

*Financial Statements of*

**ST. JOHN'S TRANSPORTATION  
COMMISSION**

*December 31, 2024*

**ST. JOHN'S TRANSPORTATION COMMISSION**  
**December 31, 2024**

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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 public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

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

The Finance Committee of the Commission 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.

BDO Canada LLP, as the Commission's appointed independent 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, operations, changes in net debt and cash flows of the Commission in accordance with Canadian public sector accounting standards.

  
Chair  
JAMES CREEY 29-MAY-2025

  
Commissioner  
may 29, 2025



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## Independent Auditor's Report

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### To the Commissioners of St. John's Transportation Commission

#### Opinion

We have audited the financial statements of the St. John's Transportation Commission (the "Commission"), which comprise the statement of financial position as at December 31, 2024, the statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Commission as at December 31, 2024, and its results of operations, its change in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.



## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

Chartered Professional Accountants

St. John's, Newfoundland and Labrador  
May 28, 2025

**ST. JOHN'S TRANSPORTATION COMMISSION**  
**Statement of Operations and Accumulated Surplus**  
**Year ended December 31, 2024**


	(Note 14) Budget 2024	Actual 2024	Actual 2023
	\$	\$	\$
<b>Operating revenues</b>			
Municipal funding (Note 11)	19,682,140	19,682,140	21,117,520
Passenger fares	5,856,650	6,065,728	6,074,640
City of Mount Pearl	1,080,570	1,008,670	1,065,691
Low Income Bus Pass Program	2,100,000	2,100,000	2,100,000
Accessible services (Note 15 and Schedule 5)	331,650	278,992	410,401
Town of Paradise	315,630	391,741	305,758
Transit advertising	227,000	212,956	161,577
Sundry	96,000	149,580	323,320
Bus charters	43,400	24,085	40,414
Interest	48,000	266,851	209,831
Other	-	66,625	20,000
	<b>29,781,040</b>	<b>30,247,368</b>	<b>31,829,152</b>
<b>Operating expenses</b>			
Operations (Schedule 1)	13,172,690	12,052,716	11,593,187
Maintenance (Schedule 2)	5,196,300	5,249,736	5,134,829
Finance and administration (Schedule 3)	5,533,550	4,672,905	4,260,619
Accessible services (Note 15 and Schedule 5)	5,165,900	4,447,151	4,024,669
Pension benefits (Note 6)	1,393,047	424,972	980,404
Amortization of tangible capital assets	3,879,160	3,421,890	3,132,567
Interest on debt	98,600	-	145,662
	<b>34,439,247</b>	<b>30,269,370</b>	<b>29,271,937</b>
Annual surplus (deficit) before undernoted items	(4,658,207)	(22,002)	2,557,215
Government transfer (Note 12)	-	4,588,181	1,648,979
Retiring allowance benefits (Note 7)	(21,279)	(29,838)	(27,858)
Employee future benefits (Note 8)	(279,505)	(731,587)	(643,679)
Annual surplus (deficit)	<b>(4,958,991)</b>	<b>3,804,754</b>	<b>3,534,657</b>
Surplus, beginning of the year	17,615,444	17,615,444	14,080,787
<b>Surplus, end of the year</b>	<b>12,656,453</b>	<b>21,420,198</b>	<b>17,615,444</b>

See accompanying notes to the financial statements



**ST. JOHN'S TRANSPORTATION COMMISSION**  
**Statement of Financial Position**  
**December 31, 2024**

	2024	2023
	\$	\$
<b>Financial assets</b>		
Cash	5,384,898	3,264,721
Accounts receivable	1,314,351	1,274,013
	<u>6,699,249</u>	<u>4,538,734</u>
<b>Financial liabilities</b>		
Credit facility (Note 4)	-	-
Accounts payable and accrued liabilities	3,356,074	2,176,303
Retiring allowance (Note 7)	162,518	138,373
Accrued pension liability (Note 6)	100,122	727,977
Employee benefits payable (Note 5)	1,553,305	1,495,713
Employee future benefits (Note 8)	19,208,103	18,678,565
	<u>24,380,122</u>	<u>23,216,931</u>
<b>Net debt</b>	<u>(17,680,873)</u>	<u>(18,678,197)</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 3)	37,960,061	35,308,123
Parts, supplies and accessories inventory	617,758	557,665
Prepaid expenses	523,252	427,853
	<u>39,101,071</u>	<u>36,293,641</u>
<b>Accumulated surplus</b>	<u>21,420,198</u>	<u>17,615,444</u>

