

District of Sechelt

Consolidated Financial Statements
For the year ended December 31, 2022

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Consolidated Financial Statements
For the year ended December 31, 2022

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Management's Responsibility for Financial Reporting

The Council of the District of Sechelt has delegated the responsibility for the integrity and objectivity of the financial information contained in the consolidated financial statements to the management of the District of Sechelt. The consolidated financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are executed and recorded in accordance with authorization, and that financial records are reliable for preparation of consolidated financial statements.

The Mayor and Council oversee management's responsibilities for the financial reporting and internal control systems. Mayor and Council review internal financial statements on a quarterly basis, and meet periodically with management and the independent auditors to satisfy themselves that management's responsibilities are properly discharged. Council annually reviews and approves the consolidated financial statements.

The District of Sechelt's independent auditors, MNP LLP, are engaged to express an opinion as to whether these consolidated financial statements present fairly the District of Sechelt's consolidated financial position, financial activities, and cash flows in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion in accordance with Canadian generally accepted auditing standards.

The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards.



David Douglas, CPA, CGA
Director of Financial Services

To the Mayor and Council of the District of Sechelt:

Opinion

We have audited the consolidated financial statements of the District of Sechelt (the "District"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations, remeasurement gains and losses, changes in net financial assets 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 District as at December 31, 2022, and the results of its consolidated operations, remeasurement gains and losses, changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the District 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.

Other Information

Management is responsible for the other information, consisting of the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 District'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 District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the District'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 District'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 District'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 District 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 District 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.

Nanaimo, British Columbia

May 3, 2023

MNP LLP

Chartered Professional Accountants

MNP
LLP

District of Sechelt
Consolidated Statement of Financial Position

December 31, 2022

2022

2021

Financial Assets

Cash	\$ 27,465,927	\$ 22,661,106
Portfolio investments (Note 3)	16,347	3,072,922
Accounts receivable (Note 4)	2,877,258	2,546,626
Investment in business enterprise (Note 5)	2,330,785	2,175,193
	<u>32,690,317</u>	<u>30,455,847</u>

Liabilities

Accounts payable and accrued liabilities	3,042,345	2,710,117
Deferred revenue (Note 7)	3,164,193	4,039,716
Deferred development cost charges (Schedule 1)	4,715,540	3,671,072
Refundable deposits	2,296,920	2,830,229
Long-term debt (Note 8)	1,851,926	3,028,298
Short-term loans (Note 9)	1,635,202	208,890
	<u>16,706,126</u>	<u>16,488,322</u>

Net Financial Assets

15,984,191 13,967,525

Non-financial Assets

Tangible capital assets (Schedule 2)	156,035,358	152,797,126
Prepaid expenses	235,158	234,444
	<u>156,270,516</u>	<u>153,031,570</u>

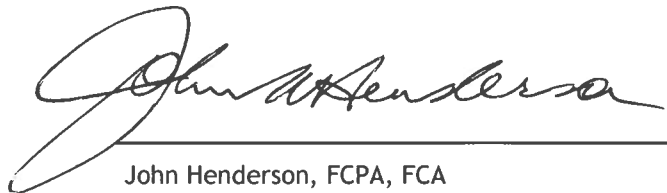
Accumulated Surplus (Note 18)

\$ 172,254,707 \$ 166,999,095

Contingent Liabilities (Note 15)



David Douglas, CPA, CGA
Director of Financial Services



John Henderson, FCPA, FCA
Mayor

District of Sechelt
Consolidated Statement of Operations

For the year ended December 31, 2022	Budget 2022	2022	2021
	(Note 16)		
Revenues (Schedule 3)			
Taxation and other levies (Note 10)	\$ 13,107,420	\$ 13,075,101	\$ 12,107,180
Private contributions (Note 11)	94,785	506,415	416,275
Government grants (Note 12)	11,659,851	3,509,919	3,533,552
Sale of goods and services	5,073,472	5,140,689	4,546,812
Licences, permits and fees	1,660,894	2,136,518	1,761,989
Penalties and interest	136,000	186,362	183,742
Income from business enterprise (Note 5)	-	681,482	842,899
Return on investments	468,220	1,014,653	419,430
Loss on disposal of tangible capital assets	-	(73,264)	(12,140)
Development cost charges (Schedule 1)	1,069,371	51,122	2,093,193
	33,270,013	26,228,997	25,892,932
Expenses (Schedule 3)			
General Government	4,601,316	3,857,481	3,275,044
Planning and Community Development	1,700,558	1,664,328	1,480,886
Community Services	2,502,058	2,605,446	2,603,646
Public Works	4,600,732	4,383,981	3,906,265
Facilities	880,846	787,244	793,091
Police Services	2,739,368	2,601,975	1,855,296
Solid Waste	1,671,994	1,573,614	1,038,824
Sewer Operating	4,203,462	3,499,316	3,281,640
	22,900,334	20,973,385	18,234,692
Annual Surplus	10,369,679	5,255,612	7,658,240
Accumulated Surplus, beginning of year	166,999,095	166,999,095	159,340,855
Accumulated Surplus, end of year	\$ 177,368,774	\$ 172,254,707	\$ 166,999,095

