

DECISION/DIRECTION NOTE

Title: 2020 Financial Statements

Date Prepared: July 7, 2021

Report To: Regular Meeting of Council

Councillor and Role: Councillor Deanne Stapleton

Ward: N/A

Decision/Direction Required: Approval of the 2020 Audited Financial Statements.

Discussion – Background and Current Status:

Attached for the approval of Council are the December 31st, 2020 audited financial statements. The auditors have issued a clean audit report on the statements meaning they present fairly, in all material respects, the financial position of the City and the results of its operations, changes in net debt and cash flows for the year.

It is important to note that these statements are different from the City's annual budget. Firstly, these statements are prepared on a consolidated basis meaning they represent the results for not only the City itself, but also the financial results of St. John's Sports & Entertainment Limited and the St. John's Transportation Commission. The City budget shows the cash contribution toward the net operating cost of these entities whereas these statements reflect the total revenues, expenses, assets and liabilities on a gross basis.

Secondly, these statements are prepared using the accrual basis of accounting whereas the City's budget is prepared on a cash basis. The former are prepared in accordance with PSAS – Public Sector Accounting Standards - and the latter on a cash basis as required under provincial legislation. Under these two alternate approaches there are key differences in how significant items such as debt charges, amortization of tangible capital assets, post-retirement benefits, as well as capital contributions from developers and other levels of government are accounted for. Schedule 8 attached to the financial statements outlines the differences. The cash results will be presented to Council subsequent to the approval of the these statements.

Key Considerations/Implications:

1. Budget/Financial Implications:

The City's cash-based statements (based on budget) are the ones used by staff to track the results of operations throughout the year. As a result it is the cash based statements on which further detailed commentary will be provided once presented to Council.

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2. Partners or Other Stakeholders: N/A
3. Alignment with Strategic Directions/Adopted Plans: An Effective City
4. Legal or Policy Implications: N/A
5. Privacy Implications: N/A
6. Engagement and Communications Considerations: N/A
7. Human Resource Implications: N/A
8. Procurement Implications: N/A
9. Information Technology Implications: N/A
10. Other Implications: N/A

Recommendation:

That Council approve the 2020 audited financial statements.

Prepared by:

Approved by:

Report Approval Details

Document Title:	2020 Audited Financial Statements.docx
Attachments:	- 2020.12.31_City of St. John's_ Consolidated Financial Statements_Draft.pdf
Final Approval Date:	Jul 9, 2021

This report and all of its attachments were approved and signed as outlined below:

Derek Coffey - Jul 8, 2021 - 12:50 PM

No Signature - Task assigned to Kevin Breen was completed by workflow administrator Karen Chafe

Kevin Breen - Jul 9, 2021 - 11:10 AM