  
Chair  
JAMES GREER 29-MAY-2025

  
Commissioner  
may 29, 2025

See accompanying notes to the financial statements

**ST. JOHN'S TRANSPORTATION COMMISSION**  
**Statement of Changes in Net Debt**  
**Year Ended December 31, 2024**

	(Note 14) Budget 2024	Actual 2024	Actual 2023
	\$	\$	\$
<b>Annual surplus (deficit)</b>	<b>(4,958,991)</b>	<b>3,804,754</b>	<b>3,534,657</b>
<b>Changes in tangible capital assets</b>			
Acquisition of tangible capital assets	(14,136,457)	(6,073,828)	(2,306,913)
Disposal of tangible capital assets	-	-	-
Amortization of tangible capital assets	3,879,160	3,421,890	3,132,567
<b>Decrease in net book value of tangible capital assets</b>	<b>(10,257,297)</b>	<b>(2,651,938)</b>	<b>825,654</b>
<b>Changes in other non-financial assets</b>			
Change in prepaid expenses	-	(95,399)	(68,354)
Change in parts, supplies and accessories, net of usage	-	(60,093)	(80,089)
<b>Increase in non-financial assets</b>	<b>-</b>	<b>(155,492)</b>	<b>(148,443)</b>
Decrease (increase) in net debt	(15,216,288)	997,324	4,211,868
Net debt, beginning of year	(18,678,197)	(18,678,197)	(22,890,065)
<b>Net debt, end of year</b>	<b>(33,894,485)</b>	<b>(17,680,873)</b>	<b>(18,678,197)</b>

See accompanying notes to the financial statements



**ST. JOHN'S TRANSPORTATION COMMISSION**  
**Statement of Cash Flows**  
**Year Ended December 31, 2024**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Operating transactions</b>		
Annual surplus	<b>3,804,754</b>	3,534,657
Adjustments for:		
Amortization of tangible capital assets	<b>3,421,890</b>	3,132,567
Gain on disposal of tangible capital assets	<b>(32,378)</b>	(13,695)
	<b>7,194,266</b>	6,653,529
Change in other (Note 9)	<b>967,361</b>	(632,554)
	<b>8,161,627</b>	6,020,975
<b>Capital transactions</b>		
Acquisition of tangible capital assets	<b>(6,073,828)</b>	(2,306,913)
Proceeds on disposal of tangible capital assets	<b>32,378</b>	13,695
	<b>(6,041,450)</b>	(2,293,218)
<b>Financing transaction</b>		
Repayments on credit facility	<b>-</b>	(2,356,000)
Net increase in cash	<b>2,120,177</b>	1,371,757
Cash, beginning of year	<b>3,264,721</b>	1,892,964
<b>Cash, end of year</b>	<b>5,384,898</b>	3,264,721

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 (the "City") under the provisions of the City of St. John's Act and has the sole responsibility of operating a public transit service (including para-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

Municipal funding is authorized by the City after the Commission's operating budget has been approved.

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 and related stipulations have been met including performance and return requirements, and reasonable estimates of the amount can be determined.

b) City of Mount Pearl and Town of Paradise

Revenues are recognized when services performed and when collection is reasonably assured.

c) 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 pass sales are recorded as revenue when the performance obligation has been met.

d) Other revenue

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

e) Transit advertising

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

**ST. JOHN'S TRANSPORTATION COMMISSION**  
**Notes to the Financial Statements**  
**December 31, 2024**

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

*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.

*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	5-12 years	straight line
Bus operating equipment (smartcard system)	15%	declining balance
Bus operating equipment (other)	7 years	straight line
Buildings (bus shelters)	10%	declining balance
Buildings (other)	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

*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.
- (iv) The Supplementary Non-Union Employee Retirement Plan uses the same actuarial assumptions as are used for the Non-Union Plan except for the discount rate and average remaining service period for active employees.

**ST. JOHN'S TRANSPORTATION COMMISSION**  
**Notes to the Financial Statements**  
**December 31, 2024**

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

*Retiring allowance*

As of June 1, 2015, the Commission provides a retiring allowance to all employees who have completed at least ten (10) years of service equal to one (1) day for each year of service upon retirement. The cost and obligation of this benefit is actuarially determined using management's best estimate of assumptions and future compensation rates.

