



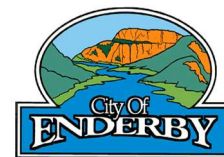
CITY OF ENDERBY

2023 ANNUAL REPORT

MISSION STATEMENT

OUR MISSION IS TO DELIVER HIGH QUALITY AND AFFORDABLE SERVICES TO ENHANCE A HEALTHY AND SUSTAINABLE, INCLUSIVE COMMUNITY FOR TODAY AND TOMORROW.

Published by the Corporation of the City of Enderby
in accordance with Part 4, Division 5 of the *Community Charter*



City of Enderby

2023 Annual Report

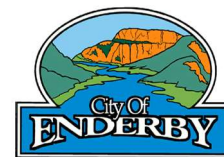
AUDITED FINANCIAL STATEMENTS

- The 2023 Audited Financial Statements were presented and approved by Council on April 15, 2024 and are included at the end of this Annual Report.

PERMISSIVE PROPERTY TAX EXEMPTIONS

- The following properties in the City of Enderby were provided permissive tax exemptions by Council in 2023. The dollar value to the right indicates the amount of property taxes that would have been imposed on the property in that year, had it not been granted a permissive property tax exemption.

	Name	Civic Address	Amount (\$)
	Turning Points Collaborative Society (Pioneer Place)	1104 Belvedere Street	10,865
	Enderby & District Senior Citizen's Complex	606 Stanley Avenue	2,290
	Enderby & District Senior Citizen's Complex	1011 George Street	3,434
	Enderby Seniors Housing Society (Phase 2)	708 Granville Avenue	13,471
	Enderby Fraternal Hall Society	507 Mill Avenue	1,301
	Royal Canadian Legion Branch # 98	909 Belvedere Street	1,529
	St. Andrew's United Church	606 Regent Avenue	1,172
	St. Andrew's United Church	1110 Belvedere Street	752
	Enderby Evangelical Chapel	706 Mill Avenue	972
	Synod Diocese Kootenay (St. George Anglican Church)	602 Knight Avenue	1,214
	Synod Diocese Kootenay (St. George Anglican Church)	608 Knight Avenue	710
	Enderby Congregation of Jehovah's Witnesses	115 George Street	3,413
	Roman Catholic Bishop of Kamloops	1406 George Street	1,552
	Seventh-Day Adventist Church	703 Old Vernon Street	2,640
	Imperial Oil Ltd. (City Hall parking lot)	907 George Street	2,503
	City of Enderby (Enderby Drill Hall Committee)	208 George Street	2,766
	City of Enderby (Enderby Drill Hall Committee)	206 George Street	1,001
	City of Enderby (Enderby Drill Hall Committee)	204 George Street	1,627
	City of Enderby (Enderby & District Museum Society)	903 George Street	6,440
	Total Tax Exemptions provided for 2022		\$59,652



REPORT ON SERVICES AND OPERATIONS IN 2023

Administration and Governance

- Continued to build dialogue and foster opportunities for cooperation and collaboration with neighbouring and regional partners.
- Adopted the City of Enderby Strategic Plan for 2023-26.
- Adopted the City of Enderby Elected Official Code of Conduct.
- Supported the development of a regional accessibility committee.

Economic

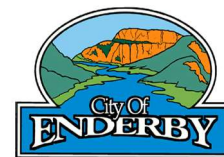
- Continued to offer case managed planning services for development.
- Continued to offer perpetual business licenses to cut red tape for businesses.
- Enhanced the online booking system for Riverside RV Park to grow revenues.
- Continued to provide office space in City Hall for Community Futures North Okanagan business advisors.
- Initiated the development of a community marketing video.
- Conducted a Business Walk to engage local businesses.

Emergency Management and Community Safety

- Continued to enhance relationships with neighbouring jurisdictions involved in emergency management, including Splatins, Armstrong, Spallumcheen, Coldstream, Lumby, Vernon and the Regional District of North Okanagan.
- Purchased new firefighting equipment through the Community Emergency Preparedness Fund.
- Completed the Extreme Heat Risk Mapping, Assessment and Planning process through the Community Emergency Preparedness Fund.
- Continued to participate in inter-agency meetings of community support and social service groups.
- Continued to work with the RCMP to sustain and enhance a safe community.

Environment

- Continued to reduce emissions by operating a biomass heating system at the City's public works yard, which services the public works shop, sewer treatment plant, and dog pound, and participating in a biomass district heating system for the Enderby Pool.
- Hosted the annual Our Enderby Cleanup Challenge.
- Promoted the Backyard Composting Program offered through the Regional District of North Okanagan.
- Continued to implement a local FireSmart program.
- Continued to provide the curbside spring pruning and garden waste collection program.



- Continued to offer a permitting process for the keeping of backyard hens and bees.

Infrastructure and Asset Management

- Completed reconstruction of Peacher Crescent.
- Plan for the reconstruction of Reservoir #1.
- Purchased a used dump truck to ensure adequate equipment in fleet for snow clearing.
- Continued to invest 1% new taxation in asset management.
- Continued concept design work for expansion of the water treatment plant and water distribution system.
- Support the construction of the Rail-Trail “test section” through the community.

Recreation, Events, and Public Spaces

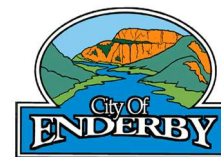
- Continued to work on the design of the new pool.
- Continued to distribute Community Better Challenge funds across different recreation opportunities in the community.
- Initiated planning and stakeholder engagement for a new community event for 2024.
- Provided support to the Shuswap River Ambassadors.
- Provided an annual grant for the Shuswap Trails Roundtable.
- Completed a review of available public, civic and institutional lands that would be suitable for a range of community amenities.
- Continued operational agreement with Shuswap Trail Alliance for trail planning and development services.
- Partnered with the Shuswap Trail Alliance to construct a trail connecting Cliff Avenue to Francis Drive.
- Constructed heritage sign stands for two local sites with heritage value.

Social Health, Food Security, and Housing

- Continued to recognize community volunteers.
- Continued to provide space to the Harvest Hut in the Maud Street parking lot.
- Continued to provide space on Cliff Avenue to support the Enderby Farmers Market.
- Participated in the Regional District of North Okanagan Secondary Dwelling Design Competition.
- Proposed to the Ministry of Post-Secondary Education and Future Skills, a pilot project to create and retain rural health practitioners by investing in local residents.
- Promoted the ‘Enderby Survival Guide - 2023 Edition’.
- Hosted a ‘100 Radon Test Kit Challenge’.

DECLARATION OF DISQUALIFIED COUNCIL MEMBERS

- None.



