

**CITY OF MOUNT PEARL**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**December 31, 2023**

**City of Mount Pearl  
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December 31, 2023**

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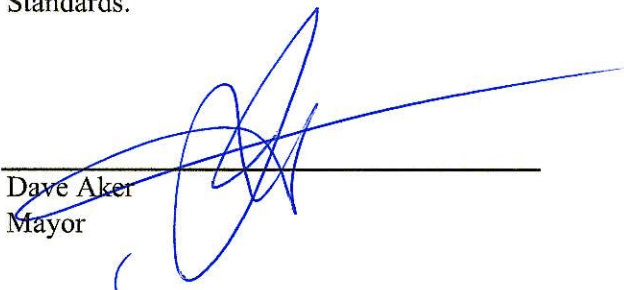
## Statement of Responsibility

The accompanying consolidated financial statements are the responsibility of the management of the City of Mount Pearl. The consolidated financial statements have been prepared by management in compliance with legislation and in accordance with Canadian Public Sector Accounting Standards ("PSAS").

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


The Corporate Services and Public Works Committee of the City of Mount Pearl met with management and its external auditors to review a draft of the consolidated financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the finalized consolidated financial statements.

BDO Canada LLP, as the City of Mount Pearl's appointed external auditors, have audited the accompanying consolidated financial statements. The independent auditor's report is addressed to the Mayor and Council and appears on the following pages. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of the City in accordance with Canadian Public Sector Accounting Standards.



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Dave Aker  
Mayor



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Dana Spurrell  
CAO



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## Independent Auditor's Report

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To the Mayor and Council of City of Mount Pearl

### Opinion

We have audited the consolidated financial statements of City of Mount Pearl (the "City"), which comprise the consolidated statement of financial position as at December 31, 2023, the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 the 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

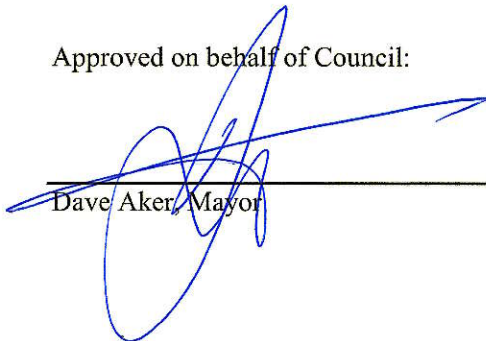
Chartered Professional Accountants

St. John's, Newfoundland and Labrador  
June 21, 2024

**City of Mount Pearl  
Consolidated Statement of Financial Position  
December 31, 2023**

	2023	2022 <i>As restated - Note 3</i>
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 18,988,536	\$ 21,443,388
Accounts receivable (Note 4)	11,201,288	7,932,222
Long-term receivables (Note 5)	<u>2,060,292</u>	<u>2,146,453</u>
	<u>32,250,116</u>	<u>31,522,063</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 7)	8,190,255	7,538,574
Deferred revenue	724,358	779,234
Long-term debt (Note 8)	26,355,082	28,034,528
Asset retirement obligation (Note 9)	3,922,524	3,770,932
Unfunded pension liability (Note 10)	95,337	215,320
Accrued post-retirement benefits (Note 11)	6,951,200	6,253,994
Accrued employee benefits (Note 12)	2,220,768	2,396,694
Accrued early retirement pension benefit (Note 13)	<u>192,620</u>	<u>227,086</u>
	<u>48,652,144</u>	<u>49,216,362</u>
<b>Net Debt</b>	<u>(16,402,028)</u>	<u>(17,694,299)</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (Schedule A)	212,087,933	210,166,799
Inventories	1,911,438	1,498,264
Prepaid expenses	<u>391,733</u>	<u>366,454</u>
	<u>214,391,104</u>	<u>212,031,517</u>
<b>Accumulated Surplus</b>	<u>\$ 197,989,076</u>	<u>\$ 194,337,218</u>

Approved on behalf of Council:

  
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Dave Aker, Mayor

  
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Dana Spurrell, CAO

**City of Mount Pearl  
Consolidated Statement of Changes in Net Debt  
December 31, 2022**

	2023 Budget (Note 14)	<b>2023 Actual</b>	2022 Actual <i>As restated - Note 3</i>
<b>Annual surplus</b>	\$ 1,603,745	\$ <b>3,651,858</b>	\$ (1,488,157)
Acquisition of tangible capital assets	(14,324,289)	<b>(12,615,431)</b>	(4,837,317)
Amortization of tangible capital assets	10,180,225	<b>10,180,225</b>	9,764,539
Proceeds on disposal of tangible capital assets	-	<b>130,947</b>	359,733
Loss on disposal of tangible capital assets	-	<b>383,126</b>	(194,601)
	<u>(4,144,064)</u>	<u><b>(1,921,133)</b></u>	<u>5,092,354</u>
Use of (additions to) supplies inventories	-	<b>(413,174)</b>	(100,317)
Use of (additions to) prepaid expenses	-	<b>(25,279)</b>	485,908
		<u><b>(438,453)</b></u>	<u>385,591</u>
<b>Decrease in Net Debt</b>	(2,540,319)	<b>1,292,272</b>	3,989,788
<b>Net Debt, Beginning of Year</b>	(17,694,299)	<b>(17,694,299)</b>	(18,058,888)
<b>Prior Period Adjustment, Asset Retirement Obligation (Note 3)</b>	-	-	(3,625,199)
<b>Net Debt, End of Year</b>	<u>\$ (20,234,618)</u>	<u><b>\$ (16,402,027)</b></u>	<u>\$ (17,694,299)</u>