Employees hired after November 26, 2020 are not eligible to accrue a retiring allowance.

*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, outstanding insurance claim reserves, accrued pension liability, retiring allowance, and employee future benefits. Actual results could differ from these estimates.

*Financial Instruments*

Cash and equity instruments quoted in an active market are measured at fair value. Accounts receivable, accounts payable, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

**ST. JOHN'S TRANSPORTATION COMMISSION**  
**Notes to the Financial Statements**  
**December 31, 2024**

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

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

**3. TANGIBLE CAPITAL ASSETS**

	2024			2023	
	Cost	Accumulated Amortization	Net Book Value	Cost	Net Book Value
	\$	\$	\$	\$	\$
Buses	29,202,940	22,248,074	6,954,866	25,950,348	4,996,954
Bus operating equipment	4,737,513	3,449,293	1,288,220	4,041,473	908,475
Buildings	23,799,209	6,528,110	17,271,099	23,676,734	17,723,942
Office furniture and equipment	2,205,839	2,007,908	197,931	2,174,014	315,109
Garage equipment	2,458,552	1,967,044	491,508	2,458,552	597,040
Vehicles	475,728	206,372	269,356	289,255	136,467
Land	5,838,356	-	5,838,356	5,838,356	5,838,356
Land improvements	1,524,533	555,007	969,526	1,524,533	1,009,923
Building systems	7,216,540	3,944,873	3,271,667	7,216,540	3,632,493
Fareboxes	1,566,415	158,883	1,407,532	777,859	149,364
	79,025,625	41,065,564	37,960,061	73,947,664	35,308,123

Additional information on costs related to additions, disposals and amortization is presented in Schedule 4.

**4. CREDIT FACILITY**

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, 2024 there is no outstanding balance on the credit facility.

**5. 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.

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

**ST. JOHN'S TRANSPORTATION COMMISSION**  
**Notes to the Financial Statements**  
**December 31, 2024**

**5. EMPLOYEE BENEFITS PAYABLE (SICK PAY AND VACATION) (Continued)**

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:

	2024	2023
	\$	\$
Sick pay benefits	1,064,738	1,024,531
Vacation pay benefits	488,567	471,182
	<b>1,553,305</b>	<b>1,495,713</b>

**6. ACCRUED PENSION BENEFITS**

Based on an actuarial valuation of the plans, completed as at December 31, 2023, the following results have been extrapolated to December 31, 2024:

**A. Defined Benefit Pension Plan**

	2024			2023		
	Union	Non-union	Total	Union	Non-union	Total
	\$	\$	\$	\$	\$	\$
<i>Accrued benefit obligation</i>						
Balance, beginning of year	33,401,073	24,648,460	58,049,533	32,490,478	23,282,400	55,772,878
Current service cost	805,628	655,761	1,461,389	845,834	591,333	1,437,167
Interest cost	1,862,434	1,382,551	3,244,985	1,893,438	1,322,149	3,215,587
Benefits paid	(3,385,924)	(131,010)	(3,516,934)	(2,712,201)	(1,168,330)	(3,880,531)
Loss (gain) on accrued benefit obligation	2,266,360	777,270	3,043,630	883,524	620,908	1,504,432
Balance, end of year	<b>34,949,571</b>	<b>27,333,032</b>	<b>62,282,603</b>	<b>33,401,073</b>	<b>24,648,460</b>	<b>58,049,533</b>
<i>Accrued benefit asset</i>						
Fair value, beginning of year	36,778,742	24,145,394	60,924,136	34,745,105	21,880,089	56,625,194
Return on plan assets	3,275,445	2,803,657	6,079,102	3,767,072	2,434,287	6,201,359
Benefits paid	(3,385,924)	(131,010)	(3,516,934)	(2,712,201)	(1,168,330)	(3,880,531)
Employer contributions to plan	378,818	674,009	1,052,827	546,284	761,029	1,307,313
Employee contributions to plan	347,291	225,333	572,624	432,482	238,319	670,801
Fair value, end of year	<b>37,394,372</b>	<b>27,717,383</b>	<b>65,111,755</b>	<b>36,778,742</b>	<b>24,145,394</b>	<b>60,924,136</b>
Funded status - deficit (surplus)	<b>(2,444,801)</b>	<b>(384,351)</b>	<b>(2,829,152)</b>	<b>(3,377,669)</b>	<b>503,066</b>	<b>(2,874,603)</b>
Unamortized amounts	<b>1,606,406</b>	<b>1,178,776</b>	<b>2,785,182</b>	<b>2,996,509</b>	<b>446,509</b>	<b>3,443,018</b>
<b>Accrued pension liability (asset)</b>	<b>(838,395)</b>	<b>794,425</b>	<b>(43,970)</b>	<b>(381,160)</b>	<b>949,575</b>	<b>568,415</b>
<i>Net benefit expense for the year</i>						
Current service cost	805,628	655,761	1,461,389	845,834	591,333	1,437,167
Interest cost (recovery)	(193,598)	21,160	(172,438)	(139,265)	68,902	(70,363)
Amortization of losses/(gains)	(343,156)	67,271	(275,885)	60,023	240,933	300,956
Employee contributions	(347,291)	(225,333)	(572,624)	(432,482)	(238,319)	(670,801)
	<b>(78,417)</b>	<b>518,859</b>	<b>440,442</b>	<b>334,110</b>	<b>662,849</b>	<b>996,959</b>



