

Consolidation Financial Statements of

**CORPORATION OF THE CITY OF
NEW WESTMINSTER**

And Independent Auditor's Report Thereon

Year ended December 31, 2021



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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the Corporation of the City of New Westminster

Opinion

We have audited the consolidated financial statements of the Corporation of the City of New Westminster (the "City"), which comprise:

- the consolidated statement of financial position as at December 31, 2021
- the consolidated statement of operations for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes 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, 2021, and its consolidated results of operations, its consolidated changes in net 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' 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.



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 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.

Auditors' 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 auditors' 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 auditors' 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 auditors' 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.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
May 9, 2022

CORPORATION OF THE CITY OF NEW WESTMINSTER
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 2)	\$ 114,146,434	\$ 147,152,685
Accounts Receivable		
Property Taxes	3,139,525	3,557,411
Other	22,239,744	23,639,583
Due from Other Governments	3,660,687	1,634,413
Investments (Note 3)	102,595,180	82,876,282
	245,781,570	258,860,374
LIABILITIES		
Accounts Payable and Accrued Liabilities	27,751,609	21,545,171
Due to Other Governments	5,596,028	22,029,016
Prepaid Taxes	12,172,127	11,148,774
Deferred Revenue and Deposits (Note 4)	30,957,932	32,668,168
Deferred Development Cost Charges (Note 5)	19,203,332	19,130,724
Employee Benefit Plans (Note 7)	12,904,573	12,141,474
Long-Term Debt (Note 8)	60,514,159	62,130,349
	169,099,760	180,793,676
NET FINANCIAL ASSETS	76,681,810	78,066,698
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 9)	749,532,592	717,449,624
Inventory of Supplies	2,371,758	2,098,247
Prepaid Expenses	3,522,563	1,651,150
	755,426,913	721,199,021
ACCUMULATED SURPLUS (Note 10)	\$ 832,108,723	\$ 799,265,719

Contingencies (Note 14)

Commitments (Note 16)

The accompanying notes are an integral part of these consolidated financial statements.



Harji Varn, CPA, CGA
CFO/Director of Finance

CORPORATION OF THE CITY OF NEW WESTMINSTER
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2021

	2021 Budget (Note 1(g))	2021	2020
REVENUE			
Municipal Taxation and Other Levies (Note 12)	\$ 93,740,726	\$ 92,724,364	\$ 89,195,332
Utility Rates	94,010,630	95,411,264	92,380,953
Sale of Services	13,114,033	14,038,332	12,064,621
Grants from Other Governments (Note 18)	13,493,021	5,198,139	10,577,058
Contributed Tangible Capital Assets (Note 9(b))	-	7,932,156	4,974,934
Contributions	11,825,944	13,104,911	9,334,300
Other Revenue (Note 13)	14,676,156	15,516,222	16,719,355
	<u>240,860,510</u>	<u>243,925,388</u>	<u>235,246,553</u>
EXPENSES			
Police Services	33,018,500	34,149,429	29,169,363
Parks and Recreation	21,567,216	24,751,668	21,791,314
Fire Services	17,992,154	17,371,253	16,870,661
Climate Action, Planning and Development	6,776,962	7,376,599	6,063,165
Engineering Services	27,676,745	28,405,234	27,042,941
General Government	27,267,361	27,490,649	25,585,521
Library	4,725,629	3,836,930	3,700,338
Utility Operations	67,116,713	67,700,622	65,442,892
	<u>206,141,280</u>	<u>211,082,384</u>	<u>195,666,195</u>
ANNUAL SURPLUS	34,719,230	32,843,004	39,580,358
Accumulated Surplus, beginning of year	799,265,719	799,265,719	759,685,361
ACCUMULATED SURPLUS, end of year	<u>\$ 833,984,949</u>	<u>\$ 832,108,723</u>	<u>\$ 799,265,719</u>

The accompanying notes are an integral part of these consolidated financial statements.

CORPORATION OF THE CITY OF NEW WESTMINSTER
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2021

	2021 Budget (Note 1(g))	2021	2020
ANNUAL SURPLUS	\$ 34,719,230	\$ 32,843,004	\$ 39,580,358
Acquisition of Tangible Capital Assets	(90,796,327)	(48,474,800)	(31,714,897)
Contribution of Tangible Capital Assets	-	(7,932,156)	(4,974,934)
Proceeds from Disposal of Tangible Capital Assets	-	44,275	14,106
Amortization of Tangible Capital Assets	25,289,000	24,204,386	23,545,497
Net (Gain) Loss on Disposal of Tangible Capital Assets	-	75,327	1,408,854
Consumption (Acquisition) of Inventory of Supplies	-	(273,511)	157,056
Acquisition of Prepaid Expenses	-	(1,871,413)	(117,098)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(30,788,097)	(1,384,888)	27,898,942
Net Financial Assets, beginning of year	78,066,698	78,066,698	50,167,756
NET FINANCIAL ASSETS, end of year	\$ 47,278,601	\$ 76,681,810	\$ 78,066,698

The accompanying notes are an integral part of these consolidated financial statements.

