Financial Statements of

ST. JOHN'S TRANSPORTATION COMMISSION

December 31, 2013

ST. JOHN'S TRANSPORTATION COMMISSION
December 31, 2013

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Statement of Responsibility

The accompanying financial statements are the responsibility of the management of the St. John's Transportation Commission (the "Commission") 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.

The Finance 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 Commission's appointed external auditors, has audited the financial statements. The auditor's report is addressed to the Commissioners 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 Commission in accordance with Canadian public sector accounting standards.

Chair

Commissioner

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Independent auditors' report

To the Commissioners of St. John's Transportation Commission

We have audited the accompanying financial statements of St. John's Transportation Commission, which comprise the financial position as at December 31, 2013, and the results of operations and accumulated surplus, changes in net debt, and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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, the financial statements present fairly, in all material respects, the financial position of St. John's Transportation Commission as at December 31, 2013, 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.

Other matters

The comparative figures for the year ended December 31, 2012 were audited by another firm of chartered accountants who provided an audit report without reservation on those financial statements in their report dated May 30, 2013.

Grant Thornton LLP

St. John's, Canada

June 4, 2014

Chartered Accountants

ST. JOHN'S TRANSPORTATION COMMISSION
Statement of Operations and Accumulated Surplus
Year ended December 31, 2013

	Budget 2013	**Actual 2013**	Actual 2012
	$	**$**	$
Operating revenues			
Municipal funding	**10,892,450**	**11,178,938**	10,474,020
Passenger fares	**5,695,240**	**5,460,590**	5,615,825
City of Mount Pearl	**826,550**	**874,262**	812,590
Transit advertising	**310,000**	**228,994**	246,194
Charters	**110,040**	**88,420**	82,074
Sundry	**66,000**	**83,880**	83,812
Park and ride	**44,000**	**68,170**	83,843
Trolley Line	**-**	**46,628**	-
Interest	**6,000**	**7,747**	12,994
Government grant	**-**	**4,900**	8,640
	17,950,280	**18,042,529**	17,419,992
Operating expenses			
Operations (Schedule 1)	**8,224,440**	**8,324,180**	7,917,263
Maintenance (Schedule 2)	**3,618,710**	**3,453,781**	3,175,213
Finance and administration (Schedule 3)	**4,760,080**	**5,014,599**	4,791,567
Amortization	**1,364,676**	**1,879,512**	1,397,811
Interest on long-term debt	**200,810**	**172,050**	138,069
	18,168,716	**18,844,122**	17,419,923
Excess of revenues over expenditures (expenditures over revenues) before undernoted items	**(218,436)**	**(801,593)**	69
Government transfer (Note 12)	**-**	**36,811,417**	-
Interest on Government transfer (Note 12)	**-**	**1,035,296**	-
Loss on transfer of tangible capital assets	**-**	**(1,045,043)**	-
Increase in employee future benefits	**(616,847)**	**(616,847)**	(1,579,379)
Increase in accrued pension obligation	**(405,922)**	**(562,596)**	(109,217)
Excess of revenues over expenditures (expenditures over revenues)	**(1,241,205)**	**34,820,634**	(1,688,527)
Deficit, beginning of the year	**(4,463,505)**	**(6,152,032)**	(4,463,505)
Surplus (deficit), end of the year	**(5,704,710)**	**28,668,602**	(6,152,032)

See accompanying notes to the financial statements

ST. JOHN’S TRANSPORTATION COMMISSION
Statement of Financial Position
December 31, 2013

	2013	2012
	$	$
Financial assets		
Cash	**31,359**	-
Accounts receivable	**862,671**	697,270
	894,030	697,270
Financial liabilities		
Bank indebtedness	**-**	59,334
Credit facility (Note 4)	**7,819,860**	6,009,000
Accounts payable and accrued liabilities	**1,488,353**	1,205,983
Accrued pension obligation (Note 5)	**966,198**	403,602
Employee benefits payable (Note 6)	**1,172,285**	1,099,224
Employee future benefits (Note 7)	**8,921,926**	8,305,079
	20,368,622	17,082,222
Net debt	**(19,474,592)**	(16,384,952)
Non-financial assets		
Tangible capital assets (Note 8)	**47,500,283**	9,639,400
Parts, supplies and accessories	**303,254**	281,789
Prepaid expenses	**339,657**	311,731
	48,143,194	10,232,920
Accumulated surplus (deficit)	**28,668,602**	(6,152,032)