**ST. JOHN'S TRANSPORTATION COMMISSION**  
**Notes to the Financial Statements**  
**December 31, 2024**

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

	2024			2023		
	Union	Non-union	Total	Union	Non-union	Total
	\$	\$	\$	\$	\$	\$
<i>Significant assumptions used</i>						
Discount rate	5.70%	5.45%		5.80%	5.55%	
Expected long-term rate of return on plan assets	5.80%	5.55%		6.00%	5.75%	
Rate of compensation increase						
2025	3.00%	2.00%		3.00%	3.00%	
2026 and after	2.00%	2.00%		2.00%	2.00%	
Average remaining service period for active employees	11.9 years	10.3 years		13.5 years	9.5 years	

The plans asset mix at December 31, 2024 was:

Equities	72.7%
Bonds	26.2%
Cash and short-term investments	1.1%
	<u>100%</u>

During 2016 the Commission agreed on a new pension plan structure for both union and non-union groups. This agreement effectively closed the defined benefit plan to new entrants as of May 1, 2016, and increased the existing employee contributions from 8.16% to 9.00% of earnings. 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 component of the pension plan consisting of employee contributions with a matching employer contribution of up to 7.00% of earnings. During 2024 the Commission expensed \$267,197 (2023 - \$232,026) related to the defined contribution plan.

**ST. JOHN'S TRANSPORTATION COMMISSION**  
**Notes to the Financial Statements**  
**December 31, 2024**

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

**B. Supplementary Executive Retirement 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.

	2024	2023
	\$	\$
<i>Accrued benefit obligation</i>		
Balance, beginning of year	73,703	65,295
Current service cost	2,444	2,242
Interest cost	3,551	3,367
Gain on accrued benefit obligation	(73,851)	2,799
Balance, end of year	5,847	73,703
Funded status - deficit	5,847	73,703
Unamortized amounts	138,245	85,859
Accrued benefit obligation, end of year	144,092	159,562
<i>Net benefit expense for the year</i>		
Current service cost	2,444	2,242
Interest cost	3,551	3,367
Amortization of (gains)/losses	(21,465)	(22,164)
	(15,470)	(16,555)

The significant actuarial assumptions used in measuring the SERP are the same as those used for the non-union plan with the exception of the discount rate of 4.73% (2023 – 4.74%) and the average remaining service period for active employees used of 3.0 years (2023 – 4.0 years).

**C. Accrued Pension Liability**

	2024	2023
	\$	\$
Defined Benefit Plan	(43,970)	568,415
SERP	144,092	159,562
	100,122	727,977

**ST. JOHN'S TRANSPORTATION COMMISSION**  
**Notes to the Financial Statements**  
**December 31, 2024**

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**7. RETIRING ALLOWANCE**

As of June 1, 2015, all employees who have completed at least ten (10) years of service shall be paid a retiring allowance equal to one (1) day for each year of service upon retirement.

In 2020, employees were provided with an opportunity to be paid their Retiring Allowance accrued as of November 26, 2020 based on the rate of pay at that time. All employees who elected to receive this payment will continue to accrue a Retiring Allowance based on future service. Employees hired after November 26, 2020 are no longer eligible to accrue a Retiring Allowance. As such, the Retiring Allowance is now considered closed.