District of Sechelt
Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31, 2022	Budget 2022		2022	2021
	(Note 16)			
Annual surplus	\$ 10,369,679	\$ 5,255,612	\$ 7,658,240	
Aquisition of tangible capital assets (Schedule 2)	(22,881,753)	(6,820,207)	(6,138,467)	
Amortization of tangible capital assets (Schedule 2)	3,437,205	3,480,502	3,446,329	
Net book value of tangible capital assets disposed (Schedule 2)	-	101,473	12,140	
	(19,444,548)	(3,238,232)	(2,679,998)	
Decrease (Increase) in prepaid expenses	-	(714)	(13,952)	
Increase in net financial assets	(9,074,869)	2,016,666	4,964,290	
Net financial assets, beginning of year	13,967,525	13,967,525	9,003,235	
Net financial assets, end of year	\$ 4,892,656	\$ 15,984,191	\$ 13,967,525	

District of Sechelt
Consolidated Statement of Cash Flows

For the year ended December 31, 2022

2022

2021

Operating transactions		
Annual surplus	\$ 5,255,612	\$ 7,658,240
Non-cash items:		
Amortization of tangible capital assets	3,480,502	3,446,329
Actuarial adjustment on long term debt	(233,220)	(242,477)
Income from Investment in business enterprise	(681,482)	(842,899)
Loss on disposal of tangible capital assets	73,264	12,140
Donation of tangible capital assets	(240,000)	(104,735)
	<u>2,399,064</u>	<u>2,268,358</u>
Changes in non-cash operating balances:		
Increase in accounts receivable	(330,632)	(497,384)
Decrease (increase) in prepaid expenses	(714)	(13,952)
Increase (decrease) in accounts payable	332,228	(3,052,922)
Increase (decrease) in deferred revenue	(875,523)	209,147
Increase (decrease) in development cost charges	1,044,468	(1,751,577)
Increase (decrease) in refundable deposits	(533,309)	1,264,569
	<u>(363,482)</u>	<u>(3,842,119)</u>
Cash provided by operating transactions	<u>7,291,194</u>	<u>6,084,479</u>
Financing transactions		
Repayment of long-term debt	(913,153)	(913,153)
Proceeds of short-term loans	1,470,000	214,182
Repayment of short-term loans	(43,687)	(27,244)
Cash applied to financing transactions	<u>513,160</u>	<u>(726,215)</u>
Capital transactions		
Acquisition of tangible capital assets	(6,580,207)	(6,033,732)
Proceeds from the sale of tangible capital assets	28,210	-
Cash applied to capital transactions	<u>(6,551,997)</u>	<u>(6,033,732)</u>
Investing transactions		
Net proceeds on sale of portfolio investments	3,026,574	780,995
Dividends received on Investment in business enterprise	525,890	225,890
Cash applied to investing transactions	<u>3,552,464</u>	<u>1,006,885</u>
Increase in cash and cash equivalents	4,804,821	331,417
Cash and cash equivalents, beginning of year	<u>22,661,106</u>	<u>22,329,689</u>
Cash and cash equivalents, end of year	<u>\$ 27,465,927</u>	<u>\$ 22,661,106</u>

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

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2022

1. Nature of Organization

The District of Sechelt (the "District") was incorporated on May 15, 1986 and operates under the *Local Government Act* and the *Community Charter*. The principal activities of the District are preservation, protection, and enhancement of the quality of life in Sechelt through the facilitation of municipal services in an equitable, efficient, and effective manner.

2. Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements of the District are the representations of management prepared in accordance with Canadian public sector accounting standards ("PSAS"). These standards are established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada").

(b) Principles of Consolidation

The consolidated financial statements include the accounts of all activities or entities whose operations are under the control of the District. These include the general operating funds, the capital funds, and all reserve funds. All interfund balances have been eliminated for the purposes of these financial statements.

The consolidated financial statements include the operations of a wholly owned subsidiary of the District, Sunshine Coast Community Forest Ltd. (Formerly Sechelt Community Projects Inc. ("SCPI")). Sunshine Coast Community Forest Ltd. is accounted for using the modified equity method. Under this method, the District's equity is adjusted by the annual profits and losses of the subsidiary and declared dividends, if any. Sunshine Coast Community Forest Ltd. utilizes the International Financial Reporting Standards to prepare their financial statements.

The revenue from taxation and other sources collected by the District on behalf of other governments for education, health care, fire protection services, Sunshine Coast Regional District, and other external organizations that are not controlled by the District are not included in these consolidated financial statements.

December 31, 2022

2. Significant Accounting Policies (Continued)

(c) Revenue Recognition

The accrual basis of accounting is followed in the financial statement presentation. Revenue is recognized in the period in which the transactions or events that gave rise to the revenues occurred. Restricted contributions from non-government sources unearned in the current period are recorded on the Statement of Financial Position as deferred revenue.

Government transfers, which include legislative grants, are recognized as revenue in the financial statements when the 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.

Development cost charges received in respect of construction for sewer, drainage, road, and park requirements are recorded as deferred development cost charges. These amounts are recorded as revenue when the related development costs are incurred.

Non-monetary revenues are recognized at the estimated fair market values at the time all of the requirements and conditions for the project have been met, ownership and control is transferred to the District, and the appropriate acceptances or approvals have been issued.

Charges for sewer are recorded as user fees when delivered. Connection fee revenues are recognized when the connection has been established.

Sales of services and other revenue are recognized on an accrual basis as the services are delivered.

(d) Revenue Recognition - Taxation

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized, and the taxable event occurs. Annual levies for non-optional municipal services and general administrative services are recorded as taxes for municipal services in the year they are levied. Taxes receivable are recognized net of an allowance for anticipated uncollectible amounts. Levies imposed by other taxing authorities are not included as taxes for municipal purposes.

The District estimates amounts of adjustments and records taxation revenue net of such amounts. Any adjustments in excess of those estimated are recognized at the time they are awarded.

December 31, 2022

2. Significant Accounting Policies (Continued)

(e) 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 to be sold in the ordinary course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the consolidated change in net financial assets for the year.

