

District of Sechelt

Consolidated Financial Statements
For the year ended December 31, 2025

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For the year ended December 31, 2025

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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, 2025, and the consolidated statements of operations, 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, 2025, and the results of its consolidated operations, changes in 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.

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 6, 2026

MNP LLP

Chartered Professional Accountants

MNP LLP

District of Sechelt
Consolidated Statement of Financial Position

December 31, 2025

2025

2024

Financial Assets

Cash	\$ 47,050,685	\$ 40,160,770
Portfolio investments (Note 3)	18,044	17,350
Accounts receivable (Note 4)	4,160,020	6,130,042
Investment in business enterprise (Note 5)	2,497,694	2,467,985
	<u>53,726,443</u>	<u>48,776,147</u>

Liabilities

Accounts payable and accrued liabilities	2,330,728	3,639,089
Deferred revenue (Note 7)	9,287,514	9,201,677
Deferred development cost charges (Schedule 1)	5,530,181	4,943,643
Refundable deposits	3,298,861	3,217,072
Long-term debt (Note 8)	2,895,002	3,370,386
Short-term loans (Note 9)	1,654,669	1,159,344
Asset Retirement Obligations (Note 17)	3,857,334	3,729,769
	<u>28,854,289</u>	<u>29,260,980</u>

Net Financial Assets

	<u>24,872,154</u>	<u>19,515,167</u>
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Non-financial Assets

Tangible capital assets (Schedule 2)	168,777,567	170,552,548
Prepaid expenses	398,685	330,416
	<u>169,176,252</u>	<u>170,882,964</u>

Accumulated Surplus (Note 19)

	\$ 194,048,406	\$ 190,398,131
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Contingent Liabilities (Note 15)



David Douglas, CPA, CGA
Director of Financial Services



Adam Shepherd
Councillor

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

District of Sechelt
Consolidated Statement of Operations

For the year ended December 31, 2025	Budget 2025	2025	2024
	(Note 16)		
Revenues (Schedule 3)			
Taxation and other levies (Note 10)	\$ 16,596,687	\$ 16,551,697	\$ 15,231,395
Private contributions (Note 11)	39,948	144,058	272,215
Government grants (Note 12)	11,930,790	1,111,637	1,593,371
Sale of goods and services	5,980,073	6,417,505	5,904,121
Licences, permits and fees	1,697,036	2,095,807	1,861,081
Penalties and interest	219,000	361,094	303,004
Income from business enterprise (Note 5)	-	55,599	530,141
Return on investments	767,923	1,305,206	1,862,292
Gain on disposal of tangible capital assets	-	6,143	64,249
Development cost charges (Schedule 1)	777,414	11,508	421,249
	38,008,871	28,060,254	28,043,118
Expenses (Schedule 3)			
General Government	5,699,907	4,744,037	4,544,118
Planning and Community Development	2,156,882	1,710,185	1,664,224
Community Services	3,275,664	2,933,965	3,110,075
Public Works	5,436,530	4,214,279	4,167,393
Facilities	1,883,774	1,489,108	1,293,080
Police Services	3,447,901	2,914,104	2,628,082
Solid Waste	1,835,500	1,757,382	1,720,574
Sewer Operating	5,657,953	4,646,919	4,813,498
	29,394,111	24,409,979	23,941,044
Annual Surplus	8,614,760	3,650,275	4,102,074
Accumulated Surplus, beginning of year	190,398,131	190,398,131	186,296,057
Accumulated Surplus, end of year	\$ 199,012,891	\$ 194,048,406	\$ 190,398,131

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

District of Sechelt
Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31, 2025	Budget 2025	2025	2024
	(Note 16)		
Annual surplus	\$ 8,614,760	\$ 3,650,275	\$ 4,102,074
Aquisition of tangible capital assets (Schedule 2)	(23,610,752)	(2,460,856)	(6,914,449)
Amortization of tangible capital assets (Schedule 2)	3,889,989	4,199,705	4,026,285
Net book value of tangible capital assets disposed (Schedule 2)	-	36,132	438,658
	(19,720,763)	1,774,981	(2,449,506)
Increase in prepaid expenses	-	(68,269)	(4,441)
Increase (Decrease) in net financial assets	(11,106,003)	5,356,987	1,648,127
Net financial assets, beginning of year	19,515,167	19,515,167	17,867,040
Net financial assets, end of year	\$ 8,409,164	\$ 24,872,154	\$ 19,515,167