Based on an actuarial valuation of the plan, completed as at September 30, 2024, the following results have been extrapolated to December 31, 2024:

	2024	2023
	\$	\$
<i>Accrued benefit liability</i>		
Balance, beginning of year	126,846	111,837
Current service cost	23,901	22,607
Interest cost	6,353	5,972
Benefits paid	(5,693)	(17,658)
Actuarial loss (gain) on benefit obligation	10,930	4,088
Balance, end of year	162,337	126,846
Plan - deficit	162,337	126,846
Unamortized amounts	181	11,527
Accrued benefit liability, end of year	162,518	138,373
<i>Net benefit expense for the year</i>		
Current service cost	23,901	22,607
Interest cost	6,353	5,972
Amortization of (gains)/losses	(416)	(721)
	29,838	27,858

The significant actuarial assumptions used in measuring the Commission's accrued retirement allowance liabilities are as follows:

	2024	2023
Discount rate	4.73%	4.74%
Rate of compensation increase	2.00%	2.00%
Average remaining service period for active employees	11.7 years	13.4 years

**ST. JOHN'S TRANSPORTATION COMMISSION**  
**Notes to the Financial Statements**  
**December 31, 2024**

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**8. 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 September 30, 2024, the following results have been extrapolated to December 31, 2024:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Accrued benefit obligation</i>		
Balance, beginning of year	<b>13,333,652</b>	12,022,989
Current service cost	<b>450,893</b>	403,902
Interest cost	<b>631,740</b>	608,916
Benefits paid	<b>(202,049)</b>	(186,490)
Actuarial loss (gain) on benefit obligation	<b>(2,634,403)</b>	484,335
Balance, end of year	<b>11,579,833</b>	13,333,652
Plan status - deficit	<b>11,579,833</b>	13,333,652
Unamortized amounts	<b>7,628,270</b>	5,344,913
Accrued benefit liability	<b>19,208,103</b>	18,678,565
<i>Net benefit expense for the year</i>		
Current service cost	<b>450,893</b>	403,902
Interest cost	<b>631,740</b>	608,916
Amortization of (gains)/losses	<b>(351,046)</b>	(369,139)
	<b>731,587</b>	643,679
<i>Significant assumptions used</i>		
Discount rate (obligation)	<b>4.73%</b>	4.74%
Discount rate (expense)	<b>4.74%</b>	5.07%
Average remaining service period for active employees	<b>13.6 years</b>	13.4 years

**ST. JOHN'S TRANSPORTATION COMMISSION**  
**Notes to the Financial Statements**  
**December 31, 2024**

**9. CHANGE IN OTHER**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Accounts receivable	<b>(40,338)</b>	298,583
Parts, supplies and accessories	<b>(60,093)</b>	(80,089)
Prepaid expenses	<b>(95,399)</b>	(68,354)
Accounts payable and accrued liabilities	<b>1,179,771</b>	(993,050)
Accrued pension liability	<b>(627,855)</b>	(326,909)
Retiring allowance	<b>24,145</b>	10,201
Employee benefits payable	<b>57,592</b>	69,875
Employee future benefits	<b>529,538</b>	457,189
	<b>967,361</b>	(632,554)

**10. CONTINGENCIES**

The Commission is contingently liable for claims below \$100,000. Management believes that the December 31, 2024 provision of \$802,973 (2023 - \$834,535) is adequate and has been recorded in accounts payable and accrued liabilities where required.

**11. MUNICIPAL FUNDING**

Funding was provided by the City of St. John's for the 2024 operations as follows:

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Metrobus	<b>14,961,790</b>	16,418,710
Accessible services ("GoBus")	<b>4,720,350</b>	4,698,810
	<b>19,682,140</b>	21,117,520

**12. CAPITAL FUNDING**

During the year, the City made a government transfer of \$4,558,181 (2023 - \$1,648,979) to the Commission. This transfer relates to projects funded by the Canada-Newfoundland and Labrador Integrated Bilateral Agreement for the Investing in Canada Infrastructure Program (ICIP) Agreement and the City.

**13. ECONOMIC DEPENDENCE**

The Commission is dependent on funding from the City to fund ongoing operations.

**ST. JOHN'S TRANSPORTATION COMMISSION**  
**Notes to the Financial Statements**  
**December 31, 2024**

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**14. BUDGET AMOUNTS**

Budget data presented in these financial statements are based upon the 2024 budget approved by the Commission and the City. The table below reconciles the approved budget to the budget figures reported in these financial statements.