Commitments (Note 10)
Contingencies (Note 11)

See accompanying notes to the financial statements

ST. JOHN'S TRANSPORTATION COMMISSION
Statement of Changes in Net Debt
Year Ended December 31, 2013

	Budget 2013	Actual 2013	Actual 2012
	$	$	$
Excess of revenues over expenditures (expenditures over revenues)	(1,241,205)	34,820,634	(1,688,527)
Changes in tangible capital assets			
Acquisition of tangible capital assets	(3,410,000)	(40,835,144)	(4,035,384)
Disposal of tangible capital assets	-	49,706	-
Transfer of tangible capital assets	-	1,045,043	-
Amortization of tangible capital assets	1,364,676	1,879,512	1,397,811
Increase in net book value of tangible capital assets	(2,045,324)	(37,860,883)	(2,637,573)
Changes in other non-financial assets			
Change in prepaid expenses	-	(27,926)	(199)
Acquisition of parts, supplies and accessories, net of usage	-	(21,465)	(5,555)
Increase in non-financial assets	-	(49,391)	(5,754)
Increase in net debt	(3,286,529)	(3,089,640)	(4,331,854)
Net debt, beginning of year	(16,384,952)	(16,384,952)	(12,053,098)
Net debt, end of year	(19,671,481)	(19,474,592)	(16,384,952)

See accompanying notes to the financial statements

ST. JOHN'S TRANSPORTATION COMMISSION
Statement of Cash Flows
Year Ended December 31, 2013

	2013	2012
	$	$
Operating transactions		
Excess of revenues over expenditures (expenditures over revenues)	**34,820,634**	(1,688,527)
Adjustments for:		
Amortization	**1,879,512**	1,397,811
Transfer of tangible capital assets, net	**(36,801,670)**	-
Loss (gain) on disposal of capital assets	**41,301**	(7,805)
	(60,223)	(298,521)
Change in other (Note 9)	**1,320,082**	1,647,947
	1,259,859	1,349,426
Capital transactions		
Acquisition of tangible capital assets	**(2,988,431)**	(4,035,384)
Proceeds on disposal of tangible capital assets	**8,405**	7,805
	(2,980,026)	(4,027,579)
Financing transaction		
Drawings on credit facility	**1,810,860**	2,475,000
Net increase (decrease) in cash	**90,693**	(203,153)
(Bank indebtedness) cash, beginning of year	**(59,334)**	143,819
Cash (bank indebtedness) cash, end of year	**31,359**	(59,334)

Supplemental cash flow information (Note 9)

See accompanying notes to the financial statements

1. NATURE OF OPERATIONS

The St. John's Transportation Commission (the "Commission") was established by the City of St. John's under the provisions of the City of St. John's Act and has the sole responsibility of operating a public transit service in St. John's and environs.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada"), and reflect the following significant accounting policies:

Revenue recognition

a) Municipal funding and Government grants

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.

b) Passenger fares

Cash fares are recorded as revenue when collected. Monthly bus and semester pass sales are recorded as revenue in the period in which they are valid. 30 day bus pass sales and 10 ride passes are recorded as revenue in the period sold.

c) Other revenue

Other revenues are recognized as earned and when collection is reasonably assured.

d) Transit advertising

Revenues are recognized over the period where services have been performed and collection is reasonably assured.

Cash

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Parts, supplies and accessories

Parts, supplies and accessories are valued at the lower of average cost and replacement cost.

Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is based on their estimated useful lives using the following methods and rates or term:

Buses	12 years	straight line
Bus operating equipment	7 years	straight line
Buildings	45 years	straight line
Office furniture and equipment	5-15 years	straight line
Garage equipment	15 years	straight line
Vehicles	7 years	straight line
Land improvements	4%	declining balance
Building systems	20 years	straight line
Fareboxes	7 years	straight line

Impairment of long-lived assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

Accrued pension benefits

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. The Commission has adopted the following policies for its pension plans:

(i) The cost of pensions earned by employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of expected plan investment performance, salary escalation, and retirement ages of employees.