Tangible capital assets, a type of non-financial asset, are comprised of capital assets and capital work in progress. They are recorded at cost less accumulated amortization and are classified according to their functional use. The cost of a tangible capital asset includes the purchase price and other acquisition costs such as installation costs, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation, insurance costs, and duties. Contributed tangible capital assets are recorded at fair value at the date of the contribution.

Amortization is recorded on a straight-line basis over their estimated useful lives commencing once assets are put into use, as follows:

Land improvements	10 to 30 years
Buildings	20 to 70 years
Furniture, fixtures and minor equipment	5 to 30 years
Automotive equipment	5 to 20 years
Roads	10 to 60 years
Structures (bridges, etc.)	20 to 100 years
Infrastructure - sewer	30 to 80 years
Infrastructure - drainage	20 to 50 years

The District holds works of art that have not been recorded in tangible capital assets.

December 31, 2022

2. Significant Accounting Policies (Continued)

(f) Financial Instruments

A financial asset or a financial liability is only recognized on the District's Statement of Financial Position when, and only when, the District becomes a party to the contractual provisions of the instrument. All financial instruments are recognized either at fair value or cost/amortized cost.

For a financial instrument in the fair value category, the change in the fair value is recognized as a remeasurement gain or loss in the Statement of Remeasurement Gains and Losses until the financial instrument is derecognized. At the time when the financial instrument in the fair value category is derecognized, the associated accumulated remeasurement gains and losses are reversed and reclassified in the Statement of Operations.

Transaction costs are added to the carrying value of items in the cost or amortized cost category when they are initially recognized. However, when items in the fair value category are initially recognized, transaction costs are expensed. Interest is measured using the effective interest method. Interest and dividends attributable to financial instruments are reported in the Statement of Operations.

Accounting standard PS 3450 *Financial Instruments* requires equity investments traded in an active market to be recorded at fair value. The District has no such investments. PS 3450 allows for other investments to be recorded at fair value if they are managed on a fair value basis. The District has elected to record its portfolio investments on a fair value basis. Cash is recorded at cost. Accounts receivable (excluding tax receivables), accounts payable and accrued liabilities, short-term debt, and long-term debt are recognized at amortized cost.

At the end of the each reporting period, the District assesses whether there are any indications that the financial asset, or group of similar financial assets, measured at amortized cost or cost may be impaired. When there is an indication of impairment, the carrying amount is written down accordingly.

(g) Contaminated Sites

Liabilities for contaminated sites are recognized when an environmental standard exists, contamination exceeds the standard, the District has responsibility for remediation, future economic benefits will be given up, and a reasonable estimate can be made.

The District has assessed its potential liabilities under accounting standard PS 3260 *Liability for Contaminated Sites* including sites that are no longer in productive use and sites for which the District accepts responsibility. Additionally, the District has used the standards contained in Schedule 2 (Industrial and Commercial Purposes and Activities) of the Contaminated Sites Regulation of the British Columbia *Environmental Management Act* to determine whether a potential liability exists. As at December 31, 2022, no such contamination in excess of an environmental standard requiring remediation exists.

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2022

2. Significant Accounting Policies (Continued)

(h) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions. Significant areas requiring the use of management estimates relate to the determination of collectability of accounts receivable, useful lives of tangible capital assets, fair value investments, and provisions for contingencies. Actual results could differ from those estimates. Adjustments, if any, will be reflected in the period of settlement.

(i) Recent Accounting Pronouncements

PS 3280 Asset Retirement Obligations, issued August 2018, establishes standards for recognition, measurement, presentation and disclosure of legal obligations associated with the retirement of tangible capital assets and is effective for the District as of January 1, 2023. A liability will be recognized when, as at the financial reporting date:

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

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations.

Management is in the process of assessing the impact of adopting this standard on the District's financial results.

3. Portfolio Investments

	2022	2021
MFA intermediate fund	\$ -	\$ 2,976,969
MFA money market fund	-	79,630
Other portfolio investments	16,347	16,323
	\$ 16,347	\$ 3,072,922

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2022

3. Portfolio Investments (Continued)

Investments are recorded at market value. Other portfolio investments consists of a Guaranteed Investment Certificate. The other portfolio investments mature in September 2023 with an interest rate of 2.00% (2021 - 0.15%).

4. Accounts Receivable

	2022	2021
Property taxes receivable	\$ 1,307,568	\$ 990,653
Federal government receivables	558,185	238,602
Capital grants receivable	491,247	708,609
Lease receivables	61,858	141,131
Other grants receivable	116,244	85,794
Other receivables	929,755	969,436
	3,464,857	3,134,225
Allowance for doubtful accounts	(587,599)	(587,599)
	\$ 2,877,258	\$ 2,546,626

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2022

5. Investment in Business Enterprise

On March 8, 2005, Sunshine Coast Community Forest Ltd. (Formerly Sechelt Community Projects Inc. (SCPI)) was incorporated. Sunshine Coast Community Forest Ltd. was formed for the purpose of acquiring and managing a Community Forest Agreement dated May 30, 2011.

The District owns all 17,260 issued shares of Sunshine Cost Community Forest Ltd.. All of the Board members are appointed by the District. Sunshine Coast Community Forest Ltd.'s financial statements were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The District's investment in Sunshine Coast Community Forest Ltd. is recorded using the modified equity basis. Under this method, the District's equity is adjusted by the annual profits and losses of the subsidiary and declared dividends, if any.

