



**DRAFT** Consolidated Financial Statements of

**CITY OF PITT MEADOWS**

And Independent Auditor's Report thereon

Year ended December 31, 2023



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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the City of Pitt Meadows

### ***Opinion***

We have audited the consolidated financial statements of the City of Pitt Meadows (the "City"), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and the notes and Schedules I and II to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2023, and its consolidated results of operations, its changes in net consolidated financial assets and its consolidated 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 auditor's report.

We are independent of the City 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.



### ***Emphasis of Matter – Comparative Information***

We draw attention to Note 2 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated.

Note 2 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

### ***Other Matter – Comparative Information***

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022.

In our opinion, such adjustments are appropriate and have been properly applied.

### ***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 organizations, 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 City'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 City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City'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 the 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 City'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 City'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 City 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.
- 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.

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Chartered Professional Accountants

Chilliwack, Canada

May 7, 2024

# Consolidated Statement of Financial Position

As At December 31, 2023, with comparative information for 2022

	2023	2022 (Restated - Note 2)
<b>Financial Assets</b>		
Cash and Cash Equivalents	\$ 38,836,093	\$ 3,516,424
Portfolio Investments (Note 3)	45,217,765	70,152,220
Accounts Receivable (Note 4)	9,462,509	10,455,200
	<u>93,516,367</u>	<u>84,123,844</u>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities (Note 5)	9,559,384	8,878,023
Refundable Deposits (Note 6)	2,127,368	2,764,276
Deferred Revenue (Note 7)	5,705,047	3,392,405
Employee Benefit Liability (Note 8)	952,500	1,035,500
Asset Retirement Obligation (Note 9)	1,103,784	1,060,412
Development Cost Charges (Note 10)	16,881,640	16,585,515
Debt (Note 11)	23,023,812	23,845,017
	<u>59,353,535</u>	<u>57,561,148</u>
<b>Net Financial Assets</b>	<u>34,162,832</u>	<u>26,562,696</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Note 12)	210,267,109	206,825,863
Inventories of Supplies	248,070	233,808
Prepaid Expenses & Leases	1,541,064	1,552,216
	<u>212,056,243</u>	<u>208,611,887</u>
<b>Accumulated Surplus (Note 13)</b>	<u>\$ 246,219,075</u>	<u>\$ 235,174,583</u>

Contingent Liabilities and Commitments (Note 15)

Contractual rights (Note 17)

See accompanying Notes to the Consolidated Financial Statements.

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Laura Barroetavena, Director of Financial Services

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Nicole MacDonald, Mayor

# Consolidated Statement of Operations

Year Ended December 31, 2023, with comparative information for 2022

	2023 Budget	2023 Actual	2022 Actual (Restated - Note 2)
<b>Revenues</b>	(Note 19)		
Municipal Property Taxes (Note 18)	\$ 30,165,500	\$ 29,844,811	\$ 27,422,489
Utility Charges	12,274,900	12,351,695	11,650,510
Sale of Services	2,370,600	3,167,045	2,789,677
Licences, Permits, Penalties, and Fines	1,820,300	2,196,073	2,050,045
Investment Income	1,331,700	2,450,641	991,717
Other Revenue	626,200	968,477	702,918
Government Transfers (Note 16)	2,918,700	6,234,965	1,679,395
Contributions	4,433,600	539,747	604,528
	<u>55,941,500</u>	<u>57,753,454</u>	<u>47,891,279</u>
<b>Expenses</b>			
General Government Services	7,226,483	7,331,806	6,264,683
Protective Services	11,827,841	11,104,164	9,563,192
Transportation Services	4,377,256	4,716,907	4,538,220
Solid Waste Services	1,177,888	1,193,306	1,100,622
Water Services	4,851,881	5,958,748	5,477,021
Sewer Services	2,669,135	2,637,678	2,422,979
Drainage Services	2,587,870	2,796,369	2,404,778
Diking Services	236,701	249,816	140,890
Development Services	1,069,565	1,045,861	1,048,689
Parks, Recreation and Cultural Services	9,179,378	9,674,307	8,815,051
	<u>45,203,998</u>	<u>46,708,962</u>	<u>41,776,125</u>
<b>Annual Surplus</b>	<u>\$ 10,737,502</u>	<u>\$ 11,044,492</u>	<u>\$ 6,115,154</u>
<b>Accumulated Surplus, Beginning of Year</b>	<u>235,174,583</u>	<u>235,174,583</u>	<u>229,978,248</u>
<b>Adjustment on Adoption of the Asset Retirement Obligation Standard</b>	<u>-</u>	<u>-</u>	<u>(918,819)</u>
<b>Accumulated Surplus, Beginning of Year as Restated</b>	<u>235,174,583</u>	<u>235,174,583</u>	<u>229,059,429</u>
<b>Accumulated Surplus, End of Year</b>	<u>\$ 245,912,085</u>	<u>\$ 246,219,075</u>	<u>\$ 235,174,583</u>

# Consolidated Statement of Changes in Net Financial Assets

Year Ended December 31, 2023, with comparative information for 2022

	2023 Budget	2023 Actual	2022 Actual
	(Note 19)		(Restated - Note 2)
<b>Annual Surplus</b>	\$ 10,737,502	\$ 11,044,492	\$ 6,115,154
<b>Tangible Capital Assets</b>			
Acquisition	(35,781,202)	(10,348,487)	(20,126,995)
Amortization	5,389,500	6,434,779	5,805,015
Proceeds from disposal	-	36,490	26,951
Loss on disposal	-	435,972	320,830
Write-down	-	-	8,016
	<u>(30,391,702)</u>	<u>(3,441,246)</u>	<u>(13,966,183)</u>
<b>Inventories of Supplies</b>			
Acquisition	-	(270,479)	(296,860)
Use	-	256,217	300,537
	<u>-</u>	<u>(14,262)</u>	<u>3,677</u>
<b>Prepaid Expenses &amp; Lease</b>			
Acquisition	-	(367,751)	(323,416)
Use	-	378,903	353,052
	<u>-</u>	<u>11,152</u>	<u>29,636</u>
<b>Increase (Decrease) in Net Financial Assets</b>	(19,654,200)	7,600,136	(7,817,716)
<b>Net Financial Assets, Beginning of Year</b>	26,562,696	26,562,696	35,361,727
<b>Adjustment on Adoption of the Asset Retirement Obligation Standard</b>	-	-	(981,315)
<b>Net Financial Assets, Beginning of Year as Restated</b>	<u>26,562,696</u>	<u>26,562,696</u>	<u>34,380,412</u>
<b>Net Financial Assets, End of Year</b>	<u>\$ 6,908,496</u>	<u>\$ 34,162,832</u>	<u>\$ 26,562,696</u>