DEVELOPMENT COST CHARGES

	<i>Balance Dec 31/22</i>	<i>Received in 2023</i>	<i>Interest Earned in 2023</i>	<i>Expended / Credited in 2023</i>	<i>Balance Dec 31/23</i>
Sewer	187,642	73,359	12,088	0	273,089
Water	423,248	75,745	23,360	0	522,353
Storm Sewer	774	2,040	64	0	2,878
Roads/Curbs	198,433	9,680	9,708	0	217,821
Total	810,097	160,824	45,220	0	1,016,141

OFF-STREET PARKING RESERVE FUND

- There are no funds in this reserve.

OBJECTIVES AND PROGRESS MEASURES FOR 2024

Administration and Governance

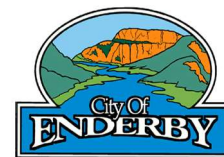
- Continue to build dialogue and foster opportunities for cooperation and collaboration with neighbouring and regional partners.
- Host “coffee with Mayor & Council” events.
- Participate in the regional accessibility committee.

Economic

- Continue to offer case managed planning services for development.
- Continue to offer perpetual business licenses to cut red tape for businesses.
- Continue to provide office space in City Hall for Community Futures North Okanagan small business advisors.
- Complete and promote a community marketing video.
- Hold another Business Walk to engage with local businesses.

Emergency Management and Community Safety

- Continue to enhance relationships with neighbouring jurisdictions involved in emergency management, including Splatins, Armstrong, Spallumcheen, Coldstream, Lumby, Vernon and the Regional District of North Okanagan.
- Purchase new pumper/rescue truck for the Fire Department.
- Purchase new command/utility truck for the Fire Department.
- Install backup power for the Fire Hall.
- Test the emergency siren at the Fire Hall and develop protocols for future use.



- Continue to participate in inter-agency meetings of community support and social service groups.
- Purchase traffic calming equipment.
- Develop a Community Wildfire Resiliency Plan.
- Participate in a regional Community FireSmart and Resiliency Committee.
- Continue to implement a local FireSmart program.
- Implement the indigenous engagement requirements within the Emergency and Disaster Management Act.
- Continue to work with the RCMP to sustain and enhance a safe community.

Environment

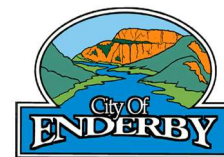
- Continue to reduce emissions by operating a biomass heating system at the City's public works yard, which services the public works shop, sewer treatment plant, and dog pound, and participating in a biomass district heating system for the Enderby Pool.
- Host the annual Our Enderby Cleanup Challenge.
- Implement new water conservation and drought management framework.
- Continue to provide the curbside spring pruning and garden waste collection program.

Infrastructure and Asset Management

- Complete reconstruction of the 700 block of Russell Avenue.
- Reconstruct Reservoir #1.
- Continue to invest 1% new taxation in asset management.
- Review, verify and update the City of Enderby's asset inventory.
- Complete concept design work for expansion of the water treatment plant and water distribution system.
- Complete significant update to the Geographic Information System.

Recreation, Events, and Public Spaces

- Commence construction on the new outdoor pool.
- Repair the refrigeration system at the Enderby & District Sports Complex.
- Complete the distribution of Community Better Challenge funds across different recreation opportunities in the community.
- Provide support to the Shuswap River Ambassadors.
- Develop and host a new, ongoing event.
- Expand the cremation garden at the cemetery.
- Provide annual grant for the Shuswap Trails Roundtable.
- Complete the renewal of street banners in various locations in the City.
- Continue operational agreement with Shuswap Trail Alliance for trail planning and development services.
- Sponsor the Garden Club's installation of a feature sign at Cornerstone Garden.



Social Health, Food Security, and Housing

- Continue to recognize community volunteers.
- Continue to provide space to the Harvest Hut in the Maud Street parking lot.
- Continue to provide space on Cliff Avenue to support the Enderby Farmers Market.
- Update Zoning Bylaw to permit small-scale, multi-unit housing in single-family/two-family zoning designations, consistent with provincial legislation.
- Update the Housing Needs Assessment Report consistent with provincial legislation.

**THE CORPORATION OF THE CITY
OF ENDERBY**

FINANCIAL STATEMENTS

For the year ended December 31, 2023

THE CORPORATION OF THE CITY OF ENDERBY

December 31, 2023

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Management's Responsibility for Financial Reporting

These financial statements and accompanying schedules of the City of Enderby are the responsibility of management and have been prepared in accordance with generally accepted accounting principles for local governments as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Management is responsible for implementing and maintaining a system of internal controls that are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are regularly monitored and evaluated by management.

These financial statements have been audited by BDO Canada LLP, independent external auditors appointed by the City of Enderby. The following Independent Auditor's Report describes their responsibilities, scope of examination and opinion on the City's financial statements. The auditors have full and free access to the accounting records and Council.



Chief Financial Officer
April 15, 2024



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Fax: 250 545 3364
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BDO Canada LLP
2706 - 30th Avenue
Suite 202
Vernon BC V1T 2B6 Canada

Independent Auditor's Report

To the Mayor and Council of the City of Enderby

Opinion

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

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 financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

BDO Canada LLP

Chartered Professional Accountants

Vernon, British Columbia

April 15, 2024

THE CORPORATION OF THE CITY OF ENDERBY

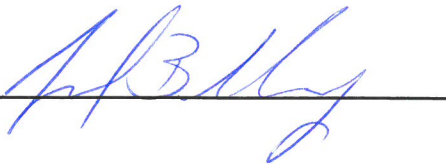
Statement of Financial Position

As at December 31, 2023

	2023	2022
Financial assets		
Cash	\$ 4,284,427	\$ 330,606
Portfolio investments (Note 3)	9,412,016	8,716,726
Accounts receivable (Note 4)	1,098,424	940,903
Deposit - Municipal Finance Authority (Note 5)	37,765	36,627
	<u>14,832,632</u>	<u>10,024,862</u>
Liabilities		
Accounts payable and accrued liabilities (Note 6)	510,053	435,283
Deferred revenue (Note 7)	2,234,307	1,374,557
Reserve - Municipal Finance Authority (Note 5)	37,765	36,627
Long-term debt (Note 8)	2,037,132	2,156,342
Asset retirement obligations (Note 9)	1,062,656	-
	<u>5,881,913</u>	<u>4,002,809</u>
Net financial assets	<u>8,950,719</u>	<u>6,022,053</u>
Non-financial assets		
Prepaid expenses	95,764	73,620
Tangible capital assets (Note 10)	31,054,563	30,668,260
Accumulated surplus (Note 11)	<u>\$ 40,101,046</u>	<u>\$ 36,763,933</u>

Contingent Liabilities (Note 14)

