



Consolidated Financial Statements

City of St. John's

December 31, 2017

**CITY OF ST. JOHN'S**  
December 31, 2017

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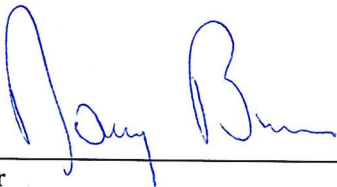
## Statement of Responsibility

The accompanying 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 generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

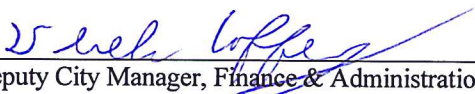
In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

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

Grant Thornton LLP, as the City's appointed external auditors, has audited the 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 financial statements are free of material misstatement and present fairly the financial position and results of the City in accordance with Canadian public sector accounting standards.



Mayor

  
Deputy City Manager, Finance & Administration

# Independent auditors' report

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

We have audited the accompanying consolidated financial statements of the City of St. John's which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statement of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies, attached schedules and other explanatory information.

## *Management's Responsibility for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

## *Auditor's Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## *Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the City of St. John's as at December 31, 2017 and the results of its operations, changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

St. John's, Canada

October 9, 2018



Chartered Professional Accountants

**CITY OF ST. JOHN'S**

**Consolidated Statement of Operations and Accumulated Surplus**

Year ended December 31, 2017

	Budget 2017	Actual 2017	Actual 2016
	\$	\$	\$
	(Schedule 8)		
<b>Revenues (Schedule 5)</b>			
Taxation	199,351,655	200,491,472	210,151,372
Grants in lieu of taxes	8,450,000	8,802,225	9,157,840
Grants and transfers	9,811,815	17,085,375	26,053,311
Sales of goods and services	52,928,167	53,755,973	50,074,150
Other revenue from own sources	26,745,843	25,755,644	22,747,761
	<u>297,287,480</u>	<u>305,890,689</u>	<u>318,184,434</u>
<b>Expenditures (Schedule 6)</b>			
General government services	46,779,868	51,343,983	54,590,896
Fiscal services	22,686,477	24,128,944	20,670,747
Transportation services	57,445,923	59,605,756	60,053,664
Protective services	35,234,897	37,033,335	35,884,930
Environmental health services	48,114,873	42,617,381	43,942,210
Recreation and cultural services	31,759,126	31,098,990	29,526,962
Environmental development services	6,689,252	7,920,076	7,716,720
Amortization and allowances	48,685,469	48,096,718	47,723,099
	<u>297,395,885</u>	<u>301,845,183</u>	<u>300,109,228</u>
Excess of revenues over expenditures (expenditures over revenues)	(108,405)	4,045,506	18,075,206
Accumulated surplus, beginning of year	843,256,729	843,256,729	825,181,523
<b>Accumulated surplus, end of year (Note 12)</b>	<u>843,148,324</u>	<u>847,302,235</u>	<u>843,256,729</u>

See accompanying notes to the consolidated financial statements

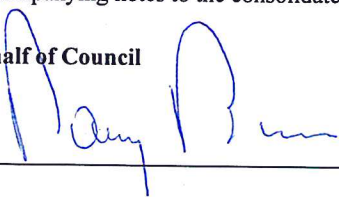
**CITY OF ST. JOHN'S**  
**Consolidated Statement of Financial Position**  
As at December 31, 2017


	2017	2016
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents (Note 2)	69,477,496	77,026,947
Accounts receivable - current (Note 3)	41,574,625	38,434,721
Accounts receivable - long-term (Note 4)	9,058,720	12,622,856
Investment in rental housing projects	113,579	157,912
Portfolio investments (Sinking funds) (Note 12 and Schedule 2)	139,844,295	121,830,054
	<b>260,068,715</b>	<b>250,072,490</b>
<b>Financial liabilities</b>		
Payables and accruals (Note 5)	62,642,190	64,736,351
Employee benefits (Note 6)	204,753,978	204,616,492
Debenture debt (Note 7 and Schedule 2)	444,500,000	444,500,000
Long-term debt (Note 8)	14,980,887	17,453,292
Trust funds payable	31,379	31,084
	<b>726,908,434</b>	<b>731,337,219</b>
<b>Net debt</b>	<b>(466,839,719)</b>	<b>(481,264,729)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Schedule 1)	1,307,592,977	1,318,572,837
Inventory of materials and supplies	3,273,903	3,097,525
Prepaid expenditures	3,275,074	2,851,096
	<b>1,314,141,954</b>	<b>1,324,521,458</b>
<b>Accumulated surplus (Note 12)</b>	<b>847,302,235</b>	<b>843,256,729</b>

Contingencies and commitments (Note 14)

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, 2017

	Budget 2017	2017	2016
	\$	\$	\$
<b>Excess of revenues over expenditures (expenditures over revenues)</b>	<b>(108,405)</b>	<b>4,045,506</b>	<b>18,075,206</b>
<b>Changes in tangible capital assets</b>			
Acquisition of tangible capital assets	(64,922,248)	(36,407,567)	(64,922,248)
Net book value of tangible capital assets disposals/adjustments	1,343,229	415,831	1,343,229
Amortization of tangible capital assets	46,971,596	46,971,596	44,032,757
<b>Decrease (increase) in net book value of tangible capital assets</b>	<b>(16,607,423)</b>	<b>10,979,860</b>	<b>(19,546,262)</b>
<b>Changes in other non-financial assets</b>			
Change in prepaid expenditures	-	(423,978)	692,708
Acquisition of inventory and supplies, net of usage	-	(176,378)	(30,881)
<b>(Increase) decrease in other non-financial assets</b>	<b>-</b>	<b>(600,356)</b>	<b>661,827</b>
Decrease (increase) in net debt	(16,715,828)	14,425,010	(809,229)
Net debt, beginning of year	(481,264,729)	(481,264,729)	(480,455,500)
<b>Net debt, end of year</b>	<b>(497,980,557)</b>	<b>(466,839,719)</b>	<b>(481,264,729)</b>

