

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

1. Cash and cash equivalents

Cash and cash equivalents as at December 31, 2021 were comprised as follows:

	<u>Dec 31, 2021</u>	<u>Dec 31, 2020</u>
Cash	\$ 108,452,634	\$ 120,961,876
Cash equivalents	8,079,158	10,000,000
	<u>\$ 116,531,792</u>	<u>\$ 130,961,876</u>

Cash equivalents were comprised of a pooled mortgage fund or term deposits held at Canadian banking institutions with an effective interest rates of **4.82%** (1.90% for 2020).

2. Portfolio Investments

Portfolio investments include Canadian bank notes, Guaranteed Investment Certificates and BC Credit Union term deposits with effective interest rates of 0.85% - 2.69%. A portion of the bank notes held have interest payments linked to the performance of a set of equities or a financial index without stated or certain interest rates. In 2021 gains were \$Nil (\$319,170 for 2020).

The carrying value of Portfolio Investments at December 31, 2021 was **\$150,882,727** (\$90,320,234 for 2020). The market value at December 31, 2021 was **\$151,802,777** (\$90,540,977 for 2020).

3. Accounts Receivable

	<u>2021</u>	<u>2020</u>
Property Taxes	\$ 5,594,269	\$ 6,824,750
Other Governments	3,178,097	1,394,155
General and Accrued Interest	4,257,060	4,320,952
Development Cost Charges	<u>3,395,482</u>	<u>2,660,826</u>
	16,424,908	15,200,683
Less: Allowance for Doubtful Accounts	<u>(186,896)</u>	<u>(168,099)</u>
	<u>\$ 16,238,012</u>	<u>\$ 15,032,584</u>

4. Recoverable Local Improvements

The City provides interim financing for certain geographically localized capital projects. It recovers these amounts from benefiting property owners. Interest rates are established at the outset of the process and are a function of borrowing rates at the time. Repayment is typically made over fifteen years.

5. Other Assets

Debt Reserve Fund:

The Municipal Finance Authority of British Columbia (MFA) provides capital financing for regional districts and their member municipalities. As part of each loan issuance, 1% of the gross debt proceeds are held back by the MFA to form the MFA's Debt Reserve Fund (DRF). The amounts in the DRF are held in trust for each borrower by the MFA, as protection against borrower default. Upon maturity of each debt issue, the DRF and any interest earned is discharged to the borrower. The City has estimated that there is only a remote possibility that these funds will not be recovered and therefore these funds have been included in Other Assets of **\$1,121,812** (\$814,397 for 2020).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

6. Accounts Payable and Accrued Liabilities

	<u>2021</u>	<u>2020</u> (Restated-Note 24)
Accounts Payable:		
General	\$ 9,779,172	\$ 8,237,574
Other Governments	14,853,709	12,951,353
Salaries and Wages	<u>1,639,827</u>	<u>960,069</u>
	26,272,708	22,148,996
Accrued Liabilities:		
Landfill Liability	3,750,986	4,078,820
Vacation Pay	887,756	686,557
Other Employment Benefits	<u>1,124,066</u>	<u>1,133,523</u>
	<u>5,762,808</u>	<u>5,898,900</u>
	<u>\$ 32,035,516</u>	<u>\$ 28,047,896</u>

The City's Landfill closed in 1989 and legislation requires closure and post closure care of solid waste landfill sites. Closure is estimated to be completed in 2030 and includes final covering, landscaping, erosion control, leachate and gas management. Post closure requirements extend for 30 years beyond completion of the closure plan and includes inspection and maintenance of the final covering, ground water monitoring, gas management systems operations, inspections and annual reports.

The liability recognized in the consolidated financial statements is the present value of the expected future cash flows for the closure and post closure care activities and is subject to measurement uncertainty. The inflation rate used was 2.16% (2% for 2020) and the discount rate was 2.59% (2.43% for 2020). As at the Consolidated Financial Statement date the feasibility of a revised closure plan is being considered. Should a revised plan be approved by the provincial regulator, it is expected the liability will increase.

7. Contingencies and Commitments:

- (a) Where losses related to litigation are likely and can be reasonably estimated management accrues its best estimate of loss. These amounts are included in accounts payable and accrued liabilities.