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

**City of Mount Pearl**  
**Consolidated Statement of Operations and Accumulated Surplus**  
**December 31, 2023**

	2023 Budget (Note 16)	<b>2023 Actual</b>	2022 Actual <i>As restated - Note 3</i>
<b>Revenues (Schedule B)</b>			
Taxation and utility fees	\$ 46,652,159	\$ 47,764,587	\$ 44,339,631
Grants from other governments	6,531,317	<b>6,633,970</b>	2,098,570
Sales of goods and services	2,006,545	<b>2,165,971</b>	1,420,369
Other revenue from own sources	932,035	<b>2,867,112</b>	2,073,802
	<u>56,122,056</u>	<u><b>59,431,640</b></u>	<u>49,932,372</u>
<b>Expenses (Schedule C)</b>			
General government services	10,405,615	<b>10,940,907</b>	9,267,453
Transportation services	16,481,776	<b>14,298,525</b>	13,445,145
Protective services	7,343,946	<b>6,430,695</b>	6,600,655
Community services	10,726,783	<b>12,934,097</b>	11,517,642
Environmental health services	7,434,883	<b>8,367,902</b>	8,356,813
Planning and development	774,911	<b>1,282,675</b>	1,179,557
Fiscal services	1,350,397	<b>1,524,981</b>	1,053,264
	<u>54,518,311</u>	<u><b>55,779,782</b></u>	<u>51,420,529</u>
<b>Annual Surplus</b>	1,603,745	<b>3,651,858</b>	(1,488,157)
<b>Accumulated Surplus, Beginning of Year</b>	<u>194,337,218</u>	<u><b>194,337,218</b></u>	<u>199,329,055</u>
<b>Accumulated Surplus, End of Year</b>	195,940,963	<b>197,989,076</b>	197,840,898
<b>Prior Period Adjustment, Asset Retirement Obligation (Note 3)</b>	<u>-</u>	<u>-</u>	<u>(3,503,680)</u>
<b>Accumulated Surplus, End of Year, as restated</b>	<u>\$ 195,940,963</u>	<u><b>\$ 197,989,076</b></u>	<u>\$ 194,337,218</u>



**City of Mount Pearl**  
**Consolidated Statement of Cash Flows**  
**December 31, 2023**

	2023	2022 <i>As restated - Note 3</i>
<b>Operating Activities</b>		
Annual surplus	\$ 3,651,858	\$ (1,488,157)
Items not affecting cash:		
Amortization of tangible capital assets	10,180,225	9,764,539
Accretion expense of asset retirement obligations	151,591	145,733
(Gain) loss on disposal of tangible capital assets	383,126	(194,601)
Changes in non-cash items:		
Unfunded pension liability	(119,983)	(123,310)
Accrued post-retirement benefits	697,206	109,794
Accrued employee benefits	(175,926)	(153,206)
Accrued early retirement pension benefit	(34,466)	(42,082)
	<u>14,733,631</u>	<u>8,018,710</u>
Changes in non-cash working capital:		
Accounts receivable	(3,269,066)	477,337
Inventories	(413,174)	(100,317)
Long-term receivables	86,161	135,907
Prepaid expenses	(25,279)	485,908
Accounts payable and accrued liabilities	651,682	(702,526)
Deferred revenue	(54,876)	(854)
	<u>11,709,078</u>	<u>8,314,165</u>
Cash provided by operating activities		
	<u>11,709,078</u>	<u>8,314,165</u>
<b>Financing activities</b>		
Repayment of long-term debt	(1,679,446)	(2,064,372)
	<u>(1,679,446)</u>	<u>(2,064,372)</u>
Cash used by financing activities		
	<u>(1,679,446)</u>	<u>(2,064,372)</u>
<b>Capital activities</b>		
Acquisition of tangible capital assets	(12,615,431)	(4,837,317)
Proceeds on disposal of tangible capital assets	130,947	359,733
	<u>(12,484,484)</u>	<u>(4,477,584)</u>
Cash used by capital activities		
	<u>(12,484,484)</u>	<u>(4,477,584)</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(2,454,852)</b>	<b>1,772,209</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<b>21,443,388</b>	<b>19,671,179</b>
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 18,988,536</b>	<b>\$ 21,443,388</b>

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

**City of Mount Pearl**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended December 31, 2023**

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**1. Status of the City**

The incorporated City of Mount Pearl is a municipal government that was incorporated in 1955 pursuant to the Province of Newfoundland and Labrador's Municipalities Act. The municipality was granted city status in 1988 pursuant to the passing of The City of Mount Pearl Act in the provincial legislature. The City provides or funds municipal services such as fire, public transportation, public works, community services programming, library services, and recreation and general government operations.

**2. Significant Accounting Policies**

The consolidated financial statements are prepared using Canadian public sector accounting standards (PSAS).

**(a) Basis of consolidation**

The reporting entity includes the accounts and financial activities of organizations, which are controlled by the City. These organizations are accountable to Council for the administration of their financial affairs.

The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the City. Interfund and inter-entity balances and transactions have been eliminated. Included in the consolidated financial statements is the Admiralty House Museum & Archives.

**(b) Purchased services**

The City has agreements in place for the purchase of certain municipal services provided on a regional basis including; public transit services, regional fire services, landfill services, the supply of potable water and wastewater treatment services. These services are billed to the City on a cost of supply or consumption basis and are provided by the following organizations:

St. John's Regional Fire  
St. John's Regional Water  
St. John's Transportation  
Robin Hood Bay Solid Waste  
Riverhead Wastewater

**(c) Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, cash on deposit and short-term liquid investments that are readily convertible to cash and are not subject to significant risk of changes in value. Short-term liquid investments have a maturity date of ninety days or less from the date of acquisition.

**(d) Inventories**

Inventories are supplies held for consumption and are recorded at the lower of estimated cost and replacement value. Allowances have been made for unusable and obsolete parts.

**(e) Non-financial assets**

Non-financial assets are used to provide the City's services in future periods. These assets do not normally provide resources to discharge the liabilities of the City unless they are sold. The City's non-financial assets include all assets of a fixed or permanent nature, claims to goods and services and consumable goods.

**(f) Post-retirement benefits**

The City provides defined post-retirement benefits for certain employee groups. These benefits include life insurance, Accidental Death and Dismemberment (AD&D) coverage, health care and dental benefits. The costs of post-retirement future benefits are actuarially determined using management's best estimate of health care costs, disability recovery rates and discount rates. Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the employee groups.

**City of Mount Pearl**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended December 31, 2023**

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**2. Significant Accounting Policies (continued)**

**(g) Pension Plan**

The City participates in a multi-employer defined benefit pension plan, however, sufficient information is not available to use defined benefit accounting. Therefore, the City accounts for the plan as if it were a defined contribution plan. As such, no pension liability is included in the City's consolidated financial statements and contributions are recognized as an expense in the year to which they relate. All full-time employees are eligible to participate in the plan. Contributions are a defined amount based upon a set percentage of salary.

**(h) Employee benefits**

The City provides severance benefits to employees upon the cessation of employment. Severance payments are calculated based upon unused sick leave or years of service. Entitlement to severance payments is earned after 5 years of service for management employees and 10 years of service for unionized employees. Management employees hired after January 1, 2016 are not eligible for severance payments upon retirement.