See accompanying notes to the consolidated financial statements

**CITY OF ST. JOHN'S**  
**Consolidated Statement of Cash Flows**  
Year ended December 31, 2017

	2017	2016
	\$	\$
<b>Operating transactions</b>		
Excess of revenues over expenditures	4,045,506	18,075,206
Non-cash charges to operations:		
Amortization of tangible capital assets	46,971,596	44,032,757
Employee benefits	137,486	12,889,092
Loss on disposal of tangible capital assets	363,873	1,255,517
	<b>51,518,461</b>	<b>76,252,572</b>
Net change in other (Note 13)	<b>(5,834,421)</b>	<b>(12,350,973)</b>
	<b>45,684,040</b>	<b>63,901,599</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	<b>(36,407,567)</b>	<b>(64,922,248)</b>
Proceeds from sale of tangible capital assets	<b>51,958</b>	<b>87,712</b>
	<b>(36,355,609)</b>	<b>(64,834,536)</b>
<b>Financing transactions</b>		
Decrease in long-term accounts receivable	3,564,136	6,982,807
Issuance of debenture debt	-	120,000,000
Repayment of long-term debt	<b>(2,472,405)</b>	<b>(3,399,090)</b>
Decrease in bank indebtedness	-	<b>(70,000,000)</b>
	<b>1,091,731</b>	<b>53,583,717</b>
<b>Investing transactions</b>		
Increase in sinking fund investments	<b>(18,014,241)</b>	<b>(15,758,742)</b>
Increase in trust funds payable	295	233
Decrease in investment in rental housing projects	44,333	41,522
	<b>(17,969,613)</b>	<b>(15,716,987)</b>
(Decrease) increase in cash and cash equivalents	<b>(7,549,451)</b>	36,933,793
Cash and cash equivalents, beginning of year	<b>77,026,947</b>	40,093,154
<b>Cash and cash equivalents, end of year</b>	<b>69,477,496</b>	<b>77,026,947</b>

Supplementary cash flow information (Note 13)

See accompanying notes to the consolidated financial statements



**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2017**

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**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 of St. John's (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. Any internal revenue 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 have also been eliminated on consolidation.

*Revenue recognition*

Revenues are recognized as earned and when collection is reasonably assured. Property tax billings are prepared by the City based on the assessed values of the respective property. The tax rates are approved annually by Council.

Government grants and transfers are recognized as revenue in the financial period in which events give rise to the transfer occurring, providing the transfers are authorized, any eligibility criteria have been met including performance and return requirements, and reasonable estimates of the amount can be determined.

*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.

*Short-term investments*

Short-term investments consist of City bonds and are recorded at cost plus accumulated interest.

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2017**

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**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:

Buildings	25-45 years
Parking spaces - garage	50-75 years
Vehicles	
Transit buses	7-12 years
Vehicles	7-20 years
Computer hardware and software	5 years
Other	
Machinery and equipment	10-30 years
Water and waste plants and networks	
Underground networks	75 years
Sewage treatment plants and lift stations	45 years
Water pumping stations and reservoirs	45 years
Flood stations and other infrastructure	45 years
Waste management facility and infrastructure	10-40 years
Transportation	
Roads	15-35 years
Bridges and structures	50 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. 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.

*Leases*

Leases are classified as capital or operating leases. Leases which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expense.

*Assessments*

Assessments for water and sewer installations and street improvements are recorded on an accrual basis.

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2017**

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

*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 on an accrual basis.

*Reserve for snow and ice management*

The City has established a snow and ice management reserve, to a maximum of \$2,000,000, to accumulate funds to be used in years of severe winter conditions.

*Reserve for Civic Centre financing*

The City has established a Civic Centre financing reserve to accumulate its share of revenue received from the accommodation tax. The accommodation tax, which was legislated effective January 1, 1999, represents a four percent room levy on all fixed roof accommodations in the City of St. John's. The funds in the reserve 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.

*Solid waste landfill closure and post-closure costs*

The liability for closure and post-closure care of the City's Robin Hood Bay landfill is recognized as the landfill site's capacity is used. Closure costs are included in annual operating costs as each section of the landfill site is filled and placed out of service. The present value of the estimated annual post-closure costs is being accrued over the remaining life of the landfill site.

*Severance & 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.

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
December 31, 2017

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

*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 15 years for the employee plan and 2 years for the Mayor and Councillors' plan.

*Employee future benefits*

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

*Use of estimates*

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

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2017**

**2. CASH AND CASH EQUIVALENTS**

	2017	2016
	\$	\$
Cash	42,967,797	57,857,784
Restricted cash deposits:		
Accommodation tax	1,605,846	2,507,020
Robin Hood Bay post closure costs (Note 15)	10,789,883	9,447,459
Robin Hood Bay equipment replacement	4,224,534	3,699,855
Riverhead waste/water equipment replacement	1,700,037	1,274,965
Advance payments from developers	31,379	31,084
Federal gas tax fund	5,939,399	-
Urban living non-profit housing:		
Tenants' security deposits	111,173	112,453
Replacement reserve fund	2,107,448	2,096,327
	26,509,699	19,169,163
	69,477,496	77,026,947

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, 2017 the City held cash of \$2,107,448 (2016 - \$2,096,327).

**3. ACCOUNTS RECEIVABLE – CURRENT**

	2017	2016
	\$	\$
Taxes	26,835,047	24,681,134
Other governments	13,287,729	12,626,180
Other	11,401,868	10,615,761
Allowance for doubtful accounts	(9,950,019)	(9,488,354)
	41,574,625	38,434,721

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
December 31, 2017

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**4. ACCOUNTS RECEIVABLE - LONG-TERM**

The Government of Canada, through CMHC, has agreed to pay grants to the City as a share of the cost of the Rennies River trunk sewer. The Province of Newfoundland and Labrador has agreed to pay grants to the City as a share of the costs of water and sewer, street paving and reconstruction, and recreational facilities. These grants are payable by annual instalments and have maturity dates to December, 2026.

	<b>2017</b>	<b>2016</b>
	\$	\$
Government of Canada		
Rennies River trunk sewer	-	31,638
Government of Newfoundland and Labrador		
Water and sewer projects	<b>8,608,956</b>	12,144,447
	<b>8,608,956</b>	12,144,447
Other		
Civic Assessments	<b>449,764</b>	446,771
	<b>9,058,720</b>	12,622,856

The Provincial government's share of cost shared loans is recorded in the accounts of the City as debt charges recoverable. For the next four years the amounts are as follows:

	<b>Provincial</b>	<b>Total</b>
	\$	\$
2018	3,349,218	3,349,218
2019	2,588,221	2,588,221
2020	1,734,096	1,311,556
2021	937,421	937,421

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
December 31, 2017

**5. PAYABLES AND ACCRUALS**

	2017	2016
	\$	\$
Trade	34,097,294	36,375,130
Deposits and prepayments	24,492,331	25,682,366
Accrued interest	3,897,377	2,569,305
Other governments	155,188	109,550
	<b>62,642,190</b>	<b>64,736,351</b>

**6. EMPLOYEE BENEFITS**

	2017	2016
	\$	\$
Employee future benefits (Note 10)	160,961,458	153,809,617
Accrued pension benefits (Note 9)	15,108,441	22,646,527
Severance & sick leave benefits (Note 11)	28,684,079	28,160,348
	<b>204,753,978</b>	<b>204,616,492</b>

**7. DEBENTURE DEBT**

	2017	2016
	\$	\$
Debenture debt outstanding (Schedule 2)	444,500,000	444,500,000
Less: debt charges recoverable from the Province of Newfoundland and Labrador (Schedule 2)	8,608,956	12,144,447
Less: sinking fund investments available (Schedule 2)	139,844,295	121,830,054
	<b>296,046,749</b>	<b>310,525,499</b>