CORPORATION OF THE CITY OF NEW WESTMINSTER
CONSOLIDATED STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

	2021	2020
CASH PROVIDED (USED) BY:		
OPERATING ACTIVITIES		
Annual Surplus	\$ 32,843,004	\$ 39,580,358
Items not involving cash:		
Amortization of Tangible Capital Assets	24,204,386	23,545,497
Net (Gain) Loss on Disposal of Tangible Capital Assets	75,327	1,408,854
Contributed Tangible Capital Assets	(7,932,156)	(4,974,934)
Capital Expenditures Funded from Development Cost Charges	(1,524,676)	(1,060,637)
Long Term Debt Actuarial Reduction	(667,396)	(555,899)
Change in non-cash operating items:		
Accounts Receivable	1,817,725	(5,918,180)
Due From Other Governments	(2,026,274)	1,745,011
Accounts Payable and Accrued Liabilities	6,206,438	(4,910,502)
Due to Other Governments	(16,432,988)	21,488,914
Prepaid Taxes	1,023,353	1,247,634
Deferred Revenue and Deposits	(1,710,236)	5,640,397
Employee Benefit Plans	763,099	495,441
Inventory of Supplies	(273,511)	157,056
Prepaid Expenses	(1,871,413)	(117,098)
	<u>34,494,682</u>	<u>77,771,912</u>
FINANCING ACTIVITIES		
Development Cost Charge Receipts and Interest	1,597,284	8,340,828
Long-Term Debt Repayments	(3,073,794)	(3,056,724)
Proceeds from Issuance of Long-Term Debt	2,125,000	-
	<u>648,490</u>	<u>5,284,104</u>
CAPITAL ACTIVITIES		
Proceeds from Disposal of Tangible Capital Assets	44,275	14,106
Cash Used to Acquire Tangible Capital Assets	(48,474,800)	(31,714,897)
	<u>(48,430,525)</u>	<u>(31,700,791)</u>
INVESTING ACTIVITIES		
Sale of Investments	-	45,000,000
Purchase of Investments	(19,718,898)	(11,447,474)
	<u>(19,718,898)</u>	<u>33,552,526</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(33,006,251)	84,907,751
Cash and Cash Equivalents, beginning of year	<u>147,152,685</u>	<u>62,244,934</u>
CASH AND CASH EQUIVALENTS, end of year	\$ 114,146,434	\$ 147,152,685

The accompanying notes are an integral part of these consolidated financial statements.

CORPORATION OF THE CITY OF NEW WESTMINSTER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

The Corporation of the City of New Westminster (the “City”) is a local government in the Province of British Columbia. In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This resulted in governments worldwide, including the Canadian federal and provincial governments enacting emergency measure to combat the spread of the virus. The economic conditions and the City’s response to the pandemic had an impact on the City’s operating results and financial position in 2020 and 2021.

1. SIGNIFICANT ACCOUNTING POLICIES

The City prepares its consolidated financial statements in accordance with Canadian public sector accounting standards as issued by the Public Sector Accounting Board (“PSAB”) of the Chartered Professional Accountants of Canada. The accounting policies of the City include the following:

- (a) **Basis of Presentation**
These consolidated financial statements include the accounts of all the funds of the City and the Library and Police Boards. Inter-fund transactions and balances have been eliminated.
- (b) **Cash and Cash Equivalents**
Cash and cash equivalents consist of cash, highly liquid money market investments and short-term investments with maturities of less than 90 days at acquisition.
- (c) **Investments**
Investments in the Municipal Finance Authority of British Columbia (“MFA”) Pooled Investment Funds – Intermediate and Bond Funds are recorded at cost. Cost is comprised of subscriptions net of redemptions plus earnings that are reinvested in the funds.
- (d) **Employee Future Benefits**
The City and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred.

Sick leave and post-employment benefits also accrue to the City’s employees. The liabilities related to these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The liabilities under these benefits plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.
- (e) **Deferred Revenue**
Deferred revenue represents licenses, permits, other fees and grants which have been collected, but for which the related services have not been performed and / or projects have not been constructed. These amounts will be recognized as revenue in the fiscal year the services are performed and / or the projects are constructed.
- (f) **Development Cost Charges (DCCs)**
Development cost charges are deferred upon receipt and recognized as revenue only to the extent used to finance related authorized capital projects.
- (g) **Budget**
Budget data presented in these consolidated financial statements is based on the City’s Five-Year Financial Plan for the years 2021 – 2025, adopted by Council on February 22, 2021.

CORPORATION OF THE CITY OF NEW WESTMINSTER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Government Transfers

Restricted transfers from governments are deferred and recognized as revenue as the related expenditures are incurred or the stipulations in the related agreement are met. Unrestricted transfers are recognized as revenue when received or if the amount to be received can be reasonably assured.

(i) Non-Financial Assets

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

(i) Tangible Capital Assets

Tangible capital assets are initially recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Major Asset Category	Useful Life
Building	10 - 70 years
Vehicles and Equipment	3 - 50 years
Park Improvements	5 - 80 years
Engineering Structures	15 - 100 years
Electrical Distribution System	5 - 100 years

Annual amortization is charged in the year that assets are available for productive use. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the City's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the consolidated statement of operations.

(ii) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Works of Art and Historic Assets

Works of art and historic assets are not recorded as assets in these consolidated financial statements.

(iv) Natural Resources

Horticultural assets such as treed areas, grassy areas and gardens are not recognized as assets in these consolidated financial statements.

CORPORATION OF THE CITY OF NEW WESTMINSTER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Non-Financial Assets (continued)

(v) Interest Capitalization

The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(vi) Leased Tangible Capital Assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(vii) Inventory of Supplies

Inventory of supplies held for consumption are recorded at the lower of weighted average cost and replacement cost.

(viii) Prepaid Expenses

Prepaid expenses are recorded as assets in these consolidated financial statements.

(j) Reserves and Reserve Funds

(i) Reserves Set Aside by Council

Reserves set aside by Council are surpluses from the current operations to finance future capital and maintenance projects. These internally restricted funds are not available for unrestricted purposes without the approval of Council.

(ii) Statutory Reserves

Statutory reserves are funds that have been internally restricted by Council. Formal establishing bylaws have been adopted pursuant to the Community Charter, which define how these reserves are to be used.

(k) Revenue Recognition

Taxation revenue is recorded at the time property tax bills are issued. Restricted revenues are recognized as revenue when the funds have been spent in accordance with the restrictions. Unrestricted contributions are recognized when received and collection is reasonably assured. Utility rates, sale of services and other revenues are recognized when earned.

(l) Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported revenue and expenses during the reporting period.

Actual results could differ from management's best estimates as additional information becomes available. Adjustments, if any, will be reflected in the consolidated financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

CORPORATION OF THE CITY OF NEW WESTMINSTER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) 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.