The City also provides a vacation benefit for both unionized and management employees. Staff may carry-forward a maximum of 15 days of vacation time from one year to the next; however, exceptions can be made from time-to-time based on individual circumstances. The vacation bank is paid out upon termination or retirement.

The costs of these employee benefits are actuarially determined using management's best estimate of average service years and average vacation hours banked. Actuarial gains and losses are amortized on a straight-line basis over the expected service life of the employee group for severance pay, and the expected utilization of excess hours for vacation benefit.

**(i) Financial instruments**

Cash, accounts receivable, accounts payable, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. All financial assets are tested annually for impairment and impairment losses are recorded in the statement of operations. Transaction costs are added to the carrying value for financial instruments.

**(j) Use of estimates**

The preparation of financial statements in conformity with Canadian public sector accounting standards required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates include amortization of tangible assets, taxation revenue and valuation of unfunded pension liability, accrued post-retirement benefits, accrued employee taxes and benefits, and accrued early retirement pension benefits. Actual results could differ from these estimates.

**(k) Asset retirement obligations**

A liability for an asset retirement obligation is recognized when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to require a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

**City of Mount Pearl  
Notes to the Consolidated Financial Statements  
For the Year Ended December 31, 2023**

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**2. Significant Accounting Policies (continued)**

**(l) Tangible capital assets**

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset.

Tangible capital assets under construction, development or that have been removed from service are not amortized until they are available to be put into service.

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 statement of operations.

Contributed capital assets are recorded at their fair value on the date of contribution, except in unusual circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value.

The cost of tangible capital assets is amortized on a straight line basis over the estimated useful lives as follows:

**General tangible capital assets**

Buildings	40 years
Vehicles and equipment	5-15 years
Playing surfaces and trails	10-30 years
Computer hardware and software	4-10 years
Recreation equipment	5-20 years
Office furniture and equipment	5-10 years

**Infrastructure assets**

Transportation	
Roads, curbs and sidewalks	12-20 years
Traffic lights	20 years
Tools and equipment	30 years
Water and sewer	
Water and wastewater networks	35-75 years
Pumping and lift stations	35-50 years

**(n) Revenue recognition**

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

Other revenue mainly consists of sales of goods and services which are recognized when significant risks and rewards of ownership have been transferred and there are no significant obligations remaining, sales price is fixed and determinable, persuasive evidence of an arrangement exists and collection is reasonably assured. This usually coincides with the provision of the goods and services.

Government transfers are recognized as revenue in the financial statements when transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

**(m) Bonding**

As required by Section 89 of The City of Mount Pearl Act, we report that all employees whose duties include collecting, receiving and depositing of cash are bonded.

**City of Mount Pearl**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended December 31, 2023**

**3. Adoption of Section PS 3280, Asset Retirement Obligations**

On January 1, 2023, the City adopted Section PS 3280, Asset Retirement Obligations using the modified retroactive method, with restated comparatives. As a result of applying the new accounting policy, an asset retirement obligation of \$3,625,199 was recognized in the consolidated statement of financial position as at January 1, 2022, representing the estimated asbestos removal costs for the City buildings and wastewater pipes (Note 9). This adoption was applied to the opening balances as disclosed below:

<b>Consolidated Statement of Financial Position</b>	As previously reported	Adjustments	As restated
Tangible capital assets	\$ 210,053,176	\$ 121,519	\$ <b>210,174,695</b>
Asset retirement obligations	\$ -	\$ 3,625,199	\$ <b>3,625,199</b>
Accumulated surplus, beginning of the year	\$ 199,329,055	\$ (3,503,680)	\$ <b>195,825,375</b>
Accumulated surplus, end of the year	\$ 197,994,527	\$ (3,657,309)	\$ <b>194,337,218</b>
<b>Consolidated Statement of Operations</b>			
Amortization expense	\$ 9,756,643	\$ 7,896	\$ <b>9,764,539</b>
Accretion expense	\$ -	\$ 145,733	\$ <b>145,733</b>

**4. Accounts Receivable**

	<u>2023</u>	<u>2022</u>
Taxes and rates receivable	\$ <b>6,247,402</b>	\$ 5,179,340
Interest on arrears	<b>455,593</b>	140,682
Accounts receivable	<b>662,419</b>	539,879
Capital works funding receivable	<b>1,574,416</b>	694,903
HST receivable	<b>2,464,967</b>	1,245,924
Other receivables	<b>58,727</b>	319,954
	<b>11,463,524</b>	8,120,682
Less: Allowance for doubtful accounts	<u>(262,236)</u>	<u>(188,460)</u>
	<b>\$ 11,201,288</b>	<b>\$ 7,932,222</b>

**5. Long-term Receivables**

Long-term receivables are comprised of interest free loans due from the Mount Pearl Soccer Association, Campia Gymnastics and the Mount Pearl Men's Softball Association for the construction of recreation facilities.

	<u>2023</u>	<u>2022</u>
<b>Mount Pearl Soccer Association</b>		
Repayable in 80 quarterly installments of \$8,750 payable by March 1st, June 1st, September 1st and December 1st of each year, commencing June 1, 2014. The remaining principal balance of \$7,960 is payable upon maturity.	\$ <b>427,960</b>	\$ 427,960
<b>Campia Gymnastics</b>		
Repayable in 25 annual installments of \$82,840 on June 30th of each year, commencing June 30, 2017.	<b>1,510,781</b>	1,573,960
<b>Mount Pearl Men's Softball Association</b>		
Repayable in 15 annual installments of \$18,067 payable by February 28th of each year, commencing February 28th, 2015.	<b>121,551</b>	144,533
	<b>\$ 2,060,292</b>	<b>\$ 2,146,453</b>

**City of Mount Pearl**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended December 31, 2023**

**6. Credit Facility**

The City has a borrowing facility with an authorized operating line of credit available of \$3,000,000 bearing interest at prime minus 0.90% per annum. At December 31, 2022, the borrowing facility was not drawn upon (2021 - \$nil).

