

DECISION/DIRECTION NOTE

Title: December 31, 2024 Audited Financial Statements

Date Prepared: June 12, 2025

Report To: Regular Meeting of Council

Councillor and Role: Councillor Tom Davis, Audit Committee

Ward: N/A

Decision/Direction Required: Approval of the December 31, 2024 Audited Financial Statements

Discussion – Background and Current Status:

Attached for the approval of Council are the December 31, 2024 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 St. John's Transportation Commission. The City's 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 Public Sector Accounting Standards (PSAS), 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 7 of the financial statements outlines the differences. The cash results will be presented to Council subsequent to the approval of the audited statements.

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Key Considerations/Implications:

1. Budget/Financial Implications: The City's cash-based statements (based on budget) are the statements 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.
2. Partners or Other Stakeholders: N/A
3. Is this a New Plan or Strategy: No
4. Alignment with Strategic Directions:

A Sustainable City: Be financially responsible and accountable.

An Effective City: Ensure accountability and good governance through transparent and open decision making.

5. Alignment with Adopted Plans: N/A
6. Accessibility and Inclusion: N/A
7. Legal or Policy Implications: N/A
8. Privacy Implications: N/A
9. Engagement and Communications Considerations: N/A
10. Human Resource Implications: N/A
11. Procurement Implications: N/A
12. Information Technology Implications: N/A
13. Other Implications: N/A

Recommendation:

That Council approve the December 31, 2024, audited financial statements.

Prepared by: Shelley Traverse

Approved by: Derek Coffey

Report Approval Details

Document Title:	December 31, 2024 Audited Financial Statements.docx
Attachments:	- City of St. John's 2024 Consolidated Statements - Final for Council Approval.pdf
Final Approval Date:	Jun 12, 2025

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

Derek Coffey - Jun 12, 2025 - 3:45 PM