There are various other claims by and against the City, the outcome of which cannot reasonably be estimated. Any ultimate settlements will be recorded in the year the settlements occur and are not expected to be material.

- (b) In 1998 the City entered into an agreement to purchase ice sheet time for five years commencing in 1999, with five five-year renewal options. In 2018, the agreement was renewed for an additional five-year period. The minimum annual payment due for the provision of ice time is \$706,000. Additional ice time is purchased separately. These payments are recorded as expenses when the ice time is provided.
- (c) The City is a shareholder and member of E-Comm Emergency Communications for British Columbia Incorporated ("E-Comm") whose services provided include: regional 9-1-1 call centre for the Greater Vancouver Regional District; Wide Area Radio network; dispatch operations; and records management. The city has 1 Class A share and 2 Class B shares (of a total of 36 Class A shares and 19 Class B shares issued and outstanding as of 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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

8. Deferred Revenues

Deferred revenues held by the City were comprised as follows:

	December 31, 2020	Additions	Revenue earned	December 31, 2021
Property taxes	\$ 7,631,955	\$ 16,481,461	\$ 15,524,180	\$ 8,589,236
Connection Revenues	1,481,290	1,119,944	759,740	1,841,494
Other	<u>6,173,153</u>	<u>5,441,923</u>	<u>3,980,106</u>	<u>7,634,970</u>
	\$ <u>15,286,398</u>	\$ <u>23,043,328</u>	\$ <u>20,264,026</u>	\$ <u>18,065,700</u>

9. Restricted Revenues

Restricted revenues held by the City were comprised as follows:

	December 31, 2020	Collections/Interest	Disbursements	December 31, 2021
Development cost charges	\$ 15,030,851	\$ 8,825,955	\$ (2,779,710)	\$ 21,077,096
Parkland acquisition charges	2,071,971	124,020	-	2,195,991
Other	<u>13,636,042</u>	<u>2,944,442</u>	<u>(1,770,458)</u>	<u>14,810,026</u>
	\$ <u>30,738,864</u>	\$ <u>11,894,417</u>	\$ <u>(4,550,168)</u>	\$ <u>38,083,113</u>

10. Employee Future Benefits

The City provides employee future benefits in the form of severance benefits and vested and non-vested sick leave to qualifying employees. These benefits are not separately funded.

Severance benefits are cash settlements paid to employees who cease their employment with the City after a specified period of time. Employees hired before February 11, 1999 qualify for five days pay per year of employment, provided they either work a minimum of 20 years with the City or retire as defined by the Public Sector Pension Plan Act. Full time employees hired after February 11, 1999 qualify for 20 days pay provided they work a minimum of 10 years with the City and retire as defined by the Public Sector Pension Plan Act.

The City permits regular employees to accumulate up to 18 days per year of service for future illnesses up to a maximum of 250 days. For certain qualifying employees a portion of this benefit vests; for the balance, this benefit does not vest and cannot be converted to any other type of benefit.

An actuarial valuation of these benefits was performed to determine the City's liability and accrued benefit obligation as at December 31, 2021. The valuation resulted in a cumulative unamortized actuarial loss of **\$64,200** at December 31, 2021, (cumulative unamortized gain of \$30,300 for 2020). Actuarial gains or losses are amortized over the expected average remaining service life of employees. The benefit liability at December 31, 2021 was **\$3,145,300**, (\$3,348,200 for 2020) comprised as follows:

	<u>2021</u>	<u>2020</u>
Accrued benefit obligation, beginning of year	\$ 3,317,900	\$ 3,329,400
Add: Current service costs	200,400	172,200
Interest on accrued benefit obligation	49,100	96,800
Actuarial loss	82,300	574,800
Less: Benefits paid during the year	<u>(440,200)</u>	<u>(855,300)</u>
Accrued benefit obligation, end of year	3,209,500	3,317,900
	<u>(64,200)</u>	<u>30,300</u>
Add: Unamortized actuarial (loss)/gain	<u>(64,200)</u>	<u>30,300</u>
Accrued Benefit liability	<u>3,145,300</u>	<u>3,348,200</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

10. Employee Future Benefits (cont'd)

Actuarial assumptions used to determine the City's accrued benefit obligation are as follows:

	<u>2021</u>	<u>2020</u>
Discount rate (long-term borrowing rate)	2.25 %	1.50 %
Expected future inflation rate	2.00 %	2.00 %
Merit and inflationary wage and salary increases averaging	2.73 %	2.59 %
Estimated average remaining service life of employees (years)	12.0	11.0

11. Debt

The City obtains debt instruments through the Municipal Finance Authority (MFA), pursuant to security issuing bylaws under authority of the Community Charter, to finance certain capital expenditures. Debt is reported net of Sinking Fund balances and interest expense is reported net of Sinking Fund earnings. During the year, the City's outstanding debt balance was reduced by a combination of direct principal payments and sinking fund earnings totaling **\$2,700,592** (\$2,614,854 for 2020). Interest payments for the year totalled **\$1,581,216** (\$1,220,765 for 2020).

The gross amount of debt less sinking fund installments and actuarial adjustments to date are as follows:

MFA Issue	Bylaw No.	Purpose	Rate	Due	Gross Debt	Cumulative Payments	2021 Debt Outstanding	2020 Debt Outstanding
93	6246	Downtown Civic Facilities	5.70%	2027	32,100,000	21,317,769	10,782,231	12,410,564
99	6246	Downtown Office Complex	5.00%	2026	16,300,000	11,048,247	5,251,753	6,207,226
121	6560	Animal Shelter	2.90%	2027	625,000	333,508	291,492	334,621
121	6559	Cemetery Expansion	2.90%	2037	1,520,000	389,978	1,130,022	1,180,454
121	6679	Cemetery Expansion	2.90%	2037	700,000	179,595	520,405	543,630
153	6558	Fire Hall #4	2.41%	2031	6,000,000	-	6,000,000	-
153	7370	Leisure Ctr. Reno	2.41%	2046	3,500,000	-	3,500,000	-
153	7371	Synthetic Field	2.41%	2046	7,000,000	-	7,000,000	-
153	7372	Albion Community Ctr.	2.41%	2046	8,500,000	-	8,500,000	-
153	7374	Hammond Community Ctr.	2.41%	2046	2,000,000	-	2,000,000	-
153	7376	MRSS Track Facility	2.41%	2046	2,000,000	-	2,000,000	-
					<u>80,245,000</u>	<u>33,269,097</u>	<u>46,975,903</u>	<u>20,676,495</u>

The following debenture debt amounts plus projected Sinking Fund earnings are payable over the next five years and thereafter are as follows:

	<u>Debt Payments</u>
2022	\$ 3,543,365
2023	3,590,639
2024	3,639,248
2025	3,689,229
2026	3,740,622
Thereafter	19,159,180
Sinking Fund earnings	<u>9,613,620</u>
	<u>\$ 46,975,903</u>

The City has the following authorized but unissued financing available as at December 31, 2021:

<u>L/A Bylaw</u>	<u>L/A Amount</u>	<u>L/A Bylaw</u>	<u>L/A Amount</u>
#6560	\$ 275,000	#6679	\$ 1,100,000
#7373	1,000,000	#7374	500,000
#7375	1,000,000	#7376	<u>500,000</u>
#7377	23,500,000		
		Total	\$ <u>27,875,000</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

12. Tangible Capital Assets

	Net book value	
	2021	2020
Land	\$ 287,303,392	\$ 271,742,707
Buildings	85,896,611	77,357,035
Transportation network	216,622,442	216,737,333
Storm sewer system	222,817,744	222,065,866
Fleet and equipment	20,263,737	17,771,496
Technology	6,217,561	6,516,919
Water system	136,157,705	134,784,335
Sanitary sewer system	141,032,148	138,719,265
Other	38,013,710	36,752,632
	<u>\$ 1,154,325,050</u>	<u>\$ 1,122,447,588</u>

For additional information, see the Schedule of Tangible Capital Assets (Schedule 1)

During the year there were no write-downs of assets (2020 - \$Nil). In addition, the fair value of roads and related infrastructure, underground networks and land contributed to the City totaled **\$16,435,062** (\$21,023,012 for 2020) and was capitalized and recorded as revenue at the time of recognition.

Natural assets, works of art, artifacts, cultural and historic assets are not recorded as assets in these financial statements. The City controls various works of art and historical treasures including artifacts, paintings, sculptures and mosaics located at City sites and public display areas.