	2022	2021
Statement of Financial Position		
As at December 31		
Total assets	<u>\$ 2,723,276</u>	<u>\$ 2,582,202</u>
Total liabilities	392,491	407,009
Shareholder's equity	<u>2,330,785</u>	<u>2,175,193</u>
	<u>\$ 2,723,276</u>	<u>\$ 2,582,202</u>
Statement of Operations		
For the Year Ended December 31		
Revenues	\$ 2,133,598	\$ 1,289,141
Expenses	<u>(1,452,116)</u>	<u>(369,173)</u>
Net Income	<u>\$ 681,482</u>	<u>\$ 919,968</u>
Statement of Changes in Shareholder's Equity		
For the Year Ended December 31		
Cost of investment	\$ 172,600	\$ 172,600
Contributed surplus	49,770	49,770
Accumulated net equity income, beginning of year	1,952,823	1,335,814
Net income	681,482	919,968
Dividends declared during the year	(525,890)	(225,890)
Other	-	(77,069)
	<u>\$ 2,330,785</u>	<u>\$ 2,175,193</u>

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2022

6. Deposits and Reserve - Municipal Finance Authority

The Municipal Finance Authority of British Columbia (the "MFA") provides capital financing for regional districts and their member municipalities. The MFA is required to establish a Debt Reserve Fund. The MFA must then use this fund if at any time there are insufficient funds to meet payments on its obligations. If this occurs, the regional districts may be called upon to restore the fund.

Each regional district, through its member municipalities who share in the proceeds of a debt issue, is required to pay into the Debt Reserve Fund certain amounts set out in the financing agreements. The interest earned on the Debt Reserve Fund, less administrative expenses, becomes an obligation of the MFA to the regional districts.

Upon the maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the District. The proceeds from these discharges will be credited to income in the year received. As at December 31, the total debt reserve was comprised of:

	2022	2021
Debt Reserve - Cash Deposits	\$ 87,437	\$ 194,668
Debt Reserve - Demand Notes	340,060	533,395
	\$ 427,497	\$ 728,063

These balances are not reported elsewhere in these consolidated financial statements.

7. Deferred Revenue

Deferred revenue represents funds received that are held for various restricted purposes. These funds are recognized as revenue in the period when the eligible related expenditures or conditions have been met.

	2021	Receipts	Revenue Recognized	Interest	2022
Deferred Grants	\$	\$	\$	\$	\$
Active Transportation Grant	42,840	-	(42,840)	-	-
Heritage BC Grant (CERIP)	234,600	-	(188,485)	-	46,115
Tourism Dependant Communities Grant	773,654	-	(392,717)	-	380,937
Marin Community Foundation Grant	18,608	-	(18,040)	-	568
Strengthening Communities Grant	104,750	30,485	(125,605)	-	9,630
	1,174,452	30,485	(767,687)	-	437,250
Cash in lieu for development	1,281,424	34,921	(83,844)	1,168	1,233,669
Donations	37,390	1,056	-	934	39,380
Prepayment of property taxes	1,410,129	2,311,455	(2,283,180)	-	1,438,404
Other	136,320	-	(121,200)	370	15,490
	2,865,263	2,347,432	(2,488,224)	2,472	2,726,943
	\$ 4,039,716	\$ 2,377,917	\$ (3,255,911)	\$ 2,472	\$ 3,164,193

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2022

8. Long-term Debt

	Year Due	Rate Per Annum	2022	2021
Debentures - Municipal Finance Authority				
Justice Service Building	2022	1.75 %	\$ -	\$ 217,801
Justice Service Building	2022	2.25 %	-	217,801
Water Resource Centre	2025	2.25 %	<u>1,851,926</u>	<u>2,592,696</u>
			<u>\$ 1,851,926</u>	<u>\$ 3,028,298</u>

The District will be required to make repayments over the next five years as follows:

2023	\$ 740,770
2024	740,770
2025	<u>370,386</u>
	<u>\$ 1,851,926</u>

All debentures are secured by promissory notes issued by the District.

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2022

9. Short-term Loans

	Year Due	Rate per Annum	2022	2021
MFA Loan - Plotter	2025	4.77 %	\$ 11,947	\$ 15,666
MFA Loan - Dump Truck	2026	4.77 %	153,255	193,224
MFA Loan - Operations Center Short Term Advance *	2023	4.77 %	<u>1,470,000</u>	<u>-</u>
			<u>\$ 1,635,202</u>	<u>\$ 208,890</u>

The District will be required to make principal payments over the next five years as follows:

2023	\$ 40,529
2024	42,553
2025	45,652
2026	<u>36,468</u>
	<u>\$ 165,202</u>

* The District will be required to make interest only payments on the Operations Center short-term advance until the project is complete, at which time a long-term debt will be established.

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2022

10. Taxation and Other Levies

The District collects amounts for itself and on behalf of other taxing authorities.