# Consolidated Statement of Cash Flow

Year Ended December 31, 2023, with comparative information for 2022

	2023	2022 (Restated - Note 2)
<b>Operating Activities</b>		
Annual Surplus	\$ 11,044,492	\$ 6,115,154
Items not utilizing cash:		
Development Cost Charge Revenue Recognized (Note 10)	(321,438)	(193,208)
Amortization	6,434,779	5,805,015
Accretion	43,372	40,524
Write-down of Tangible Capital Assets	-	8,016
Loss on Disposal of Tangible Capital Assets	435,972	320,830
Change in non-cash assets and liabilities:		
Accounts Receivable	992,691	572,022
Accounts Payable and Accrued Liabilities	681,361	(774,917)
Refundable Performance Deposits	(636,908)	(1,228,405)
Deferred Revenue	2,312,642	(469,916)
Employee Benefit Liability	(83,000)	98,500
Inventories of Supplies	(14,262)	3,677
Prepaid Expenses & Lease	11,152	29,636
<b>Cash Provided by Operating Activities</b>	<b>20,900,853</b>	<b>10,326,928</b>
<b>Capital Activities</b>		
Proceeds on Disposal of Tangible Capital Assets	36,490	26,951
Cash Used to Acquire Tangible Capital Assets	(10,348,487)	(20,088,422)
<b>Cash Used in Capital Activities</b>	<b>(10,311,997)</b>	<b>(20,061,471)</b>
<b>Investing Activities</b>		
Purchase of Investments	(16,896,530)	(37,014,543)
Redemption of Investments	41,830,985	9,397,614
<b>Cash Provided (Used) in Investing Activities</b>	<b>24,934,455</b>	<b>(27,616,929)</b>
<b>Financing Activities</b>		
Development Cost Charge Receipts and Interest	617,563	403,074
Proceeds from Long-term Debt and Temporary Borrowing	-	20,000,000
Repayment of Temporary Borrowing	-	-
Repayment of Long Term Debt	(821,205)	(424,422)
<b>Cash Provided in Financing Activities</b>	<b>(203,642)</b>	<b>19,978,652</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>35,319,669</b>	<b>(17,372,820)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>3,516,424</b>	<b>20,889,244</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 38,836,093</b>	<b>\$ 3,516,424</b>
<b>Non-cash transaction:</b>		
Initial recognition of asset retirement obligation capitalized to tangible capital assets	\$ -	\$ 38,573

See accompanying Notes to the Consolidated Financial Statements.



# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2023

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The City was incorporated as a District Municipality in 1914 under the *Municipal Act* (now a combination of the *Community Charter* and the *Local Government Act*), a statute of the Province of British Columbia. Effective January 1, 2007, the articles of incorporation of the municipality were changed by an Order in Council of the provincial government to reflect a change in its name to the City of Pitt Meadows. Its principal activities include the provision of local government services to the residents of the incorporated area. These services include community planning, protective, transportation, recreational & cultural, solid waste, water, sewer, drainage diking services and general government.

## I. Significant Accounting Policies

### (a) Basis of Presentation

The consolidated financial statements of the City of Pitt Meadows are prepared in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada.

The consolidated financial statements reflect the assets, liabilities, revenues, expenses, and accumulated surplus of the reporting entity which is comprised of all organizations that are controlled or owned by the City, including the Pitt Meadows Economic Development Corporation which was incorporated on March 5, 2010 and is currently inactive. Inter-entity balances and transactions have been eliminated on consolidation.

### (b) Cash and Cash Equivalents

Cash and cash equivalents consist of cash, bank balances, highly liquid money market investments and short-term investments with maturities of less than 90 days at acquisition.

### (c) Portfolio Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized over the term of the respective investment. Investments are written down when there is considered to be a permanent decline in value.

### (d) Deferred Revenue

The City defers a portion of the revenue collected from permits, licenses and other fees and recognizes this revenue in the year in which related inspections are performed or related expenditures are incurred.

### (e) Government Transfers

Government transfers, which include legislative grants, are recognized as revenue in the financial statements when the transfer is authorized, any eligibility criteria are met, and the amount to be received can be reasonably estimated except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when the transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

### (f) Debt

Debt is recorded net of related sinking fund balances held by the Municipal Finance Authority of BC (MFA).

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2023

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## I. Significant Accounting Policies (continued)

### **(g) Employee Future Benefits**

The City and its employees make contributions to the Municipal Pension Plan. The Municipal Pension Plan is a multi-employer contributory defined pension plan. These contributions are expensed as incurred.

The City also accrues sick leave, deferred vacation, supplementary vacation, vacation in year of retirement, overtime and service severance benefits. The liability relating to these benefits is actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The liability under this benefit plan is accrued based on projected benefits as the employees render services necessary to earn the future benefits. The discount rate used to measure obligations is based on the cost of borrowing. The cumulative unrecognized actuarial gains and losses are amortized over the expected average remaining service life of active employees covered under the plan.

### **(h) Asset Retirement Obligations**

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b) the past transaction or event giving rise to the liability has occurred;
- c) it is expected that future economic benefits will be given up; and;
- d) a reasonable estimate of the amount can be made.

The liability for the removal and disposal of hazardous materials (Asbestos and Lead) in several of the buildings and pump stations, as well as the removal of fuel storage tanks, and decommissioning of monitoring wells owned by the City has been recognized based on estimated future expenses on retirement of the tangible capital assets. Under the modified retrospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Assumptions used in the subsequent calculations are revised yearly.

The liability is discounted using a present value calculation, and adjusted yearly for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets which are amortized over the assets' estimated useful lives.