(ii) For the purpose of calculating the expected return on plan assets, those assets are valued at market related value.

(iii) Past service costs from plan amendments are amortized on a straight line basis over the average remaining service period of active employees at the date of amendment.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee future benefits

The Commission provides post-retirement benefits in the form of prescription drug coverage to both union and non-union employees and dental coverage to non-union employees. The cost and obligations of these benefits earned by employees are actuarially determined using the accrued benefit method pro-rated on service and management's best estimate of assumptions and future claim rates and costs.

Use of estimates

The preparation of financial statements in conformity with Canadian PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates have been used in calculating the allowance for doubtful accounts, the useful lives of tangible capital assets, the outstanding M-rewards point liability, outstanding insurance claim reserves, and accrued pension and employee future benefits. Actual results could differ from these estimates.

3. FUTURE ACCOUNTING PRONOUNCEMENTS

The Commission has not early adopted the following new and revised Standards that have been issued but are not yet effective. The following standards are effective for annual periods beginning on or after April 1, 2015, with earlier adoption permitted. The Commission is currently assessing the impact they will have on the statements.

Financial Instruments: PSAS 3450 establishes how to account for and report all types of financial instruments including derivatives. Financial instruments include primary instruments (such as receivables, payables and equity instruments) and derivative financial instruments (such as financial options, futures and forwards, interest rate swaps and currency swaps). This section also clarifies that the requirements in PS 3100 Restricted Assts and Revenues apply when reporting on externally restricted assets that are financial instruments.

Foreign currency translation: PSAS 2601 establishes how to account for and report transactions that are denominated in a foreign currency.

Financial Statement Presentation: PSAS 1201 revises and replaces Section PSAS 1200 Financial Statement Presentation.

Portfolio Investments: PSAS 3041 revises and replaces Section PSAS 3040 Portfolio Investments.

4. CREDIT FACILITY

The Commission has access to a $15,000,000 credit facility, guaranteed by the City of St. John's, for capital expenditures. Under the terms of its lending arrangements, the Commission issues banker's acceptances. At December 31, 2013 the outstanding banker's acceptances bear interest at 2.22% and mature on January 29, 2014. The credit facility, which was renewed on April 30, 2014, bears interest at 2.25% and matures on May 30, 2014.

5. ACCRUED PENSION OBLIGATION

Based on an actuarial valuation of the plans, completed as at December 31, 2010, the following results have been extrapolated to December 31, 2013.

	2013			2012		
	Union	**Non-union**	**Total**	Union	Non-union	Total
Accrued benefit obligation						
Balance, beginning of year	**25,438,495**	**11,399,145**	**36,837,640**	23,280,662	10,537,766	33,818,428
Current service cost	**1,086,991**	**517,678**	**1,604,669**	933,875	458,761	1,392,636
Interest cost	**1,461,447**	**636,700**	**2,098,147**	1,393,998	600,199	1,994,197
Benefits paid	**(1,153,230)**	**(168,008)**	**(1,321,238)**	(1,052,680)	(662,937)	(1,715,617)
Participant contributions	**22,182**	**4,754**	**26,936**	24,093	5,142	29,235
(Gain) loss on accrued benefit obligation	**(418,302)**	**(370,896)**	**(789,198)**	858,547	460,214	1,318,761
	26,437,583	**12,019,373**	**38,456,956**	25,438,495	11,399,145	36,837,640
Accrued benefit asset						
Fair value, beginning of year	**20,371,702**	**8,514,099**	**28,885,801**	18,172,511	7,785,379	25,957,890
Return on plan assets	**2,479,884**	**1,040,698**	**3,520,582**	1,604,203	756,458	2,360,661
Benefits paid	**(1,153,230)**	**(168,008)**	**(1,321,238)**	(1,052,680)	(662,937)	(1,715,617)
Employer contributions to plan	**1,073,030**	**412,063**	**1,485,093**	1,206,725	452,430	1,659,155
Employee contributions to plan	**415,650**	**170,607**	**586,257**	440,943	182,769	623,712
Fair value, end of year	**23,187,036**	**9,969,459**	**33,156,495**	20,371,702	8,514,099	28,885,801
Funded status - deficit	**(3,250,547)**	**(2,049,914)**	**(5,300,461)**	(5,066,793)	(2,885,046)	(7,951,839)
Unamortized amounts	**2,763,960**	**1,570,303**	**4,334,263**	4,823,232	2,725,005	7,548,237
Accrued pension liability	**(486,587)**	**(479,611)**	**(966,198)**	(243,561)	(160,041)	(403,602)