	Budget 2022	2022	2021
Collections for District of Sechelt			
General municipal purposes	\$ 12,075,720	\$ 12,046,536	\$ 11,080,411
Business improvement area	70,700	70,700	70,000
Sewer frontage taxes	961,000	957,865	956,769
	\$ 13,107,420	\$ 13,075,101	\$ 12,107,180
Collections for Other Taxing Authorities			
BC Assessment Authority	\$ 205,364	\$ 205,085	\$ 179,838
Municipal Finance Authority	1,131	1,130	847
Provincial Education - residential	5,574,636	5,578,115	4,971,363
Provincial Education - non-residential	1,183,257	1,172,658	1,126,104
Regional Hospital District	351,929	351,254	370,361
Regional Fire District	1,537,908	1,535,344	1,454,124
Sunshine Coast Regional District	5,516,912	5,504,970	5,256,926
Sunshine Coast Regional District - Water Rates	1,757,462	1,756,984	1,671,555
	\$ 16,128,599	\$ 16,105,540	\$ 15,031,118

11. Private Contributions

	Budget 2022	2022	2021
Donations - Sechelt Arts Festival	\$ 26,500	\$ 20,450	\$ 45,850
Donations - Library, Arts and Culture	-	4,955	29,774
Grant - Adopt a Tree	5,000	7,500	4,750
Grant - Destination BC	-	18,100	18,100
Grant - Taking Down the Wall	-	1,200	4,800
Grant - Marin Community Foundation	-	18,040	-
Cash in lieu of parkland dedication	-	-	79,207
Developer contributions - Affordable Housing	-	77,500	16,250
Developer contributions - Community Amenity	-	47,500	16,250
Developer contributions - Parks	-	10,150	4,772
Developer contributions - Public Works	63,285	71,020	144,013
Developer contributions - Sewer	-	230,000	22,110
Other	-	-	30,399
	\$ 94,785	\$ 506,415	\$ 416,275

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2022

12. Government Grants

	Budget 2022	2022	2021
Operating - Federal			
Celebrate Canada (Canada Day)	\$ 3,200	\$ 10,000	\$ 3,200
Sechelt Arts Festival	45,000	46,400	45,500
Remote Working and Digitization	-	2,000	-
Canada Summer Jobs	-	2,993	-
Operating - Provincial			
Climate Action Revenue Incentive Program	-	-	8,442
Gas Tax	507,506	507,506	992,847
Small Community Investment Fund	360,000	457,000	362,000
RCMP Traffic Fine Program	81,000	81,128	105,991
Sechelt Arts Festival	3,150	1,470	-
Street Lights Cost Share	2,250	3,008	2,256
Local Government Climate Action Program	-	110,082	-
BC Healthy Communities grant	-	4,000	-
Strengthening Communities	209,500	95,120	2,000
Reclaimed Water - Infrastructure Planning	10,000	10,000	-
Water Conservation Study	-	-	(2)
UBCM Poverty Reduction	-	74,145	41,568
UBCM Strengthening Communities - Arrowhead Restart Pandemic	-	30,485	-
Municipal			
Community Archives	8,650	7,600	7,900
Reclaimed Water Study	-	7,500	-
Capital			
BC Active Transportation - Wharf Ave	436,936	421,725	42,615
ICET - Wharf Ave	171,268	165,836	-
ICIP - Active Transportation Network	3,239,000	294,441	-
Bike BC	547,500	-	-
BC Air Access Program	368,412	274,586	1,878,732
SD46 for Mason Rd Raised Crosswalk	50,391	-	-
ICIP - Wakefield Lift Station	670,447	13,782	-
ICIP - Hackett Park Outdoor Stage	220,387	210,386	5,138
Heritage BC - Rockwood Lodge	234,600	188,485	-
Canada Community Revitalization Fund (Inlet Ave)	717,000	97,524	-
Tourism Dependant Communities	773,654	392,717	35,365
Childcare BC New Spaces Fund	3,000,000	-	-
	\$ 11,659,851	\$ 3,509,919	\$ 3,533,552

December 31, 2022

13. Pension Liability

The District 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 the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2021, the Plan had about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from the 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 Plan as at December 31, 2021 indicated a \$3,671 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2024, with results available in 2025.

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 costs to individual employers participating in the Plan.

During the year, the District paid \$450,520 (2021 - \$423,604) for employer contributions to the Plan.

14. Irrevocable Standby Letters of Credit

In addition to the performance deposits reflected in cash balances, the District is holding irrevocable standby letters of credit in the amount of \$2,972,073 (2021 - \$2,249,396). These letters were received to ensure the performance of works undertaken within the District. These amounts are not reflected in the financial statements. They are available to satisfy any liabilities arising from non-performance by the depositors.

December 31, 2022

15. Contingent Liabilities

- (a) The District is a subscribed member of the Municipal Insurance Association of British Columbia (the "Exchange") as provided by section 3.02 of the *Insurance Act* of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange Agreement, the District is assessed a premium and specific deductible for its claims based on population. The obligation of the District with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its subscribers in connection with the Exchange are in every case several, not joint and several. The District irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other subscribers may suffer.
- (b) As a member of the Sunshine Coast Regional District, the District is responsible for its portion of any operating deficit or long-term debt related to functions in which it participates.
- (c) The Sunshine Coast Regional District has requested and has been provided with demand notes drawn in its favour totaling \$340,060 (2021 - \$533,395) (Note 6) to provide for additional funds, should the need arise, to service its debt.

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2022

16. Annual Budget

The budget data presented in these consolidated financial statements are based upon the District's 2022 - 2026 Financial Plan as adopted through Bylaw No. 601, 2022 on May 11, 2022. This budget is prepared on a cash basis which differs from the budget amounts in these consolidated financial statements which are prepared in accordance with PSAS. The following table reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Financial Plan Presentation	Financial Statement Presentation
Revenues		
Taxation and other levies	\$ 12,156,420	\$ 13,107,420
Fees, rates and sale of services	3,555,546	6,870,366
Return on investments	468,220	468,220
Grants, donations and private contributions	13,382,466	11,754,636
Development cost charges	1,069,371	1,069,371
Sewer Revenues	4,275,820	-
	<u>34,907,843</u>	<u>33,270,013</u>
Expenses		
General Government	4,520,057	4,601,316
Planning and community development	1,697,908	1,700,558
Community services	2,321,623	2,502,058
Public works	2,933,914	4,600,732
Facilities	585,916	880,846
Police services	2,739,368	2,739,368
Solid waste	1,671,994	1,671,994
Sewer operating	2,869,858	4,203,462
Interest on Debt	132,490	-
Amortization	3,437,206	-
	<u>22,910,334</u>	<u>22,900,334</u>
Annual Surplus (Deficit)	<u>11,997,509</u>	<u>10,369,679</u>
Principle on debenture debt	1,384,898	-
Debt acquired	(3,350,000)	-
Transfer to (from) reserves	(1,395,249)	(1,627,830)
Transfer to (from) capital	(3,633,387)	-
Transfer to (from) surplus	(453,300)	-
Reduction of capital equity	(3,437,206)	-
Capital Purchases	22,881,753	-
	<u>11,997,509</u>	<u>(1,627,830)</u>
	<u>\$ -</u>	<u>\$ 11,997,509</u>