**7. Accounts Payable and Accrued Liabilities**

	<u>2023</u>	<u>2022</u>
Trade accounts payable	\$ 2,504,669	\$ 2,631,573
Accruals	2,343,914	2,508,482
Refundable deposits	2,462,691	2,205,095
Holdbacks payable	878,981	193,424
	<u>\$ 8,190,255</u>	<u>\$ 7,538,574</u>

**8. Long-Term Debt**

**Royal Bank**

	<u>2023</u>	<u>2022</u>
5.28% bank loan, repayable in monthly principal and interest instalments of \$80,546, maturing in and amortized to June 2023	\$ -	\$ 475,918
5.16% bank loan, repayable in monthly principal and interest instalments of \$89,100, maturing in and amortized to June 2034	11,189,705	11,667,945
0.39% banker's acceptance loan combined with a 2.48%, 25 year interest rate swap, repayable in monthly principal and interest instalments of \$70,000, maturing in and amortized to April 2040	10,929,000	11,448,000

**TD Bank**

3.83% bank loan, repayable in monthly principal and interest instalments of \$31,046, maturing in and amortized to November 2038	4,236,377	4,442,665
Total long-term debt	<u>\$ 26,355,082</u>	<u>\$ 28,034,528</u>

Principal payments required in each of the next five years are as follows:

2024	\$ 1,252,387
2025	\$ 1,305,882
2026	\$ 1,355,576
2027	\$ 1,411,090
2028	\$ 1,468,156

**City of Mount Pearl  
Notes to the Consolidated Financial Statements  
For the Year Ended December 31, 2023**

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**9. Asset Retirement Obligation**

The City applied new Section PS 3280 on January 1, 2023 using the modified retroactive method with restatement. Asset retirement obligations were recognized related to the remediation required for asbestos present in two buildings and in concrete sewer piping. As at year end, an obligation of \$3,922,524 has been accrued on the balance sheet. This amount was determined based on total undiscounted expenditures of \$5,242,213 present valued at a discount rate of 4.02% as follows:

Buildings with asbestos	2 - 10 years
Concrete piping	18 years

Payment to settle the asset retirement obligations will occur at the end of their life in full.

	<b>Total</b>
Balance, January 1, 2022	\$3,625,199
Accretion expense	\$145,733
Balance, December 31, 2022	\$3,770,932
Accretion expense	\$151,591
<b>Balance, December 31, 2023</b>	<b>\$3,922,524</b>

The modified retroactive transitional approach requires a full restatement using assumptions and discount rates that are current as of January 1, 2022 to calculate the adjustments. As a result of this application, The City recorded an adjustment to opening accumulated surplus of \$3,503,680 at January 1, 2022.

Significant estimates and assumptions are made in determining the asset retirement costs as there are numerous factors that will affect the amount ultimately payable. Those uncertainties may result in future actual expenditures that are different than the amounts currently recorded. At each reporting date, as more information and experience is obtained as it relates to these asset retirement obligations, the estimates of the timing, the undiscounted cash flows and the discount rates may change. Adjustments to these factors are accounted for as an adjustment to the asset retirement obligation and the related tangible capital asset in the current period on a prospective basis.

**City of Mount Pearl**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended December 31, 2023**

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**10. Pension Plan**

The City maintains a defined benefit pension plan ("the Plan") which provides pension benefits to both management and unionized employees. The Plan is a multi-employer plan administered by Newfoundland and Labrador Municipal Employee Benefits Inc. The Plan is equally funded by participating employers and members.

For years of service prior to December 31, 2012, on retirement, on or after the normal retirement age, the retiree will receive a lifetime benefit representing 2% of the average earnings of the best five consecutive years prior to retirement, multiplied by the number of years of Plan membership up to December 31, 2012. This pension benefit was frozen as of December 31, 2012.

Commencing January 1, 2013 the pension plan benefit calculation has been modified such that, for years of service after January 1, 2013, participants over the age of 50 at January 1, 2013 could enroll in a retirement plan in which the retirement benefit will be calculated on a career average basis or a new best five years plan. Participants under the age of 50 at January 1, 2013 were enrolled in the new best five years plan.

Under the new best five years plan, for years of service commencing on January 1, 2013, on retirement, on or after the normal retirement age, the retiree will receive a lifetime benefit representing 2% of the average earnings of the best five consecutive years prior to retirement, multiplied by the number of years of Plan membership subsequent to January 1, 2013.

Normal retirement age under both Plans is 60 years of age. Early retirement is permitted at any time after age 50 on a reduced pension. The pension reduction is calculated at 1/2 of 1% for each month that early retirement proceeds normal retirement age. On January 1 of each year after retirement, retirement benefits in the career average plan are adjusted by the percentage change in the Consumer Price Index up to a maximum increase of 6% per year. On January 1 of each year after retirement, retirement benefits in the best five years plan are adjusted by 85% of the percentage change in the Consumer Price Index up to a maximum increase of 6% per year.

During the year ended December 31, 2023 the City contributed \$832,229 (2022 - \$743,335) to the Plans. Since January 1, 2020 the City and the members are each contributing 10.25% of regular earnings to the best five years plan or 9.25% of regular earnings to the career average plan. The City is also contributing special payments in an effort to retire the current unfunded liability. During the year ended December 31, 2023 the City contributed special payments of \$250,357 (2022 - \$250,357) to the Plans. The plan surplus as of December 31, 2023 was \$10,700,000 (2022 - \$10,820,000), and the unfunded pension balance was \$95,337 (2022 - \$215,320).

An actuarial valuation of the plan was performed as of February 28, 2024. Current figures are based on valuation data to December 31, 2023.



**City of Mount Pearl**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended December 31, 2023**

**11. Post-Retirement Benefits**

The City provides an extension of AD&D, life insurance benefits and health and dental benefits to employees and elected officials who retire from the municipality. Life insurance and AD&D coverage is provided to a maximum of \$30,000. Health and dental benefits provided to retirees are similar to those of active employees. The City engaged Johnson Inc. to complete an actuarial valuation of the City's Post-Retirement Benefit Plan. The actuarial valuation was performed as of December 31, 2020. The accrued liability recorded in the City's financial statements was adjusted to reflect the actuarially calculated liability. The liability amounts recorded are as follows:

	<u>2023</u>	<u>2022</u>	<u>Expense</u>
Life and AD&D benefits	\$ 48,600	\$ 32,600	\$ 16,000
Health and dental benefits	<u>6,902,600</u>	<u>6,221,394</u>	<u>\$ 681,206</u>
	<u>\$ 6,951,200</u>	<u>\$ 6,253,994</u>	<u>\$ 697,206</u>

Significant assumptions used in benefit calculations:

Retirement age	60
Discount rate	4.75%
Annual rate of increase in Retiree health care costs	6.00%
Annual rate of increase in Retiree dental costs	4.00%

**12. Employee Benefits**

The City provides severance benefits to employees upon the cessation of employment. Severance payments are calculated based upon unused sick leave or years of service. Entitlement to severance payments is earned after 5 years of service for management employees and 10 years of service for unionized employees. Management employees hired after January 1, 2016 are not eligible for severance payments upon retirement.