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
December 31, 2017

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**7. DEBENTURE DEBT (Continued)**

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
	\$	\$	\$
2018	11,112,500	(3,349,218)	7,763,282
2019	11,112,500	(2,588,221)	8,524,279
2020	11,112,500	(1,734,096)	9,378,404
2021	10,937,500	(937,420)	10,000,080
2022	10,356,250	-	10,356,250
Thereafter	87,237,500	-	87,237,500

**8. LONG-TERM DEBT**

	2017	2016
	\$	\$
Long-term debt (Schedule 3)	<b>206,513</b>	64,243
Mortgages - Urban living non-profit housing (Schedule 4)	<b>6,426,374</b>	8,024,049
St. John's Transportation Commission	<b>8,348,000</b>	9,365,000
	<b>14,980,887</b>	17,453,292
Less: debt charges recoverable (Schedule 3)	-	(31,638)
	<b>14,980,887</b>	17,421,654



**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2017**

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**8. LONG-TERM DEBT (Continued)**

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

Year	Non-Profit Housing Mortgages \$	Net Amount \$
2018	1,480,179	1,480,179
2019	1,100,914	1,100,914
2020	794,298	794,298
2021	726,123	726,123
2022	601,763	601,763
Thereafter	1,723,097	1,723,097

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, 2017 the outstanding banker's acceptances bear interest at 2.42% and mature on January 29, 2018. The credit facility, which was renewed on May 28, 2018, bears interest at 2.65% and matures on June 28, 2018.

**9. ACCRUED PENSION BENEFITS**

	2017 \$	2016 \$
City of St. John's - Employees	9,249,300	17,512,400
City of St. John's - Mayor and Councillors	4,492,100	4,320,500
St. John's Transportation Commission	1,367,041	813,627
	15,108,441	22,646,527

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2017**

**9. ACCRUED PENSION BENEFITS (Continued)**

*Pension plans*

The City maintains a defined benefit plan which provides pension benefits to its employees and the employees of St. John's Sports & Entertainment Ltd. The City also maintains a supplementary retirement arrangement for the members of Council. Both plans provide benefits based on length of service and average earnings.

An actuarial valuation of the plans was completed as at December 31, 2015 for Council and December 31, 2016 for employees and the supplementary plan. All plans were extrapolated to December 31, 2017.

	Employees	Mayor and Councillors	Supplementary Plan	2017	2016
	\$	\$		\$	\$
<i>Accrued benefit obligation</i>					
Balance, beginning of year	367,100,800	4,505,400	1,681,700	373,287,900	335,109,900
Current service cost	15,232,600	113,300	29,600	15,375,500	13,791,200
Interest cost	21,066,000	189,600	64,400	21,320,000	19,265,300
Benefits paid	(13,808,500)	(203,300)	(364,500)	(14,376,300)	(11,469,000)
<i>Past services and Flexible Ancillary Benefit</i>					
Account ("FABA") contributions	(1,416,600)	-	-	(1,416,600)	755,100
Actuarial loss (gain)	(133,400)	362,500	768,300	997,400	15,835,400
<b>Balance, end of year</b>	<b>388,040,900</b>	<b>4,967,500</b>	<b>2,179,500</b>	<b>395,187,900</b>	<b>373,287,900</b>
<i>Plan assets</i>					
Fair value, beginning of year	312,897,300	-	-	312,897,300	285,629,300
Return on plan assets	32,468,400	-	-	32,468,400	13,759,800
Benefits paid	(13,808,500)	-	-	(13,808,500)	(11,284,400)
City contributions to plan	24,155,700	-	-	24,155,700	17,119,300
Employee contributions to plan	6,645,500	-	-	6,645,500	6,918,200
Past services and FABA contributions	63,400	-	-	63,400	755,100
<b>Fair value, end of year</b>	<b>362,421,800</b>	<b>-</b>	<b>-</b>	<b>362,421,800</b>	<b>312,897,300</b>
Funded status - deficit	25,619,100	4,967,500	2,179,500	32,766,100	60,390,600
Unamortized amounts	(16,765,100)	(475,400)	(1,784,200)	(19,024,700)	(38,557,700)
<b>Accrued benefit liability</b>	<b>8,854,000</b>	<b>4,492,100</b>	<b>395,300</b>	<b>13,741,400</b>	<b>21,832,900</b>

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
December 31, 2017

**9. ACCRUED PENSION BENEFITS (Continued)**

	Employees	Mayor and Councillors	Supplementary Plan	2017	2016
	\$	\$		\$	\$
<i>Significant assumptions used for 2017</i>					
Discount rate	5.75%	3.50%	3.50%		
Expected long-term rate of return on plan assets	5.75%	-	-		
Rate of compensation increase	5.00%	5.00%	5.00%		
Average remaining service period of active employees	15 years	2 years	6 years		
<i>Significant assumptions used for 2016</i>					
Discount rate	5.75%	4.25%	4.25%		
Expected long-term rate of return on plan assets	5.75%	-	-		
Rate of compensation increase	4.00%	4.00%	4.00%		
Average remaining service period of active employees	15 years	2 years	5 years		
<i>Net benefit expense for the year</i>					
Current service cost	15,232,600	113,300	29,600	15,375,500	13,791,200
Interest cost	21,066,000	189,600	64,400	21,320,000	19,265,300
Amortization of losses	4,632,100	72,000	359,900	5,064,000	3,751,300
Employee contributions	(6,645,500)	-	-	(6,645,500)	(6,918,200)
Expected return on plan assets	(18,482,000)	-	-	(18,482,000)	(16,812,000)
<b>Net benefit expense</b>	<b>15,803,200</b>	<b>374,900</b>	<b>453,900</b>	<b>16,632,000</b>	<b>13,077,600</b>

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2017**

**9. ACCRUED PENSION BENEFITS (Continued)**

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

*Defined benefit pension plans*

The Commission maintains two defined benefit plans which provide pension benefits to its union and non-union employees. The plans provide benefits based on length of service and average earnings.