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

District of Sechelt
Consolidated Statement of Cash Flows

For the year ended December 31, 2025

2025

2024

Operating transactions		
Annual surplus	\$ 3,650,275	\$ 4,102,074
Non-cash items:		
Amortization of tangible capital assets	4,199,704	4,026,285
Loss (Income) from Investment in business enterprise	(55,599)	(530,141)
Accretion	127,565	122,329
Loss (Gain) on disposal of tangible capital assets	(6,143)	(64,249)
Work in Progress Written Off	29,633	421,907
	<u>4,295,160</u>	<u>3,976,131</u>
Changes in non-cash operating balances		
Decrease (Increase) in accounts receivable	1,970,020	2,353,025
Decrease (Increase) in prepaid expenses	(68,269)	(4,441)
Increase (Decrease) in accounts payable	(1,308,361)	(2,657,890)
Increase (Decrease) in deferred revenue	85,837	268,172
Increase (Decrease) in development cost charges	586,538	165,317
Increase (Decrease) in refundable deposits	81,789	34,688
	<u>1,347,554</u>	<u>158,871</u>
Cash provided by operating transactions	<u>9,292,989</u>	<u>8,237,076</u>
Financing transactions		
Repayment of long-term debt	(475,383)	(740,771)
Proceeds of short-term loans	683,583	894,960
Repayment of short-term loans	(188,257)	(98,682)
Cash applied to financing transactions	<u>19,943</u>	<u>55,507</u>
Capital transactions		
Acquisition of tangible capital assets	(2,460,856)	(6,914,449)
Proceeds from the sale of tangible capital assets	12,643	81,000
Cash applied to capital transactions	<u>(2,448,213)</u>	<u>(6,833,449)</u>
Investing transactions		
Decrease (Increase) in portfolio investments	(694)	(674)
Dividends received on Investment in business enterprise	25,890	25,890
Cash applied to investing transactions	<u>25,196</u>	<u>25,216</u>
Increase in cash and cash equivalents	6,889,915	1,484,350
Cash and cash equivalents, beginning of year	<u>40,160,770</u>	<u>38,676,420</u>
Cash and cash equivalents, end of year	<u>\$ 47,050,685</u>	<u>\$ 40,160,770</u>

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

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2025

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, 2025

2. Significant Accounting Policies (Continued)

(c) Revenue Recognition

The accrual basis of accounting is followed in the financial statement presentation. Revenue is recorded as the performance obligation is satisfied, when the amount can be estimated and collection is reasonably assured. 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.

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2025

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, 2025

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, 2025, no such contamination in excess of an environmental standard requiring remediation exists.

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2025

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, provisions for contingencies, and asset retirement obligations. Actual results could differ from those estimates. Adjustments, if any, will be reflected in the period of settlement.

(i) Asset Retirement Obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the District to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expensed that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to the asset retirement activities, based on information available at December 31, 2025. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected or occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the District reviews the carrying amount of the liability. The District recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

3. Portfolio Investments

	2025	2024
Other portfolio investments	<u>\$ 18,044</u>	<u>\$ 17,350</u>

Investments are recorded at market value. Other portfolio investments consists of a Guaranteed Investment Certificate. The other portfolio investments mature in September 2026 with an interest rate of 2.55% (2024 - 4.00%).

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2025

4. Accounts Receivable

	2025	2024
Property taxes receivable	\$ 2,074,030	\$ 1,742,228
Federal government receivables	111,741	236,243
Capital grants receivable	701,573	3,186,715
Lease receivables	430,083	114,134
Other grants receivable	102,577	90,865
Other receivables	1,327,615	1,347,456
	<hr/>	<hr/>
	4,747,619	6,717,641
Allowance for doubtful accounts	(587,599)	(587,599)
	<hr/>	<hr/>
	\$ 4,160,020	\$ 6,130,042

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2025

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.