The City provides severance benefits based on the number of completed years of service or remaining unused sick leave credits, up to the equivalent of a maximum of 24 weeks of pay. Eckler Ltd. was engaged to complete an actuarial valuation of the City's employee benefits. The accrued liability recorded in the City's financial statements was adjusted to reflect the actuarially calculated liability. The liability amounts are as follows:

	<u>2023</u>	<u>2022</u>
Accrued severance benefit	\$ 1,883,017	\$ 1,951,105
Accrued vacation benefit	<u>337,751</u>	<u>445,589</u>
	<u>\$ 2,220,768</u>	<u>\$ 2,396,694</u>

Significant assumptions used in benefit calculations:

Retirement age	\$ 60
Discount rate	4.75%
Salary projection	2.50%
Average vacation bank (hours)	80.8
Average service (years)	10.5

**City of Mount Pearl**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended December 31, 2023**

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**13. Early Retirement Pension Benefit**

Prior to July 1, 1999, the City's pension plan ("the Old Plan") established a normal retirement age of 65. Subsequent to July 1st, 1999 the City's pension plan ("the New Plan") established a normal retirement age of 60. Pursuant to an agreement dated November 19th, 2003, the City agreed to reimburse retirees for any penalties calculated on the Old Plan benefits arising from retirement prior to attaining age 65 but subsequent to attaining age 60. To be eligible to receive the early retirement benefit an employee must continue to be employed by the City up until the attainment of age 60. Retirement prior to age 60 or resignation from employment with the City will result in the forfeiture of this benefit. This benefit liability has not been actuarially determined.

**14. Contingent Liabilities**

The City has received multiple statements of claim on employment and council member related matters. The amount of the claims have not been specified and settlement, if any, is indeterminable at this time. A provision has not been made in these consolidated financial statements with respect of the claims. Any settlement will be recorded in the consolidated statement of operations and accumulated surplus when judgement is rendered or more information becomes available.

The City has also received a statement of claim from a supplier in the amount of \$452,518 plus interest and punitive damages of an unspecified amount, relating to a previously completed public works project. The City has filed a counterclaim and believes that no liability will result from the claim.

No provision has been made in these consolidated financial statements with respect to the claims. Any settlement will be recorded in the consolidated statement of operations and accumulated surplus more information becomes available or when judgement is rendered .

**15. Schedule of Expenses by Object**

	2023 Budget	2023 Actual	2022 Actual
Amortization of tangible capital assets	\$ 10,180,225	\$ 10,180,225	\$ 9,764,538
Accretion on asset retirement obligations	-	151,591	145,733
Debt and financing charges	1,350,397	1,649,726	1,577,091
Grants and subsidies	100,000	566,650	547,093
(Gain) Loss on disposal of tangible capital assets	-	383,126	(194,601)
Professional development	250,000	253,041	100,102
Purchased services	16,545,659	18,775,728	18,160,820
Professional services	1,933,161	1,125,575	1,264,074
Salaries and employee benefits	20,747,770	20,470,453	17,709,244
Supplies and parts	3,411,099	2,223,667	2,346,435
	<u>\$ 54,518,311</u>	<u>\$ 55,779,782</u>	<u>\$ 51,420,529</u>

**City of Mount Pearl**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended December 31, 2023**

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**16. Budget**

In accordance with The City of Mount Pearl Act, council must adopt a financial plan for each fiscal year in a form approved by the Minister. The financial plan is prepared on a revenue and expenditure basis that does not meet the recommendations of PSAS. For comparative purposes the City of Mount Pearl has modified its financial plan to present a budget that is consistent with the scope and accounting principles used to report actual results. The budget figures reported in these consolidated financial statements have been approved by council.

The reconciliation of the City's cash based financial plan to the PSAS accrual based budget figures reported in these consolidated financial statements is disclosed in Schedule D.

**17. Segmented Information**

The Consolidated Statement of Operations and Accumulated Surplus has been prepared in accordance with PSAS Handbook Section 2700 (PS 2700) Segment Disclosures. The segments selected enhance the ability to understand the City's major revenue and expense activities.

The City provides a wide range of services to its citizens, including waste removal and recycling, recreation and cultural, snowclearing and infrastructure maintenance, water and wastewater service. Segmented information is presented by major functional activities consistent with the Consolidated Statement of Operations.

**General Government Services** includes activities relating to the overall governance and financial administration of the City. This includes council functions and the following administrative activities: human resources, legal, finance, information technology, records management, occupational health and safety, engineering services, and City building maintenance.

**Transportation Services** include activities related to vehicle fleet upkeep and maintenance, fuel expense, roadway surfaces and sidewalk maintenance, traffic operations, snow and ice removal, public transit services, parking and street lighting.

**Protective Services** include activities related to fire protection, emergency preparedness, municipal law enforcement and animal control.

**Community Services** includes activities related to the operation and maintenance of the City's recreation facilities including community centres, parks, swimming pool, arena, cultural and other community services, programs and

**Environmental Health Services** include activities related to the environmentally regulated services including household waste and wastewater collection and disposal as well as the supply of water.

**Planning and Development** includes inspection services, city planning and economic development planning and initiatives, including marketing and promotional activities.

**Fiscal Services** includes activities related to the City's loan repayment and interest, banking services and bad debt

**City of Mount Pearl**  
**Notes to the Consolidated Financial Statements**  
**For the Year Ended December 31, 2023**

**18. Financial Instruments**

The City is exposed to credit risk and liquidity risk from its financial instruments. This note describes the City's objectives, policies, and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements. Unless otherwise noted, it is management's opinion that the City is not exposed to significant interest, currency, or other price risks.

*Credit risk*

Credit risk arises from the potential that a party will fail to fulfill its obligations. Primarily the City is exposed to credit risk through its cash and cash equivalents, investments and accounts receivable. Cash and cash equivalents are held with provincially and federally regulated chartered banks. Accounts receivable consist mainly of property taxes, an allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The City has a significant number of customers which minimizes concentration of credit risk. There have not been any changes from the prior year in the City's exposure to credit risks or the policies, procedures and methods it uses to manage and measure the risk.

