	(45,995,552)	15,121,294	30,492,945
Accumulated surplus, beginning of year									767,491,025	736,998,080
Accumulated surplus, end of year (Note 15)									782,612,319	767,491,025

CITY OF ST. JOHN'S
Consolidated PSAB Budget
Year ended December 31, 2020

Schedule 8

	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	209,497,000	-	-	209,497,000	(1,454,342)	208,042,658
Grants in lieu of taxes	9,126,000	-	-	9,126,000	-	9,126,000
Grants and transfers	30,842,478	18,344,270	3,950,472	53,137,220	(21,897,191)	31,240,029
Sales of goods and services	43,041,187	-	6,342,270	49,383,457	1,891,097	51,274,554
Other revenue from own sources	13,072,271	8,401,860	-	21,474,131	7,099,423	28,573,554
	<u>305,578,936</u>	<u>26,746,130</u>	<u>10,292,742</u>	<u>342,617,808</u>	<u>(14,361,013)</u>	<u>328,256,795</u>
Expenses						
General government services	40,594,955	-	-	40,594,955	11,918,734	52,513,689
Fiscal services	38,679,316	185,020	-	38,864,336	(13,926,611)	24,937,725
Transportation services	56,515,607	26,561,110	-	83,076,717	(17,831,956)	65,244,761
Protective services	32,082,959	-	-	32,082,959	5,465,995	37,548,954
Environmental health services	75,459,078	-	-	75,459,078	(29,174,151)	46,284,927
Recreation and cultural services	26,801,121	-	10,292,742	37,093,863	(3,167,982)	33,925,881
Environmental development services	15,114,973	-	-	15,114,973	(7,929,576)	7,185,397
Amortization and allowances	20,330,927	-	-	20,330,927	24,150,144	44,481,071
	<u>305,578,936</u>	<u>26,746,130</u>	<u>10,292,742</u>	<u>342,617,808</u>	<u>(30,495,403)</u>	<u>312,122,405</u>
Excess of revenue over expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,134,390</u>	<u>16,134,390</u>

Council approved the City's 2020 budget on December 2, 2019

CITY OF ST. JOHN'S
Consolidating Entries and PSAB Adjustments
Year ended December 31, 2020

Schedule 8 (continued)

	\$
Revenues	
1. Eliminate transfers from reserves	(1,127,485)
2. Eliminate grants to SJSE	(4,431,026)
3. Eliminate grants to SJTC	(19,141,537)
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	(5,212,025)
7. Eliminate tipping fees paid by City entities	(2,182,575)
8. Eliminate general government charges	(2,936,989)
9. Eliminate debt charges recoverable	(23,275,380)
10. Record provincial capital grants	17,792,863
11. Record federal capital grants	1,996,656
12. Record other capital grants	269,665
13. Record capital contribution from developers	4,891,567
14. Record recovery of fire protection services	11,398,328
15. Record interest earned on sinking funds	8,250,908
16. Record gain on sale of capital assets	31,762
	<u>(14,361,013)</u>
Expenses	
1. Eliminate transfers from reserves	(3,650,940)
2. Eliminate grants to SJSE	(4,431,026)
3. Eliminate grants to SJTC	(19,141,537)
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	(5,212,025)
7. Eliminate tipping fees paid by City entities	(2,182,575)
8. Eliminate general government charges	(2,936,989)
9. Eliminate debt charges recoverable	(23,036,284)
10. Eliminate capital expenditures	(17,100,407)
11. Eliminate sinking fund payments	(13,626,611)
12. Eliminate principal payments on LTD	(873,858)
13. Eliminate recovery of fire protection services	11,398,328
14. Record amortization of capital assets	43,015,235
15. Record employee post retirement benefits	7,969,031
	<u>(30,495,403)</u>
Excess of revenues over expenses	<u><u>16,134,390</u></u>