	<u>2025</u>	<u>2024</u>
Statement of Financial Position		
As at December 31		
Total assets	\$ 2,784,387	\$ 2,821,432
Total liabilities	286,693	353,447
Shareholder's equity	<u>2,497,694</u>	<u>2,467,985</u>
	<u>\$ 2,784,387</u>	<u>\$ 2,821,432</u>
Statement of Operations		
For the Year Ended December 31		
Revenues	\$ 1,469,214	\$ 2,813,753
Expenses	<u>(1,413,615)</u>	<u>(2,283,612)</u>
Net Income (Loss)	<u>\$ 55,599</u>	<u>\$ 530,141</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	2,245,615	1,741,364
Net income	55,599	530,141
Dividends declared during the year	<u>(25,890)</u>	<u>(25,890)</u>
	<u>\$ 2,497,694</u>	<u>\$ 2,467,985</u>

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2025

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:

	2025	2024
Debt Reserve - Cash Deposits	\$ 31,698	\$ 124,071
Debt Reserve - Demand Notes	89,099	429,159
	\$ 120,797	\$ 553,230

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.

	2024	Receipts	Revenue Recognized	Interest	2025
Deferred Grants					
Sunshine Coast Drought Mitigation Grant	\$ 5,300,000	\$ -	\$ -	\$ -	\$ 5,300,000
BC Gov Housing Initiatives Support	171,331	-	(23,957)	-	147,374
Marin Community Foundation Grant	568	-	-	-	568
UBCM - Complete Communities Program	89,635	-	(63,726)	-	25,909
Indigenous Engagement Requirements Fund	48,000	48,000	-	-	96,000
	5,609,534	48,000	(87,683)	-	5,569,851
Cash in lieu for development	1,428,107	137,706	(101,939)	1,780	1,465,654
Donations	43,536	-	-	1,424	44,960
Prepayment of property taxes	1,753,710	53,133	-	-	1,806,843
Other	366,790	350,339	(317,484)	561	400,206
	3,592,143	541,178	(419,423)	3,765	3,717,663
	\$ 9,201,677	\$ 589,178	\$ (507,106)	\$ 3,765	\$ 9,287,514

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2025

8. Long-term Debt

	Year Due	Rate Per Annum	2025	2024
Debentures - Municipal Finance Authority				
Operations Centre	2044	4.44 %	\$ 2,895,002	\$ 3,000,000
Water Resource Centre	2025	2.25 %	-	370,386
			<u>\$ 2,895,002</u>	<u>\$ 3,370,386</u>

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

2026	\$ 108,778
2027	112,694
2028	116,751
2029	120,954
2030	125,308
Thereafter	<u>2,310,517</u>
	<u>\$ 2,895,002</u>

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

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2025

9. Short-term Loans

	Year Due	Rate per Annum	2025	2024
MFA Loan - Plotter	2025	3.36 %	\$ -	\$ 4,793
MFA Loan - Dump Truck	2026	3.36 %	36,017	77,887
MFA Loan - Chemical Storage Area	2027	3.36 %	119,036	181,704
MFA Loan - Operations Center Short Term Advance	2025	3.36 %	-	894,960
MFA - Wakefield Lift Station Short Term Advance	2030	3.36 %	1,499,616	-
			<u>\$ 1,654,669</u>	<u>\$ 1,159,344</u>

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

2026	\$ 417,023
2027	369,447
2028	315,709
2029	315,709
2030	236,781
	<u>\$ 1,654,669</u>

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2025

10. Taxation and Other Levies

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

	Budget 2025	2025	2024
Collections for District of Sechelt			
General municipal purposes	\$ 15,558,845	\$ 15,520,820	\$ 14,196,066
Business improvement area	72,842	72,425	71,436
Sewer frontage taxes	965,000	958,452	963,893
	\$ 16,596,687	\$ 16,551,697	\$ 15,231,395
Collections for Other Taxing Authorities			
BC Assessment Authority	\$ 236,575	\$ 236,501	\$ 228,577
Municipal Finance Authority	1,284	1,284	1,267
Provincial Education - residential	6,460,033	6,450,363	6,293,359
Provincial Education - non-residential	1,522,956	1,522,250	1,387,984
Regional Hospital District	470,032	469,908	416,776
Regional Fire District	3,522,549	3,521,616	2,462,981
Sunshine Coast Regional District	7,121,694	7,120,286	6,869,419
Sunshine Coast Regional District - Water Rates	2,779,677	2,779,638	2,604,523
	\$ 22,114,800	\$ 22,101,846	\$ 20,264,886