December 31, 2022

17. Segmented Information

The District is a diversified municipal government entity in the Province of British Columbia that provides a wide range of services to its citizens such as roads, sewer and drainage infrastructure, garbage collection, and parks. The District also contributes to the costs of water, recreation, fire protection, and transit which are under the jurisdiction of the Sunshine Coast Regional District.

The nature of the segments and the activities they encompass are as follows:

General Government

General Government is composed of the District's internal support functions including Administration, Communication, Corporate Services, Financial Services, Human Resources, Information Technology, Mayor and Council, and any other services categorized as non-departmental.

Police Services

Police Services is responsible for the municipal portion of the services provided by the Royal Canadian Mounted Police in respect of law enforcement and protection to persons and property within the District.

Public Works

Public Works is composed of Public Works, Engineering, Street Lights, Drainage, and Fleet. The services provided by this segment include planning and maintenance of roads, sidewalks, drainage, street lights, and parking facilities. As well, this segment includes the District's equipment and vehicle fleet.

Solid Waste

Solid Waste administers the collection and disposal of household garbage and recyclables on a contracted basis.

Sewer Operating

Sewer Operating is responsible for the collection, transportation, and treatment of sanitary sewage, and maintaining the necessary infrastructure to provide these services.

December 31, 2022

17. Segmented Information (Continued)

Planning and Community Development

Planning and Community Development includes the following:

- Building Inspection regulates all construction within the District in accordance with applicable bylaws, regulations, and legislation.
- Development Services is responsible for land-use planning, guidelines, and development in accordance with the District's Official Community Plan and other applicable plans.
- Economic Development seeks to create a vibrant local and sustainable economy that provides a full range of goods, services, and opportunities, on a contracted basis.

Community Services

Community Services is composed of Parks and Arts, Culture & Heritage. Parks contributes to the quality of life and personal wellness of the community through the provision and maintenance of parks, trails, streetscapes, and beach accesses. Arts, Culture & Heritage provides library services and contributes to the quality of life of the community through supporting a variety of arts and cultural initiatives in the community, including the Sechelt Arts Festival.

Facilities

Facilities is responsible for the operation and maintenance of District lands, buildings, wharfs, and other municipal structures.

Sunshine Coast Community Forest Ltd.

Sunshine Coast Community Forest Ltd. (Formerly Sechelt Community Projects Inc. (SCPI)) was formed for the purpose of acquiring and managing a Community Forest Agreement (Note 2, 5). This wholly owned subsidiary of the District is considered a separate segment for reporting purposes.

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2022

18. Accumulated Surplus

The District segregates its accumulated surplus into the following categories:

	2022	2021
General Government (Note 19)	\$ 7,532,501	\$ 6,723,951
Sewer fund (Note 19)	3,825,311	3,059,982
General Government statutory reserves (Note 19)	6,017,880	5,480,030
Investment in Sunshine Coast Community Forest Ltd.	2,330,785	2,175,194
	<u>19,706,477</u>	<u>17,439,157</u>
Tangible capital assets	156,035,358	152,797,126
Long-term debt	(1,851,926)	(3,028,298)
Short-term loans	(1,635,202)	(208,890)
Equity in tangible capital assets	<u>152,548,230</u>	<u>149,559,938</u>
Accumulated Surplus	<u>\$ 172,254,707</u>	<u>\$ 166,999,095</u>

Statutory reserves represent funds set aside by bylaw for specific purposes.

Equity in tangible capital assets represents the net book value of the assets less any debt outstanding used to acquire tangible capital assets.

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2022

19. Statutory and Non-statutory Reserves

Under PSAB reporting requirements, statutory and non-statutory reserves comprise a part of the operating surplus of the District. Below are listings of the reserves balances at the end of each year:

	2021	Interest and Contributions	Transfers	2022
Statutory Reserves				
Equipment Replacement	\$ 27,187	\$ 7	\$ (26,912)	\$ 282
Parkland Acquisition	216,926	5,271	-	222,197
Capital	2,460,224	1,399,557	(1,268,821)	2,590,960
Municipal Wharf Facilities	539	13	-	552
Community Forest Legacy Fund	1,296,187	539,808	(158,000)	1,677,995
Affordable Housing	164,943	160,214	-	325,157
Community Amenity Fund	16,372	49,052	-	65,424
Community Works Fund	1,297,650	534,440	(696,777)	1,135,313
	<u>5,480,028</u>	<u>2,688,362</u>	<u>(2,150,510)</u>	<u>6,017,880</u>
Non-statutory Reserves				
General Fund (Prior years surplus)	1,013,942	1,126,402	(453,300)	1,687,044
General Fund Other	5,710,010	892,283	(756,835)	5,845,458
Sewer Fund (Prior years surplus)	1,010,595	465,370	-	1,475,965
Sewer Fund Other	2,049,389	1,115,586	(815,630)	2,349,345
Investment in Sunshine Coast Community Forest Ltd.	2,175,193	681,482	(525,890)	2,330,785
	<u>11,959,129</u>	<u>4,281,123</u>	<u>(2,551,655)</u>	<u>13,688,597</u>
	<u>\$ 17,439,157</u>	<u>\$ 6,969,485</u>	<u>\$ (4,702,165)</u>	<u>\$ 19,706,477</u>

December 31, 2022

20. Financial Instrument Risk

The District, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of those risks at December 31, 2021. There have been no changes to exposure of these risks from the prior year.