(n) Liability for contaminated sites

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standard;
- (iii) The City is directly responsible or accepts responsibility;
- (iv) It is expected that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

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

2. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include \$33,799,222 (2020 - \$45,231,155) invested in the MFA Pooled Investment Funds – Money Market Fund, which is considered equivalent to cash as it is highly liquid and subject to insignificant risk of changes in value.

3. INVESTMENTS

	2021 Carrying Value	2020 Carrying Value
MFA - Government Focused Ultra-Short Bond Fund, 2021 Yield - 2.66% (2020 - 2.56%)	\$ 46,353,321	\$ 30,326,256
MFA – Bond Fund, 2021 Yield - 2.03% (2020 - 4.62%)	45,758,676	44,819,802
MFA - Mortgage Fund, 2021 Yield - 2.98% (2020 - 3.03%)	10,483,183	7,730,224
	\$ 102,595,180	\$ 82,876,282

CORPORATION OF THE CITY OF NEW WESTMINSTER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

4. DEFERRED REVENUE AND DEPOSITS

	Balance, beginning of year	Amounts Received	Revenue Recognized	Balance, end of year
Parks and Recreation Fees	\$ 1,083,343	\$ 2,296,552	\$ (1,990,897)	\$ 1,388,998
Future Capital Works	25,488,497	10,978,612	(10,639,968)	25,827,141
Other Deferred Revenue	6,096,328	1,815,976	(4,170,511)	3,741,793
	\$ 32,668,168	\$ 15,091,140	\$ (16,801,376)	\$ 30,957,932

5. DEFERRED DEVELOPMENT COST CHARGES

	Balance, beginning of year	Third Party Contributions	Interest Allocation	Capital Expenses	Balance, end of year
Queensborough Drainage	\$ 413,212	\$ 82,281	\$ 4,132	\$ (238,984)	\$ 260,641
Queensborough Transportation *	(2,208,667)	399,488	(22,087)	(421,043)	(2,252,309)
Queensborough Parkland	3,120,688	690,063	31,207	(185,600)	3,656,358
Queensborough Water	842,823	-	8,428	(205,951)	645,300
Queensborough Sanitary	699,271	125,033	6,993	-	831,297
Mainland Drainage	386,611	1,954	3,866	-	392,431
Mainland Transportation	3,308,887	31,418	33,089	(112,798)	3,260,596
Mainland Parkland	9,791,707	60,750	97,917	(360,300)	9,590,074
Mainland Water	1,436,321	5,508	14,363	-	1,456,192
Mainland Sanitary	1,339,871	9,482	13,399	-	1,362,752
	\$ 19,130,724	\$ 1,405,977	\$ 191,307	\$ (1,524,676)	\$ 19,203,332

* Development Cost Charge Expenditure Bylaws authorize borrowing from other DCC Reserves to cover the deficit in the Queensborough Transportation DCC Reserve. The other DCC Reserves will be repaid with interest at the earlier of when the funds are required to complete DCC capital works and sufficient Queensborough Transportation DCCs are collected.

6. PENSION PLAN

The City and its employees contribute to the Municipal Pension Plan (a jointly trusted 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, 2020, the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 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.

CORPORATION OF THE CITY OF NEW WESTMINSTER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

6. PENSION PLAN (continued)

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The City paid \$7,985,324 (2020 - \$7,724,529) for employer contributions to the plan in fiscal 2021.

The next valuation will be as at December 31, 2021, with results available in 2022.

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.

7. EMPLOYEE BENEFIT PLANS

The City provides certain post-employment benefits, compensated absences, and termination benefits to its employees. These benefits include accumulated non-vested sick leave and post-employment disability benefits.

	<u>2021</u>	<u>2020</u>
Accrued Benefit Obligation, beginning of year	\$ 12,815,100	\$ 12,017,500
Current service cost	823,700	768,400
Interest cost	222,800	273,900
Long term disability expense (revenue)	477,400	569,100
Benefits paid	(835,900)	(1,153,500)
Actuarial loss (gain)	(817,100)	339,700
Accrued Benefit Obligation, end of year	12,686,000	12,815,100
Other employee benefit liabilities	52,673	40,974
Unamortized actuarial (loss) gain	165,900	(714,600)
Accrued Benefit Liability, end of year	<u>\$ 12,904,573</u>	<u>\$ 12,141,474</u>

Actuarial gains and losses are amortized over the expected average remaining service period of the related employee group commencing the year after the gain or loss arises. A full update to the actuarial valuation of the accrued benefit liability was performed to determine the City's accrued benefit obligation as at December 31, 2020 and results were extrapolated to December 31, 2021. Actuarial assumptions used to determine the City's accrued benefit obligation are as follows:

	<u>2021</u>	<u>2020</u>
Discount rate	2.50%	2.10%
Expected future inflation rate	2.50%	2.50%
Expected wage and salary range increases	3.00% - 4.63%	3.00% - 4.63%
Expected average remaining service period	12 years	12 years

CORPORATION OF THE CITY OF NEW WESTMINSTER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

8. LONG-TERM DEBT

The City receives debt financing through the MFA in accordance with the Community Charter to finance certain capital expenses. Gross debt of \$83,764,914 (2020 - \$81,639,914) less repayments and actuarial adjustments of \$23,250,755 (2020 - \$19,509,565) is presented as net debt of \$60,514,159 (2020 - \$62,130,349).