5. ACCRUED PENSION OBLIGATION (Continued)

	2013			2012		
	Union	**Non-union**	**Total**	Union	Non-union	Total
	$	**$**	**$**	$	$	$
Net benefit expense for the year						
Current service cost	**1,086,991**	**517,678**	**1,604,669**	933,875	458,761	1,392,636
Interest cost	**1,461,447**	**636,700**	**2,098,147**	1,393,998	600,199	1,994,197
Amortization of gains/losses	**342,102**	**221,900**	**564,002**	319,860	211,218	531,078
Employee contributions	**(415,650)**	**(170,607)**	**(586,257)**	(440,943)	(182,769)	(623,712)
Liability increase due to flexible contributions	**22,182**	**4,754**	**26,936**	24,093	5,142	29,235
Expected return on plan assets	**(1,181,017)**	**(479,679)**	**(1,660,696)**	(1,108,200)	(446,862)	(1,555,062)
	1,316,055	**730,746**	**2,046,801**	1,122,683	645,689	1,768,372

	2013		2012	
	Union	**Non-union**	Union	Non-union
Significant assumptions used				
Discount rate	**6.25%**	**6.00%**	5.75%	5.50%
Expected long-term rate of return on plan assets	**5.75%**	**5.50%**	6.00%	5.75%
Rate of compensation increase	**3.50%**	**3.75%**	3.50%	3.75%
Average remaining service period for active employees	**16.3 years**	**14.1 years**	16.3 years	14.1 years

The plan's asset mix at December 31, 2013 was:

Equities	62%
Bonds	37%
Cash and short-term investments	1%
	100%

6. EMPLOYEE BENEFITS PAYABLE (SICK PAY AND VACATION)

Sick pay benefits accrue to employees 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 employees annually.

6. EMPLOYEE BENEFITS PAYABLE (SICK PAY AND VACATION) (Continued)

Vacation pay accrues to employees at a rate between 4% to 12% of gross wages depending on the number of years of service.

The Commission charges operations with the amount of benefits accruing to employees in each year. The liability at December 31 is comprised of the following:

	2013	2012
	$	$
Sick pay benefits	**789,217**	740,826
Vacation pay benefits	**383,068**	358,398
	1,172,285	1,099,224

7. EMPLOYEE FUTURE BENEFITS

The Commission provides post-retirement benefits in the form of prescription drug coverage to both union and non-union employees and dental coverage to non-union employees.

Based on an actuarial valuation of the plan, completed as at December 31, 2011, the following results have been extrapolated to December 31, 2013:

	2013	2012
	$	$
Accrued benefit obligation		
Balance, beginning of year	**9,330,800**	7,866,172
Current service cost	**306,740**	293,251
Interest cost	**430,855**	408,738
Benefits paid	**(235,499)**	(220,359)
Impact of plan amendments	**-**	982,998
Actuarial loss (gain) on benefit obligation	**(98,728)**	-
Balance, end of year	**9,734,168**	9,330,800
Funded status - deficit	**9,734,168**	9,330,800
Unamortized amounts	**(812,242)**	(1,025,721)
Accrued benefit obligation	**8,921,926**	8,305,079

7. EMPLOYEE FUTURE BENEFITS (Continued)

	2013	2012
	$	$
Net benefit expense for the year		
Current service cost	**306,740**	293,251
Interest cost	**430,855**	408,738
Amortization of gains/losses	**114,751**	114,751
	852,346	816,740
Significant assumptions used		
Discount rate	**4.60%**	4.60%
Average remaining service period of active employees	**14.8 years**	14.8 years