Chief Financial Officer



THE CORPORATION OF THE CITY OF ENDERBY
Statement of Operations

For the year ended December 31, 2023

	2023 Budget	2023 Actual	2022 Actual
	(Note 20)		
Revenue			
Taxation - net (Note 15)	\$ 2,589,722	\$ 2,558,390	\$ 2,378,149
Grants and subsidies (Note 16)	4,557,494	3,323,472	1,864,419
Sale of services (Note 17)	2,190,519	2,213,943	2,216,588
Other revenue from own sources	109,300	200,377	129,016
Interest and penalties	172,200	548,643	198,346
	9,619,235	8,844,825	6,786,518
Expenses (Note 18)			
General government services	1,255,599	921,045	849,505
Protective services	445,500	379,515	462,730
Transportation services	619,883	958,087	1,131,991
Solid waste services	117,300	115,751	113,090
Community development services	54,200	30,887	55,252
Recreational and cultural services	175,520	107,173	125,879
Riverside RV Park & tourism services	264,070	242,668	238,073
Enderby / Area F services	993,210	1,033,728	937,639
Water supply	733,940	914,479	871,308
Sewer services	680,560	789,248	726,775
	5,339,782	5,492,581	5,512,242
Excess revenue over expenses	4,279,453	3,352,244	1,274,276
Loss on disposal of tangible capital assets	-	(15,131)	(12,393)
Annual surplus	\$ 4,279,453	\$ 3,337,113	\$ 1,261,883
Accumulated surplus, beginning of year	36,763,933	36,763,933	35,502,050
Accumulated surplus, end of year	\$ 41,043,386	\$ 40,101,046	\$ 36,763,933

THE CORPORATION OF THE CITY OF ENDERBY

Statement of Change in Net Financial Assets

For the year ended December 31, 2023

	2023	2022
Annual surplus	\$ 3,337,113	\$ 1,261,883
Amortization of tangible capital assets	1,312,955	1,323,610
Change in prepaid expenses	(22,144)	(11,453)
Increase in tangible capital assets due to asset retirement obligations	(1,018,807)	-
Loss on disposal of tangible capital assets	15,131	12,393
Acquisition of tangible capital assets	(695,582)	(1,783,260)
Increase in net financial assets	2,928,666	803,173
Net financial assets, beginning of year	6,022,053	5,218,880
Net financial assets, end of year	\$ 8,950,719	\$ 6,022,053

THE CORPORATION OF THE CITY OF ENDERBY

Statement of Cash Flows

For the year ended December 31, 2023

	2023	2022
Cash flows from operating activities		
Cash received from:		
Taxation	\$ 2,479,476	\$ 2,423,340
Grants and subsidies	3,587,647	1,754,332
Sale of services and other revenues	2,931,288	2,405,441
Interest received	548,643	198,346
Cash paid for:		
Cash payments to suppliers and employees	(3,931,766)	(4,142,140)
Interest paid	(151,387)	(101,438)
	5,463,901	2,537,881
Financing activities		
Debt repayment	(119,208)	(114,911)
Capital activities		
Purchase of tangible capital assets	(695,582)	(1,783,260)
Investing activities		
Increase (decrease) in portfolio investments	(695,290)	(1,713,407)
Increase (decrease) in cash	3,953,821	(1,073,697)
Cash, beginning of year	330,606	1,404,303
Cash, end of year	\$ 4,284,427	\$ 330,606

THE CORPORATION OF THE CITY OF ENDERBY

Summary of Significant Accounting Policies

For the year ended December 31, 2023

1. Status of the City of Enderby

The City of Enderby ("the City") is a municipality that was created on March 1, 1905 under the laws of British Columbia. The City provides municipal services such as public works, sewer, water, urban planning, fire protection services, and recreational and cultural services and other general government operations.

2. Significant Accounting Policies

a. Basis of Accounting

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The financial statements include the accounts of all funds of the City. All interfund transfers have been eliminated. The significant policies are summarized as follows:

b. School Taxes

The City is required by *The School Act* to bill, collect, and remit provincial education support levies for properties on behalf of the Province, and school division special levies on behalf of school divisions. The City has no jurisdiction or control over the school division's operations or their mill rate increases. Therefore, the taxation, other revenues, expenses, assets and liabilities with respect to the operations of school boards are not reflected in these financial statements.

c. Portfolio Investments

Portfolio investments consist of term deposits in Canadian Chartered Banks and Canaccord Genuity, and deposits with the Municipal Finance Authority pooled investment money market fund and are recorded at cost plus earnings reinvested in the funds, which approximates their quoted market value. These investments have an effective average interest rate of 4.9% (2022 - 2.0%).

d. Deferred Revenue

Grants, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed or tangible capital assets are acquired or constructed.

e. Financial Instruments

Financial instruments include cash, portfolio investments, accounts receivable, accounts payable, deferred revenue, deposits and long-term debt.

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. There are no unrealized changes in fair value as at December 31, 2023 and December 31, 2022. As a result, the City does not have a statement of remeasurement gains and losses.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the

THE CORPORATION OF THE CITY OF ENDERBY

Summary of Significant Accounting Policies

For the year ended December 31, 2023

period in which the resources are used for the purpose specified.

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. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations.

Transaction costs are added to the carrying value for financial instruments measured using cost or amortized cost. Transaction costs are expensed for financial instruments measured at fair value.

f. Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in non-financial assets during the year, together with the excess of revenues over expenses provides the Change in Net Financial Assets for the year.

i. Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset. The cost, less residual value, of the tangible capital assets are amortized on a straight line basis over their estimated useful life as follows:

Buildings	20 to 50 years
Engineering structures	15 to 65 years
Machinery and equipment	6 to 30 years
Hydrants	40 years
Planters	15 to 25 years
Roads	15 to 75 years
Storm system	25 to 80 years
Water mains	50 to 80 years
Water system	15 to 50 years
Sanitary sewer system	5 to 30 years
Sewer mains and lift stations	30 to 80 years

Assets under construction are not amortized until the asset is available for productive use.

ii. Contributions of tangible capital assets

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

iii. Leases

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

g. Asset Retirement Obligations

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

1. There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
2. The past transaction or event giving rise to the liability has occurred;
3. It is expected that future economic benefits will be given up; and

THE CORPORATION OF THE CITY OF ENDERBY

Summary of Significant Accounting Policies

For the year ended December 31, 2023

4. A reasonable estimate of the amount can be made.

Asset retirement obligations are initially measured at the best estimate of the amount required to retire a tangible capital asset at the financial statement date, which is amortized in accordance with the significant accounting policies.

Asset retirement obligations are recorded as liabilities with a corresponding increase to the carrying amount of the related tangible capital asset. Subsequently, the asset retirement costs are allocated to expenses over the useful life of the asset. The obligation is adjusted annually for accretion to reflect period-to-period changes in the liability resulting from the passage of time and for revisions to either timing or the amount of the original estimate of the undiscounted cash flows or the discount rate.

h. Revenue Recognition

Taxation is recognized as revenue in the year it is levied. Sale of services and user fees are recognized when the service or product is provided by the City. Interest and penalties and all other revenue is recognized as it is earned and when it is measurable.