	<u>2021</u>	<u>2020</u>
Police Building, Bylaw 6603, 2.25%, due 2024	\$ 1,671,628	\$ 2,185,945
Moody Park Pool, Bylaw 7209, 2.90%, due 2028	1,756,532	1,972,560
Moody Park Pool, Bylaw 7209, 1.28%, due 2030	229,756	252,191
Westminster Pier Park Development Bylaw 7377, 3.65%, due 2026	2,485,936	2,931,853
Westminster Pier Park Development Bylaw 7377, 2.00% due 2032	1,099,450	1,199,400
Civic Facilities, Road Maintenance and Park Development Loan Authorization Bylaw 7528, 2.60%, due 2036	10,071,532	10,591,204
New Westminster Substation Loan Authorization Bylaw 7604, 2.20% due 2035	18,908,746	19,976,960
New Westminster Civic Infrastructure Loan Authorization Bylaw 7842, MFA variable rate, due 2024	3,830,000	1,705,000
New Westminster Civic Infrastructure Loan Authorization Bylaw 7842, 2.24%, due 2039	20,460,579	21,315,236
	<u>\$ 60,514,159</u>	<u>\$ 62,130,349</u>

Estimated repayments on long-term debt for the next five years and thereafter are as follows:

2022	3,873,825
2023	4,010,448
2024	5,829,337
2025	3,677,150
2026	5,924,577
Thereafter	<u>37,198,822</u>
	<u><u>\$ 60,514,159</u></u>

CORPORATION OF THE CITY OF NEW WESTMINSTER
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the Year Ended December 31, 2021

9. TANGIBLE CAPITAL ASSETS

	Assets Under Construction	Engineering Structures					Electrical Distribution System	2021 Total	2020 Total			
		Land	Building	Vehicles / Equipment	Park Improvements	Engineering Structures				Water	Sewer	Solid Waste
COST												
Balance, beginning of year	\$ 16,841,301	\$ 207,126,137	\$ 188,331,708	\$ 43,443,363	\$ 75,575,357	\$ 232,829,570	\$ 63,771,360	\$ 120,297,410	\$ -	\$ 98,552,079	\$ 1,046,768,285	\$ 1,018,835,392
Transfers	(7,797,023)	-	66,297	51,152	1,822,347	2,205,630	979,297	2,672,300	-	-	-	-
Additions	30,472,432	5,322,318	1,108,771	2,632,477	939,906	8,539,506	1,662,210	2,311,409	-	3,417,927	56,406,956	36,689,831
Disposals	-	-	-	(1,997,209)	(44,390)	(434,169)	(22,006)	-	-	(218,128)	(2,715,902)	(8,756,938)
Balance, end of year	39,516,710	212,448,455	189,506,776	44,129,783	78,293,220	243,140,537	66,390,861	125,281,119	-	101,751,878	1,100,459,339	1,046,768,285
ACCUMULATED AMORTIZATION												
Balance, beginning of year	\$ -	\$ -	\$ 76,817,128	\$ 24,729,807	\$ 37,910,519	\$ 118,995,665	\$ 13,899,242	\$ 28,372,120	\$ -	\$ 28,594,180	\$ 329,318,661	\$ 313,107,142
Amortization	-	-	5,839,527	3,810,148	2,198,830	7,189,971	886,299	1,838,696	-	2,440,915	24,204,386	23,545,497
Disposals	-	-	-	(1,936,722)	(44,390)	(434,169)	(22,006)	-	-	(159,013)	(2,596,300)	(7,333,978)
Balance, end of year	-	-	82,656,655	26,603,233	40,064,959	125,751,467	14,763,535	30,210,816	-	30,876,082	350,926,747	329,318,661
NET BOOK VALUE												
As at December 31, 2021	\$ 39,516,710	\$ 212,448,455	\$ 106,850,121	\$ 17,526,550	\$ 38,228,261	\$ 117,389,070	\$ 51,627,326	\$ 95,070,303	\$ -	\$ 70,875,796	749,532,592	
NET BOOK VALUE												
As at December 31, 2020	\$ 16,841,301	\$ 207,126,137	\$ 111,514,580	\$ 18,713,556	\$ 37,664,838	\$ 113,833,905	\$ 49,872,118	\$ 91,925,290	\$ -	\$ 69,957,899		\$ 717,449,624

CORPORATION OF THE CITY OF NEW WESTMINSTER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

9. TANGIBLE CAPITAL ASSETS (continued)

(a) Assets under construction

Assets under construction having a value of \$39,516,710 (2020 – \$16,841,301) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets

Contributed capital assets have been recognized at fair market value at the date of contribution. Included in the additions to tangible capital assets is \$7,932,156 of contributed assets received during the year (2020 – \$4,974,934).

(c) Works of art and historic assets

The City manages and controls various works of art and non-operational historic assets including buildings, artifacts, painting and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

CORPORATION OF THE CITY OF NEW WESTMINSTER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

10. ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2021	2020
Surplus:		
Invested in Tangible Capital Assets (a)	\$ 691,766,726	\$ 658,067,568
Invested in Inventory of Supplies	2,371,758	2,098,247
Invested in Prepaid Expenses	3,522,563	1,651,150
Reserves:		
Reserves set aside by Council:		
Affordable Housing	1,642,737	1,464,370
Childcare Amenity	1,751	1,734
Community Amenity	7,756,370	7,661,981
Community Development	1,861,872	903,709
Community Endowment	4,884,502	4,836,140
Computer Replacement	801,712	633,043
Environment/Childcare Grants	200,000	200,000
Equipment Replacement	10,900,668	10,435,755
Facility Maintenance	4,937,234	4,005,762
Facility Replacement - TACC	-	8,233,178
Facility Replacement - Massey Theatre	7,121,289	6,665,915
General Amenity	419,177	415,027
General Fund Provisions	9,007,015	21,988,318
Offstreet Parking Provisions	1,788,850	1,808,909
Public Art	760,592	691,061
Electrical Fund Provisions	32,338,664	30,779,474
Water Fund Provisions	11,955,625	7,161,852
Sewer Fund Provisions	27,040,856	18,513,143
Solid Waste Fund Provisions	(1,640,813)	(1,937,471)
Statutory Reserves:		
Cemetery Reserve	842,003	782,766
Construction of Municipal Works	8,744,315	9,151,359
Parking Cash in Lieu	1,227,972	1,215,813
Park Land Acquisition	64,034	63,400
Tax Sale Land	1,791,251	1,773,516
Total Reserves	134,447,676	137,448,754
Total Accumulated Surplus	\$ 832,108,723	\$ 799,265,719

(a) Invested in tangible capital assets is comprised of tangible capital assets of \$749,532,592 (2020 - \$717,449,624) less net proceeds from debt spent on tangible capital assets of \$57,765,866 (2020 - \$59,382,056).