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2025

11. Private Contributions

	Budget 2025	2025	2024
Donations - Library, Arts and Culture	\$ 700	\$ 9,628	\$ 8,065
Donations - Community Archives	-	4	-
Grant - Vancouver Foundation	-	50,000	30,000
Grant - Adopt a Tree	5,000	8,000	7,500
Grant - Destination BC	-	18,100	22,625
Grant - Parks summer student	-	5,062	-
Grant - Engineering summer student	-	2,500	-
Grant - Planning summer student	-	-	15,000
Grant - BC Hydro EV Charging Station	-	-	7,500
Cash in Lieu - Trail Avenue Construction PI: Teredo St to Anchor	5,000	-	-
Cash in Lieu - Telus - Inlet Ave Improvements	-	-	69,024
Cash in Lieu - Legion - Inlet Ave Improvements	-	-	(50,000)
Cash in Lieu - Active Transportation	29,248	8,664	21,143
Cash in Lieu - Bike BC	-	-	18,500
Cash in Lieu - Transportation Safety Improvements	-	-	33,500
Developer contributions - Parks	-	42,100	75,534
Developer contributions - Sewer	-	-	13,824
	\$ 39,948	\$ 144,058	\$ 272,215

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2025

12. Government Grants

	Budget 2025	2025	2024
Operating - Federal			
Celebrate Canada (Canada Day)	\$ 7,500	\$ 13,000	\$ 7,500
Operating - Provincial			
Canada Community-Building Fund	557,317	557,317	557,317
Small Community Investment Fund	345,000	339,000	381,400
RCMP Traffic Fine Program	75,000	81,000	89,000
Street Lights Cost Share	3,007	3,008	3,008
Local Government Climate Action Program	-	-	322,548
Complete Communities Program	189,635	63,726	-
LGHI Capacity Funding Bill 44	171,331	23,957	29,400
Biosolids Feasibility Study	-	-	10,000
UBCM Community Land Development Analysis	-	-	10,365
UBCM Strengthening Communities - Homeless Coordinator	-	-	78,108
BC Fairs, Festivals, and Events (BCFFE) for Syiyaya Days	-	-	2,500
BC Fairs, Festivals, and Events (BCFFE) for Summer Music Series	-	-	2,000
JSB Roof Replacement	-	-	69,000
WAAS LPV Approach Implementation Project	24,500	-	12,250
Municipal			
Community Archives	9,500	9,350	8,600
Regional Sports Field Strategy	-	21,279	-
Capital			
Heritage BC - Rockwood Lodge	-	-	10,375
New Spaces Fund - Child care facility	3,000,000	-	-
Sunshine Coast Drought Mitigation	5,300,000	-	-
Jasper Road Sidewalk - Active Transportation Fund	873,000	-	-
Trail Bay Waterfront Redevelopment	1,200,000	-	-
Air Curtain Burner - Invasive Plant Management - SCCF	175,000	-	-
	\$ 11,930,790	\$ 1,111,637	\$ 1,593,371

December 31, 2025

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, 2024, the Plan had about 273,000 active members and approximately 133,000 retired members. Active members include approximately 39,000 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, 2024 indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2027, with results available in 2028.

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 \$559,772 (2024 - \$508,953) 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 \$7,076,245 (2024 - \$8,186,840). 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, 2025

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 \$89,099 (2024 - \$429,159) (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, 2025

16. Annual Budget

The budget data presented in these consolidated financial statements are based upon the District's 2025 - 2029 Financial Plan as adopted through Bylaw No. 626 on May 14, 2025. 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	\$ 15,634,584	\$ 16,596,687
Fees, rates and sale of services	3,975,936	7,896,109
Return on investments	767,923	767,923
Grants, donations and private contributions	11,970,738	11,970,738
Development cost charges	777,414	777,414
Sewer Revenues	4,885,173	-
	<u>38,011,768</u>	<u>38,008,871</u>
Expenses		
General Government	5,122,274	5,699,907
Planning and community development	2,144,132	2,156,882
Community services	3,062,664	3,275,664
Public works	3,753,641	5,436,530
Facilities	1,262,324	1,883,774
Police services	3,811,168	3,447,901
Solid waste	1,835,500	1,835,500
Sewer operating	4,185,150	5,657,953
Interest on Debt	330,166	-
Amortization	3,889,989	-
	<u>29,397,008</u>	<u>29,394,111</u>
Annual Surplus (Deficit)	<u>8,614,760</u>	<u>8,614,760</u>
Principle on debenture debt	908,323	-
Debt acquired	(537,211)	-
Transfer to (from) reserves	(5,515,901)	-
Transfer to (from) capital	(4,432,828)	-
Transfer to (from) surplus	(1,528,387)	-
Reduction of capital equity	(3,889,989)	-
Capital Purchases	23,610,752	-
	<u>8,614,760</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 8,614,760</u>