13. Undeveloped Land Bank

The City owns property in various areas identified for future growth in the Official Community Plan. These properties are not currently used in the provision of service to the citizens of Maple Ridge. The properties represent a strategic, non-renewable resource available for the advancement of Council's strategic plan.

14. Accumulated Surplus

Accumulated Surplus is comprised of operating surpluses and equity in tangible capital assets held in the general, sewer and water funds as well as reserves. Accumulated surplus for 2021 is **\$1,292,740,765** (\$1,259,078,406 for 2020) and is distributed as follows:

		2021	2020
			Restated - Note 24
Operating surplus	General	\$ 8,563,194	\$ 6,662,021
	Sewer	5,966,930	6,270,330
	Water	<u>13,707,170</u>	<u>16,656,631</u>
		28,237,294	29,588,982
Equity in the capital funds	General	842,930,177	822,245,719
	Sewer	142,398,327	139,718,499
	Water	<u>139,437,695</u>	<u>138,119,026</u>
		1,124,766,199	1,100,083,244
Reserves	Funds	44,524,272	37,237,663
	Accounts	<u>95,213,000</u>	<u>92,168,517</u>
		139,737,272	129,406,180
Accumulated Surplus		<u>\$ 1,292,740,765</u>	<u>\$ 1,259,078,406</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

15. Reserves

	December 31, 2020	Interest Allocated	Contributions/ Transfers	Use of Reserves	December 31, 2021
Reserve Funds					
Local Improvement	\$ 2,661,126	\$ 8,621	\$ -	\$ -	\$ 2,669,747
Equipment Replacement	18,496,667	101,465	3,445,707	(2,460,568)	19,583,271
Capital Works	10,565,706	57,966	5,552,549	-	16,176,221
Fire Department Capital Acquisition	3,546,671	17,449	1,927,755	(1,397,173)	4,094,702
Sanitary Sewer	1,198,573	7,169	21,462	-	1,227,204
Land	768,920	4,207	-	-	773,127
Total Reserve Funds	<u>37,237,663</u>	<u>196,877</u>	<u>10,947,473</u>	<u>(3,857,741)</u>	<u>44,524,272</u>
Reserve Accounts					
Specific Projects - Capital	15,969,700	-	927,402	(3,097,341)	13,799,761
Specific Projects - Operating	11,258,271	-	5,781,447	(7,192,834)	9,846,884
Self Insurance	734,261	3,287	45,000	(128,739)	653,809
Police Services	12,830,122	70,089	1,527,275	(4,680,522)	9,746,964
Fire Services	-	-	485,230	-	485,230
Core Development	2,812,203	13,139	5,749,667	(6,850,837)	1,724,172
Recycling	3,926,764	21,705	269,848	(111,423)	4,106,894
Community Safety Initiatives	906,857	-	-	(134,111)	772,746
Building Inspections	3,549,607	19,423	-	-	3,569,030
Gravel Extraction	891,383	4,982	19,992	(3,500)	912,857
Community Works (Gas Tax)	717,813	4,313	616,463	(372,013)	966,576
Facility Maintenance	120,587	4,039	2,125,000	(1,801,482)	448,144
Snow Removal	850,061	-	-	-	850,061
Park & Recreation Improvements	4,738,602	-	2,394,214	(1,822,795)	5,310,021
Cemetery Maintenance	164,517	-	92,323	-	256,840
Infrastructure Sustainability (Town Centre Bldgs)	6,280	-	762,211	(768,491)	-
Infrastructure Sustainability (Roads)	5,433,724	31,552	3,792,315	(3,842,173)	5,415,418
Infrastructure Sustainability (Drainage)	2,721,578	16,963	942,692	(339,640)	3,341,593
Drainage Improvements	4,214,589	27,578	2,000,239	(444,534)	5,797,872
Gaming Revenues	2,030,682	-	780,946	(558,132)	2,253,496
Self Insurance (Sewer)	165,436	-	6,504	-	171,940
Self Insurance (Water)	145,748	-	6,504	-	152,252
Specific Projects (Sewer)	10,116,388	-	5,310,469	(3,664,754)	11,762,103
Specific Projects (Water)	7,863,344	-	8,560,325	(3,555,332)	12,868,337
Total Reserve Accounts	<u>92,168,517</u>	<u>217,070</u>	<u>42,196,066</u>	<u>(39,368,653)</u>	<u>95,213,000</u>
Total Reserves	<u>\$ 129,406,180</u>	<u>413,947</u>	<u>53,143,539</u>	<u>(43,226,394)</u>	<u>139,737,272</u>