CORPORATION OF THE CITY OF NEW WESTMINSTER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

11. TRUST FUNDS

The Election Surplus, Amateur Sports Promotion and Irving House Bequeaths are not reported in these consolidated financial statements. The following is a summary of Trust Fund transactions for the year:

	<u>2021</u>	<u>2020</u>
Balances, beginning of year	\$ 356,407	\$ 366,001
Interest earned	3,564	7,320
	<u>359,971</u>	<u>373,321</u>
Expenses and Transfers (Net)	-	(16,914)
Balances, end of year	<u>\$ 359,971</u>	<u>\$ 356,407</u>

12. MUNICIPAL TAXATION AND OTHER LEVIES

In addition to levying and collecting property taxes for municipal purposes, the City also collects taxes from its citizens on behalf of other governments. The following table illustrates the amounts collected and the amounts transferred to other governments. These amounts collected on behalf of other governments are not reflected on the City's consolidated financial statements.

	<u>2021</u>	<u>%</u>	<u>2020</u>	<u>%</u>
Gross Taxation and Levies	<u>\$ 144,004,351</u>	<u>100.00</u>	\$ 130,554,730	100.00
Less: Collections on Behalf of Other Governments				
Metro Vancouver Regional District	1,717,907	1.19	1,554,283	1.19
BC Assessment Authority	1,269,611	0.88	1,257,090	0.96
Municipal Finance Authority	5,873	< 0.01	5,734	< 0.01
Province of British Columbia - School Taxes	39,496,656	27.43	30,113,235	23.07
South Coast British Columbia Transportation Authority	8,359,485	5.81	8,013,764	6.14
Business Improvement Levies	430,455	0.30	415,292	0.32
	<u>51,279,987</u>	<u>35.61</u>	<u>41,359,398</u>	<u>31.68</u>
Municipal Taxation and Levies	<u>\$ 92,724,364</u>	<u>64.39</u>	<u>\$ 89,195,332</u>	<u>68.32</u>

13. OTHER REVENUE

Other Revenue includes:

	<u>2021</u>	<u>2020</u>
Licences, Permits and Fines	\$ 7,407,496	\$ 6,955,531
Interest and Penalties	4,273,446	5,744,119
Gain on Disposal of Tangible Capital Assets	21,244	10,462
Other	3,814,036	4,009,243
	<u>\$ 15,516,222</u>	<u>\$ 16,719,355</u>

CORPORATION OF THE CITY OF NEW WESTMINSTER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

14. CONTINGENCIES

- (a) The loan agreements with the Metro Vancouver Regional District and the MFA provide that, if at any time the scheduled payments provided for in the agreements are not sufficient to meet the authorities' obligations in respect of such borrowing, the resulting deficiency becomes a joint and several liability of the City and the other participants.
- (b) The City obtains long-term debt instruments through the MFA. The City is also required to execute demand notes in connection with each debenture whereby the City may be required to loan certain amounts to the MFA. The demand notes are contingent in nature and are not reflected in the accounts. Details of the contingent demand notes at December 31, 2021 are as follows:

	2021	2020
Police Building, Bylaw 6603	\$ 233,776	\$ 233,776
Moody Park Pool, Bylaw 7209	142,759	142,759
Westminster Pier Park, Bylaw 7377	253,681	253,681
New Westminster Substation, Bylaw 7604	463,277	463,277
Civic Facilities, Road Maintenance and Park Development, Bylaw 7528	258,507	258,507
New Westminster Civic Infrastructure, Bylaw 7842	438,645	438,645
	\$ 1,790,645	\$ 1,790,645

- (c) A number of legal claims have been initiated against the City in varying or unspecified amounts. The outcome of these claims cannot reasonably be determined at this time. The amount of loss, if any, arising from these claims will be recorded in the period in which the loss is determined.
- (d) The City is a shareholder of E-Comm, Emergency Communications for British Columbia Incorporated (E-Comm) whose services include: regional 9-1-1 call centre for the Metro Vancouver Regional District; Wide Area Radio network; dispatch operations; and records management. The City has one Class A share and one Class B share and the Police Board has one Class A share. There are 36 Class A shares and 19 Class B shares issued and outstanding as at December 31, 2021. As a Class A shareholder, the City shares in both funding the future operations and capital obligations of E-Comm (in accordance with a cost sharing formula), including any lease obligations committed to by E-Comm up to the shareholder's withdrawal date.
- (e) The City, as a member of the Metro Vancouver Regional District, the Greater Vancouver Sewerage and Drainage District and the Greater Vancouver Water District is jointly and severally liable for the net capital liabilities of these Districts. Any liability which may arise as a result of the above noted contingency will be accounted for in the period in which the required payment is made.

CORPORATION OF THE CITY OF NEW WESTMINSTER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

15. SEGMENTED INFORMATION

The City is a diversified municipal government institution that provides a wide range of services to its citizens, including Police Services, Parks and Recreation Services, Fire Services, Climate Action, Planning and Development Services, Engineering Services, General Government Services, Library, and Utility Operations which includes Water Supply Services, Electrical Distribution Services, Sewer and Drainage Services, and Solid Waste Services. For management reporting purposes, the City's operations and activities are organized and reported by Service Areas. Service Areas were created for the purpose of recording specific activities to attain certain objectives in accordance with regulations, restrictions and limitations.

City Services are provided by departments and their activities are reported in these Service Areas. Departments disclosed in the segmented information, along with the services they provide, are as follows:

General Government Services – Legislative Services, Administration, Cultural Services, Communications, Finance, Information Technology, Human Resources, Legal Services, Economic Development, and Grants in Aid

The Departments and Divisions within General Government Services are responsible for adopting bylaws; adopting administrative policy; levying and collecting taxes and utilities; acquiring, disposing and managing City assets; developing and maintaining information technology systems and applications; ensuring effective financial management and communication; administering City grants; managing the Anvil Centre and cultural services; developing an effective labour force; administering collective agreements and payroll; economic development; monitoring and reporting performance; and ensuring that high quality City service standards are met.