### **(i) Liability for Contaminated Sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. Any liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) the City is directly responsible or accepts responsibility;
- d) it is expected that future economic benefits will be given up;
- e) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of remediation and post-remediation including operation, maintenance and monitoring that are integral parts of the remediation strategy for a contaminated site.

### **(j) Non Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of goods and services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2023

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## I. Significant Accounting Policies (continued)

### **(i) Tangible Capital Assets**

Tangible Capital Assets, including capital work-in-progress, are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development and betterment of the assets. Interest incurred during construction is capitalized.

The cost, less residual value, is amortized on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	20 to 50 years
Drainage Infrastructure	30 to 80 years
Equipment and Furnishings	4 to 10 years
Land Improvements	20 to 30 years
Leasehold Improvements	10 years
Other Infrastructure	50 to 100 years
Road Infrastructure	20 to 100 years
Sewer Infrastructure	30 to 80 years
Vehicles	5 to 20 years
Water Infrastructure	10 to 80 years

Amortization commences when the asset is put into service.

Diking Infrastructure consists of dikes and ditches which are not amortized since they do not deteriorate as long as they are maintained properly.

Contributed tangible capital assets are recorded at their estimated fair value at the date of contribution as contributed revenue.

Natural resources, works of art and cultural and historic assets are not recorded as assets in these financial statements..

### **(ii) Inventories of Supplies**

Inventories of supplies held for consumption are recorded at the lower of actual cost and replacement cost.

### **(k) Revenue Recognition**

Revenue is recorded on the accrual basis and recognized in the period in which the transactions or events occurred that give rise to the revenues. Revenue unearned in the current period is recorded as deferred revenue until the services are provided.

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. Annual levies for non-optional municipal services and general administrative services are recorded as taxes for municipal services in the year they are levied. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts. Levies imposed by other taxing authorities are not included as taxes for municipal purposes.

Unrestricted revenue for the sale of goods and services are reported as revenue at the time the services or products are provided.

Contributions for specific purposes are recorded as deferred revenue and recognized as revenue in the year in which the related expenses are incurred.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2023

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## I. Significant Accounting Policies (continued)

### **(l) Expense Recognition**

Expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

### **(m) Tax Collections for Other Governments**

The City is required by legislation to bill and collect taxes on behalf of other governments. These revenues and payments are not included in the City's financial statements.

### **(n) Use of Estimates**

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and contingent assets and liabilities, and the reported amounts of revenues and expenses during the period. Significant areas requiring use of management estimates relate to the determination of employee benefit obligations, useful lives of tangible capital assets, valuation of contributed assets and liabilities associated with legal claims. As such, actual results could differ from those estimates.

### **(o) Segment Disclosures**

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information. The City has provided definitions of segments as well as presented financial information in Note 20.

### **(p) Budget Information**

Budget information, presented on a basis consistent with that used for actual results, was included in the Five Year Plan and was adopted by Council on April 5, 2022.

## 2. Adoption of New Accounting Standards

### **(a) PS 3280 Asset Retirement Obligations**

On January 1, 2023, the City adopted Canadian public sector accounting standard PS 3280 Asset Retirement Obligations (PS 3280). An asset retirement obligation is recognized when, as at financial reporting date, all of the following criteria are met:

- a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b) the past transaction or event giving rise to the liability has occurred;
- c) it is expected that future economic benefits will be given up; and;
- d) a reasonable estimate of the amount can be made.

The estimate of the asset retirement obligation includes costs directly attributable to the asset retirement activities and is recorded as a liability and increase to the related tangible capital assets if the tangible capital asset is in productive use. The asset retirement obligation is recorded as a liability and expense if the related tangible capital asset is unrecognized or no longer in productive use. The City determined that there were significant asset retirement obligations associated with its tangible capital assets as at December 31, 2023 and December 31, 2022 and has adopted of this standard on a modified retroactive basis.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2023

## 2. Adoption of New Accounting Standards (continued)

The impact of the adoption of this standard results in the restatement of the comparative information as at and for the year ended December 31, 2023 as follows:

	As previously stated	Adjustment	As restated
<b>Consolidated Statement of Financial Position:</b>			
Asset Retirement Obligations	\$ -	\$ 1,060,412	\$ 1,060,412
Net Financial Assets	27,623,108	(1,060,412)	26,562,696
Tangible Capital Assets	206,730,785	95,078	206,825,863
Accumulated Surplus	236,139,917	(965,334)	235,174,583
<b>Consolidated Statement of Operations</b>			
General Government Services Expenses	6,246,282	18,401	6,264,683
Transportation Services Expenses	4,533,715	4,505	4,538,220
Drainage Services Expenses	2,404,477	301	2,404,778
Parks, Recreation and Cultural Services Expenses	8,791,743	23,308	8,815,051
Annual Surplus	6,161,669	(46,515)	6,115,154
Accumulated Surplus, Beginning of Year	229,978,248	(918,819)	229,059,429
Accumulated Surplus, End of Year	236,139,917	(965,334)	235,174,583
<b>Consolidated Statement of Changes in Net Financial Assets</b>			
Annual Surplus	6,161,669	(46,515)	6,115,154
Acquisition of Tangible Capital Assets	(20,088,422)	(38,573)	(20,126,995)
Amortization of Tangible Capital Assets	5,799,024	5,991	5,805,015
Increase (Decrease) in Net Financial Assets	(7,738,619)	(79,097)	(7,817,716)
Net Financial Assets, Beginning of Year	35,361,727	(981,315)	34,380,412
Net Financial Assets, End of Year	27,623,108	(1,060,412)	26,562,696
<b>Consolidated Statement of Cash Flow</b>			
Annual Surplus	6,161,669	(46,515)	6,115,154
Amortization of Tangible Capital Assets	5,799,024	5,991	5,805,015
Asset Retirement Obligations Accretion Expense	-	40,524	40,524

### (a) PS 3450 Financial Instruments and related standards

On January 1, 2023, the City adopted Canadian public sector accounting standard PS 3450 Financial Instruments, PS 2601 Foreign Currency Translation, PS 1201 Financial Statement Presentation and PS 3041 Portfolio Investments. Under PS 3450 Financial Instruments, all financial instruments are included on the statement of financial position and are measured at either fair value or cost or amortized cost based on the characteristics of the instrument and the City's accounting policy choices.