District of Sechelt
Notes to the Consolidated Financial Statements

December 31, 2025

17. Asset Retirement Obligations

The District owns and operates several buildings that are known to have asbestos and lead paint, which represent a health hazard upon demolition or renovation of the assets. There is a legal obligation to remove and dispose of the hazardous materials. Additionally, the District operates a septage receiving site that has been constructed on leased land. Upon expiry of the land lease, in 2031, there is a legal obligation to remove the buildings, equipment, and infrastructure that has been placed on the land. Following the adoption of Public Accounting Standard PS 3280 *Asset Retirement Obligations*, the District recognized an obligation relating to the remediation of the hazardous materials in buildings and the decommission of the septage receiving site as estimated at January 1, 2023.

Discounting has been applied to a portion of the retirement obligations where there is a known date of retirement. Estimated costs totaling \$3,277,088 for the retirement of the Septage Receiving site have been discounted using a present value calculation with a discount rate of 4.28%. The remaining assets, for which there is no known retirement date, have been recognized at their total current estimated costs of \$749,290, with no discounting applied. Retirement obligations and remediation expenditures are expected to be incurred between 2026 and 2057 with the regular replacement, renovation, or disposal of assets.

December 31	2025	2024
Opening asset retirement obligation	<u>\$ 3,729,769</u>	<u>\$ 3,607,441</u>
Increase due to accretion	<u>127,565</u>	<u>122,328</u>
Closing asset retirement obligation	<u>\$ 3,857,334</u>	<u>\$ 3,729,769</u>

18. 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.

December 31, 2025

18. Segmented Information (Continued)

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.

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.

December 31, 2025

18. Segmented Information (Continued)

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, 2025

19. Accumulated Surplus

The District segregates its accumulated surplus into the following categories:

	2025	2024
General Government (Note 20)	\$ 10,528,265	\$ 9,285,822
Sewer fund (Note 20)	7,368,078	4,991,864
General Government statutory reserves (Note 20)	13,283,807	11,359,411
Investment in Sunshine Coast Community Forest Ltd.	2,497,694	2,467,985
	33,677,844	28,105,082
Tangible capital assets	168,777,567	170,552,548
Asset Retirement Obligations	(3,857,334)	(3,729,769)
Long-term debt	(2,895,002)	(3,370,386)
Short-term loans	(1,654,669)	(1,159,344)
Equity in tangible capital assets	160,370,562	162,293,049
Accumulated Surplus	\$ 194,048,406	\$ 190,398,131

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, 2025

20. 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:

	2024	Interest and Contributions	Transfers	2025
Statutory Reserves				
Equipment Replacement	\$ 312	\$ 10	\$ -	\$ 322
Parkland Acquisition	342,540	11,204	-	353,744
Capital	3,563,166	2,753,264	(1,497,545)	4,818,885
Municipal Wharf Facilities	611	20	-	631
Community Forest Legacy Fund	1,882,159	61,562	-	1,943,721
Affordable Housing	613,750	97,528	-	711,278
Community Amenity Fund	164,914	5,394	-	170,308
Canada Community-Building Fund	1,799,425	633,182	(37,303)	2,395,304
Growing Communities Fund	2,992,534	91,520	(194,440)	2,889,614
	<u>11,359,411</u>	<u>3,653,684</u>	<u>(1,729,288)</u>	<u>13,283,807</u>
Non-statutory Reserves				
General Fund (Prior years surplus)	3,965,212	1,931,408	(1,191,607)	4,705,013
General Fund Other	5,320,610	1,087,001	(584,359)	5,823,252
Sewer Fund (Prior years surplus)	2,273,721	1,640,447	(217,647)	3,696,521
Sewer Fund Other	2,718,143	2,444,152	(1,490,738)	3,671,557
Investment in Sunshine Coast Community Forest Ltd.	2,467,985	55,599	(25,890)	2,497,694
	<u>16,745,671</u>	<u>7,158,607</u>	<u>(3,510,241)</u>	<u>20,394,037</u>
	<u>\$ 28,105,082</u>	<u>\$ 10,812,291</u>	<u>\$ (5,239,529)</u>	<u>\$ 33,677,844</u>