(a) Credit Risk

Credit risk is the risk that the District will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the District to credit risk consist primarily of cash and cash equivalents, portfolio investments, and accounts receivable. The District has an investment policy to ensure investments are managed appropriately to secure the preservation of capital and the availability of liquid funds. The District invests surplus funds in accordance with its investment policy. The majority of receivables are due from federal and provincial agencies as well as taxpayers. Amounts due from taxpayers are effectively secured by the property due to the collection method under the tax sale legislation.

(b) 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. Investments bear some interest rate risk but these risks are mitigated through the diversification of the portfolio and low risk investment decisions.

(c) Market Risk

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market.

(d) Liquidity Risk

Liquidity risk is the risk that the District will not be able to meet its obligations as they fall due. The District maintains adequate levels of working capital to ensure all its obligations can be met when they fall due.

December 31, 2022

21. Comparative Figures

Certain figures in the comparative information have been reclassified to conform with the current year presentation.

District of Sechelt
Schedule 1 - Deferred Development Cost Charges

For the year ended December 31, 2022

	Sewer	Sechelt Drainage	Sechelt Roads	Sechelt Parks	2022	2021
Balance, Beginning of year	\$ 2,173,916	\$ 131,106	\$ 502,078	\$ 863,972	\$ 3,671,072	\$ 5,422,649
Interest	54,016	5,548	26,812	25,492	111,868	27,331
Cash contributions	52,600	98,616	630,404	202,102	983,722	314,286
Capital expenditures (revenue recognized)	(3,634)	(1,417)	(29,108)	(16,963)	(51,122)	(2,093,193)
Balance, end of year	\$ 2,276,898	\$ 233,853	\$ 1,130,186	\$ 1,074,603	\$ 4,715,540	\$ 3,671,073

Development cost charges are funds received from developers to cover the costs of future capital projects. These funds are recognized into revenue when the related costs are incurred.

District of Sechelt
Schedule 2 - Tangible Capital Assets

For the year ended December 31, 2022

	Land	Buildings	Vehicles/ Equipment/ Furniture	Works in Progress (WIP)	Other	Engineering Infrastructure				2022	2021
						Roads	Drainage	Sewer	Other		
Cost											
Balance, beginning of year	\$71,148,788	\$38,999,038	\$10,238,241	\$10,470,766	\$ 52,975	\$56,791,996	\$10,329,203	\$22,667,823	\$ 4,365,437	\$225,064,267	\$ 218,959,230
Additions	22,402	386,354	303,331	1,972,365	-	744,707	-	230,000	3,161,048	6,820,207	6,138,467
WIP Completed	-	11,934	-	(1,242,618)	-	-	593,065	468,322	169,297	-	-
Disposals	-	(107,517)	(243,477)	-	-	-	-	(333,129)	-	(684,123)	(33,430)
Balance, end of year	\$71,171,190	\$39,289,809	\$10,298,095	\$11,200,513	\$ 52,975	\$57,536,703	\$10,922,268	\$23,033,016	\$ 7,695,782	\$231,200,351	\$ 225,064,267
Accumulated Amortization											
Balance, beginning of year	\$ -	\$15,438,555	\$ 6,305,380	\$ -	\$ 34,434	\$33,337,894	\$ 4,445,876	\$10,759,619	\$ 1,945,383	\$ 72,267,141	\$ 68,842,102
Amortization expense	-	1,020,528	483,466	-	2,649	1,216,922	210,774	445,840	100,323	3,480,502	3,446,329
Disposals	-	(92,628)	(225,477)	-	-	-	-	(264,544)	-	(582,649)	(21,290)
Balance, end of year	\$ -	\$16,366,455	\$ 6,563,369	\$ -	\$ 37,083	\$34,554,816	\$ 4,656,650	\$10,940,915	\$ 2,045,706	\$ 75,164,994	\$ 72,267,141
Net book value, end of year	\$71,171,190	\$22,923,354	\$ 3,734,726	\$11,200,513	\$ 15,892	\$22,981,887	\$ 6,265,618	\$12,092,101	\$ 5,650,076	\$156,035,358	\$ 152,797,126