An actuarial valuation of the employee plans was completed as at December 31, 2016 and extrapolated to December 31, 2017. 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 Plan	2017	2016
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	49,614,179	97,687	49,711,866	48,526,390
Current service cost	1,856,492	4,170	1,860,662	1,917,777
Interest cost	2,677,802	4,240	2,682,042	2,503,817
Benefits paid	(2,071,571)	-	(2,071,571)	(2,016,931)
Cost of plan amendments	-	-	-	95,035
Actuarial (gain) loss	508,099	38,071	546,170	(1,314,222)
<b>Balance, end of year</b>	<b>52,585,001</b>	<b>144,168</b>	<b>52,729,169</b>	<b>49,711,866</b>
<i>Plan assets</i>				
Fair value, beginning of year	46,010,699	-	46,010,699	43,134,988
Return on plan assets	4,268,842	-	4,268,842	3,097,544
Benefits paid	(2,071,571)	-	(2,071,571)	(2,016,931)
Employer contributions to plan	1,145,838	-	1,145,838	1,006,032
Employee contributions to plan	780,186	-	780,186	789,066
<b>Fair value, end of year</b>	<b>50,133,994</b>	<b>-</b>	<b>50,133,994</b>	<b>46,010,699</b>
Funded status - deficit	2,451,007	144,168	2,595,175	3,701,167
Unamortized amounts	(1,190,063)	(38,071)	(1,228,134)	(2,887,540)
<b>Accrued benefit liability</b>	<b>1,260,944</b>	<b>106,097</b>	<b>1,367,041</b>	<b>813,627</b>
<i>Significant assumptions used</i>				
Discount rate	5.50%	3.50%		5.50%
Expected long-term rate of return on plan assets	5.50%	4.25%		5.25%
Rate of compensation increase	4.00%	4.00%		4.00%
Average remaining service period of active employees	16.0 years	10.0 years		15.8 years

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2017**

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**9. ACCRUED PENSION BENEFITS (Continued)**

	Employees	Supplementary Plan	2017	2016
			\$	\$
<i>Net benefit expense for the year</i>				
Current service cost	1,856,492	4,170	1,860,662	1,917,777
Interest cost	2,677,802	4,240	2,682,042	2,503,817
Amortization of losses	424,073	-	424,073	598,591
Cost of plan amendments	-	-	-	95,035
Employee contributions	(780,186)	-	(780,186)	(789,066)
Expected return on plan assets	(2,487,339)	-	(2,487,339)	(2,224,693)
<b>Net benefit expense</b>	<b>1,690,842</b>	<b>8,410</b>	<b>1,699,252</b>	<b>2,101,461</b>

During 2016 the Commission agreed on a new pension plan structure for both union and non-union groups. The agreement effectively closed the defined benefit plan to new entrants as of May 1, 2016. Employees in the defined benefit plan as of that date will continue to accrue benefits under the defined benefit plan. Employees hired on or after May 1, 2016 will be enrolled under a defined contribution pension plan.

A Supplementary Executive Retirement Plan (SERP) was established on September 1, 2016 to provide retirement benefits to members of the Non-Union Plan in respect to earnings in excess of those on which benefits can be provided under the defined benefits provisions of the Non-Union Plan.

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2017**

**10. 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, 2016 for the City and December 31, 2015 for the Commission and both extrapolated to December 31, 2017.

	City	Commission	2017 Total	2016 Total
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	156,691,900	13,472,054	170,163,954	174,656,994
Current period benefit cost	4,037,800	459,892	4,497,692	6,986,628
Interest cost	5,504,900	573,762	6,078,662	6,700,852
Benefit payments	(3,386,000)	(393,881)	(3,779,881)	(3,615,726)
Past service amendment	(1,159,100)	-	(1,159,100)	-
Actuarial (gain) loss	(3,098,500)	1,797,598	(1,300,902)	(14,564,794)
Balance, end of year	158,591,000	15,909,425	174,500,425	170,163,954
Funded status - deficit	158,591,000	15,909,425	174,500,425	170,163,954
Unamortized amounts	(9,846,600)	(3,692,367)	(13,538,967)	(16,354,337)
Accrued benefit liability	148,744,400	12,217,058	160,961,458	153,809,617
<i>Significant assumptions used for 2017</i>				
Discount rate	3.50%	3.50%		
Average remaining service period of active employees	12 years	13.9 years		
<i>Significant assumptions used for 2016</i>				
Discount rate	4.25%	4.25%		
Average remaining service period of active employees	12 years	13.9 years		
<i>Net benefit expense for the year</i>				
Current period benefit cost	4,037,800	459,892	4,497,692	6,986,628
Cost of past service amendment	(1,159,100)	-	(1,159,100)	-
Amortization of actuarial losses	1,272,100	242,368	1,514,468	4,910,874
Interest cost	5,504,900	573,762	6,078,662	6,700,852
Net benefit expense	9,655,700	1,276,022	10,931,722	18,598,354

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
December 31, 2017

**11. SEVERANCE AND SICK LEAVE BENEFITS**

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, 2016 and extrapolated to December 31, 2017.

	Severance	Sick leave	2017 Total	2016 Total
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	20,152,800	6,561,800	26,714,600	26,641,537
Current period benefit cost	1,234,000	763,600	1,997,600	1,954,049
Past service amendment	(95,500)	689,600	594,100	-
Interest cost	863,200	330,700	1,193,900	1,008,730
Benefit payments/contributions	(2,789,400)	(859,800)	(3,649,200)	(2,146,062)
Actuarial loss (gain)	1,031,600	578,000	1,609,600	(743,637)
<b>Balance, end of year</b>	<b>20,396,700</b>	<b>8,063,900</b>	<b>28,460,600</b>	<b>26,714,617</b>
Funded status - deficit	20,396,700	8,063,900	28,460,600	26,714,617
Unamortized amounts	(1,128,200)	(586,000)	(1,714,200)	(360,062)
<b>Accrued benefit liability</b>	<b>19,268,500</b>	<b>7,477,900</b>	<b>26,746,400</b>	<b>26,354,555</b>
<i>Significant assumptions used</i>				
Discount rate			3.50%	4.25%
Average remaining service period of active employees	13 years	13 years		
<i>Net benefit expense for the year</i>				
Current period benefit cost	1,234,000	763,600	1,997,600	1,954,049
Amortization of actuarial losses	107,100	52,900	160,000	110,099
Cost of past service amendment	-	689,600	689,600	-
Interest cost	863,200	330,700	1,193,900	1,008,730
<b>Net benefit expense</b>	<b>2,204,300</b>	<b>1,836,800</b>	<b>4,041,100</b>	<b>3,072,878</b>

*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, 2017 is \$379,016 (2016 - \$361,206).

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2017**

**11. SEVERANCE AND SICK LEAVE BENEFITS (Continued)**

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, 2017 is \$1,051,423 (2016 - \$980,155).

*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, 2015 and extrapolated to December 31, 2017.