Government grants and transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Transfers received for expenditures not yet incurred are included in deferred revenue.

i. Debt Charges

Debt charges, including principal, interest and foreign exchange are charged to current operations. Interest charges are accrued for the period from the date of the latest interest payment to the end of the year.

j. Reserves

Reserves for future expenditures are included in accumulated surplus and represent amounts set aside for future operating and capital expenditures.

k. Retirement Benefits

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 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 defined amounts based upon a set percentage of salary.

Employees are entitled to sick leave benefits, accrued monthly, to a maximum of 120 days. Sick leave benefits are not paid out at retirement and can only be taken during the term of employment.

l. Liability for Contaminated Sites

A contaminated site is a site at which substances occur in concentrations that exceed maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the City is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.

m. Government Transfers

When the City is the recipient, government transfers are recognized as revenue in the financial statements when the

THE CORPORATION OF THE CITY OF ENDERBY

Summary of Significant Accounting Policies

For the year ended December 31, 2023

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. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

n. Budget Figures

The budget figures are from the Financial Plan Bylaw No. 1763, 2023 adopted May 1, 2023. They have been reallocated to conform to PSAB financial statement presentation. Subsequent amendments, if any, have been made by Council to reflect changes in the budget as required by law.

o. Use of Estimates

The financial statements of the City have been prepared by management in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board. As such, management is required to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates and assumptions are based on the City's best information and judgment and may differ significantly from actual results. The financial statements have, in the opinion of management, been prepared using careful judgment within the reasonable limits of materiality and within the framework of the accounting policies identified.

p. Change in Accounting Policy

On January 1, 2023, the City adopted Public Accounting Standard PS 3280 Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new standard was adopted on the prospective basis at the date of adoption.

THE CORPORATION OF THE CITY OF ENDERBY

Notes to Financial Statements

For the year ended December 31, 2023

7. Deferred Revenue

Deferred revenue consists primarily of Development Cost Charges (DCCs), refundable deposits for building permits, conditional grants and prepaid revenues. DCCs are restricted by bylaw in their use for road, drainage, sewer and water expenses and the revenue is deferred until expenses are incurred. Refundable deposits include security deposits and building inspection surcharges that are refundable to the applicant if all conditions of the building permit are completed within 24 months of issuance. Conditional grants are recognized as revenue when all criteria have been met. Prepaid revenues are recognized in the year that the associated fee is levied.

	December 31, 2022	Inflows	Outflows	Interest	December 31, 2023
Development cost charges	\$ 810,097	\$ 160,824	\$ -	\$ 45,220	\$ 1,016,141
Refundable deposits	213,278	663,812	(196,612)	31,788	712,266
Conditional grants	129,551	86,582	(20,097)	-	196,036
Prepaid revenues	221,631	292,168	(211,870)	7,935	309,864
	\$ 1,374,557	\$ 1,203,386	\$ (428,579)	\$ 84,943	\$ 2,234,307

8. Long-Term Debt

Bylaw number	Purpose	Term remaining	% Rate	2023	2022
General fund					
1590	Road upgrades	13	2.10	\$ 333,828	\$ 354,581
1544	Road upgrades	12	2.20	305,965	326,210
1525	Road upgrades	11	3.30	201,119	215,458
1494	Storm system upgrade	20	4.52	668,040	689,612
1502	Road upgrades	10	4.52	405,833	438,336
1503	Road upgrades	10	4.52	122,347	132,145
				2,037,132	2,156,342

The municipality is committed to principal requirements, including sinking fund additions, over the next 5 years as follows:

	General fund
2024	\$ 125,887
2025	130,260
2026	134,787
2027	139,472
2028	144,321
2029 and subsequent periods	1,362,405
	\$ 2,037,132

THE CORPORATION OF THE CITY OF ENDERBY

Notes to Financial Statements

For the year ended December 31, 2023

9. Asset Retirement Obligations

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

a) Asbestos obligations

The City owns and operates several buildings and structures that are known to have asbestos, which represents a health hazard upon demolition or renovation of the assets. There is a legal obligation to remove and dispose of the hazardous materials. Following the adoption of *PS280 - Asset Retirement Obligations*, the City recognized an obligation relating to the removal and post-removal care of the asbestos in these assets as estimated at January 1, 2023. The assets have estimated remaining useful lives ranging from 10 to 40 years.

b) Lease obligations

The City holds several long-term lease properties, which there is a legal obligation to remove improvements on the property upon the termination of the lease. Following the adoption of *PS280 - Asset Retirement Obligations*, the City has recognized these obligations as estimated at January 1, 2023. The assets have estimated remaining useful lives ranging from 14 to 78 years.

At the time of adoption, interest rates equal to the City's long-term rates of borrowing at the time the assets were constructed were used to estimate the increase in costs due to the passage of time (accretion). This rate was adjusted to 4.9% to reflect the City's current rate of borrowing, which resulted in an increase to the estimated values of the asset retirement obligations. No recoveries on the obligations are expected at this time.

	December 31, 2022	Initial recognition on adoption	Increase due to accretion	Increase due to change in estimate	December 31, 2023
Asbestos obligations	\$ -	\$ 94,520	\$ 7,043	\$ 159,385	\$ 260,948
Lease obligations	-	634,049	36,806	130,853	801,708
	<u>\$ -</u>	<u>\$ 728,569</u>	<u>\$ 43,849</u>	<u>\$ 290,238</u>	<u>\$ 1,062,656</u>