Police Services

The mandate of Police Services is to keep the community safe by enforcing the law, and by preventing and reducing crime.

Parks and Recreation Services

Parks and Recreation is responsible for providing, facilitating the development of, and maintaining high quality parks, and recreation facilities and programs.

Library Services

The New Westminster Public Library is responsible for providing library resources and services to the community.

Fire Services

The mandate of Fire Services is to protect life, property and the environment through the provision of emergency response and planning, inspections, code enforcement and public education, ensuring safety for the public.

CORPORATION OF THE CITY OF NEW WESTMINSTER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

15. SEGMENTED INFORMATION (continued)

Climate Action, Planning and Development

Climate Action, Planning and Development is responsible for preparing land use plans, bylaws and policies for sustainable development of the City, for reviewing and approving new development, building permits and inspections and climate action.

Engineering Services – Engineering Operations and Administration, Cemetery, Parking and Towing Services, Animal Services, Vehicle Fleet Services, Works Yards

Engineering Services is responsible for planning, building, operating and maintaining the City's physical infrastructure including roads and sidewalks, civic buildings and facilities. In addition, the divisions provide services for parking, towing, cemetery operations, animal control and fleet services.

Utility Operations - Water Supply Services, Electrical Distribution Services, Sewer and Drainage Services, and Solid Waste Services

The Water Utility operates and distributes over 8 million cubic meters of drinking water, and maintains water mains and pump stations. The Electrical Distribution Utility is responsible for the distribution of electricity to the City's citizens and businesses and the City's fibre network system. The Sewer and Drainage Utility is responsible for the disposal of sanitary sewage and drainage, as well as the network of sewer mains, storm sewers and pump stations. The Solid Waste Utility is responsible for garbage collection, green waste collection and recycling.

CORPORATION OF THE CITY OF NEW WESTMINSTER
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 For the Year Ended December 31, 2021

15. SEGMENTED INFORMATION (continued)
 SEGMENTED REVENUES AND EXPENSES

	General Government	Police Services	Parks and Recreation	Library	Fire Services	Planning and Development	Engineering Services	Utility Operations	2021	2020	2021 Budget	Climate Action,		
												Development	Operations	
REVENUE														
Municipal Taxation and Other Levies	\$ 92,641,123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 83,241	\$ 92,724,364	\$ 89,195,332	\$ 93,740,726			
Utility Rates	-	-	-	-	-	-	-	95,411,264	95,411,264	92,380,953	94,010,630			
Sale of Services	287,134	5,344,241	2,860,169	26,255	164,642	14,834	4,162,534	1,178,523	14,038,332	12,064,621	13,114,033			
Grants from Other Governments	47,053	1,924,981	862,525	144,054	-	645,174	1,574,352	-	5,198,139	10,577,058	13,493,021			
Contributed Tangible Capital Assets	-	-	4,000,000	-	-	-	3,442,002	490,154	7,932,156	4,974,934	-			
Contributions	4,061,265	-	3,007,367	-	75,922	249,469	3,650,527	2,060,361	13,104,911	9,334,300	11,825,944			
Other Revenue	6,114,829	31,599	274,733	323	80,653	5,598,322	2,171,922	1,243,841	15,516,222	16,719,355	14,676,156			
Total Revenue	\$103,151,404	\$ 7,300,821	\$ 11,004,794	\$ 170,632	\$ 321,217	\$ 6,507,799	\$ 15,001,337	\$100,467,384	\$ 243,925,388	\$235,246,553	\$ 240,860,510			
EXPENSES														
Salaries, Benefits and Training	\$ 14,667,512	\$ 28,309,778	\$ 13,564,984	\$ 2,693,761	\$ 15,487,372	\$ 5,334,472	\$ 13,473,378	\$ 5,090,326	\$ 98,621,583	\$ 89,686,470	\$ 101,195,040			
Contracted Services	1,963,900	3,778,461	5,485,337	123,247	904,334	1,857,522	3,141,482	3,823,038	21,077,321	18,248,326	12,047,634			
Supplies and Materials	2,283,004	1,351,945	1,587,937	312,809	334,740	148,045	3,251,743	710,561	9,980,784	9,046,693	10,341,506			
Interest and Bank Charges	949,178	-	-	-	-	-	-	842,716	1,791,894	1,807,756	1,995,681			
Cost of Sales	255,851	-	120,743	-	-	-	10,241	86	386,921	375,867	491,357			
Grants	747,854	8,390	-	-	-	36,560	-	-	792,804	717,419	1,013,450			
Insurance and Claims	2,609,745	-	-	-	-	-	175,959	-	2,785,704	1,573,091	1,818,147			
Utility Purchases and Levies	-	-	-	-	-	-	-	51,344,416	51,344,416	49,245,760	51,949,465			
Amortization	-	-	-	-	-	-	-	5,830,365	24,204,386	23,545,497	25,289,000			
Loss on Disposal of Tangible Capital Assets	-	8,000	26,139	-	3,318	-	-	59,114	96,571	1,419,316	-			
Total Expenses	\$ 27,490,649	\$ 34,149,429	\$ 24,751,668	\$ 3,836,930	\$ 17,371,253	\$ 7,376,599	\$ 28,405,234	\$ 67,700,822	\$ 211,082,384	\$195,666,195	\$ 206,141,280			
ANNUAL SURPLUS (DEFICIT)	\$ 75,660,755	\$ (26,848,608)	\$ (13,746,874)	\$ (3,666,298)	\$ (17,050,036)	\$ (868,800)	\$ (13,403,897)	\$ 32,766,762	\$ 32,843,004	\$ 39,580,358	\$ 34,719,230			

**CORPORATION OF THE CITY OF NEW WESTMINSTER
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021**

16. COMMITMENTS

In January 2012, the City entered into an operating agreement with BC Hydro for the New Westminster Substation. The agreement commits the City to reimburse BC Hydro for all costs relating to operating, maintaining and upgrading the substation. The initial term of the agreement was effective until March 31, 2015 with subsequent five-year renewal periods until such time as either party serves written notice of termination at least one year prior to the end of the current five-year term. On March 31, 2020 the term of the agreement was automatically extended until March 31, 2025.

