



2023 FINANCIAL STATEMENTS

ON TABLE
City Council Meeting
May 6, 2024
re: Item 3.1

May 6, 2024



NEW WESTMINSTER

AGENDA

1. Community Charter Requirements
2. Draft Audit Opinion
3. Financial Position at December 31, 2023
4. Operating Results for Fiscal 2023
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Community Charter Requirements

Annual financial statements

167 (1) Municipal financial statements for a fiscal year must be

(a) prepared by the financial officer, and

(b) presented to council for its acceptance.

(2) Subject to subsection (3), the financial statements must be prepared in accordance with generally accepted accounting principles for local governments.

(3) The inspector may require or authorize, generally or for a specified municipality, that the financial statements vary from or include additional information to the requirements of subsection (2).

(4) By May 15 in each year, a municipality must submit to the inspector its audited financial statements for the preceding year and any other financial information requested by the inspector.

(5) In addition to any requirement under subsection (4), the financial officer must compile and supply information on the financial affairs of the municipality requested by the inspector.

Draft Audit Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City as at December 31, 2023, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

- Clean audit opinion
- No significant risks identified of management's override of controls
- No material misstatements identified
- No control deficiencies identified

Financial Position as at Dec 31, 2023

CORPORATION OF THE CITY OF NEW WESTMINSTER
STATEMENT OF FINANCIAL POSITION
As at December 31, 2023

| | 2023 | Restated (Note 2(b)) 2022 |
|---|-------------------------|---------------------------------|
| FINANCIAL ASSETS | | |
| Cash and Cash Equivalents (Note 3) | \$ 112,938,725 | \$ 247,710,100 |
| Accounts Receivable | | |
| Property Taxes | 6,109,855 | 4,088,524 |
| Other | 29,752,994 | 18,366,973 |
| Due from Other Governments | 1,287,644 | 1,539,618 |
| Investments (Note 4) | 278,348,844 | 105,213,072 |
| | <u>428,438,062</u> | <u>376,918,287</u> |
| LIABILITIES | | |
| Accounts Payable and Accrued Liabilities (Note 5) | 54,407,285 | 49,599,959 |
| Due to Other Governments | 11,606,493 | 4,023,787 |
| Prepaid Taxes | 12,314,362 | 11,656,505 |
| Deferred Revenue and Deposits (Note 6) | 35,786,577 | 42,805,785 |
| Deferred Development Cost Charges (Note 7) | 21,455,928 | 21,406,086 |
| Employee Benefit Plans (Note 9) | 12,545,275 | 11,981,535 |
| Long-Term Debt (Note 10) | 166,859,642 | 175,240,333 |
| | <u>314,975,562</u> | <u>316,713,990</u> |
| NET FINANCIAL ASSETS | 113,462,500 | 60,204,297 |
| NON-FINANCIAL ASSETS | | |
| Tangible Capital Assets (Note 11) | 881,724,658 | 830,838,748 |
| Inventory of Supplies | 3,967,762 | 2,907,271 |
| Prepaid Expenses | 3,749,444 | 3,184,829 |
| | <u>889,441,864</u> | <u>836,930,848</u> |
| ACCUMULATED SURPLUS (Note 12) | <u>\$ 1,002,904,364</u> | <u>\$ 897,135,145</u> |

2023 Highlights:

- Surplus increased \$105.9M to \$1,002.9M
 - Reserves - \$254.6M
 - Assets - \$748.3M
- Capital spending \$77.6M

Operating Results for fiscal 2023

CORPORATION OF THE CITY OF NEW WESTMINSTER
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2023

| | 2023 Budget (Note 1(f)) | 2023 | Restated (Note 2(b)) 2022 |
|--|----------------------------|-------------------------|---------------------------------|
| REVENUE | | | |
| Municipal Taxation and Other Levies (Note 14) | \$ 105,142,044 | \$ 104,953,729 | \$ 98,172,725 |
| Utility Rates | 110,552,518 | 108,852,895 | 103,835,965 |
| Sale of Services | 14,800,342 | 19,178,447 | 16,616,825 |
| Grants from Other Governments (Note 15) | 24,886,822 | 25,066,571 | 5,998,736 |
| Contributed Tangible Capital Assets (Note 11(b)) | - | 745,455 | 7,087,759 |
| Contributions | 22,680,034 | 16,894,445 | 11,587,519 |
| Other Revenue (Note 16) | 23,442,639 | 74,626,096 | 53,191,038 |
| | 301,504,399 | 350,317,638 | 296,490,567 |
| EXPENSES | | | |
| Police Services | 37,265,948 | 37,957,634 | 35,027,650 |
| Parks and Recreation | 19,874,730 | 25,275,786 | 22,035,220 |
| Fire Services | 18,796,522 | 19,135,714 | 17,555,830 |
| Climate Action, Planning and Development | 7,853,813 | 7,718,819 | 7,636,049 |
| Engineering Services | 32,091,172 | 34,631,922 | 32,229,075 |
| General Government | 37,968,108 | 39,615,360 | 32,459,758 |
| Library | 5,143,555 | 4,364,484 | 4,522,490 |
| Utility Operations | 76,390,248 | 75,848,700 | 72,056,351 |
| | 235,384,096 | 244,548,419 | 223,522,423 |
| ANNUAL SURPLUS | 66,120,303 | 105,769,219 | 72,968,144 |
| Accumulated Surplus, beginning of year | 897,135,145 | 897,135,145 | 824,167,001 |
| ACCUMULATED SURPLUS, end of year | \$ 963,255,448 | \$ 1,002,904,364 | \$ 897,135,145 |

Revenue - + \$48.8M over budget

- Other Revenue - \$51.2M
 - Interest - +\$13.1M
 - Pier Park settlement - +\$25.0M
 - Carbon Fuel credits - +\$4.9M
 - Building Permits - +\$4.6M
- Sales & Services - +\$4.4M

Expenses - + \$9.2M over budget

- Contracted Services - + \$5.9M
 - Reclassification of capital expenditures that do not meet standards
- Salaries & Benefits - + \$3.3M
 - Collective Agreement settlement
- Capital Loss - + \$1.4M
 - Canada Games Pool decommissioning

Look Ahead – Long Range Planning

Commitment to the financial sustainability principles

Maintain financial health while delivering on priorities and emerging priorities



Challenges and Uncertainty:

- Staffing & Benefits Cost Increases
- Materials, Software Fees/Licenses and Other Cost Inflation
- Asset Replacement
- Climate Adaptation and Mitigation & Flood/Extreme Natural Events Resiliency
- Increasing Housing, Safety, Community and Economic Investment Needs
- Growing Economies and Infrastructure Growth require creative Financial Strategies Longer-Term

Seek revenue & efficiency strategies:

- senior levels of government support
- advance green initiatives to increase carbon credits; decision making framework
- strategies around growth paying for growth; development/sustainable long-term rates
- seek ongoing operational efficiency strategies without compromising service levels
- continuous process improvement strategies and transformation ideas

KPMG Report

Brandon Ma
Engagement Partner

What's coming next

- Statement of Financial Information (SOFI)
 - Due July 2, 2024
 - Presenting to Council June 24, 2024

Questions