THE CORPORATION OF THE CITY OF ENDERBY

Notes to Financial Statements

For the year ended December 31, 2023

10. Tangible Capital Assets

2023	Historical Cost					Accumulated Amortization				Net Book Value
	Opening	Additions	Additions due to ARO	Disposals	Closing	Opening	Additions	Disposal	Closing	
General fund										
Land	\$ 1,648,517	\$ -	\$ -	\$ -	\$ 1,648,517	\$ -	\$ -	\$ -	\$ -	\$ 1,648,517
Building sites and parks	2,766,117	-	187,170	-	2,953,287	1,908,213	91,712	-	1,999,925	953,362
Engineering structures	1,008,562	-	30,475	-	1,039,037	358,613	38,326	-	396,939	642,098
Furniture and equipment	325,767	-	-	-	325,767	201,740	41,236	-	242,976	82,791
Hydrants	186,643	-	-	-	186,643	157,721	2,460	-	160,181	26,462
Machinery and equipment	2,478,919	40,113	-	-	2,519,032	1,726,135	98,749	-	1,824,884	694,148
Planters	118,329	-	-	-	118,329	106,506	4,531	-	111,037	7,292
Roads	17,882,299	213,729	-	35,358	18,060,670	7,837,707	429,879	20,227	8,247,359	9,813,311
Storm system	9,597,111	188,835	2,357	-	9,788,303	4,368,364	106,636	-	4,475,000	5,313,303
Assets under construction	457,720	78,983	-	25,306	511,397	-	-	-	-	511,397
	36,469,984	521,660	220,002	60,664	37,150,982	16,664,999	813,529	20,227	17,458,301	19,692,681
Water fund										
Buildings	966,257	-	166,674	-	1,132,931	717,555	32,475	-	750,030	382,901
Water mains	11,443,274	72,464	603,302	-	12,119,040	6,728,271	179,986	-	6,908,257	5,210,783
Water system	4,132,248	-	-	-	4,132,248	3,124,994	64,936	-	3,189,930	942,318
Assets under construction	14,721	81,487	-	-	96,208	-	-	-	-	96,208
	16,556,500	153,951	769,976	-	17,480,427	10,570,820	277,397	-	10,848,217	6,632,210
Sewer fund										
Buildings	133,966	-	-	-	133,966	63,636	3,349	-	66,985	66,981
Sanitary sewer system	4,900,991	-	18,337	-	4,919,328	2,999,074	136,540	-	3,135,614	1,783,714
Sewer mains and lift stations	5,791,945	45,277	10,492	-	5,847,714	2,901,971	82,140	-	2,984,111	2,863,603
Assets under construction	15,374	-	-	-	15,374	-	-	-	-	15,374
	10,842,276	45,277	28,829	-	10,916,382	5,964,681	222,029	-	6,186,710	4,729,672
	\$ 63,868,760	\$ 720,888	\$ 1,018,807	\$ 60,664	\$ 65,547,791	\$ 33,200,500	\$ 1,312,955	\$ 20,227	\$ 34,493,228	\$ 31,054,563

THE CORPORATION OF THE CITY OF ENDERBY

Notes to Financial Statements

For the year ended December 31, 2023

10. Tangible Capital Assets - continued

2022	Historical Cost				Accumulated Amortization				Net Book Value
	Opening	Additions	Disposals	Closing	Opening	Additions	Disposal	Closing	
General fund									
Land	\$ 1,648,517	\$ -	\$ -	\$ 1,648,517	\$ -	\$ -	\$ -	\$ -	\$ 1,648,517
Building sites and parks	2,766,117	-	-	2,766,117	1,818,131	90,082	-	1,908,213	857,904
Engineering structures	944,971	63,591	-	1,008,562	326,289	32,324	-	358,613	649,949
Furniture and equipment	325,767	-	-	325,767	159,072	42,668	-	201,740	124,027
Hydrants	186,643	-	-	186,643	155,262	2,459	-	157,721	28,922
Machinery and equipment	2,478,919	-	-	2,478,919	1,605,699	120,436	-	1,726,135	752,784
Planters	118,329	-	-	118,329	101,975	4,531	-	106,506	11,823
Roads	17,426,985	542,266	86,952	17,882,299	7,496,074	416,192	74,559	7,837,707	10,044,592
Storm system	9,304,400	349,862	57,151	9,597,111	4,323,178	102,338	57,152	4,368,364	5,228,747
Assets under construction	35,486	422,234	-	457,720	-	-	-	-	457,720
	35,236,134	1,377,953	144,103	36,469,984	15,985,680	811,030	131,711	16,664,999	19,804,985
Water fund									
Buildings	966,257	-	-	966,257	695,291	22,264	-	717,555	248,702
Water mains	11,275,575	201,764	34,065	11,443,274	6,604,774	157,562	34,065	6,728,271	4,715,003
Water system	4,132,248	-	-	4,132,248	3,012,036	112,958	-	3,124,994	1,007,254
Assets under construction	-	14,721	-	14,721	-	-	-	-	14,721
	16,374,080	216,485	34,065	16,556,500	10,312,101	292,784	34,065	10,570,820	5,985,680
Sewer fund									
Buildings	133,966	-	-	133,966	60,286	3,350	-	63,636	70,330
Sanitary sewer system	4,900,991	-	-	4,900,991	2,862,834	136,240	-	2,999,074	1,901,917
Sewer mains and lift stations	5,611,239	188,822	8,116	5,791,945	2,829,880	80,207	8,116	2,901,971	2,889,974
Assets under construction	15,374	-	-	15,374	-	-	-	-	15,374
	10,661,570	188,822	8,116	10,842,276	5,753,000	219,797	8,116	5,964,681	4,877,595
	\$ 62,271,784	\$ 1,783,260	\$ 186,284	\$ 63,868,760	\$ 32,050,781	\$ 1,323,611	\$ 173,892	\$ 33,200,500	\$ 30,668,260

THE CORPORATION OF THE CITY OF ENDERBY

Notes to Financial Statements

For the year ended December 31, 2023

11. Accumulated Surplus

The accumulated surplus consists of individual fund balances and reserves as follows:

Surplus	2023	2022
Invested in tangible capital assets	\$ 27,998,626	\$ 28,511,922
General surplus	3,661,553	3,138,004
Enderby / Area F Joint Services surplus	655,556	629,673
Sewer surplus	1,285,696	1,221,900
Water surplus	534,891	531,000
	34,136,322	34,032,499
Reserve Funds		
Animal Control	30,358	28,292
Asset Management	278,384	231,466
Capacity Building	186,547	94,852
Cemetery	79,014	50,095
Community Works Fund (Gas Tax)	396,014	188,295
Computer Equipment	48,249	42,211
Equipment	643,665	559,695
Fire Department	456,775	377,387
Fortune Parks	626,237	423,457
Growing Communities Fund *	1,672,413	-
Parks	175,113	68,880
Riverside RV Park	75,614	54,960
Sewer System	591,317	177,325
Water System	705,024	434,519
	5,964,724	2,731,434
	\$ 40,101,046	\$ 36,763,933

*In 2023, the City received funding from the Province of British Columbia to assist in funding for capital infrastructure and amenities for future growth. The following shows how these funds were expended and the amount available for future years:

Growing Communities Fund received March 2023	\$ 1,707,000
Interest earned	46,900
Eligible costs incurred:	
Drinking water supply and distribution	<u>(81,487)</u>
Balance, end of year	<u>\$ 1,672,413</u>

THE CORPORATION OF THE CITY OF ENDERBY

Notes to Financial Statements

For the year ended December 31, 2023

12. COVID-19 Safe Restart Grant

The City received funding from the Province of British Columbia to fund increased operating costs and revenue shortfalls due to COVID-19. The following shows how these funds were expended and the amount available for future years:

	2023	2022
Balance, beginning of year	\$ 546,660	\$ 684,896
Eligible costs incurred:		
Computer and technology costs	(45,374)	(42,372)
Revenue shortfalls	-	(2,579)
Facility operating costs	(51,700)	(82,652)
Protective services	(31,347)	(10,633)
Total eligible costs incurred	(128,421)	(138,236)
Balance, end of year	\$ 418,239	\$ 546,660

13. Commitments and Subsequent Events

- (a) In 2021, the City entered into a contract with Hub Fire Engines and Equipment Ltd. to purchase a pumper/rescue truck for a value of \$760,500. In 2022, the City paid a 50% deposit on the truck. The truck is expected to be completed and delivered in 2024.
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THE CORPORATION OF THE CITY OF ENDERBY

Notes to Financial Statements

For the year ended December 31, 2023

14. Contingent Liabilities

- (a) Regional District of North Okanagan: The City is a member of the Regional District of North Okanagan and is liable for its portion of any operating deficits or long-term debt related to functions in which it participates.
- (b) Municipal Insurance Association of BC: Commencing December 31, 1987, the City of Enderby entered into a self insurance scheme with British Columbia municipalities and regional districts. The City is obliged under the scheme to pay a percentage of its fellow insurers' losses. The City pays an annual premium, which is anticipated to be adequate to cover any losses incurred.
- (c) Pension Liabilities: The Municipality and its employees contribute to the Municipal Pension Plan (the "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, 2022, the Plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local governments.

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

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

The Corporation for the City of Enderby paid \$90,983 (2022 - \$85,442) for employer contributions to the plan in fiscal 2023.

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

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

THE CORPORATION OF THE CITY OF ENDERBY

Notes to Financial Statements

For the year ended December 31, 2023

15. Taxation

Taxation revenue comprises the following amounts raised less transfers:

	Budget	2023	2022
Taxation			
General municipal purposes	\$ 1,931,813	\$ 1,900,165	\$ 1,760,065
1% utility taxes	72,698	72,634	68,446
Water parcel	312,211	311,919	291,917
Sewer parcel	273,000	273,661	257,752
Collections for other governments			
School District	1,224,851	1,234,245	1,135,140
Policing	203,134	204,830	170,206
Regional District	461,260	465,111	446,312
Regional Hospital District	196,172	197,809	188,188
Municipal Finance Authority	166	168	147
B.C. Assessment Authority	29,649	29,900	27,374
Okanagan Regional Library	115,505	116,492	112,721
	4,820,459	4,806,934	4,458,268
Transfers			
School District	1,224,851	1,234,245	1,135,140
Policing	203,134	204,830	170,206
Regional District	461,260	465,119	446,332
Regional Hospital District	196,172	197,783	188,178
Municipal Finance Authority	166	168	147
B.C. Assessment Authority	29,649	29,900	27,374
Okanagan Regional Library	115,505	116,499	112,742
	2,230,737	2,248,544	2,080,119
	\$ 2,589,722	\$ 2,558,390	\$ 2,378,149

THE CORPORATION OF THE CITY OF ENDERBY

Notes to Financial Statements

For the year ended December 31, 2023

16. Government Grants and Transfers

	Budget	2023	2022
Federal			
Community works fund - Gas tax	\$ 188,331	\$ 196,917	\$ 188,331
Provincial			
Conditional	1,660,600	1,689,691	151,957
Fortune Parks - conditional	1,240,500	24,672	83,155
Small communities protection	493,000	484,000	623,000
Street lighting	1,400	1,395	1,395
Water - conditional	160,000	81,487	-
	3,555,500	2,281,245	859,507
Other			
Animal control	6,000	19,160	18,650
Cemetery	33,153	51,640	49,970
Fortune Parks	774,510	774,510	747,961
	813,663	845,310	816,581
	\$ 4,557,494	\$ 3,323,472	\$ 1,864,419

17. Sales of Service

	Budget	2023	2022
Animal control	\$ 11,600	\$ 12,090	\$ 10,918
Building permits	46,600	71,406	48,089
Business licenses	16,300	20,275	15,825
Cemetery	25,000	17,993	29,237
Fire protection	327,430	155,937	316,723
Fortune Parks	243,500	290,867	260,281
Garbage collection and disposal	115,700	115,552	111,847
Riverside RV Park & tourism	265,000	299,824	289,064
Sewer user fees	579,060	616,955	569,244
Water user fees	560,329	613,044	565,360
	\$ 2,190,519	\$ 2,213,943	\$ 2,216,588

THE CORPORATION OF THE CITY OF ENDERBY

Notes to Financial Statements

For the year ended December 31, 2023

18. Expenses by Object

	Budget	2023	2022
Accretion	\$ -	\$ 43,849	\$ -
Advertising and publications	19,900	16,691	14,133
Amortization	-	1,312,955	1,323,610
Contracted services	703,250	516,481	694,847
Council grants	62,740	66,184	57,254
Insurance	69,170	64,727	100,329
Interest and bank charges	106,300	151,387	101,438
Maintenance	1,288,500	1,176,441	1,161,371
Materials and supplies	1,248,839	346,056	407,046
Professional fees	35,900	22,967	40,797
Salaries and benefits	1,709,933	1,686,102	1,539,700
Training, travel and conferences	114,350	98,255	73,888
Transfers	(19,100)	(9,514)	(2,171)
	<u>\$ 5,339,782</u>	<u>\$ 5,492,581</u>	<u>\$ 5,512,242</u>

19. Funds Held in Trust

The City operates and maintains the Cliffside Cemetery. As required under Provincial legislation, the City holds in trust a Cemetery Perpetual Care Fund for the future maintenance of the cemetery. The City has excluded the trust fund and associated cash from the Statement of Financial Position and related interest earnings and transactions from the Statement of Operations and Accumulated Surplus:

Cemetery Perpetual Care Fund:

	2023	2022
Balance, beginning of year	\$ 250,544	\$ 242,271
Care fund contributions	2,595	2,845
Interest earned	12,808	5,428
Balance, end of year	<u>\$ 265,947</u>	<u>\$ 250,544</u>

THE CORPORATION OF THE CITY OF ENDERBY

Notes to Financial Statements

For the year ended December 31, 2023

20. Financial Plan

The Financial Plan anticipated use of surpluses accumulated in previous years to balance against current year expenses in excess of current year revenues. The following shows how these amounts were combined:

	2023	2022
Budget surplus per Statement of Operations	4,279,453	2,522,380
Less:		
Capital expenditures	(4,361,500)	(3,624,500)
Debt principal payments	(88,645)	(88,645)
Transfers to reserve funds	(3,373,416)	(1,590,155)
Add back:		
Borrowing proceeds	400,000	-
Transfers from accumulated surplus and reserve funds	3,144,108	2,780,920
	<hr/>	<hr/>
Budget surplus per Financial Plan Bylaw	\$ -	\$ -

21. Financial Instruments

The City is exposed to interest rate risk, credit risk, and liquidity risk from its financial instruments. The City has practices in place to identify major risks, which are monitored and managed to the best of its ability.