December 31, 2025

21. 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, 2025. 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, 2025

22. 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, 2025

	Sewer	Sechelt Drainage	Sechelt Roads	Sechelt Parks	2025	2024
Balance, Beginning of year	\$ 1,052,287	\$ 450,346	\$ 1,878,004	\$ 1,563,006	\$ 4,943,643	\$ 4,778,326
Interest	34,942	16,531	70,777	53,009	175,260	237,510
Cash contributions	16,027	55,058	285,901	65,800	422,786	349,056
Capital expenditures (revenue recognized)	(3,366)	-	-	(8,142)	(11,508)	(421,249)
Balance, end of year	\$ 1,099,890	\$ 521,935	\$ 2,234,682	\$ 1,673,673	\$ 5,530,181	\$ 4,943,643

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, 2025

Engineering Infrastructure

	Land	Buildings	Vehicles/ Equipment/ Furniture	Works in Progress (WIP)	Other	Roads	Drainage	Sewer	Other	2025	2024
Cost											
Balance, beginning of year	\$71,167,476	\$46,951,906	\$12,974,164	\$18,311,000	\$52,975	\$61,293,750	\$10,922,268	\$23,441,633	\$8,179,485	\$253,294,657	\$246,824,565
Additions	-	15,323	120,362	(2,292,115)	-	-	-	4,470,084	147,202	2,460,856	6,914,449
Disposals	-	-	(69,452)	(29,633)	-	-	-	-	-	(99,085)	(444,357)
Balance, end of year	\$71,167,476	\$46,967,229	\$13,025,074	\$15,989,252	\$52,975	\$61,293,750	\$10,922,268	\$27,911,717	\$8,326,687	\$255,656,428	\$253,294,657
Accumulated Amortization											
Balance, beginning of year	\$-	\$18,945,646	\$7,427,013	\$-	\$42,381	\$36,872,150	\$5,077,022	\$11,946,400	\$2,431,497	\$82,742,109	\$78,721,523
Amortization expense	-	1,400,975	626,549	-	2,649	1,144,641	210,186	612,380	202,324	4,199,704	4,026,285
Disposals	-	-	(62,952)	-	-	-	-	-	-	(62,952)	(5,699)
Balance, end of year	\$-	\$20,346,621	\$7,990,610	\$-	\$45,030	\$38,016,791	\$5,287,208	\$12,558,780	\$2,633,821	\$86,878,861	\$82,742,109
Net book value, end of year	\$71,167,476	\$26,620,608	\$5,034,464	\$15,989,252	\$7,945	\$23,276,959	\$5,635,060	\$15,352,937	\$5,692,866	\$168,777,567	\$170,552,548