District of Sechelt
Schedule 3 - Segmented Information

For the Year Ended December 31, 2022

	General Fund							Sewer Fund		
	General Government	Planning and Community Development	Community Services	Public Works	Facilities	Police Services	Solid Waste	SCPI	Sewer Operating	Total
Revenues										
Taxation and other levies	\$12,117,236	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 957,865	\$13,075,101
Private contributions	1,200	143,100	61,095	71,020	-	-	-	-	230,000	506,415
Government grants	1,273,577	184,227	673,566	1,000,034	188,485	176,248	-	-	13,782	3,509,919
Sale of goods and services	126,744	13,679	50,451	16,232	50,807	65,486	1,419,138	-	3,398,152	5,140,689
Licences, permits and fees	239,734	938,370	6,232	22,185	687,582	23,639	218,776	-	-	2,136,518
Penalties and interest	186,362	-	-	-	-	-	-	-	-	186,362
Income from business enterprise	-	-	-	-	-	-	-	681,482	-	681,482
Return on investments	506,446	-	-	-	374,025	-	-	-	134,182	1,014,653
Gain (loss) on disposal of tangible capital assets	-	-	-	10,210	(14,889)	-	-	-	(68,585)	(73,264)
Development cost charges	-	-	16,963	30,525	-	-	-	-	3,634	51,122
	14,451,299	1,279,376	808,307	1,150,206	1,286,010	265,373	1,637,914	681,482	4,669,030	26,228,997
Expenses										
Salaries and benefits	2,696,690	1,143,066	939,584	1,694,973	102,263	300,607	-	-	724,222	7,601,405
Contract services	967,918	336,584	337,303	457,529	164,886	2,279,843	1,558,741	-	471,462	6,574,266
Travel and education	112,002	12,329	12,704	30,843	909	55	-	-	18,594	187,436
Supplies and materials	165,186	11,924	200,554	318,644	50,136	230	-	-	375,395	1,122,069
Utilities	7,384	-	42,473	167,096	110,532	-	-	-	170,024	497,509
Interest and bank charges	28,314	6,176	69	3,045	88,619	1,066	-	-	53,301	180,590
Risk management	114,477	-	2,172	28,450	51,259	-	-	-	61,811	258,169
Grants	-	151,600	884,790	-	-	20,174	14,873	-	-	1,071,437
Amortization of tangible capital assets	95,682	2,649	185,797	1,683,401	218,640	-	-	-	1,294,335	3,480,504
Recovery of Sewer Costs	(330,172)	-	-	-	-	-	-	-	330,172	-
	3,857,481	1,664,328	2,605,446	4,383,981	787,244	2,601,975	1,573,614	-	3,499,316	20,973,385
Annual Surplus (Deficit)	\$10,593,818	\$ (384,952)	\$ (1,797,139)	\$ (3,233,775)	\$ 498,766	\$ (2,336,602)	64,300	\$ 681,482	\$1,169,714	\$ 5,255,612

District of Sechelt
Schedule 3 - Segmented Information

For the year ended December 31, 2021

	General Fund							Sewer Fund		Total
	General Government	Planning and Community Development	Community Services	Public Works	Facilities	Police Services	Solid Waste	SCPI	Sewer Operating	
Revenues										
Taxation and other levies	\$11,150,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 956,769	\$12,107,180
Private contributions	4,800	50,600	164,353	174,412	-	-	-	-	22,110	416,275
Government grants	3,244,021	41,568	97,103	44,869	-	105,991	-	-	-	3,533,552
Sale of goods and services	97,976	4,260	78,890	18,060	56,909	130,988	1,076,750	-	3,082,979	4,546,812
Licences, permits and fees	256,740	573,861	12,175	72,101	650,997	24,428	171,687	-	-	1,761,989
Penalties and interest	183,742	-	-	-	-	-	-	-	-	183,742
Income from business enterprise	-	-	-	-	-	-	-	842,899	-	842,899
Return on investments	143,293	-	-	-	242,476	-	-	-	33,661	419,430
Gain (loss) on disposal of tangible capital assets	-	-	-	(12,140)	-	-	-	-	-	(12,140)
Development cost charges	-	-	15,318	2,054,630	-	-	-	-	23,245	2,093,193
	15,080,983	670,289	367,839	2,351,932	950,382	261,407	1,248,437	842,899	4,118,764	25,892,932
Expenses										
Salaries and benefits	2,327,326	1,032,857	844,347	1,352,781	104,777	304,776	-	-	573,468	6,540,332
Contract services	809,458	281,815	394,912	388,667	157,541	1,505,649	1,022,311	-	444,884	5,005,237
Travel and education	47,497	7,590	4,402	10,061	485	-	-	-	6,695	76,730
Supplies and materials	181,829	7,175	143,961	257,092	26,261	(17)	-	-	359,862	976,163
Utilities	6,551	-	29,209	184,607	120,813	-	-	-	172,699	513,879
Interest and bank charges	33,491	-	-	-	115,896	-	-	-	69,969	219,356
Risk management	108,515	-	1,977	28,887	46,419	-	-	-	56,261	242,059
Grants	-	148,800	1,004,406	-	-	44,888	16,513	-	-	1,214,607
Amortization of tangible capital assets	84,550	2,649	180,432	1,684,170	220,899	-	-	-	1,273,629	3,446,329
Recovery of Sewer Costs	(324,173)	-	-	-	-	-	-	-	324,173	-
	3,275,044	1,480,886	2,603,646	3,906,265	793,091	1,855,296	1,038,824	-	3,281,640	18,234,692
Annual Surplus (Deficit)	\$11,805,939	\$ (810,597)	\$ (2,235,807)	\$ (1,554,333)	\$ 157,291	\$ (1,593,889)	\$209,613	\$842,899	\$ 837,124	\$ 7,658,240

For the year ended December 31, 2022

Balance, beginning of year	\$ 1,859,118
Eligible costs incurred:	
Office modifications	34,078
Recreation, parks and culture	64,453
Computer and technology costs to improve connectivity and virtual connections	<u>222,374</u>
Total eligible costs incurred	<u>320,905</u>
Balance, end of year	<u>\$ 1,538,213</u>

In November 2020, the Province of British Columbia issued grants to local governments for operations impacted by COVID-19. The District has established a non-statutory reserve within accumulated surplus to track the use of the COVID-19 Safe Restart Grant funds.