At year end, the amounts outstanding for the City's accounts receivable are as follows:

	<u>2023</u>	<u>2022</u>
Less than 1 year	\$ 8,058,732	6,409,482
1 to 3 years	2,626,391	1,537,594
Over 3 years	778,401	173,606
Less: impairment allowance	<u>(262,236)</u>	<u>(188,460)</u>
	<u>\$ 11,201,288</u>	<u>7,932,222</u>

*Liquidity risk*

Liquidity risk is the risks that the City will encounter difficulty in meeting obligation associated with financial liabilities. The City is exposed to this risk mainly in respect of receipt of government funding, long-term debt and accounts payable. The City manages this risk through continuous monitoring of cash flows from operations and anticipated investing and financing activities to ensure it has sufficient liquidity to meet liabilities when due. There have not been any changes from the prior year in the City's exposure to liquidity risk or the policies, procedures and methods it uses to manage and measure the risk.

The following table sets out the contractual maturities of the financial liabilities:

	<u>2023</u>		
	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>
Accounts payable and accrued liabilities	\$ 8,190,255	\$ -	\$ -
Long-term debt	<u>1,252,387</u>	<u>5,537,705</u>	<u>19,564,989</u>
	<u>\$ 9,442,642</u>	<u>\$ 5,537,705</u>	<u>\$ 19,564,989</u>
	<u>2022</u>		
	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>Over 5 years</u>
Accounts payable and accrued liabilities	\$ 7,538,574	\$ -	\$ -
Long-term debt	<u>1,679,446</u>	<u>5,324,935</u>	<u>21,030,147</u>
	<u>\$ 9,218,020</u>	<u>\$ 5,324,935</u>	<u>\$ 21,030,147</u>

City of Mount Pearl  
Consolidated Schedule of Tangible Capital Assets  
For the Year Ended December 31, 2023

Schedule A

	General Capital Assets						
	Land	Buildings	Vehicles & equipment	Playing surfaces & trails	Computer hardware & software	Recreation equipment	Office furniture
<b>Cost</b>							
Opening costs	\$ 11,918,041	\$ 87,967,129	\$ 18,971,119	\$ 10,902,524	\$ 1,374,028	\$ 6,312,365	\$ 387,983
Additions during the year	-	309,927	2,600,455	-	80,214	267,108	28,304
Disposals and write downs	(148)	-	(1,789,364)	-	-	(13,595)	(51,042)
Transfers	-	98,027	-	-	1,083,754	816,459	-
Closing cost	<b>11,917,893</b>	<b>88,375,083</b>	<b>19,782,210</b>	<b>10,902,524</b>	<b>2,537,996</b>	<b>7,382,337</b>	<b>365,245</b>
<b>Accumulated Amortization</b>					-		
Opening accumulated amortization	-	28,496,306	9,427,253	4,808,572	1,168,271	4,275,039	326,620
Amortization	-	2,407,112	1,439,616	25,688	1,006,388	422,706	14,105
Disposals and write downs	-	(2,999)	(1,631,222)	2	28	(13,062)	(50,681)
Closing accumulated amortization	-	<b>30,900,419</b>	<b>9,235,647</b>	<b>4,834,262</b>	<b>2,174,687</b>	<b>4,684,683</b>	<b>290,044</b>
Net Book Value of Tangible Capital Assets	<b>\$ 11,917,893</b>	<b>\$ 57,474,664</b>	<b>\$ 10,546,563</b>	<b>\$ 6,068,262</b>	<b>\$ 363,309</b>	<b>\$ 2,697,654</b>	<b>\$ 75,201</b>

City of Mount Pearl  
Consolidated Schedule of Tangible Capital Assets  
For the Year Ended December 31, 2023

Schedule A Cont...

	Infrastructure						Totals	
	Roads, curbs & sidewalks	Traffic lights	Work in progress	Water & wastewater networks	Pumping & lift stations	Tools & equipment	2023	2022
<b>Cost</b>								
Opening costs	\$ 87,741,797	\$ 4,235,205	\$ 3,173,744	\$ 110,451,410	\$ 783,026	\$ 3,947,578	\$ 348,165,949	\$ 345,994,303
Additions during the year	-	-	9,329,424	-	-	-	12,615,431	4,837,317
Disposals and write downs	-	-	-	-	-	-	(1,854,149)	(2,665,671)
Transfers	-	-	(1,998,239)	-	-	-	-	-
Closing cost	<b>87,741,797</b>	<b>4,235,205</b>	<b>10,504,929</b>	<b>110,451,410</b>	<b>783,026</b>	<b>3,947,578</b>	<b>358,927,231</b>	348,165,949
<b>Accumulated Amortization</b>								
Opening accumulated amortization	49,814,185	2,058,065	-	34,663,957	643,544	2,317,338	137,999,150	130,735,150
Amortization	2,859,770	169,531	-	1,698,325	18,076	118,908	10,180,225	9,764,539
Disposals and write downs	387,285	(29,620)	-	194	-	-	(1,340,077)	(2,500,539)
Closing accumulated amortization	<b>53,061,240</b>	<b>2,197,976</b>	-	<b>36,362,476</b>	<b>661,620</b>	<b>2,436,246</b>	<b>146,839,298</b>	137,999,150
Net Book Value of Tangible Capital Assets	<b>\$ 34,680,557</b>	<b>\$ 2,037,229</b>	<b>\$ 10,504,929</b>	<b>\$ 74,088,934</b>	<b>\$ 121,406</b>	<b>\$ 1,511,332</b>	<b>\$ 212,087,933</b>	\$ 210,166,799