8. TANGIBLE CAPITAL ASSETS

	2013			2012	
	Cost	**Accumulated Amortization**	**Net Book Value**	Cost	Net Book Value
	$	**$**	**$**	$	$
Buses	**19,637,320**	**11,601,894**	**8,035,426**	19,147,430	7,134,350
Bus operating equipment	**1,890,302**	**927,343**	**962,959**	1,642,034	533,303
Buildings	**22,159,789**	**454,962**	**21,704,827**	3,396,963	1,065,193
Office furniture and equipment	**1,482,917**	**644,009**	**838,908**	1,279,443	179,131
Garage equipment	**2,156,587**	**625,621**	**1,530,966**	724,372	65,490
Vehicles	**128,231**	**39,770**	**88,461**	26,092	8,137
Land	**5,838,356**	**-**	**5,838,356**	155,317	155,317
Land improvements	**1,516,505**	**7,056**	**1,509,449**	185,259	77,853
Building Systems	**6,682,270**	**27,840**	**6,654,430**	-	-
Fareboxes	**588,876**	**252,375**	**336,501**	588,876	420,626
	62,081,153	**14,580,870**	**47,500,283**	27,145,786	9,639,400

Additional information on cost of additions, disposals and amortization is presented in Schedule 1.

9. CHANGE IN OTHER

	2013	2012
	$	$
Accounts receivable	**(165,401)**	(174,754)
Parts, supplies and accessories	**(21,465)**	(5,555)
Prepaid expenses	**(27,926)**	(199)
Accounts payable and accrued liabilites	**282,370**	65,055
Accrued pension obligation	**562,596**	109,217
Employee benefits payable	**73,061**	74,804
Employee future benefits	**616,847**	1,579,379
	703,235	68,568
Interest paid	**176,690**	141,461

In December 2013 the Commission moved into a new transit facility. The Commission received a non-cash transfer of $37,846,713 of tangible capital assets from the City of St. John's related to this new transit facility. In return, the Commission transferred back to the City the tangible capital assets related to the old transit facility with a net book value of $1,045,043.

10. COMMITMENTS

Under the terms of long-term leases on equipment, the Commission is required to make approximate annual lease payments as follows:

	$
2014	19,600
2015	11,300
2016	7,000

11. CONTINGENCIES

The Commission is contingently liable for claims below $50,000 for all incidents prior to December 1, 2010 which are not covered under its current fleet and general insurance policies. Effective December 1, 2010 the Commission is contingently liable for claims below $100,000. Management believes that adequate provisions have been recorded in the accounts where required.

12. CAPITAL FUNDING

During the year, the City of St. John's (the "City") made a government transfer of $36,811,417 and a transfer of accumulated interest of $1,035,296 to the Commission. Included in this transfer was an amount received of $25,454,492 on behalf of the Commission under the Canada-Newfoundland and Labrador Agreement on the Transfer of Funds for Public Transit and the Public Transit Capital Trust Fund.

13. ECONOMIC DEPENDENCE

The Commission is dependent on funding from the City of St. John's to fund ongoing operations.

14. BUDGET AMOUNTS

Budget data presented in these financial statements are based upon the 2013 budget approved by the Commission and the City. The table below reconciles the approved budget to the budget figures reported in these financial statements.

14. BUDGET AMOUNTS (Continued)

	Budget 2013
	$
Revenue	
Operating	7,057,830
Municipal funding	10,892,450
Total revenues	17,950,280
Expenses	
Operating	16,603,230
Capital	1,347,050
Total expenses	17,950,280
Total approved budget	-
Less:	
Amortization	(1,364,676)
Accrued pension obligation	(405,922)
Employee benefits payable	(616,847)
Add:	
Debt principal payments	1,146,240
Total adjustments	(1,241,205)
Annual budgeted deficit	1,241,205

ST. JOHN'S TRANSPORTATION COMMISSION
Schedule of Expenses
Year Ended December 31, 2013

	Actual 2013	Actual 2012
	$	$
		SCHEDULE 1
Operations		
Operators' salaries	**4,414,507**	4,174,567
Diesel fuel	**2,056,130**	2,032,007
Operations' salaries	**1,078,281**	1,035,682
Advertising	**171,652**	165,573
Bus charter	**122,835**	133,167
Promotions	**119,560**	50,880
Transit advertising	**78,736**	98,833
Uniforms and clothing	**64,480**	55,958
Licenses	**49,205**	42,728
Communication equipment	**41,346**	39,322
Company vehicles	**32,544**	34,959
Trolley Line	**32,527**	-
Schedules and transfers	**29,989**	21,104
Registration and memberships	**25,422**	22,800
Miscellaneous	**6,966**	9,683
	8,324,180	7,917,263