	Severance	Sick leave	2017 Total	2016 Total
	\$	\$	\$	\$
<i>Accrued benefit obligation</i>				
Balance, beginning of year	360,419	99,850	460,269	468,796
Current period benefit cost	30,620	15,743	46,363	47,182
Interest cost	15,780	4,263	20,043	17,673
Benefit payments/contributions	(8,883)	(14,763)	(23,646)	(54,608)
Actuarial loss (gain)	29,401	4,113	33,514	(18,774)
Balance, end of year	427,337	109,206	536,543	460,269
Funded status - deficit	427,337	109,206	536,543	460,269
Unamortized amounts	(40,675)	11,372	(29,303)	4,163
Accrued benefit liability	386,662	120,578	507,240	464,432
<i>Significant assumptions used</i>				
Discount rate			3.50%	4.25%
Average remaining service period of active employees			12 years	12 years
<i>Net benefit expense for the year</i>				
Current period benefit cost	30,620	15,743	46,363	47,182
Amortization of actuarial losses (gains)	1,704	(1,656)	48	1,613
Interest cost	15,780	4,263	20,043	17,673
Net benefit expense	48,104	18,350	66,454	66,468



**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
December 31, 2017

**12. ACCUMULATED SURPLUS**

	2017	2016
	\$	\$
Accumulated surplus, beginning of year	843,256,729	825,181,523
Excess of revenues over expenditures	4,045,506	18,075,206
Accumulated surplus, end of year	<b>847,302,235</b>	<b>843,256,729</b>
Appropriated surplus		
Sinking fund - reserve for retirement of debentures	139,844,295	121,830,054
Reserve for Shoal Bay treatment plant	303,369	493,000
Reserve for landfill capital improvements	2,640,597	2,640,597
Urban living non-profit housing - replacement reserve	2,107,448	2,096,327
Reserve for snow and ice management	2,000,000	2,000,000
Reserve for salt savings	646,591	646,591
Reserve for Civic Centre financing	6,021,286	6,399,064
Reserve for capital	22,250,044	19,484,189
Reserve for employee benefits stabilization fund	1,997,091	1,997,091
Reserve for Robin Hood Bay equipment replacement	4,224,534	3,699,855
Reserve for Robin Hood Bay post-closure costs (Note 15)	10,789,882	9,447,459
Reserve for Riverhead Waste/water equipment replacement	1,700,037	1,274,965
	<b>194,525,174</b>	<b>172,009,192</b>
Unappropriated surplus	<b>652,777,061</b>	<b>671,247,537</b>
	<b>847,302,235</b>	<b>843,256,729</b>

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
December 31, 2017

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**13. SUPPLEMENTARY CASH FLOW INFORMATION**

	2017	2016
	\$	\$
Changes in other balances:		
Accounts receivable	(3,139,904)	58,011
Inventory of materials and supplies	(176,378)	(30,881)
Prepaid expenditures	(423,978)	692,708
Payables and accruals	(2,094,161)	(13,070,811)
	<b>(5,834,421)</b>	<b>(12,350,973)</b>
Interest paid	<b>24,068,317</b>	<b>20,266,586</b>

**14. CONTINGENCIES AND COMMITMENTS**

*Expropriation and other claims*

The City has received notices of claims. No provision has been made for these claims either because the City is not expected to incur any significant liability, or because an estimate of loss, if any, is not determinable at this time.

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 commitments*

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

2017	2,351,516
2018	2,097,968
2019	1,845,300
2020	556,446
2021	504,072
Thereafter	470,622

*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 \$1.4 million in compensation will be payable to the donor.

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
**December 31, 2017**

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**15. ROBIN HOOD BAY CLOSURE AND POST-CLOSURE COSTS**

The liability for closure and post-closure care of the Robin Hood Bay landfill is recognized as the landfill site's capacity is used. Closure costs include the final cover and landscaping while post-closure costs include cap maintenance, groundwater and leachate monitoring, continued gas management operations, inspections and annual reports. The liability recognized in the consolidated financial statement is subject to measurement uncertainty. The recognized amounts are based on the City's best information and judgement. Amounts could materially change in the long-term.

Estimated closure and post-closure costs over the next 31 years	\$47,000,000
Discount rate	5%
Discounted cost	\$10,356,895
Expected year capacity will be reached	2049
Percent utilized	22.5%
Liability based on the percentage utilized	\$2,330,301

The tipping fees charged by the City to all users, including the City itself, other municipalities and commercial users include a provision for closure and post-closure costs which is contributed to an interest-bearing reserve to accumulate the funds that will be required at each closure and post-closure phase. The balance in the reserve at December 31, 2017 was \$10,789,883 (2016 - \$9,447,459).

**16. SEGMENTED INFORMATION**

The Consolidated Statement of Operations and Accumulated Surplus has been prepared in accordance with PSAB Handbook Section 2700 (PS 2700) Segment Disclosures. The segments selected enhance the ability to understand the City's major revenue and expense activities (Schedule 7).

For each reported segment, revenues and expenses represent amounts directly attributable to each segment. The segments have been selected based on there being a functional difference within the segments. Each segment has its own budget and financial reporting process. The segments include:

**City of St. John's** includes those operations primarily funded through property tax revenues.

**Non-Profit Housing** includes revenues and expenses related to the provision of housing to qualifying individuals. This segment includes Federal assistance through Canada Mortgage and Housing Corporation as well as through Newfoundland and Labrador Housing Corporation to reduce the operating costs for certain City projects.

**CITY OF ST. JOHN'S**  
**Notes to the Consolidated Financial Statements**  
December 31, 2017

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**16. SEGMENTED INFORMATION (Continued)**

**St. John's Transportation Commission** includes those revenues and expenses related to provision of public transit services.

**St. John's Sports & Entertainment Ltd.** includes those revenues and expenses related to the operation of Mile One Centre and the St. John's Convention Centre.

**17. EXPENDITURES BY OBJECT**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Personnel	<b>146,762,184</b>	150,250,945
Contractual services	<b>53,321,462</b>	47,124,798
Materials and supplies	<b>23,754,745</b>	23,900,892
Grants and subsidies	<b>2,759,351</b>	6,145,575
Financial charges	<b>26,257,806</b>	22,741,746
Amortization and allowances	<b>47,732,846</b>	47,723,100
Other	<b>1,256,789</b>	2,222,172
	<b>301,845,183</b>	<b>300,109,228</b>

**18. COMPARATIVE FIGURES**

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

**CITY OF ST. JOHN'S**

**Consolidated Schedule of Tangible Capital Assets**

Year Ended December 31, 2017

Schedule 1

	Land	Buildings & Permanent Improvements		Capital Lease-Parking Spaces		Roads & Underground Networks		Equipment, Vehicles & Moveable Plant		Fire Department Buildings & Equipment		Urban Living Non-profit Housing Buildings		2017 Totals		2016 Totals	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>																	
Balance, beginning of year	64,105,385	459,571,691	8,452,167	923,704,600	220,064,772	34,599,778	53,661,479	46,437,136	1,810,597,008	1,752,193,971							
Add: Additions during the year	543,626	41,660,344	-	16,421,657	11,305,526	468,280	40,910,077	-	111,309,510	118,539,454							
Less: Disposals during the year	-	(1,134,374)	-	(808,752)	(2,681,119)	(942)	-	-	(4,625,187)	(6,519,211)							
Adjustments	-	-	-	-	(2,931)	2,931	(74,901,943)	-	(74,901,943)	(53,617,206)							
Balance, end of year	64,649,011	500,097,661	8,452,167	939,317,505	228,686,248	35,070,047	19,669,613	46,437,136	1,842,379,388	1,810,597,008							
<b>Accumulated amortization</b>																	
Balance, beginning of year	-	95,656,916	322,168	260,800,996	102,715,957	11,287,522	-	21,240,612	492,024,171	453,167,396							
Add: Additions during the year	-	11,656,005	146,723	20,272,125	12,444,784	1,174,803	-	1,277,156	46,971,596	44,032,757							
Less: Disposals during the year	-	(1,062,313)	-	(467,868)	(2,678,233)	(942)	-	-	(4,209,356)	(5,175,982)							
Adjustments	-	-	-	-	-	-	-	-	-	-							
Balance, end of year	-	106,250,608	468,891	280,605,253	112,482,508	12,461,383	-	22,517,768	534,786,411	492,024,171							
<b>Net book value of tangible capital assets</b>	64,649,011	393,847,053	7,983,276	658,712,252	116,203,740	22,608,664	19,669,613	23,919,368	1,307,592,977	1,318,572,837							