	<b>Budget 2024</b>
	\$
<b>Revenue</b>	
Operating - Metrobus	9,630,750
Municipal funding - Metrobus	14,961,790
Operating - GoBus	468,150
Municipal funding - GoBus	4,720,350
<b>Total revenues</b>	<b>29,781,040</b>
<b>Expenses</b>	
Operating - Metrobus	24,267,540
Capital - Metrobus	325,000
Operating - GoBus	5,165,900
Capital - GoBus	22,600
<b>Total expenses</b>	<b>29,781,040</b>
<b>Total approved budget</b>	<b>-</b>
<b>Less:</b>	
Amortization	(3,879,160)
Change in employee benefits liability	(279,505)
Change in accrued retiring allowance	(21,279)
Change in accrued pension	(1,028,047)
<b>Add:</b>	
Debt principal payments	249,000
<b>Total adjustments</b>	<b>(4,958,991)</b>
<b>Total budgeted deficit</b>	<b>(4,958,991)</b>



**15. ACCESSIBLE SERVICES**

The Commission is responsible for providing accessible services known as GoBus. The Commission oversees the delivery of services contracted to TOK Transit Limited for the period of 5 years ending December 31, 2027.

As part of this arrangement, the Commission leases accessible transit buses to TOK Transit Limited at a nominal amount for the duration of the operating contract noted above. These buses remain the legal assets of the Commission and have been included on Schedule 4. The Commission receives a separate operating subsidy from the City of St. John's to cover the cost of providing the service on an annual basis. See Schedule 5 for further details on the revenue and expenses associated with the delivery of accessible services.

**16. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform to the current year's presentation.

**17. CHANGE IN ACCOUNTING POLICIES**

Effective January 1, 2024, the Commission adopted PS Section 3400, Revenue, which establishes standards on how to account for and report on revenue. This change in accounting policy affects the recognition and measurement of revenue streams.

The standard requires a classification of revenue transactions into exchange and non-exchange transactions, which determine the revenue recognition criteria. Exchange transactions include a performance obligation, while non-exchange transactions do not.

The organization has applied PSAS 3400 prospectively, meaning it is applied to transactions occurring after the effective date and outstanding balances as of that date. Prior periods have not been restated. This has resulted in an increase in deferred revenue for December 31, 2024 of \$423,359 (2023 - \$457,341). This change has been made prospectively, and prior years have not been adjusted.

**18. FINANCIAL INSTRUMENT RISK MANAGEMENT**

The Commission is exposed to credit risk and liquidity risk from its financial instruments. This note describes the Commission's objectives, policies and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Commission is exposed to credit risk through its cash and accounts receivable. At year end, 83% (2023 – 85%) of accounts receivable are due from municipal, provincial, or federal governments and are therefore deemed collectible.

**18. FINANCIAL INSTRUMENT RISK MANAGEMENT (Continued)**

The Commission manages its credit risk by only holding cash at provincially and federally regulated chartered banks.

b) Liquidity risk

Liquidity risk is the risk that the Commission will encounter difficulty in meeting obligations associated with financial liabilities. The Commission is exposed to liquidity risk through its accounts payable. The Commission manages this risk through continuous monitoring of cash flows.

**ST. JOHN'S TRANSPORTATION COMMISSION**  
**Schedules of Expenses**  
**Year Ended December 31, 2024**

	Actual 2024	Actual 2023
	\$	\$
<b>Operations</b>		<b>SCHEDULE 1</b>
Operators' salaries	6,654,391	6,276,724
Diesel fuel	3,201,049	3,158,668
Operations' salaries	1,460,657	1,412,961
Advertising	189,970	129,939
Transit advertising	107,035	89,382
Promotions	82,066	90,404
Uniforms and clothing	79,946	70,119
Licenses	68,166	73,081
On-board security services	54,838	-
Communication equipment	33,481	33,050
Registration and memberships	28,915	27,909
Bus charter	27,028	38,962
Schedules and transfers	23,967	17,054
Company vehicles	22,454	26,612
Miscellaneous	18,753	17,964
Community Bus	-	130,358
	<b>12,052,716</b>	<b>11,593,187</b>
<b>Maintenance</b>		<b>SCHEDULE 2</b>
Garage salaries	2,374,477	2,347,845
Stock parts	1,389,618	1,246,448
Utilities	329,086	349,103
Wash salaries	316,175	322,167
Building and yards	210,838	215,128
Tires	169,169	154,496
Garage expense	153,930	152,255
Bus lubricants	146,765	175,476
Maintenance vehicles	55,872	63,191
Janitorial and sanitation	44,415	42,270
Bus stops and shelters	33,385	28,070
Shop tools and equipment	15,942	23,129
Bus wash	5,403	4,888
Body shop supplies	3,111	2,812
Farebox repairs	1,550	7,553
	<b>5,249,736</b>	<b>5,134,829</b>