17. CONTRACTUAL RIGHTS

The City has various contracts with organizations that are expected to result in the following revenues over the next five years that are either to provide services to or acquire capital assets for the community, or are for the use of City assets through property, fibre optic and advertising space agreements.

	<u>2021</u>
2022	\$ 11,086,299
2023	\$ 3,476,228
2024	\$ 1,894,317
2025	\$ 1,731,874
2026	\$ 1,407,297

Certain contractual rights are not included in the above schedule as the amounts received vary from period to period and cannot be estimated.

18. GRANTS FROM OTHER GOVERNMENTS

Grants from other governments include:

	<u>2021</u>	<u>2020</u>
Federal	\$ 815,505	\$ 784,095
Provincial and Regional	4,382,634	9,792,963
	<u>\$ 5,198,139</u>	<u>\$ 10,577,058</u>

19. COMPARATIVE INFORMATION

Certain comparative information has been reclassified to conform to the City's financial statement presentation adopted for the current year.

CORPORATION OF THE CITY OF NEW WESTMINSTER
 STATEMENTS OF FINANCIAL POSITION - BY FUND
 As at December 31, 2021

SUPPLEMENTAL SCHEDULE I (UNAUDITED)

	General Fund	Electrical Utility Fund	Water Utility Fund	Sewer Utility Fund	Solid Waste Utility Fund	2021	2020
FINANCIAL ASSETS							
Cash and Cash Equivalents	\$ 114,146,434	\$ -	\$ -	\$ -	\$ -	\$ 114,146,434	\$ 147,152,685
Accounts Receivable							
Property Taxes	3,139,525	-	-	-	-	3,139,525	3,557,411
Other	11,107,169	9,201,770	599,202	1,117,524	214,079	22,239,744	23,639,583
Due from Other Governments	3,660,687	-	-	-	-	3,660,687	1,634,413
Investments	102,595,180	-	-	-	-	102,595,180	82,876,282
	234,648,995	9,201,770	599,202	1,117,524	214,079	245,781,570	258,860,374
LIABILITIES							
Accounts Payable	27,561,216	190,393	-	-	-	27,751,609	21,545,171
Due to Other Governments	5,596,028	-	-	-	-	5,596,028	22,029,016
Prepaid Taxes	12,172,127	-	-	-	-	12,172,127	11,148,774
Deferred Revenue and Deposits	30,782,753	175,179	-	-	-	30,957,932	32,668,168
Deferred Development Cost Charges	14,907,790	-	2,101,493	2,194,049	-	19,203,332	19,130,724
Employee Benefit Plans	12,904,573	-	-	-	-	12,904,573	12,141,474
Long-Term Debt	27,056,141	33,458,018	-	-	-	60,514,159	62,130,349
Due to/(from) Other Funds	70,123,472	(26,063,879)	(15,606,477)	(29,330,708)	877,592	-	-
	201,104,100	7,759,711	(13,504,984)	(27,136,659)	877,592	169,099,760	180,793,676
NET FINANCIAL ASSETS							
	33,544,895	1,442,059	14,104,186	28,254,183	(663,513)	76,681,810	78,066,698
NON-FINANCIAL ASSETS							
Tangible Capital Assets	508,972,440	89,937,939	52,437,567	97,071,804	1,112,842	749,532,592	717,449,624
Inventory of Supplies	500,323	1,710,186	132,655	28,594	-	2,371,758	2,098,247
Prepaid Expenses	3,522,563	-	-	-	-	3,522,563	1,651,150
	512,995,326	91,648,125	52,570,222	97,100,398	1,112,842	755,426,913	721,199,021
ACCUMULATED SURPLUS							
	\$ 546,540,221	\$ 93,090,184	\$ 66,674,408	\$ 125,354,581	\$ 449,329	\$ 832,108,723	\$ 799,265,719

CORPORATION OF THE CITY OF NEW WESTMINSTER
STATEMENTS OF OPERATIONS - BY FUND
For the Year Ended December 31, 2021

SUPPLEMENTAL SCHEDULE II (UNAUDITED)

	General Fund	Electrical Utility Fund	Water Utility Fund	Sewer Utility Fund	Solid Waste Utility Fund	2021	2020	2021 Budget
REVENUE								
Municipal Taxation and Other Levies	\$ 92,641,123	\$ -	\$ -	\$ 83,241	\$ -	\$ 92,724,364	\$ 89,195,332	93,740,726
Utility Rates		52,317,951	14,939,665	24,346,843	3,806,805	95,411,264	92,380,953	94,010,630
Sale of Services	12,859,809	151,203	255,123	772,197	-	14,038,332	12,064,621	13,114,033
Grants from Other Governments	5,198,139	-	-	-	-	5,198,139	10,577,058	13,493,021
Contributed Tangible Capital Assets	7,442,002	70,600	-	419,554	-	7,932,156	4,974,934	-
Contributions	11,044,550	1,779,169	-	281,192	-	13,104,911	9,334,300	11,825,944
Other Revenue	14,272,381	281,847	-	10,268	951,726	15,516,222	16,719,355	14,676,156
	143,458,004	54,600,770	15,194,788	25,913,295	4,758,531	243,925,388	235,246,553	240,860,510
EXPENSES								
Police Services	34,149,429	-	-	-	-	34,149,429	29,169,363	33,018,500
Parks and Recreation	24,751,668	-	-	-	-	24,751,668	21,791,314	21,567,216
Fire Services	17,371,253	-	-	-	-	17,371,253	16,870,661	17,992,154
Climate Action, Planning and Development	7,376,599	-	-	-	-	7,376,599	6,063,165	6,776,962
Engineering Services	28,405,234	-	-	-	-	28,405,234	27,042,941	27,676,745
General Government	27,490,649	-	-	-	-	27,490,649	25,585,521	27,267,361
Library	3,836,930	-	-	-	-	3,836,930	3,700,338	4,725,629
Utility Operations	-	40,026,211	8,879,323	15,213,658	3,581,430	67,700,622	65,442,892	67,116,713
	143,381,762	40,026,211	8,879,323	15,213,658	3,581,430	211,082,384	195,666,195	206,141,280
ANNUAL SURPLUS	76,242	14,574,559	6,315,465	10,699,637	1,177,101	32,843,004	39,580,358	34,719,230
Interfund Transfers:								
From Electrical Fund to Current Fund	2,500,000	(2,500,000)	-	-	-	-	-	-
From Electrical Fund to Provision for Future Exp.	3,500,000	(3,500,000)	-	-	-	-	-	-
Other Transfers	1,314,460	275,100	(478,006)	(364,822)	(746,732)	-	-	-
INCREASE (DECREASE) IN SURPLUS	7,390,702	8,849,659	5,837,459	10,334,815	430,369	32,843,004	39,580,358	34,719,230
Accumulated Surplus, beginning of year	539,149,519	84,240,525	60,836,949	115,019,766	18,960	799,265,719	759,685,361	799,265,719
ACCUMULATED SURPLUS, end of year	\$ 546,540,221	\$ 93,090,184	\$ 66,674,408	\$ 125,354,581	\$ 449,329	\$ 832,108,723	\$ 799,265,719	\$ 833,984,949