The adoption of these standards did not have an impact on the amounts presented in these financial statements.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2023

## 3. Portfolio Investments

The City's portfolio of investments include money market mutual funds and fixed income Canadian corporate paper and bonds.

The fixed income instruments have stated rates of return ranging from 0.44% to 5.39% (2022 – 0.44% to 4.46%), with varying maturity dates up to November 1, 2027 (2022 – November 1, 2027). It is the City's practice to buy and hold investments to maturity in order to realize the stated rate of return.

	2023 Market	2023 Cost	2022 Cost
Money market mutual funds			\$ 1,828
Fixed income Canadian corporate paper & bonds	45,039,859	45,217,765	70,150,392
	\$ 45,039,859	\$ 45,217,765	\$ 70,152,220

## 4. Accounts Receivable

	2023	2022
Property taxes and utilities	\$ 2,004,666	\$ 2,097,151
Federal government agencies	325,429	474,946
Provincial government	17,676	52,140
Other government	698,707	856,024
General receivables	1,150,226	1,304,141
Development installments	5,265,805	5,670,798
	\$ 9,462,509	\$ 10,455,200

Development installments represent funds due from developers and others on a financing arrangement within two years. The City holds letters of credit as security for these amounts.

## 5. Accounts Payable and Accrued Liabilities

	2023	2022
Accounts Payable and Accrued Liabilities	\$ 2,612,867	\$ 2,489,513
Wages and Benefits Payable	2,033,835	853,385
Statutory Holdbacks	545,973	1,462,484
Due to Other Governments	4,366,709	4,072,641
	\$ 9,559,384	\$ 8,878,023

## 6. Refundable Deposits

	Balance December 31, 2022	Amounts Received	Amounts Refunded/ Forfeited	Balance December 31, 2023
Contract work	\$ 839,968	\$ 291,034	\$ (536,773)	\$ 594,229
Building (Construction)	101,000	10,000	(12,000)	99,000
Engineering Services	1,608,040	270,870	(646,595)	1,232,314
Parks & Recreation	19,738	74,200	(66,588)	27,350
Other	195,530	78,421	(99,477)	174,473
	\$ 2,764,276	\$ 724,525	\$ (1,361,433)	\$ 2,127,368

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2023

## 7. Deferred Revenue

	Balance December 31, 2022	Amounts Received	Revenue Recognized	Balance December 31, 2023
Business and dog licenses	\$ 143,707	\$ 173,748	\$ (143,707)	\$ 173,748
Major road network funding	10,553	247,347	(54,964)	202,936
Engineering fees	341,606	0	(16,857)	324,749
Parks & Recreation fees	73,312	113,830	(73,312)	113,830
Prepaid taxes	1,966,540	2,202,723	(1,966,540)	2,202,723
Other	856,687	1,862,297	(31,923)	2,687,061
	\$ 3,392,405	\$ 4,599,945	\$ (2,287,303)	\$ 5,705,047

## 8. Employee Benefit Liability

The City provides non-vested sick leave, service severance, overtime bank, and vacation benefits to its employees. These benefits are described as follows:

- a) Non-Vested Sick Leave: Regular full-time employees are entitled to a sick leave benefit of 1.5 days for each month of service which may be accumulated to a maximum of 261 days. Regular part-time employees are entitled to a sick leave benefit of 1 day (pro-rated) for each month of service which may be accumulated to a maximum of 75 days.
- b) Service Severance: Upon retirement, employees are eligible for a payout of 3 days per year of service accumulated paid at his or her current rate of pay. Employees leaving the service of the employer, other than on retirement or layoff who have completed 8 or more years of service are eligible for a payout of 1 day per year of service paid at his or her current rate of pay.
- c) Overtime Bank: Employees may accumulate overtime hours in a bank. Upon termination, retirement or death, accrued overtime is paid out at his or her current rate of pay.
- d) Deferred Vacation: Employees may defer a portion of their annual vacation entitlement. Employees in the collective bargaining unit who are entitled to 25 vacation days or more are subject to a maximum accumulation of 20 days. Exempt employees are subject to a maximum of 20 days.
- e) Supplementary Vacation: Employees are entitled to 5 days of supplementary vacation every five years. Employees in the collective bargaining unit are entitled commencing the fifteenth year of service. Exempt employees are entitled commencing the fifth year of service. The supplementary days must be used during the five year period following entitlement.
- f) Severance, deferred vacation and sick leave plans do not provide medical or dental coverage as part of the benefit provided, therefore medical and dental is not included in the valuation.

Information about obligations for employee sick leave, overtime, vacation and retirement benefits are as follows:

	2023	2022
Accrued Benefit Obligation, beginning of year	\$ 969,700	\$ 1,018,100
Current Service Cost	112,700	141,700
Interest Cost	47,300	29,500
Employer Contributions	(244,300)	(86,100)
Actuarial loss/(gain)	217,400	(133,500)
Cost of plan amendment	-	-
Accrued Benefit Obligation, end of year	\$ 1,102,800	\$ 969,700
Unamortized net actuarial loss/(gain)	(150,300)	65,800
Accrued Benefit Liability	\$ 952,500	\$ 1,035,500

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2023

## 8. Employee Benefit Liability (continued)

The benefit obligations have been rolled forward from the corresponding valuation for accounting purposes as at September 30, 2021 and extrapolated to December 31, 2023.

The significant actuarial assumptions used in measuring the City's accrued benefit obligations include estimated future wage increases and the following.

	2023	2022
Discount Rate	4.10%	4.5%
Expected Future Inflation Rate	2.50%	2.50%
Expected Average Remaining Service Life	11 years	11 years

## 9. Asset Retirement Obligation

The City asset retirement obligation consists of several obligations as follows:

- The City owns and operates several buildings and pump stations that are known to have asbestos and lead, which represent a health hazard upon demolition of the building and there is a legal obligation to remove it and dispose of it. These facilities have an average estimated useful life remaining of 13 years.
- The City owns underground fuel tanks at its works yard and there is a legal obligation to remove and dispose of the tanks at the end of their useful life. The tanks have an estimated useful life remaining of 9 years.
- The City owns several monitoring wells and there is a legal obligation to fill and cap these wells at the end of their useful life. The wells have an estimated useful life remaining of 10 years.