**CITY OF ST. JOHN'S**  
**Consolidated Schedule of Debenture Debt**  
December 31, 2017

Schedule 2

Date of Maturity	Interest Rate	Amount Issued	Amount Outstanding	2017		2016	
				Sinking Funds Available	Sinking Fund Requirement in 2018	Sinking Funds Available	Sinking Fund Requirement in 2017
		\$	\$	\$	\$	\$	\$
Dec. 2020	6.840%	7,000,000	7,000,000	6,361,559	175,000	5,951,294	175,000
Dec. 2021	7.380%	15,000,000	15,000,000	12,990,654	375,000	11,945,364	375,000
Apr. 2022	7.250%	16,500,000	16,500,000	12,403,175	412,500	11,420,709	412,500
Feb. 2023	6.680%	11,000,000	11,000,000	9,133,950	275,000	8,272,710	275,000
Feb. 2024	6.162%	25,000,000	25,000,000	16,477,895	625,000	14,875,394	625,000
June 2025	5.534%	18,000,000	18,000,000	10,881,660	450,000	9,768,513	450,000
Mar. 2026	5.300%	25,000,000	25,000,000	12,643,367	625,000	11,257,814	625,000
Dec. 2026	4.975%	35,000,000	35,000,000	22,725,437	875,000	20,714,717	875,000
Dec. 2027	5.400%	15,000,000	15,000,000	4,913,533	375,000	4,319,728	375,000
Nov. 2029	5.539%	27,000,000	27,000,000	6,655,089	675,000	5,680,455	675,000
Aug. 2031	4.622%	70,000,000	70,000,000	13,663,476	1,750,000	11,392,535	1,750,000
Dec. 2033	4.500%	60,000,000	60,000,000	6,433,655	1,500,000	4,730,420	1,500,000
Mar. 2036	4.215%	120,000,000	120,000,000	4,560,845	3,000,000	1,500,401	3,000,000
		444,500,000	444,500,000	139,844,295	11,112,500	121,830,054	11,112,500

For the debenture debt that matures in 2021, 2023, 2024, 2025, and 2026, there are debt recoverable charges from the Province of Newfoundland and Labrador of \$382,542, \$1,545,288, \$2,001,953 and \$4,679,173 respectively, for a total of \$8,608,956.

**CITY OF ST. JOHN'S**  
**Consolidated Schedule of Long-Term Debt**  
December 31, 2017

Schedule 3

	Date of Maturity	Interest Rate	2017		Principal Requirement in 2018	2016	
			Amount Issued	Amount Outstanding		Amount Outstanding	Principal Requirement in 2017
			\$	\$	\$	\$	\$
<b>Capital Lease</b>							
Cisco Phone Equipment	Nov. 2022	2.037%	170,560	170,560	32,793	-	-
Canlease Office Trailer	Nov. 2021	12.975%	39,544	35,953	7,671	-	-
<b>Canada Mortgage and Housing Corporation</b>							
Rennies River trunk sewer	Oct. 2017	9.750%	681,350	-	-	63,277	63,277
Wedgewood Park water and sewer	Jan. 2017	7.875%	12,410	-	-	966	966
			903,864	206,513	40,464	64,243	64,243

For the long-term debt that matured in 2017, there was a debt recoverable charge from the Government of Canada of \$31,638.

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

Schedule 4

December 31, 2017

	Date of Maturity	Interest Rate	Amount Issued \$	2017 Amount Outstanding \$	2016 Amount Outstanding \$
<b>Newfoundland &amp; Labrador Housing Corporation</b>					
Hamlyn Road	Aug. 1, 2022	2.040%	2,207,290	<b>536,583</b>	645,077
Infill 1987	Apr. 1, 2023	2.040%	2,070,285	<b>568,809</b>	668,754
Gear Street - Infill 1988	Sept. 1, 2025	2.040%	1,929,560	<b>721,664</b>	806,768
Brookfield Road	Dec. 1, 2025	2.040%	2,203,600	<b>841,161</b>	937,007
Cochrane Street	Nov. 1, 2027	1.710%	745,887	<b>322,810</b>	353,794
Infill 1990	Nov. 1, 2026	1.640%	1,628,008	<b>644,891</b>	712,645
Campbell Avenue	Feb. 1, 2028	1.620%	968,952	<b>440,949</b>	480,556
Infill 1992	Dec. 1, 2028	2.040%	1,682,553	<b>696,764</b>	752,719
<b>Canada Mortgage and Housing Corporation</b>					
Forest Road	Jan. 1, 2018	1.620%	1,647,890	<b>8,300</b>	110,014
Cuckholds Cove Road	Apr. 1, 2018	1.670%	804,200	<b>16,260</b>	64,518
Infill 1982	July 1, 2018	2.350%	651,550	<b>23,577</b>	63,274
Rawlins Cross	Dec. 1, 2018	2.110%	1,249,485	<b>75,661</b>	149,790
Hamilton Avenue - Riverhead Towers	Feb. 1, 2019	1.920%	3,736,230	<b>251,031</b>	461,761
Fahey's Row - Infill 1983	May 1, 2019	1.820%	962,163	<b>84,481</b>	142,835
Alexander Street - Hamilton Avenue	June 1, 2019	1.820%	1,920,998	<b>177,424</b>	293,076
Carnell Street - Larkin Square	Jan. 1, 2020	1.120%	1,910,065	<b>236,077</b>	352,220
Carter's Hill	Jan. 1, 2020	1.390%	1,406,630	<b>181,841</b>	267,281
Infill 1985	Apr. 1, 2021	2.260%	880,530	<b>171,338</b>	221,579
Carter's Hill - Sebastian Court	Aug. 1, 2021	1.800%	2,031,175	<b>426,753</b>	540,381
			30,637,051	<b>6,426,374</b>	8,024,049
<b>Current portion</b>				<b>1,480,179</b>	1,594,349