16. Property Tax Levies

In addition to its own tax levies, the City is required to collect taxes on behalf of various other taxing authorities. These include the provincial government for local school taxes, incorporated dyking districts located within the City and organizations providing regional services in which the City has become a member. Taxes levied for other agencies are not included in City revenues. Total tax levies were comprised as follows:

	2021	2021 Budget	2020
Municipal Tax Levies	\$ 99,296,699	\$ 99,130,772	\$ 94,914,905
Levies for other authorities			
School taxes	42,974,954	42,992,343	35,174,508
TransLink	8,277,785	8,280,503	7,617,871
British Columbia Assessment	1,259,526	1,259,644	1,210,627
Metro Vancouver Regional District	1,693,254	1,693,750	1,476,913
Dyking Districts	744,042	744,042	730,556
Municipal Finance Authority	6,003	6,005	5,644
Total Collections for Others	<u>54,955,564</u>	<u>54,976,287</u>	<u>46,216,119</u>
Total Tax Levies	<u>\$ 154,252,263</u>	<u>\$ 154,107,059</u>	<u>\$ 141,131,024</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

17. Government Transfers

Government transfers recognized as revenues during the year were comprised of the following:

	2021			2020
	Capital	Operating	Total	Total
Federal Gov't	\$ 1,069,155	\$ 628,463	\$ 1,697,618	\$ 918,996
Provincial Gov't	355,064	2,163,197	2,518,261	8,204,151
TransLink	882,409	1,677,278	2,559,687	1,838,502
Other	25,564	2,000	27,564	43,324
Total	<u>\$ 2,332,192</u>	<u>\$ 4,470,938</u>	<u>\$ 6,803,130</u>	<u>\$ 11,004,973</u>

18. Trust Funds

Certain assets have been conveyed or assigned to the City to be administered as directed by an agreement or statute. The City holds the assets for the benefit of, and stands in a fiduciary relationship, to the beneficiary. The following trusts are excluded from the City's consolidated financial statements:

	Balance Dec 31, 2020	Interest Earned	Receipts	Disbursements	Balance Dec 31, 2021
Latecomer Fees	\$ 15,234	\$ -	\$ 161,803	\$ 177,037	\$ -
Cemetery Perpetual Care	1,335,821	13,433	74,961	13,433	1,410,782
Election Surplus	8,642	48	-	-	8,690
Metro Vancouver Sewer & Drainage District	733,732	-	2,441,899	953,565	2,222,066
TransLink	220,075	-	1,311,665	612,292	919,448
Road 13 Dyking District	1,443,905	-	173,639	196,564	1,420,980
Albion Dyking District	2,109,753	-	300,468	8,736	2,401,485
	<u>\$ 5,867,162</u>	<u>\$ 13,481</u>	<u>\$ 4,464,435</u>	<u>\$ 1,961,627</u>	<u>\$ 8,383,451</u>

19. Expenses and Expenditures by Object

	Operations	Capital		2021 Total	2021 Budget	2020 Total
		Acquisitions				
Goods and services	\$ 70,531,201	\$ 40,189,670	\$ -	\$ 110,720,871	\$ 267,807,617	\$ 114,417,344
Wages and salaries	50,488,315	819,944	-	51,308,259	54,630,845	45,198,372
Interest	1,630,317	-	-	1,630,317	2,300,942	1,317,565
Total	122,649,833	41,009,614	-	163,659,447	324,739,404	160,933,281
Amortization expenses	23,863,066	-	-	23,863,066	24,037,321	23,641,391
Contributed tangible capital assets	-	16,435,062	-	16,435,062	20,000,000	21,023,012
Total Expenses and Expenditures	<u>\$ 146,512,899</u>	<u>\$ 57,444,676</u>	<u>\$ -</u>	<u>\$ 203,957,575</u>	<u>\$ 368,776,725</u>	<u>\$ 205,597,684</u>

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For the year ended December 31, 2021

20. Budget

Budget amounts represent the Financial Plan Bylaw adopted by Council on May 11, 2021. The Financial Plan anticipated use of surpluses accumulated in previous years to balance against current year expenditures in excess of current year revenues.