Estimated costs have been discounted at the present value using a discount rate of 4.09% per annum. As at December 31, 2023, the undiscounted cash flows are \$1,745,200.

Changes to the asset retirement obligation in the year are as follows:

	Balance December 31, 2022	Accretion Expense	Balance December 31, 2023
Hazardous Material Remediation (Asbestos and Lead)	\$ 1,033,664	\$ 42,277	\$ 1,075,941
Underground Fuel Storage Removal	16,354	669	17,023
Well Removal	10,394	426	10,820
	\$ 1,060,412	\$ 43,372	\$ 1,103,784

## 10. Development Cost Charges

	Balance December 31, 2022	Developer Contributions	Interest Earnings	Capital Expenditures	Balance December 31, 2023
Major Roads	\$ 9,985,803	\$ 46,676	\$ 328,533	\$ (21,438)	\$ 10,339,574
Minor Roads	3,291,264	3,272	106,559	-	3,401,095
Sewer	710,798	6,781	17,948	-	735,527
Water	480,301	4,438	12,438	-	497,177
Drainage	1,753,727	4,823	54,897	-	1,813,447
Parks	363,622	19,235	11,963	(300,000)	94,820
	\$ 16,585,515	\$ 85,225	\$ 532,338	\$ (321,438)	\$ 16,881,640



# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2023

## II. Debt

The City obtains debt financing through the Municipal Finance Authority (MFA) in accordance with the Community Charter to finance certain capital expenditures. Sinking fund balances managed by the MFA are offset against related long term debt.

Bylaw	Purpose	Maturity Date	Interest Rate	Authorized	Repayments & Actuarial Adjustments	2023	2022
2368	Civic Centre Parkade	2035	1.28%*	\$ 2,600,000	\$ 1,047,440	\$ 1,552,560	\$ 1,655,290
2408	Arena Acquisition	2025	1.28%*	2,175,000	1,808,582	366,418	540,386
2429	Community Centre	2033	1.00%**	3,141,602	1,649,341	1,492,261	1,649,341
2913	Police Building	2052	4.09%	20,000,000	387,427	19,612,573	20,000,000
				\$27,916,602	\$4,892,790	\$ 23,023,812	\$23,845,017

\*MFA rate re-set from 3.73% to 1.28% October 5, 2020

\*\*MFA rate re-set from 1.15% to 1.100%, 1.050%, and 1.00%, on Sept 28, 2022, March 28, 2023, and Sept 28, 2023 respectively.

Future principal repayments on net outstanding debt over the next five years and thereafter are as follows:

Year	Amount
2024	\$844,450
2025	868,508
2026	700,525
2027	719,546
2028	739,232
Thereafter	19,151,551
	\$ 23,023,812

The City paid \$911,321 in interest on long-term debt during the year (2022 - \$96,463)

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2023

## 12. Tangible Capital Assets

### Year ended December 31, 2023

Asset Category	Cost				Accumulated Amortization					Net Book Value
	Balance Beginning of Year	Additions	Disposals	Construction in Progress Transfer	Balance End of Year	Balance Beginning of Year	Amortization	Disposals	Balance End of Year	
Buildings	\$ 34,944,559	\$ 2,719,504	\$ 1,284,225	\$ 12,711,554	\$ 49,091,392	\$ 19,909,802	\$ 1,503,167	\$ 1,163,150	\$ 20,249,819	\$ 28,841,573
Diking Infrastructure	12,026,612	-	-	-	12,026,612	-	-	-	-	12,026,612
Drainage Infrastructure	44,522,195	272,518	597,388	1,313,939	45,511,264	14,520,711	891,942	361,600	15,051,053	30,460,211
Equipment and Furnishings	10,047,736	1,077,182	300,321	106,816	10,931,413	6,258,844	664,320	296,657	6,626,507	4,304,906
Land	57,676,622	-	-	-	57,676,622	4,706	138	-	4,844	57,671,778
Land Improvements	10,113,191	120,340	-	-	10,233,531	5,358,726	385,158	-	5,743,884	4,489,647
Leasehold Improvements	1,302,970	14,879	-	-	1,317,849	1,302,970	124	-	1,303,094	14,755
Other Infrastructure	5,462,881	35,712	18,245	-	5,480,348	1,440,637	93,756	4,216	1,530,177	3,950,171
Road Infrastructure	55,176,110	808,055	268,189	44,678	55,760,654	28,562,055	1,545,026	207,631	29,899,450	25,861,204
Sewer Infrastructure	15,848,382	242,219	31,308	-	16,059,293	6,357,764	239,400	17,542	6,579,622	9,479,671
Vehicles	7,970,300	316,524	590,635	-	7,696,189	4,655,425	418,827	590,635	4,483,617	3,212,572
Water Infrastructure	40,723,849	370,107	55,002	68,130	41,107,084	15,450,757	692,921	31,420	16,112,258	24,994,826
Construction in Progress	14,832,853	4,371,447	-	(14,245,117)	4,959,183	-	-	-	-	4,959,183
<b>TOTAL</b>	<b>\$ 310,648,260</b>	<b>\$ 10,348,487</b>	<b>\$ 3,145,313</b>	<b>\$ -</b>	<b>\$ 317,851,434</b>	<b>\$ 103,822,397</b>	<b>\$ 6,434,779</b>	<b>\$ 2,672,851</b>	<b>\$ 107,584,325</b>	<b>\$ 210,267,109</b>

### Year ended December 31, 2022

(Restated - Note 2)