**City of Mount Pearl**  
**Consolidated Schedule of Revenues**  
**For the Year Ended December 31, 2023**

**Schedule B**

	2023	2022
<b>Taxation and utility fees</b>		
Residential property tax	\$ 17,500,957	\$ 15,460,369
Residential water and wastewater fees	6,315,349	6,303,026
Commercial property tax	8,813,356	8,219,951
Commercial business tax	11,289,047	10,478,039
Commercial water and wastewater fees	2,209,040	2,210,768
Cable and utility tax	1,414,484	1,446,845
Waste management fees	204,685	204,045
Grants in lieu of taxes	17,669	16,588
	<u>47,764,587</u>	<u>44,339,631</u>
<b>Grants from other governments</b>		
Government of Canada		
Canada Community Building Fund	617,206	645,607
Investing in Canada Infrastructure Program	5,010,082	-
ACOA	207,136	115,536
Cost shared grants	112,227	83,316
Accessibility Contribution grant	-	7,788
Government of Newfoundland and Labrador		
Multi-Year Capital Works	276,018	770,985
Cost shared grants	211,348	260,385
CSP funding	199,953	199,953
Active Living grant	-	15,000
	<u>6,633,970</u>	<u>2,098,570</u>
<b>Sales of goods and services</b>		
Rental income	119,566	131,451
Recreation fees	2,010,855	1,265,663
Planning and development fees	7,400	6,495
Engineering fees	6,701	3,080
Waste management fees	21,449	13,680
	<u>2,165,971</u>	<u>1,420,369</u>
<b>Other revenues from own sources</b>		
Investment income	1,270,467	672,573
Interest on taxes	453,779	494,620
Compliance letter and tax certificate fees	151,936	172,520
Business permits	90,785	124,672
Local improvement assessments	246,698	89,638
Residential occupancy permits	53,235	51,758
Contractor's permits and licensing	12,090	13,385
Traffic fines	49,629	49,141
Other revenues	534,340	402,363
Donated assets	-	-
Animal control fees	1,160	-
Tax licensing	450	1,690
Transportation fees	2,543	1,442
	<u>2,867,112</u>	<u>2,073,802</u>
<b>Total revenues</b>	<u>\$ 59,431,640</u>	<u>\$ 49,932,372</u>

**City of Mount Pearl**  
**Consolidated Schedule of Expenses**  
**For the Year Ended December 31, 2023**

**Schedule C**

	<u>2023</u>	<u>2022</u>
<b>General government services</b>		
Council and administration	\$ 3,895,937	\$ 3,872,807
Engineering, infrastructure and public works	2,344,339	1,970,081
Finance	1,143,686	1,070,985
Human resources	935,241	719,594
Information technology	914,390	923,522
Roads and streets	309,638	115,295
Amortization of tangible capital assets	1,023,993	255,845
Accretion expense - asset retirement obligation	19,471	18,719
Other general government services	354,212	320,605
	<u>10,940,907</u>	<u>9,267,453</u>
<b>Transportation services</b>		
Transportation administration	-	73,576
Snow removal	3,066,507	2,568,432
Fleet	3,047,378	2,940,069
Roads and streets	1,217,669	938,213
Public transit	1,597,543	1,672,829
Traffic and street lights	900,512	964,259
Amortization of tangible capital assets	4,468,916	4,287,767
	<u>14,298,525</u>	<u>13,445,145</u>
<b>Protective services</b>		
Fire protection	5,458,960	5,657,377
Municipal enforcement	874,183	852,536
Animal control	97,552	90,742
	<u>6,430,695</u>	<u>6,600,655</u>
<b>Community services</b>		
Recreation administration	727,494	933,453
Healthy living program	522,885	528,436
Glacier	1,521,899	1,253,672
Summit / Reid Centre	4,342,292	3,716,844
Gloria Pearson Community Centre	187,464	103,408
Admiralty House Museum & Archives	291,475	372,259
Legion	39,991	33,633
Library	29,214	17,703
Parks	1,558,920	1,066,447
Youth development	326,252	237,608
Community events	415,296	344,315
Amortization of tangible capital assets	2,970,915	2,909,864
	<u>12,934,097</u>	<u>11,517,642</u>



City of Mount Pearl  
Consolidated Schedule of Expenses  
December 31, 2023

Schedule C Cont...

	<u>2023</u>	<u>2022</u>
<b>Environment health services</b>		
Water and wastewater	5,292,274	4,796,165
Garbage disposal	1,122,397	1,119,751
Amortization of tangible capital assets	1,716,401	2,311,062
Accretion expense - asset retirement obligation	132,120	127,014
Other environmental services	104,710	2,821
	<u>8,367,902</u>	<u>8,356,813</u>
	-	
<b>Planning and development</b>		
Planning and zoning	547,927	443,085
Inspections	236,284	192,868
Economic development	498,464	543,604
	<u>1,282,675</u>	<u>1,179,557</u>
	-	
<b>Fiscal services</b>		
Interest on long-term debt	1,141,855	1,247,865
(Gain) loss on disposal of tangible capital assets	383,126	(194,601)
	<u>1,524,981</u>	<u>1,053,264</u>
<b>Total expenses</b>	<u>\$ 55,779,782</u>	<u>\$ 51,420,529</u>

City of Mount Pearl

Schedule D

Reconciliation of the Cash Based Financial Plan to PSAS Budget

Year ended December 31, 2023

	Cash Based Financial Plan	Admiralty House	Capital Fund Adjustments	Other Government Grants	Amortization	Debt Payments & Reserves	Consolidated PSAS Budget
<b>REVENUES</b>							
Taxation	\$ 46,652,159	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,652,159
Grants from other governments	6,408,317	123,000	-	-	-	-	6,531,317
Sales of goods and services	1,809,450	197,095	-	-	-	-	2,006,545
Own source revenues	932,035	-	-	-	-	-	932,035
Total revenues	<u>55,801,961</u>	<u>320,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,122,056</u>
<b>Expenditures</b>							
Debt servicing	3,029,843	-	-	-	-	(1,679,446)	1,350,397
Transportation	12,012,860	-	-	-	4,468,916	-	16,481,776
General government	9,381,622	-	-	-	1,023,993	-	10,405,615
Protective services	7,343,946	-	-	-	-	-	7,343,946
Community services	7,478,868	277,000	-	-	2,970,915	-	10,726,783
Environmental health	5,718,482	-	-	-	1,716,401	-	7,434,883
Planning and development	774,911	-	-	-	-	-	774,911
Transfers to capital fund	10,104,524	-	(10,104,524)	-	-	-	-
Total expenses	<u>\$ 55,845,056</u>	<u>\$ 277,000</u>	<u>\$ (10,104,524)</u>	<u>\$ -</u>	<u>\$ 10,180,225</u>	<u>\$ (1,679,446)</u>	<u>\$ 54,518,311</u>