The following shows the reconciliation of the amounts presented on the financial statements to the approved budget:

Revenue	
Taxation	\$ 99,130,772
User fees and other revenue	49,956,147
Other	49,984,737
Contributed subdivision infrastructure	<u>20,000,000</u>
Total Revenue	<u>219,071,656</u>
Expenses	
Protective services	47,815,543
Transportation services	26,742,409
Recreation and cultural	26,535,488
Water utility	18,004,850
Sewer utility	14,930,985
General Government	22,083,435
Planning, public health and other	<u>7,867,485</u>
Total expenses	<u>163,980,195</u>
Annual Surplus	<u>\$ 55,091,461</u>
Less:	
Capital expenditures	204,796,530
Debt repayment	3,304,398
Add:	
Interfund transfers	77,580,142
Amortization	24,037,321
Borrowing proceeds	<u>51,392,004</u>
Financial Plan Bylaw	<u>\$ -</u>

21. Contractual Rights

There are a number of development projects in progress throughout the City where there is a requirement for the developer to provide infrastructure to the City, such as roads, sewers, sidewalks and street lighting. The estimated fair value of the infrastructure is recognized as "contributed tangible capital assets" revenue in these consolidated financial statements when the City accepts responsibility for the infrastructure. Estimated fair value is determined at the time the assets are recognized.

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22. Municipal Pension Plan

The City of Maple Ridge 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 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.

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

The City of Maple Ridge paid **\$3,848,908** (2020 \$3,672,047) for employer contributions while employees contributed **\$3,218,889** (2020 \$3,087,136) 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 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.

23. Segmented Information

The City is a diversified municipal government entity in the province of British Columbia that provides a wide range of services to its citizens. Municipal services have been segmented by grouping activities that have similar service objectives (by function) and separately disclosed in the segment report. Where certain activities cannot be attributed to a specific segment they have been reported as unallocated. The segments and the services they provide are as follows:

Protective Services

Protective Services is comprised of the Ridge Meadows RCMP detachment, the Maple Ridge Fire Department, bylaw enforcement, inspection services and emergency services. Services provided by the segment are focused on protecting the citizens of Maple Ridge.

Transportation Services

Transportation Services is comprised of Engineering, Operations, Drainage and Roads. Services provided by the segment include the construction and maintenance of transportation related infrastructure.

Recreation and Cultural

Recreation and cultural services provides library services, access to recreation facilities and maintains and operates City parks.

Water Utility

The Water Utility, in conjunction with Metro Vancouver, provides safe, clean, reliable water to the residents and businesses of the City of Maple Ridge.

Sewer Utility

The Sewer Utility collects waste water and transports it to treatment plants operated by Metro Vancouver in

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

23. Segmented Information (cont'd)

General Government

General Government provides administrative, legislative and support services for the City. Functions include financial planning and reporting, information technology, economic development and communications. Commercial operations are also included in this segment.

Planning, Public Health and Other

This segment is comprised of Planning, Recycling, Cemetery and Social Planning. Activities include land use guidelines, development of the City's official community plan, management of the recycling contract and improving the social well-being of the community.

Unallocated

Unallocated includes revenues that cannot be directly attributed to the activities of an identified functional segment.

24. Prior Period Adjustment

The City contracts its policing services to the Royal Canadian Mounted Police (RCMP). Over the past several years, the RCMP has been engaged with its members in the formation of their first collective agreement, which was ratified in August 2021. The newly formed collective agreement provides for retroactive pay to members for services starting in 2017. The City has not previously accrued for retroactive pay during the negotiations.

As the liability for retroactive pay is linked to the timing of service provision, the City has retroactively adjusted the Consolidated Financial Statements to reflect estimated prior year costs related to the new collective agreement.

The prior year comparative figures have been adjusted as follows:

	<u>Previously Reported</u>	<u>Increase (Decrease)</u>	<u>Restated</u>
Accumulated surplus - beginning of year	\$1,209,359,166	\$(2,482,649)	\$1,206,876,517
Accounts payable	23,613,524	4,434,372	28,047,896
Net financial assets	124,223,492	(4,434,372)	119,789,120
Expenses	134,535,402	1,951,723	136,487,125
Accumulated surplus - end of year	1,263,512,778	(4,434,372)	1,259,078,406