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, 2017

Schedule 5

	2017	2016
	\$	\$
<b>Taxation</b>		
Real property and business	161,384,744	167,377,204
Water	29,536,232	31,675,399
Utility	6,169,771	7,276,962
Accommodation	3,400,725	3,821,807
	<b>200,491,472</b>	<b>210,151,372</b>
<b>Grants in lieu of taxes</b>		
Government of Canada	4,978,900	5,089,203
Government of Canada agencies	970,565	971,178
Water tax grant	2,852,760	3,097,459
	<b>8,802,225</b>	<b>9,157,840</b>
<b>Grants and transfers</b>		
Government of Canada		
Capital grant	2,971,145	257,852
St. John's Transportation Commission	187,708	110,869
Gas tax funding	4,444,615	4,368,046
Other federal grants	2,606,347	961,916
Government of Newfoundland and Labrador		
Gas tax funding	727,259	727,259
Municipal capital grant	2,383,599	9,931,434
Capital Grant - Non-Profit Housing	66,457	341,829
Recovery of debt charges	631,858	843,887
Rental housing projects	1,120,952	1,208,873
Other provincial grants	-	160,760
City of Mount Pearl and Town of Paradise		
Capital contribution	42,810	-
City of Mount Pearl public transit contribution	1,265,334	1,110,603
Capital contribution from Developers	65,349	5,442,070
Other grants	571,942	587,913
	<b>17,085,375</b>	<b>26,053,311</b>
<b>Sales of goods and services</b>		
Environmental health services		
Water sales - commercial and shipping	7,077,039	8,027,053
Tipping fees	10,869,898	11,449,451
Recycling materials	1,143,137	750,461
Regional Fire recovery	10,901,365	8,514,058

**CITY OF ST. JOHN'S**  
**Consolidated Schedule of Revenues**  
Year ended December 31, 2017

Schedule 5 (continued)

	2017	2016
	\$	\$
<b>Sales of goods and services (continued)</b>		
Environmental health services (continued)		
Regional Water recovery	6,735,254	6,956,923
Regional Waste Water recovery	6,774	1,461,401
Other	2,599,528	1,153,522
General government services	1,016,373	1,048,776
Transportation services		
Parking meters	1,188,207	1,727,517
Parking permits	319,502	316,399
Other	66,700	45,080
Third party charges	549,711	326,933
Sale of land	201,323	14,716
Recreation, parks and tourism	1,836,694	1,314,294
St. John's Sports & Entertainment Ltd.	7,201,342	6,322,842
Railway Coastal Museum	97,116	108,653
Other general services	1,946,010	536,071
	<b>53,755,973</b>	<b>50,074,150</b>
<b>Other revenue from own sources</b>		
Interest on tax arrears	2,659,337	2,254,534
Interest earned on portfolio investments	6,066,870	5,319,041
Fines	2,063,467	2,006,967
Construction and other permits	3,863,563	2,964,771
Interest earned	994,752	649,551
Business and amusement licenses	163,992	168,028
Rents, concessions and franchises	87,902	98,892
Apartment rentals	3,122,012	3,153,885
St. John's Transportation Commission		
Passenger fares	5,893,539	5,315,978
Charters	80,840	61,814
Transit advertising	202,622	262,079
Sundry	181,770	153,766
Civic assessments	293,799	327,802
Sub - division assessments	81,179	10,653
	<b>25,755,644</b>	<b>22,747,761</b>
<b>Total revenue</b>	<b>305,890,689</b>	<b>318,184,434</b>

**CITY OF ST. JOHN'S**  
**Consolidated Schedule of Expenditures**  
Year ended December 31, 2017

Schedule 6

	2017	2016
	\$	\$
<b>General government services</b>		
Legislative	877,621	887,903
General government	27,164,668	23,146,527
Engineering services	5,793,977	5,240,992
Pensions and employee benefits	20,060,906	17,255,042
Employee future benefits	(3,547,882)	7,193,241
Other general government	994,693	867,191
	<b>51,343,983</b>	<b>54,590,896</b>
<b>Fiscal services</b>		
Interest on debenture debt	23,748,973	19,889,650
Long-term debt interest	6,396	10,747
Non-Profit Housing mortgage interest	125,602	160,104
St. John's Transportation Commission interest	187,310	197,477
Interest on temporary bank loans	36	8,609
Other debt charges	60,627	404,160
	<b>24,128,944</b>	<b>20,670,747</b>
<b>Transportation services</b>		
Road transport		
Administration	2,297,312	2,638,858
Fleet services	1,566,038	863,329
Snow clearing	15,223,919	15,122,780
Streets, roads and sidewalks	8,201,487	7,834,716
Maintenance depot	1,222,012	1,779,690
Traffic services	3,720,590	3,321,391
Street cleaning	237,981	233,635
Street lighting	4,196,306	4,250,368
St. John's Transportation Commission	22,487,723	20,753,070
St. John's Para-Transit System	-	3,051,784
Parking meters	452,388	204,043
	<b>59,605,756</b>	<b>60,053,664</b>

**CITY OF ST. JOHN'S**  
**Consolidated Schedule of Expenditures**  
Year ended December 31, 2017

Schedule 6 (continued)

	2017	2016
	\$	\$
<b>Protective services</b>		
Fire protection	29,969,553	27,924,245
Protective inspections	3,604,841	4,024,346
Traffic enforcement	2,183,908	2,653,214
Animal and pest control	1,275,033	1,283,125
	<b>37,033,335</b>	<b>35,884,930</b>
<b>Environmental health services</b>		
Water supply and distribution	16,123,744	15,524,229
Regional Water system	6,223,254	6,538,291
Regional Waste Water system	3,846,480	4,046,843
Regional Robin Hood Bay landfill	12,015,879	13,314,379
Garbage, waste collection and disposal	4,408,024	4,518,468
	<b>42,617,381</b>	<b>43,942,210</b>
<b>Recreation and cultural services</b>		
Parks and open spaces	9,268,417	9,471,578
Recreation	8,222,925	7,422,070
St. John's Sports & Entertainment Ltd.	9,041,059	8,280,466
Railway Coastal Museum	472,087	468,825
Destination St. John's	1,620,406	1,763,888
Other recreation and cultural services	2,474,096	2,120,135
	<b>31,098,990</b>	<b>29,526,962</b>
<b>Environmental development services</b>		
Environmental planning and zoning	1,669,458	1,533,005
Housing and real estate	3,758,449	3,937,814
Other environmental development services	2,492,169	2,245,901
	<b>7,920,076</b>	<b>7,716,720</b>
<b>Amortization and allowances</b>		
Allowance for uncollectible accounts	672,473	2,413,771
Allowance for obsolete inventory	88,776	21,054
Loss on disposal fixed assets	363,873	1,255,517
Amortization	46,971,596	44,032,757
	<b>48,096,718</b>	<b>47,723,099</b>
<b>Total expenditures</b>	<b>301,845,183</b>	<b>300,109,228</b>