Asset Category	Cost				Accumulated Amortization					Net Book Value
	Balance Beginning of Year	Additions	Disposals	Construction in Progress Transfer	Balance End of Year	Balance Beginning of Year	Amortization	Disposals	Balance End of Year	
Buildings	\$ 34,579,851	\$ 471,399	\$ 106,691	\$ -	\$ 34,944,559	\$ 18,964,704	\$ 1,014,638	\$ 69,540	\$ 19,909,802	\$ 15,034,757
Diking Infrastructure	12,026,612	-	-	-	12,026,612	-	-	-	-	12,026,612
Drainage Infrastructure	44,108,157	423,719	9,681	-	44,522,195	13,659,328	868,774	7,391	14,520,711	30,001,484
Equipment and Furnishings	9,503,703	668,109	143,225	19,149	10,047,736	5,772,487	628,973	142,616	6,258,844	3,788,892
Land	55,956,164	1,720,458	-	-	57,676,622	4,567	139	-	4,706	57,671,916
Land Improvements	9,664,449	481,849	58,418	25,311	10,113,191	5,017,687	369,992	28,953	5,358,726	4,754,465
Leasehold Improvements	1,302,970	-	-	-	1,302,970	1,270,396	32,574	-	1,302,970	-
Other Infrastructure	5,389,471	73,411	1	-	5,462,881	1,348,257	92,380	-	1,440,637	4,022,244
Road Infrastructure	52,439,751	3,390,154	660,471	6,676	55,176,110	27,568,896	1,458,288	465,129	28,562,055	26,614,055
Sewer Infrastructure	15,871,360	76,771	99,749	-	15,848,382	6,217,399	237,557	97,192	6,357,764	9,490,618
Vehicles	7,222,280	815,889	132,324	64,455	7,970,300	4,384,277	403,473	132,325	4,655,425	3,314,875
Water Infrastructure	38,983,984	2,180,515	440,650	-	40,723,849	15,112,813	698,227	360,283	15,450,757	25,273,092
Construction in Progress	5,131,739	9,816,705	-	(115,591)	14,832,853	-	-	-	-	14,832,853
<b>TOTAL</b>	<b>\$ 292,180,491</b>	<b>\$ 20,118,979</b>	<b>\$ 1,651,210</b>	<b>\$ -</b>	<b>\$ 310,648,260</b>	<b>\$ 99,320,811</b>	<b>\$ 5,805,015</b>	<b>\$ 1,303,429</b>	<b>\$ 103,822,397</b>	<b>\$ 206,825,863</b>

Contributed tangible capital assets (including transportation, drainage, water and sanitary sewer assets) have been recognized as contributions at fair market value at the date of construction. In 2023, the City did not receive any contributed assets, (2022 - nil).

Included in additions for 2022 is \$38,573 related to asset retirement obligations for assets acquired within the year.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2023

## 13. Accumulated Surplus

Accumulated Surplus includes the Investment in Tangible Capital Assets, Current Year Surplus and Statutory Reserves as follows:

	2023	2022
Current Year Surplus (Deficit)		
General Fund	\$ 195,359	\$ 253,427
Water Fund	(988,513)	(843,162)
Sewer Fund	73,631	88,089
Drainage Fund	40,259	124,229
Solid Waste	9,915	72,097
Appropriated Surplus		
Statutory Operating Reserves	8,188,303	7,697,011
Statutory Capital Reserves	52,560,608	45,862,458
	\$ 60,079,562	\$ 53,254,149
Investment in Tangible Capital Assets	186,139,513	181,920,434
Total Accumulated Surplus	\$ 246,219,075	\$ 235,174,583

## 14. Municipal Pension Plan

The City and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2023, the plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The City paid \$979,575 (2022 - \$875,161) for employer contributions while employees contributed \$865,013 (2022 - \$779,249) to the plan in fiscal 2023.

The next valuation will be as at December 31, 2024.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2023

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## 15. Contingent Liabilities and Commitments

### Contingent Liabilities

- a) The City is a member of the Municipal Insurance Association (MIA), which operates under a reciprocal insurance exchange agreement. The main purposes of the exchange agreement are: (1) to pool the risk of third party liability claims against member municipalities (approximately 170) in order to allow for stable financial planning related to those liability claims; and (2) to engage in broad risk management strategies to reduce accidents or occurrences that may result in liability claims against the City. The City is assessed an annual premium by MIA based on factors such as population, administrative costs, premium tax and re-insurance costs. MIA is subject to financial oversight by the Provincial Government.
- b) The City self insures for certain potential financial losses arising from the penetration of water into building envelopes (“leaky buildings”) and acts of terrorism, for any claims made after January 1<sup>st</sup>, 2002.
- c) The City has been named defendant in a number of claims that are currently pending. In determining their estimated exposure the City has relied upon their understanding of the claims, including activities undertaken by the other parties, as well as discussions with legal counsel. In the opinion of management, the amount of any loss from these claims cannot be reasonably estimated, nor can the likelihood of their outcomes be known at this time. Therefore, management has made no provision for these claims and any future settlement will be accounted for in the year of settlement.
- d) As at December 31, 2023 there were various property assessment appeals pending. The outcome of those appeals may result in adjustments to property taxes receivable for the current and prior years. The City has made no specific provision for these appeals as the outcome is indeterminable. Management does not expect any material adjustments to occur from appeals.
- e) The City is a member of E-Comm, an organization comprised predominately of member municipalities, for the purpose of providing emergency dispatch services. The City is represented on the board, and as a Class ‘A’ shareholder has voting rights should the organization want to incur additional debt. The E-Comm facility was constructed using debt as a financing mechanism and members are liable for a proportionate share of that debt. This debt is repaid by members through annual fees charged by E-Comm. Should E-Comm dissolve, members would be liable for a proportionate share of any residual debt. Alternatively should a member choose to opt out of E-Comm, they would be liable for a proportionate share of debt at the time of withdrawal.
- f) The City has a contingent liability with respect to debentures of the Greater Vancouver Water District, Greater Vancouver Sewerage and Drainage District and Metro Vancouver, to the extent provided for in their respective Enabling Acts, Acts of Incorporation and Amending Acts. Management does not consider payment under this contingency to be likely and therefore no amounts have been accrued.

### Commitments

- g) The City has a long-term service agreement with another organization for the provision of fire and public works dispatch services. This agreement has an annual cost of approximately \$36,000 and will expire on December 31, 2024.
- h) The City leases approximately 12,200 square feet of space at 12059 Harris Road, Pitt Meadows for the Pitt Meadows Library. The lease commenced March 1, 2012 for a term of ten years and was renewed for a five year term ending February 28, 2027 with an option to renew for a further five years. The annual minimum rent is \$151,000 and is subject to annual CPI increases in the renewal periods.