There have not been any changes from the prior year in the City's exposure to these risks, or the policies, procedures and methods it uses to manage and measure the risks.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The City is exposed to interest rate risk through its long-term debt and through the value of portfolio investments.

The City manages interest rate risk on its long-term debt by holding all debt through the Municipal Finance Authority at a fixed rate, with refinancing typically being completed at the ten or fifteen year mark following the date of the original debt issuance. See Note 8 for interest rates and maturity dates for long-term debt.

Investments are primarily comprised of term deposits and are deemed to be low risk and not subject to significant changes in value due to changes in interest rates.

Credit Risk

Credit risk is the risk that the City will incur financial losses if a debtor fails to make payments when due. The City is exposed to credit risk from its cash, portfolio investments and accounts receivable.

The City manages its credit risk with respect to cash and portfolio investments by maintaining its investments with reputable financial institutions, while ensuring that investments are made in accordance with Section 183 of the *Community Charter*. The maximum exposure to credit risk to cash is limited to the balance held at year end and the maximum exposure to credit risk to portfolio investments is outlined in Note 3.

THE CORPORATION OF THE CITY OF ENDERBY

Notes to Financial Statements

For the year ended December 31, 2023

Financial Instruments - continued

The City manages its credit risk with respect to accounts receivable through signed agreements and credit policies. The City also has the ability to recover receivables associated with properties, such as utility fees, through the property tax collection process. The maximum exposure to credit risk to accounts receivable is outlined in Note 4.

Liquidity Risk

Liquidity risk is the risk that the City will not be able to meet its financial obligations as they become due. The City is exposed to liquidity risk through its accounts payable and long-term debt.

The City manages this risk by maintaining a balance of short term and/or highly liquid investments and closely monitoring cash flows and staggering maturity dates of its investment portfolio to meet cash flow needs. The City also has the ability to adopt a Revenue Anticipation Borrowing Bylaw under Section 177 of the *Community Charter* to borrow short term to finance its operations until revenue from property taxes is received.

The timing of cash flows to meet its financial obligations are within one year in relation to accounts payable, as outlined in Note 6 and the timing of principal payments in relation to long-term debt are outlined in Note 8.

It is management's opinion that the City is not exposed to significant interest, credit or liquidity risks arising from these financial instruments.

22. Comparative Figures

Certain comparative figures have been reclassified to conform to the financial presentation adopted for the current year.

THE CORPORATION OF THE CITY OF ENDERBY

Notes to Financial Statements

For the year ended December 31, 2023

23. Segmented Information

The City of Enderby is a municipality that is responsible for the good government of the community. This includes providing services, laws and other matters for community benefit, as well as providing stewardship of public assets and fostering economic well-being. The City fulfills these responsibilities through a range of services. For management reporting purposes, the City's services are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain defined objectives in accordance with special regulations, restrictions or limitations.

General Government

General Government is comprised of Executive and Administrative functions. The Executive function includes Mayor and Council, who are responsible for considering the well-being and interests of the municipality and the community, including contributing to the development and evaluation of the policies, programs, and bylaws of the municipality respecting its services, in accordance with governing legislation. The Administrative function is responsible for the overall management of the operations of the municipality and is responsible for ensuring that the policies, programs, and bylaws of Council are implemented. The Administrative function is also responsible for ensuring sound and effective financial management of the municipality, which includes functions such as financial planning, collecting taxes, and the investment of municipal funds.

Protective Services

Protective Services includes fire suppression, prevention and inspection services, community safety services, and emergency management including mitigation and prevention, preparedness, response, and recovery services.

Transportation Services

Transportation Services includes the design, operation, and maintenance of roads and drainage, including street sweeping, line painting, and snow and ice clearing.

Solid Waste Services

Solid Waste Services provides for the collection and disposal of residential solid waste, including curbside collection of garbage and the annual curbside collection of yard and garden waste.

Enderby / Area F Services

Enderby / Area F Services includes Fortune Parks, which is responsible for the administration, stewardship, and operation of park services that are shared with Area F of the Regional District of North Okanagan, including the pool, spray park, ball diamonds, and arena. Other services provided include Animal (Dog) Control within the City and part of Area F, and Cemetery Services for the City and Area F.

Riverside RV Park & Tourism

The Riverside RV Park is a campground operated by the City, which supports tourism and community events, including the operation of the Visitor Centre.

Community Development Services

Community Development Services provides for the City's current and long-range planning functions. Services include land use regulation, subdivision, and planning for future growth in accordance with the needs and goals of the community.

Recreational and Cultural Services

Recreational and Cultural Services provides for the planning, operation, and maintenance of City parks, such as Tuey Park, Belvedere Park, the Riverwalk, Veterans Park, and Johnston Park.

THE CORPORATION OF THE CITY OF ENDERBY

Notes to Financial Statements

For the year ended December 31, 2023

Segmented Information - continued

Water Services

Water Services provides for the treatment and distribution of safe, clean drinking water to the citizens of Enderby as well as nearby communities in accordance with the Drinking Water Protection Act and the *Guidelines for Canadian Drinking Water Quality*.

Sewer Services

Sewer Services provides for the collection and treatment of liquid waste, or sanitary wastewater, in accordance with the Environmental Management Act and the City's permit requirements.

The accounting policies used in these segments are consistent with those followed in preparation of the financial statements as disclosed in Note 2. For additional information see the Schedule of Segment Disclosure - Service (Schedule 1).