**ST. JOHN'S TRANSPORTATION COMMISSION**  
**Schedules of Expenses**  
**Year Ended December 31, 2024**

	<b>Actual 2024</b>	<b>Actual 2023</b>
	<b>\$</b>	<b>\$</b>
<b>SCHEDULE 3</b>		
<b>Finance and administration</b>		
Administrative and commissioners' salaries	965,305	934,883
Other benefits	1,857,886	1,515,797
Computer	347,401	305,071
Fleet insurance	341,045	622,348
Professional fees	331,695	58,077
Sick leave	252,926	296,967
Employer's payroll taxes	240,712	233,191
Miscellaneous	127,083	90,669
General insurance	70,546	68,874
Office	67,969	76,344
Training	54,585	34,072
Telephone	30,731	28,155
Travel	17,399	9,866
Gain on disposal of capital assets	(32,378)	(13,695)
	<b>4,672,905</b>	<b>4,260,619</b>

**ST. JOHN'S TRANSPORTATION COMMISSION**  
**Schedule of Tangible Capital Assets**  
**Year Ended December 31, 2024**

	2024										2023	
	Office											
	Buses	Bus operating equipment	Buildings	Office furniture and equipment	Garage equipment	Vehicles	Land	Land improvements	Building systems	Fareboxes	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>												
Cost, beginning of year	25,950,348	4,041,473	23,676,734	2,174,014	2,458,552	289,255	5,838,356	1,524,533	7,216,540	777,859	73,947,664	72,475,005
Additions	3,644,859	696,040	122,475	31,825	-	186,473	-	-	-	1,392,156	6,073,828	2,306,913
Disposals and write downs	(392,267)	-	-	-	-	-	-	-	-	(603,600)	(995,867)	(834,254)
Cost, end of year	29,202,940	4,737,513	23,799,209	2,205,839	2,458,552	475,728	5,838,356	1,524,533	7,216,540	1,566,415	79,025,625	73,947,664
<b>Accumulated Amortization</b>												
Accumulated amortization, beginning of year	20,953,394	3,132,998	5,952,792	1,858,905	1,861,512	152,788	-	514,610	3,584,047	628,495	38,639,541	36,341,228
Amortization	1,686,947	316,295	575,318	149,003	105,532	53,584	-	40,397	360,826	133,988	3,421,890	3,132,567
Disposals and write downs	(392,267)	-	-	-	-	-	-	-	-	(603,600)	(995,867)	(834,254)
Accumulated amortization, end of year	22,248,074	3,449,293	6,528,110	2,007,908	1,967,044	206,372	-	555,007	3,944,873	158,883	41,065,564	38,639,541
<b>Net book value</b>	6,954,866	1,288,220	17,271,099	197,931	491,508	269,356	5,838,356	969,526	3,271,667	1,407,532	37,960,061	35,308,123

**ST. JOHN'S TRANSPORTATION COMMISSION**  
**Schedule of Accessible Services**  
**Year Ended December 31, 2024**

	(Note 15) Actual 2024	Actual 2023
	\$	\$
<b>SCHEDULE 5</b>		
<b>Revenues</b>		
Municipal funding (Note 12)	4,720,350	4,698,810
City of Mount Pearl & Eastern Heath	89,648	175,331
Passenger fares	94,844	140,570
Government grant	94,500	94,500
	<b>4,999,342</b>	<b>5,109,211</b>
<b>Expenses</b>		
Contractor Subsidy	3,529,639	3,181,174
Amortization	461,233	480,584
Gasoline expense	433,053	370,116
Computer expense	175,222	173,314
Salaries	158,862	143,444
Miscellaneous expense	82,295	84,181
Professional fees	32,000	37,141
Benefits	30,962	26,718
Interest expense	-	25,036
Office supplies	3,312	5,665
Promotions expense	1,311	2,415
Telephone expense	495	501
	<b>4,908,384</b>	<b>4,530,289</b>
<b>Excess of revenues over expenditures</b>	<b>90,958</b>	<b>578,922</b>