**Consolidated Reconciliation to Core Government Results  
Year ended December 31, 2023**

	Core Government		Controlled Entities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Taxation	\$ 47,764,587	\$ 44,339,631	\$ -	\$ -	\$ 47,764,587	\$ 44,339,631
Sales of goods and services	1,968,876	1,400,128	197,095	20,241	2,165,971	1,420,369
Grants and transfers	6,510,970	1,967,729	123,000	130,841	6,633,970	2,098,570
Own source revenues	2,867,112	2,073,802	-	-	2,867,112	2,073,802
	<u>59,111,545</u>	<u>49,781,290</u>	<u>320,095</u>	<u>151,082</u>	<u>59,431,640</u>	<u>49,932,372</u>
<b>Expenses</b>						
Personnel services	20,358,810	17,597,602	111,643	111,643	20,470,453	17,709,244
Contract services	16,828,818	16,074,309	66,328	66,328	16,895,146	16,140,637
Utilities	1,878,268	2,017,868	2,314	2,314	1,880,582	2,020,182
Materials and supplies	2,223,667	2,346,435	-	-	2,223,667	2,346,435
Grants and contributions	566,650	547,093	-	-	566,650	547,093
Interest on long-term debt	1,649,726	1,577,091	-	-	1,649,726	1,577,091
Amortization of tangible capital assets	10,180,225	9,764,539	-	-	10,180,225	9,764,539
Accretion expense of asset retirement obligation	151,591	145,733	-	-	151,591	145,733
Professional services	1,125,498	1,263,997	77	77	1,125,575	1,264,074
Professional development	253,041	100,102	-	-	253,041	100,102
Loss (gain) on disposal of tangible capital assets	383,126	(194,601)	-	-	383,126	(194,601)
	<u>55,599,420</u>	<u>51,240,168</u>	<u>180,362</u>	<u>180,362</u>	<u>55,779,782</u>	<u>51,420,529</u>
<b>Surplus (Deficit)</b>	<u>\$ 3,512,125</u>	<u>\$ (1,458,878)</u>	<u>\$ 139,733</u>	<u>\$ (29,280)</u>	<u>\$ 3,651,858</u>	<u>\$ (1,488,157)</u>

**Consolidated Statement of Operations by Program  
Year Ended December 31, 2023**

	General Government Services		Transportation Services		Protective Services		Community Services	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>REVENUES</b>								
Taxation	\$ 47,764,587	\$ 44,339,631	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales of goods and services	123,976	131,451	25,136	16,760	-	-	2,010,855	1,265,663
Grants and transfers	-	-	6,633,970	2,098,570	-	-	-	-
Own source revenues	2,329,493	1,649,733	2,543	1,442	14,607	14,843	-	-
Total revenues	<u>50,218,056</u>	<u>46,120,815</u>	<u>6,661,649</u>	<u>2,116,772</u>	<u>14,607</u>	<u>14,843</u>	<u>2,010,855</u>	<u>1,265,663</u>
<b>EXPENSES</b>								
Personnel services	6,399,064	5,540,728	4,184,494	3,828,599	800,355	781,830	6,177,735	5,179,854
Contract services	1,447,164	1,377,488	3,634,061	3,299,970	5,630,340	5,818,825	1,582,577	1,184,733
Utilities	72,827	54,748	757,904	911,093	-	-	1,049,851	1,054,341
Materials and supplies	94,688	342,350	1,253,150	1,117,716	-	-	603,507	645,418
Grants and contributions	33,247	15,082	-	-	-	-	533,403	532,011
Interest on long-term debt	507,871	329,226	-	-	-	-	-	-
Amortization of tangible capital assets	1,023,993	255,845	4,468,916	4,287,767	-	-	2,970,915	2,909,864
Accretion expense of asset retirement obligation	19,471	18,719	-	-	-	-	-	-
Professional services	1,110,261	1,253,535	-	-	-	-	991	1,303
Professional development	232,321	79,732	-	-	-	-	15,118	10,118
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-
Total expenses	<u>10,940,907</u>	<u>9,267,453</u>	<u>14,298,525</u>	<u>13,445,145</u>	<u>6,430,695</u>	<u>6,600,655</u>	<u>12,934,097</u>	<u>11,517,642</u>
<b>Annual Surplus (Deficit)</b>	<u>\$ 39,277,149</u>	<u>\$ 36,853,362</u>	<u>\$ (7,636,876)</u>	<u>\$ (11,328,373)</u>	<u>\$ (6,416,088)</u>	<u>\$ (6,585,812)</u>	<u>\$ (10,923,242)</u>	<u>\$ (10,251,979)</u>

## Consolidated Statement of Operations by Program

Year Ended December 31, 2022

	Environmental Health Services		Planning and Development		Fiscal Services		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>REVENUES</b>								
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47,764,587	44,339,631
Sales of goods and services	-	-	7,400	6,495	-	-	2,167,367	1,420,369
Grants and transfers	-	-	-	-	-	-	6,633,970	2,098,570
Own source revenues	-	-	452,887	330,284	66,186	77,500	2,865,716	2,073,802
Total revenues	-	-	460,287	336,779	66,186	77,500	59,431,640	49,932,372
<b>EXPENSES</b>								
Personnel services	1,902,239	1,467,143	1,006,566	911,091	-	-	20,470,453	17,709,245
Contract services	4,350,129	4,212,600	250,875	247,021	-	-	16,895,146	16,140,637
Utilities	-	-	-	-	-	-	1,880,582	2,020,182
Materials and supplies	267,013	238,994	5,309	1,957	-	-	2,223,667	2,346,435
Grants and contributions	-	-	-	-	-	-	566,650	547,093
Interest on long-term debt	-	-	-	-	1,141,855	1,247,865	1,649,726	1,577,091
Amortization of tangible capital assets	1,716,401	2,311,062	-	-	-	-	10,180,225	9,764,538
Accretion expense of asset retirement obligation	132,120	127,014	-	-	-	-	151,591	145,733
Professional services	-	-	14,323	9,236	-	-	1,125,575	1,264,074
Professional development	-	-	5,602	10,252	-	-	253,041	100,102
(Gain)loss on disposal of tangible capital assets	-	-	-	-	383,126	(194,601)	383,126	(194,601)
Total expenses	8,367,902	8,356,813	1,282,675	1,179,557	1,524,981	1,053,264	55,779,782	51,420,529
<b>Annual Surplus (Deficit)</b>	<b>\$ (8,367,902)</b>	<b>\$ (8,356,813)</b>	<b>\$ (822,388)</b>	<b>\$ (842,778)</b>	<b>\$ (1,458,795)</b>	<b>\$ (975,764)</b>	<b>\$ 3,651,858</b>	<b>\$ (1,488,157)</b>