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2023

## 15. Contingent Liabilities and Commitments (continued)

### Commitments (continued)

- i) The City has an Operating and Maintenance Agreement with Nustadia Recreation Inc. for the operation and maintenance of the Pitt Meadows Arena. The agreement was effective May 1, 2011, with an initial term of five years and four optional renewal periods. In April 2021, the parties agreed to renew the contract for 2-periods for a total of 10 years from May 11, 2021 to April 30, 2031. An annual management fee of \$100,000 is payable under the agreement (adjusted annually for inflation), with payments due in equal monthly installments.
- j) The City has a long-term service agreement with the Province of British Columbia for the provision of police services by the Royal Canadian Mounted Police with an annual cost of approximately \$5.1 million. The current agreement commenced April 1, 2012 with an expiry date of March 31, 2032.

## 16. Government Transfers

	2023	2022
<b>Federal Conditional</b>		
Canada Day Events	\$ 3840	\$ 2,940
Drainage Condition Assessment	50,000	-
<b>Provincial Conditional</b>		
Active Transportation Network Plan	6,643	18,120
Asset Management Grant	23,808	-
BC Fairs, Festivals, and Events Recovery Grant	20,400	16,600
BC Hydro Regreening Grant	7,500	-
BC Employer Training Grant	3,679	-
Community Emergency Preparedness	52,063	59,570
Emergency Response Claim	2,639	10,085
Fire Smart	-	17,797
Housing Needs	-	11,780
ICBC Traffic Road Safety Study	-	9,900
National Disaster Mitigation - Flood Protection	-	300,697
Other	-	7,500
<b>Provincial Unconditional</b>		
Local Government Climate Action Program	149,082	149,082
Small Communities	127,000	173,000
Traffic Fines	199,000	181,910
Growing Communities Fund	5,370,000	-
<b>Regional Conditional</b>		
BC Employer Training Grant	-	3,800
Fraser Health Vision Zero in Road Safety	-	7,800
TransLink Bicycle/Walking Infrastructure	42,850	-
TransLink Major Road Network	54,963	592,833
<b>Regional Unconditional</b>		
Canada Community-Building Fund	121,498	115,981
	\$ 6,234,965	\$ 1,679,395

# Notes to the Consolidated Financial Statements

## For the Year Ended December 31, 2023

### 17. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The City's contractual rights arise from contracts entered into for leases, licenses to occupy, grant funding agreements, service agreements, and developer contribution agreements.

Contractual Rights	2024	2025	2026	2027	2028	Thereafter
	\$1,088,582	\$7,223,592	\$652,627	\$673,127	\$602,627	\$755,859

### 18. Taxation and Other Levies

In addition to its own tax levies, the City is required to collect taxes on behalf of other taxing authorities, and remit to those authorities. Total taxes levied and remitted are as follows:

	2023	2022
<b>Gross taxes levied on property</b>	\$ 48,202,824	\$ 43,357,117
<b>Taxes levied and collected on behalf of other jurisdictions:</b>		
Provincial School Taxes	14,307,973	12,375,358
TransLink	2,949,461	2,600,290
British Columbia Assessment Authority	437,763	382,607
Greater Vancouver Regional District	660,365	574,337
Municipal Finance Authority of British Columbia	2,451	2,036
	\$ 18,358,013	\$ 15,934,628
<b>Taxation Revenue</b>	<b>\$ 29,844,811</b>	<b>\$ 27,422,489</b>

### 19. Budget

The budget amounts which are presented for comparative purposes reflect the statutory balanced budget as adopted by Council on April 4, 2023 per Financial Plan Bylaw No. 2949, 2023. The chart below reconciles the balanced statutory budget to the budget surplus reported on the Consolidated Statement of Operations:

	Budget Amount
Revenues	\$ 55,941,500
Expenses	45,203,998
Annual surplus per consolidated statement of operations	\$ 10,737,502
Add:	
Amortization	5,389,500
Transfers from reserves	20,475,400
Debt Proceeds	-
Less:	
Capital expenditures	(35,781,202)
Debt principal repayments	(821,200)
Approved budget	\$ -

# Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2023

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## 20. Segmented Information

For reporting purposes, City activities have been aggregated into functional segments based on the services each activity provides. The Segmented Disclosure Note (20(a)) reports the revenues and expenses that are directly attributable to each functional segment. The following describes the services included in each segment:

### ***General Government Services***

The General Government segment includes administration, legislative, financial, human resources, information technology and sustainability services. This also contains municipal property taxation and penalties and interest charged thereon, taxes in lieu, return on investments, and interest paid on development cost charge funds and tax prepayment accounts.

### ***Protective Services***

The Protective Services segment includes Police services provided by the RCMP and support services by the City of Maple Ridge, fire protection, bylaw enforcement, business licensing, building inspection, animal control and emergency program services.

### ***Transportation Services***

The Transportation Services segment includes engineering, operations administration, and roads maintenance services.

### ***Utility, Solid Waste and Diking Services***

The Utility, Solid Waste and Diking Services segment includes drainage, water, and sewer utility services, the solid waste collection and disposal service and diking services.

### ***Parks, Recreation and Cultural Services***

The Parks, Recreation and Cultural Services segment includes parks and recreation services provided by the City, Library services provided by the Fraser Valley Regional Library, and the operations of the Pitt Meadows Arena.

### ***Development Services***

The Development Services segment includes services for managing development and community planning.