**CITY OF ST. JOHN'S**

**Consolidated Schedule of Segmented Information**

Year ended December 31, 2017

Schedule 7

	City	Non Profit Housing		St. John's Transportation Commission		St. John's Sports & Entertainment Ltd.		Non Profit Housing eliminations		St. John's Transportation Commission eliminations		St. John's Sports & Entertainment Ltd. eliminations		Consolidated 2017		2016
																\$
<b>Revenue (Schedule 5)</b>																
Taxation	201,141,282	-	-	-	-	-	-	-	(649,810)	-	-	-	-	200,491,472	210,151,372	
Grants in lieu of taxes	8,802,225	-	-	-	-	-	-	-	-	-	-	-	-	8,802,225	9,157,840	
Grants and transfers	14,519,772	1,176,236	18,572,405	2,865,104	7,201,342	(304,510)	(566,940)	(17,119,363)	(2,624,269)	-	-	-	17,085,375	26,053,311		
Sales of goods and services	47,121,571	-	-	-	-	-	(14,513)	-	-	-	-	-	53,755,973	50,074,150		
Other revenue from own sources	16,111,269	3,281,668	6,377,220	10,066,446	(1,535,773)	(1,535,773)	(17,119,363)	(2,624,269)	-	-	-	-	25,755,644	22,747,761		
	287,696,119	4,457,904	24,949,625	10,066,446	(1,535,773)	(1,535,773)	(17,119,363)	(2,624,269)	-	-	-	-	305,890,689	318,184,434		
<b>Expenditure (Schedule 6)</b>																
General government services	51,343,983	430,112	187,310	-	-	(304,510)	-	-	-	-	-	-	51,343,983	54,590,896		
Fiscal services	23,816,032	-	-	-	-	-	-	-	-	-	-	-	24,128,944	20,670,747		
Transportation services	53,012,899	-	23,712,220	-	-	-	-	(17,119,363)	-	-	-	-	59,605,756	60,053,664		
Protective services	37,033,335	-	-	-	-	-	-	-	-	-	-	-	37,033,335	35,884,930		
Environmental health services	42,617,381	-	-	-	-	-	-	-	-	-	-	-	42,617,381	43,942,210		
Recreation and cultural services	24,441,365	3,059,584	-	9,281,894	-	(1,231,263)	-	-	-	-	-	-	31,098,990	29,526,962		
Environmental development services	6,091,755	1,277,157	3,390,573	3,507,258	-	-	-	-	-	-	-	-	7,920,076	7,716,720		
Amortization and allowances	39,921,730	4,766,853	27,290,103	12,789,152	(1,535,773)	(1,535,773)	(17,119,363)	(2,624,269)	-	-	-	-	48,096,718	47,723,099		
	278,278,480	9,417,639	(308,949)	(2,722,706)	(2,722,706)	-	-	-	-	-	-	-	4,045,506	18,075,206		
Excess of revenues over expenditures (expenditures over revenues)																
Accumulated surplus, beginning of year														843,256,729	825,181,523	
Accumulated surplus, end of year (Note 12)														847,302,235	843,256,729	

**CITY OF ST. JOHN'S**  
**Consolidated PSAB Budget**  
Year ended December 31, 2017

Schedule 8

	City	St. John's Transportation Commission	St. John's Sports & Entertainment Ltd.	Adopted Budget	Consolidating Entries and PSAB Adjustments (Page 37)	Consolidated Budget
	\$	\$	\$	\$	\$	\$
<b>Revenues</b>						
Taxation	220,881,954			220,881,954	(21,530,299)	199,351,655
Grants in lieu of taxes	8,450,000			8,450,000	-	8,450,000
Grants and transfers	26,920,610	15,894,866	1,989,899	44,805,375	(34,993,560)	9,811,815
Sales of goods and services	23,467,676		7,251,176	30,718,852	22,209,315	52,928,167
Other revenue from own sources	14,681,068	7,315,350		21,996,418	4,749,425	26,745,843
	294,401,308	23,210,216	9,241,075	326,852,599	(29,565,119)	297,287,480
<b>Expenditures</b>						
General government services	42,678,765			42,678,765	4,101,103	46,779,868
Fiscal services	34,595,901	231,020		34,826,921	(12,140,444)	22,686,477
Transportation services	51,828,915	22,979,196		74,808,111	(17,362,188)	57,445,923
Protective services	30,548,475			30,548,475	4,686,422	35,234,897
Environmental health services	72,673,523			72,673,523	(24,558,650)	48,114,873
Recreation and cultural services	23,137,992		9,241,075	32,379,067	(619,941)	31,759,126
Environmental development services	11,681,199			11,681,199	(4,991,947)	6,689,252
Amortization and allowances	27,256,538			27,256,538	21,428,931	48,685,469
	294,401,308	23,210,216	9,241,075	326,852,599	(29,456,714)	297,395,885
<b>Excess of (expenditures over revenues)</b>	-	-	-	-	(108,405)	(108,405)

Council approved the City's 2017 budget on December 12, 2016

**CITY OF ST. JOHN'S**  
**Consolidating Entries and PSAB Adjustments**  
Year ended December 31, 2017

Schedule 8 (continued)

	\$
<b>Revenues</b>	
1. Eliminate transfers from reserves	(1,293,445)
2. Eliminate grants to SJSE	(2,490,000)
3. Eliminate grants to SJTC	(16,692,103)
4. Eliminate subsidy to NPH	(24,000)
5. Eliminate property taxes paid by City entities	(648,345)
6. Eliminate water revenue paid by City entities	(4,287,258)
7. Eliminate tipping fees paid by City entities	(2,249,296)
8. Eliminate general government charges	(2,651,624)
9. Eliminate debt charges recoverable	(20,412,126)
10. Record provincial capital grants	2,450,055
11. Record federal capital grants	1,513,322
12. Record other capital grants	571,942
13. Record capital contribution from developers	65,350
14. Record recovery of fire protection services	10,314,216
15. Record interest earned on sinking funds	6,066,870
16. Record gain on sale of capital assets	201,323
	<u>(29,565,119)</u>
<b>Expenses</b>	
1. Eliminate transfers from reserves	(3,833,183)
2. Eliminate grants to SJSE	(2,490,000)
3. Eliminate grants to SJTC	(16,692,103)
4. Eliminate subsidy to NPH	(24,000)
5. Eliminate property taxes paid by City entities	(648,345)
6. Eliminate water revenue paid by City entities	(4,287,258)
7. Eliminate tipping fees paid by City entities	(2,249,296)
8. Eliminate general government charges	(2,651,624)
9. Eliminate debt charges recoverable	(18,366,334)
10. Eliminate capital expenditures	(21,201,729)
11. Eliminate sinking fund payments	(11,926,611)
12. Eliminate principal payments on LTD	(1,668,314)
13. Eliminate recovery of fire protection services	10,314,216
14. Record amortization of capital assets	46,971,596
15. Record employee post retirement benefits	(703,729)
	<u>(29,456,714)</u>
<b>Excess of revenues over expenditures</b>	<u><u>(108,405)</u></u>