THE CORPORATION OF THE CITY OF ENDERBY

Schedule of Segment Disclosure - Service

For the year ended December 31, 2023

Schedule I

	General revenue fund									2023
	General Government	Protective Services	Transportation Services	Solid Waste Services	Enderby/ Area F Services	Riverside RV Park & Tourism	Other general Services*	Water Services	Sewer Services	
Revenues										
Taxation	\$ 1,972,810	\$	\$	\$	\$	\$	\$	\$ 311,919	\$ 273,661	\$ 2,558,390
Grants and subsidies	1,734,111	142,827	485,395		869,982	9,670		81,487		3,323,472
Sales of services	91,681	155,937		115,552	320,950	299,824		613,044	616,955	2,213,943
Other revenue from own sources	200,377									200,377
Interest and penalties	515,667				32,976					548,643
	4,514,646	298,764	485,395	115,552	1,223,908	309,494	-	1,006,450	890,616	8,844,825
Expenses										
Accretion	4,556	1,066	28		469			36,955	775	43,849
Advertising and publications	2,946				7,909	5,836				16,691
Amortization	115,708	62,434	564,356		71,031			277,397	222,029	1,312,955
Contracted services	52,259	42,545		113,144	117,097	61,130	113,523	16,783		516,481
Council grants	8,229				57,955					66,184
Insurance	41,658				21,909	1,160				64,727
Interest and bank charges	142,951				2,356	6,080				151,387
Maintenance	64,087	105,216	290,862		191,796	35,435		229,150	259,895	1,176,441
Material and supplies	38,182	32,373	3,773	92	128,479	121,329		3,642	18,186	346,056
Professional fees	22,967									22,967
Salaries and benefits	607,065	106,896	245,474	515	364,825	3,698	24,537	182,809	150,283	1,686,102
Training, travel and conferences	63,507	28,985	2,031		2,132			800	800	98,255
Transfers	(243,070)		(148,437)	2,000	67,770	8,000		166,943	137,280	(9,514)
	921,045	379,515	958,087	115,751	1,033,728	242,668	138,060	914,479	789,248	5,492,581
Excess (deficiency) of revenue over expenses	3,593,601	(80,751)	(472,692)	(199)	190,180	66,826	(138,060)	91,971	101,368	3,352,244
Loss on disposal of tangible capital assets	(15,131)									(15,131)
Annual surplus (deficit)	\$ 3,578,470	\$ (80,751)	\$ (472,692)	\$ (199)	\$ 190,180	\$ 66,826	\$ (138,060)	\$ 91,971	101,368	\$ 3,337,113

*Includes Community Development and Recreational and Cultural Services.

THE CORPORATION OF THE CITY OF ENDERBY

Schedule of Segment Disclosure - Service

For the year ended December 30, 2022

Schedule I (cont'd)

	General revenue fund									2022
	General Government	Protective Services	Transportation Services	Solid Waste Services	Enderby/ Area F Services	Riverside RV Park & Tourism	Other General Services*	Water Services	Sewer Services	
Revenues										
Taxation	\$ 1,828,480	\$	\$	\$	\$	\$	\$	\$ 291,917	\$ 257,752	\$ 2,378,149
Grants and subsidies	188,331	142,827	624,395		899,736	9,130				1,864,419
Sales of services	63,914	316,723		111,847	300,436	289,064		565,360	569,244	2,216,588
Other revenue from own sources	129,016									129,016
Interest and penalties	185,379				12,967					198,346
	<u>2,395,120</u>	<u>459,550</u>	<u>624,395</u>	<u>111,847</u>	<u>1,213,139</u>	<u>298,194</u>	<u>-</u>	<u>857,277</u>	<u>826,996</u>	<u>6,786,518</u>
Expenses										
Advertising and publications	4,728				7,847	1,558				14,133
Amortization	108,548	71,042	560,122		71,317			292,784	219,797	1,323,610
Contracted services	74,518	155,767		109,958	107,238	65,695	159,676	21,995		694,847
Council grants	2,841				54,413					57,254
Insurance	78,246				21,058					100,329
Interest and bank charges	93,907				2,141	5,390				101,438
Maintenance	55,441	105,173	401,756		168,275	43,172		193,170	194,384	1,161,371
Material and supplies	36,855	21,641	9,617		109,941	110,637		46,084	72,271	407,046
Professional fees	40,797									40,797
Salaries and benefits	521,466	77,177	265,540	1,632	336,107	4,196	21,455	180,416	131,711	1,539,700
Training, travel and conferences	37,896	31,930	372		1,325			1,745	620	73,888
Transfers	(205,738)		(105,416)	1,500	57,977	6,400		135,114	107,992	(2,171)
	<u>849,505</u>	<u>462,730</u>	<u>1,131,991</u>	<u>113,090</u>	<u>937,639</u>	<u>238,073</u>	<u>181,131</u>	<u>871,308</u>	<u>726,775</u>	<u>5,512,242</u>
Excess (deficiency) of revenue over expenses	1,545,615	(3,180)	(507,596)	(1,243)	275,500	60,121	(181,131)	(14,031)	100,221	1,274,276
Loss on disposal of tangible capital assets	(12,393)									(12,393)
Annual surplus (deficit)	<u>\$ 1,533,222</u>	<u>\$ (3,180)</u>	<u>\$ (507,596)</u>	<u>\$ (1,243)</u>	<u>\$ 275,500</u>	<u>\$ 60,121</u>	<u>\$ (181,131)</u>	<u>\$ 14,031</u>	<u>\$ 100,221</u>	<u>\$ 1,261,883</u>

*Includes Community Development and Recreational and Cultural Services.

THE CORPORATION OF THE CITY OF ENDERBY

Enderby/Area F Services

For the year ended December 31, 2023

Schedule II

	Fortune Parks	Animal control	Cemetery	2023	2022
Revenue					
Grants and subsidies	\$ 799,182	\$ 19,160	\$ 51,640	\$ 869,982	\$ 899,736
Sale of services	290,867	12,090	17,993	320,950	300,436
Interest and penalties	20,080	2,782	10,114	32,976	12,967
	1,110,129	34,032	79,747	1,223,908	1,213,139
Expenses					
Accretion	469			469	-
Advertising	7,909			7,909	7,847
Amortization	71,031			71,031	71,317
Contracted services	104,725	12,372		117,097	107,238
Grants	53,455		4,500	57,955	54,413
Insurance	21,909			21,909	21,058
Interest and bank charges	2,356			2,356	2,141
Maintenance	163,710	6,864	21,222	191,796	168,275
Materials and supplies	128,479			128,479	109,941
Salaries and benefits	352,344	1,954	10,527	364,825	336,107
Training, travel and conferences	2,132			2,132	1,325
	908,519	21,190	36,249	965,958	879,662
Annual surplus (deficit)	\$ 201,610	\$ 12,842	\$ 43,498	\$ 257,950	\$ 333,477
Transfer to/from general fund					
Computer support	\$ 8,900	\$	\$	\$ 8,900	\$ 8,260
Finance overhead charges	24,000	5,090	9,100	38,190	32,170
Insurance allocation	7,959		940	8,899	5,776
Public works equipment allocation			7,111	7,111	7,411
Lease		4,670		4,670	4,360
	40,859	9,760	17,151	67,770	57,977
Net change in financial assets	160,751	3,082	26,347	190,180	275,500
Opening surplus	384,384	53,260	192,029	629,673	528,159
Amortization	71,031			71,031	71,317
Capital expenditures	(25,791)			(25,791)	(89,439)
Transfer from (to) reserves	(182,337)	(700)	(26,500)	(209,537)	(175,700)
Transfer from general surplus				-	19,836
Enderby / Area F accumulated surplus	\$ 408,038	\$ 55,642	\$ 191,876	\$ 655,556	\$ 629,673