# Notes to the Consolidated Financial Statements

## For the Year Ended December 31, 2023

### 20 (a). Segmented Information – Segmented Disclosure

	2023 Actual						2023 Budget	
	General Government Services	Protective Services	Transportation Services	Utility, Solid Waste and Diking Services	Development Services	Parks, Recreation and Cultural Services	Consolidated	Consolidated
<b>Revenues</b>								(Note 19)
Municipal Property Taxes	\$ 29,682,800	\$ -	\$ -	\$ 162,011	\$ -	\$ -	\$ 29,844,811	\$ 30,165,500
Utility Charges	-	-	-	12,351,695	-	-	12,351,695	12,274,900
Sale of Services	44,267	92,486	43,013	488,751	2,710	2,495,818	3,167,045	2,370,600
Licenses, Permits, Penalties and Fines	-	293,486	1,394,657	39,575	452,259	16,096	2,196,073	1,820,300
Investment Income	2,450,641	-	-	-	-	-	2,450,641	1,331,700
Other Revenue	612,024	54,000	3,063	1,949	-	297,441	968,477	626,200
Government Transfers	6,027,295	54,702	71,228	50,000	-	31,740	6,234,965	2,918,700
Contributions	-	-	21,439	18,964	78,650	420,694	539,747	4,433,600
	<b>38,817,027</b>	<b>494,674</b>	<b>1,533,400</b>	<b>13,112,945</b>	<b>533,619</b>	<b>3,261,789</b>	<b>57,753,454</b>	<b>55,941,500</b>
<b>Expenses</b>								
Salaries and Benefits	4,101,847	4,012,753	1,839,195	1,858,607	881,955	2,654,636	15,348,993	15,454,000
Contracted Services	1,145,586	6,202,066	678,121	2,265,383	160,418	5,030,096	15,481,670	16,495,998
Supplies, Materials and Equipment	444,658	171,276	281,093	610,438	3,488	419,531	1,930,484	1,889,900
Purchase of Water and Sewer Levy	-	-	-	5,997,537	-	-	5,997,537	5,013,300
Amortization & Accretion	603,511	753,524	1,843,910	1,830,816	-	1,446,390	6,478,151	5,389,500
Interest Charges	1,036,155	-	-	-	-	-	1,036,155	961,300
Loss (gain) on disposal	49	(35,455)	74,588	273,136	-	123,654	435,972	-
	<b>7,331,806</b>	<b>11,104,164</b>	<b>4,716,907</b>	<b>12,835,917</b>	<b>1,045,861</b>	<b>9,674,307</b>	<b>46,708,962</b>	<b>45,203,998</b>
<b>Annual Surplus (Deficit)</b>	<b>\$ 31,485,221</b>	<b>\$ (10,609,490)</b>	<b>\$ (3,183,507)</b>	<b>\$ 277,028</b>	<b>\$ (512,242)</b>	<b>\$ (6,412,518)</b>	<b>\$ 11,044,492</b>	<b>\$ 10,737,502</b>

(Restated - Note 2)

	2022 Actual						2022 Budget	
	General Government Services	Protective Services	Transportation Services	Utility, Solid Waste and Diking Services	Development Services	Parks, Recreation and Cultural Services	Consolidated	Consolidated
<b>Revenues</b>								
Municipal Property Taxes	\$ 27,271,109	\$ -	\$ -	\$ 151,380	\$ -	\$ -	\$ 27,422,489	\$ 27,310,100
Utility Charges	-	-	-	11,650,510	-	-	11,650,510	11,524,200
Sale of Services	46,193	22,803	69,587	422,022	4,991	2,224,081	2,789,677	2,042,400
Licenses, Permits, Penalties and Fines	-	536,752	1,126,122	27,012	336,060	24,099	2,050,045	2,202,600
Investment Income	991,717	-	-	-	-	-	991,717	449,300
Other Revenue	358,983	45,398	13,758	2,849	-	281,930	702,918	614,300
Government Transfers	470,891	87,452	632,453	449,779	11,780	27,040	1,679,395	3,540,000
Contributions	-	21,000	4,355	55,388	256,200	267,585	604,528	3,888,700
	<b>29,138,893</b>	<b>713,405</b>	<b>1,846,275</b>	<b>12,758,940</b>	<b>609,031</b>	<b>2,824,735</b>	<b>47,891,279</b>	<b>51,571,600</b>
<b>Expenses</b>								
Salaries and Benefits	3,712,029	3,043,047	1,719,328	1,632,708	805,536	2,353,496	13,266,144	13,176,800
Contracted Services	1,135,069	6,146,275	617,103	1,907,552	240,359	4,482,908	14,529,266	15,129,736
Supplies, Materials and Equipment	417,010	151,629	266,909	570,656	2,794	495,640	1,904,638	1,725,000
Purchase of Water and Sewer Levy	-	-	-	5,539,540	-	-	5,539,540	4,644,800
Amortization & Accretion	629,797	222,241	1,766,487	1,810,620	-	1,416,394	5,845,539	5,181,500
Interest Charges	370,168	-	-	-	-	-	370,168	304,200
Loss (gain) on disposal	610	-	168,393	85,214	-	66,613	320,830	-
	<b>6,264,683</b>	<b>9,563,192</b>	<b>4,538,220</b>	<b>11,546,290</b>	<b>1,048,689</b>	<b>8,815,051</b>	<b>41,776,125</b>	<b>40,162,036</b>
<b>Annual Surplus (Deficit)</b>	<b>\$ 22,874,210</b>	<b>\$ (8,849,787)</b>	<b>\$ (2,691,945)</b>	<b>\$ 1,212,650</b>	<b>\$ (439,658)</b>	<b>\$ (5,990,316)</b>	<b>\$ 6,115,154</b>	<b>\$ 11,409,564</b>



# Schedule I - COVID-19 Safe Restart Grant

Year Ended December 31, 2023

In November 2020, the Ministry of Municipal Affairs provided the City with funding in support of dealing with the increased operating costs and lower revenue due to COVID-19.

	2023	2022
Balance, Beginning of Year	738,141	1,330,393
Eligible costs incurred:		
Revenue shortfalls	0	(29,700)
Facility reopening and operating costs	(50,876)	(471,283)
Protective services and bylaw enforcement costs	(22,247)	(87,388)
Computer and other electronic technology costs	(18,701)	(3,881)
Total eligible costs incurred	(91,824)	(592,252)
Balance, End of Year	646,317	738,141

## Schedule II - Growing Communities Fund Grant

### Year Ended December 31, 2023

In March 2023, the Ministry of Municipal Affairs provided the City with funding to address infrastructure and amenity demands from a growing population.

	2023
Balance, March 23, 2023	5,370,000
Eligible costs incurred:	-
Total eligible costs incurred	-
Balance, December 31, 2023	<u>5,370,000</u>

On December 11, 2023 City Council approved a motion to use the \$5,370,000 in funds to design and construct a double artificial turf field and parking lot at Pitt Meadows Athletic Park.