	Actual 2013	Actual 2012
		SCHEDULE 2
Maintenance		
Garage salaries	**1,730,808**	1,641,005
Stock parts	**461,176**	542,697
Utilities	**323,472**	92,755
Wash salaries	**261,100**	242,615
Furnace fuel	**135,080**	183,114
Bus lubricants	**121,232**	101,602
Garage expense	**101,867**	86,357
Building and yards	**87,289**	55,942
Tires	**76,291**	83,083
Janitorial and sanitation	**40,465**	30,537
Bus stops and shelters	**33,860**	38,869
Maintenance vehicles	**29,618**	26,785
Body shop supplies	**21,579**	23,319
Shop tools and equipment	**15,147**	9,350
Farebox repairs	**8,522**	11,651
Bus wash	**6,275**	5,532
	3,453,781	3,175,213

See accompanying notes to the financial statements

ST. JOHN’S TRANSPORTATION COMMISSION
Schedule of Expenses
Year Ended December 31, 2013

SCHEDULE 3

	Actual 2013	Actual 2012
	$	$
Finance and administration		
Pension	**1,945,722**	1,851,335
Administrative and commissioners' salaries	**723,291**	688,619
Group insurance	**519,196**	519,134
Fleet insurance	**485,574**	503,190
Sick leave	**241,844**	250,015
Employment insurance	**176,230**	159,782
Employer's payroll taxes	**174,891**	160,910
Workers' compensation	**167,205**	152,388
Computer	**154,034**	100,067
Telephone	**85,717**	76,272
Professional fees	**85,731**	131,220
Office	**82,795**	83,634
Miscellaneous	**51,629**	48,285
General insurance	**47,634**	34,817
Loss (gain) on disposal of capital assets	**41,301**	(7,805)
Training	**16,629**	17,461
Travel	**16,439**	20,483
Bad debt (recovery) expense	**(1,263)**	1,760
	5,014,599	4,791,567

See accompanying notes to the financial statements

ST. JOHN'S TRANSPORTATION COMMISSION
Schedule of Tangible Capital Assets
Year Ended December 31, 2013

SCHEDULE 4

	2013											2012
	Buses	**Bus operating equipment**	**Buildings**	**Office furniture and equipment**	**Garage equipment**	**Vehicles**	**Land**	**Land improve-ments**	**Building systems**	**Fareboxes**	**Total**	Total
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	**$**	$
Cost												
Cost, beginning of year	19,147,430	1,642,034	3,396,963	1,279,443	724,372	26,092	155,317	185,259	-	588,876	**27,145,786**	25,726,139
Additions	2,119,622	746,543	21,558,480	794,159	1,497,630	103,205	5,838,356	1,494,879	6,682,270	-	**40,835,144**	4,035,384
Disposals and write downs	(1,629,732)	(498,275)	(2,795,654)	(590,685)	(65,415)	(1,066)	(155,317)	(163,633)	-	-	**(5,899,777)**	(2,615,737)
Cost, end of year	**19,637,320**	**1,890,302**	**22,159,789**	**1,482,917**	**2,156,587**	**128,231**	**5,838,356**	**1,516,505**	**6,682,270**	**588,876**	**62,081,153**	27,145,786
Accumulated Amortization												
Accumulated Amortization, beginning of year	12,013,080	1,108,731	2,331,770	1,100,312	658,882	17,955	-	107,406	-	168,250	**17,506,386**	18,724,312
Amortization	1,218,547	267,436	107,320	114,988	28,535	22,625	-	8,096	27,840	84,125	**1,879,512**	1,397,811
Disposals and write downs	(1,629,733)	(448,824)	(1,984,128)	(571,291)	(61,796)	(810)	-	(108,446)	-	-	**(4,805,028)**	(2,615,737)
Accumulated Amortization, end of year	**11,601,894**	**927,343**	**454,962**	**644,009**	**625,621**	**39,770**	**-**	**7,056**	**27,840**	**252,375**	**14,580,870**	17,506,386
Net book value	**8,035,426**	**962,959**	**21,704,827**	**838,908**	**1,530,966**	**88,461**	**5,838,356**	**1,509,449**	**6,654,430**	**336,501**	**47,500,283**	9,639,400