CORPORATION OF THE CITY OF NEW WESTMINSTER
CONSOLIDATED STATEMENT OF RESERVES
For the Year Ended December 31, 2021

SUPPLEMENTAL SCHEDULE III (UNAUDITED)

	Balances, Beginning of Year	Transfer from (to) Operating and Trust Funds	Third Party Contributions (Disbursements)	Interest Allocation	Proceeds from Disposal	Transfers For Capital Expenses	Balances, End of Year
RESERVES SET ASIDE BY COUNCIL							
Affordable Housing	\$ 1,464,370	\$ 163,723	-	\$ 14,644	-	-	\$ 1,642,737
Childcare Amenity	1,734	-	-	17	-	-	1,751
Community Amenity	7,661,981	(40,356)	75,000	76,620	-	(16,875)	7,756,370
Community Development	903,709	(2,461,400)	3,438,046	9,036	-	(27,519)	1,861,872
Community Endowment	4,836,140	-	-	48,362	-	-	4,884,502
Computer Replacement	633,043	278,761	-	6,330	-	(116,422)	801,712
Environment/Childcare Grants	200,000	(2,000)	-	2,000	-	-	200,000
Equipment Replacement	10,435,755	1,895,712	-	104,358	44,275	(1,579,432)	10,900,668
Facility Maintenance	4,005,762	2,580,091	-	40,058	-	(1,688,677)	4,937,234
Facility Replacement - TACC	8,233,178	2,408,092	-	82,332	-	(10,723,602)	-
Facility Replacement - Massey Theatre	6,665,915	1,058,455	-	66,659	-	(669,740)	7,121,289
General Amenity	415,027	-	-	4,150	-	-	419,177
General Fund Provisions	21,988,318	(3,191,776)	-	2,749	-	(9,792,276)	9,007,015
Offstreet Parking Provisions	1,808,909	(20,059)	-	-	-	-	1,788,850
Public Art	691,061	62,620	-	6,911	-	-	760,592
Electrical Fund Provisions	30,779,474	1,559,190	-	-	-	-	32,338,664
Water Fund Provisions	7,161,852	4,793,773	-	-	-	-	11,955,625
Sewer Fund Provisions	18,513,143	8,527,713	-	-	-	-	27,040,856
Solid Waste Fund Provisions	(1,937,471)	296,658	-	-	-	-	(1,640,813)
	124,461,900	17,909,197	3,513,046	464,226	44,275	(24,614,543)	121,778,101
STATUTORY RESERVES							
Cemetery Reserve	782,766	59,237	-	-	-	-	842,003
Construction of Municipal Works	9,151,359	138,068	-	91,513	-	(636,625)	8,744,315
Parking Cash in Lieu	1,215,813	-	-	12,159	-	-	1,227,972
Park Land Acquisition	63,400	-	-	634	-	-	64,034
Tax Sale Land	1,773,516	-	-	17,735	-	-	1,791,251
	12,986,854	197,305	-	122,041	-	(636,625)	12,669,575
TOTAL RESERVES	\$ 137,448,754	\$ 18,106,502	\$ 3,513,046	\$ 586,267	\$ 44,275	\$ (25,251,168)	\$ 134,447,676
2021 Budget	\$ 122,761,260	\$ 38,714,905	\$ 1,997,593	\$ 1,190,546	\$ -	\$ (75,456,107)	\$ 89,208,197

SUPPLEMENTAL SCHEDULE IV (UNAUDITED)

**CORPORATION OF THE CITY OF NEW WESTMINSTER
RESTART GRANT SCHEDULE
For the Year Ended December 31, 2021**

BC COVID-19 SAFE RESTART GRANT

In November, 2020 the City received \$6,052,000 from the Province of British Columbia for funding operations impacted by COVID-19. The Safe Restart Grant can be used over multiple years to fund increased costs and lower revenues as a result of COVID-19. The City has recognized the grant as revenue in 2020 and has used some of the funds to offset impacts in 2021 and is expecting to use the remainder of the funds by the end of 2023.

Safe Restart Grant Received November 2020	<u>\$ 6,052,000</u>
Costs offset in 2021	
Support for vulnerable persons	59,177
Education and enforcement	36,454
Community support programs	31,601
Emergency management centre response	<u>98,220</u>
Total of Costs	<u>225,452</u>
Casino revenue shortfall offset in 2021	<u>4,450,000</u>
Unused Grant Funding, December 31, 2021	<u><u>\$ 1,376,548</u></u>