District of Sechelt
Schedule 3 - Segmented Information

For the Year Ended December 31, 2025

	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	\$15,593,245	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 958,452	\$16,551,697
Private contributions	-	18,100	114,794	11,164	-	-	-	-	-	-	-	144,058
Government grants	896,317	63,726	43,629	4,962	-	81,000	-	-	-	-	22,003	1,111,637
Sale of goods and services	71,947	1,100	42,391	36,892	67,393	115,724	1,812,951	-	-	-	4,269,107	6,417,505
Licences, permits and fees	372,075	592,192	4,461	29,144	808,642	30,704	258,589	-	-	-	-	2,095,807
Penalties and interest	361,094	-	-	-	-	-	-	-	-	-	-	361,094
Income from business enterprise	-	-	-	-	-	-	-	55,599	-	-	-	55,599
Return on investments	917,154	-	-	-	-	-	-	-	-	-	388,052	1,305,206
Gain on disposal of tangible capital assets	-	-	-	6,143	-	-	-	-	-	-	-	6,143
Development cost charges	-	-	8,142	-	-	-	-	-	-	-	3,366	11,508
	18,211,832	675,118	213,417	88,305	876,035	227,428	2,071,540	55,599	5,640,980	28,060,254		
Expenses												
Salaries and benefits	3,265,828	1,376,422	1,236,121	1,791,892	208,418	390,007	-	-	-	-	964,040	9,232,728
Contract services	1,138,926	133,998	359,104	417,015	381,032	2,451,449	1,749,444	-	-	-	558,482	7,189,450
Travel and education	142,944	20,787	12,124	12,433	639	-	-	-	-	-	5,322	194,249
Supplies and materials	118,126	5,425	144,747	282,267	61,867	320	2,700	-	-	-	606,424	1,221,876
Utilities	8,284	-	81,864	121,913	160,978	-	-	-	-	-	183,421	556,460
Interest and bank charges	41,602	9,724	96	-	163,600	828	-	-	-	-	42,675	258,525
Risk management	142,280	-	3,352	41,116	81,106	-	-	-	-	-	74,405	342,259
Grants	-	161,180	849,244	-	-	71,500	5,238	-	-	-	-	1,087,162
Amortization of tangible capital assets	223,665	2,649	247,313	1,578,485	431,468	-	-	-	-	-	1,716,125	4,199,705
Accretion of Asset Retirement Obligations	-	-	-	-	-	-	-	-	-	-	127,565	127,565
Recovery of Sewer Costs	(337,618)	-	-	(30,842)	-	-	-	-	-	-	368,460	-
	4,744,037	1,710,185	2,933,965	4,214,279	1,489,108	2,914,104	1,757,382	-	4,646,919	24,409,979		
Annual Surplus (Deficit)	\$13,467,795	\$(1,035,067)	\$(2,720,548)	\$(4,125,974)	\$(613,073)	\$(2,686,676)	314,158	55,599	\$ 994,061	\$ 3,650,275		

District of Sechelt
Schedule 3 - Segmented Information

For the year ended December 31, 2024

	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	\$14,267,502	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 963,893	\$15,231,395
Private contributions	-	37,625	121,099	99,667	-	-	-	-	13,824	272,215
Government grants	950,967	362,313	20,600	3,008	79,375	167,108	-	-	10,000	1,593,371
Sale of goods and services	173,896	7,644	42,195	5,000	54,031	57,088	1,802,473	-	3,761,794	5,904,121
Licences, permits and fees	370,265	565,646	8,824	158,680	494,709	29,132	233,825	-	-	1,861,081
Penalties and interest	303,004	-	-	-	-	-	-	-	-	303,004
Income from business enterprise	-	-	-	-	-	-	-	530,141	-	530,141
Return on investments	1,521,415	-	-	-	-	-	-	-	340,877	1,862,292
Gain on disposal of tangible capital assets	-	-	-	64,249	-	-	-	-	-	64,249
Development cost charges	-	-	2,921	25,766	-	-	-	-	392,562	421,249
	17,587,049	973,228	195,639	356,370	628,115	253,328	2,036,298	530,141	5,482,950	28,043,118
Expenses										
Salaries and benefits	3,115,288	1,295,705	1,169,448	1,671,002	219,021	376,637	-	-	821,054	8,668,155
Contract services	1,043,808	168,201	356,861	507,977	335,346	2,201,783	1,670,016	-	986,846	7,270,838
Travel and education	167,954	15,940	17,457	22,124	2,585	-	-	-	17,867	243,927
Supplies and materials	157,325	6,025	188,216	235,313	46,689	234	41,001	-	611,535	1,286,338
Utilities	7,472	-	85,199	124,092	146,855	-	-	-	179,885	543,503
Interest and bank charges	57,146	11,158	42	-	215,527	828	-	-	28,897	313,598
Risk management	150,701	-	3,199	36,225	70,118	-	-	-	73,848	334,091
Grants	-	164,546	909,275	-	-	-	-	-	-	1,131,978
Amortization of tangible capital assets	182,041	2,649	380,378	1,601,502	256,939	-	-	-	1,602,778	4,026,287
Accretion of Asset Retirement Obligations	-	-	-	-	-	-	-	-	122,329	122,329
Recovery of Sewer Costs	(337,618)	-	-	(30,842)	-	-	-	-	368,460	-
	4,544,117	1,664,224	3,110,075	4,167,393	1,293,080	2,628,082	1,720,574	-	4,813,499	23,941,044
Annual Surplus (Deficit)	\$13,042,932	\$ (690,996)	\$ (2,914,436)	\$ (3,811,023)	\$ (664,965)	\$ (2,374,754)	\$315,724	\$530,141	\$ 669,451	\$ 4,102,074

District of Sechelt
Schedule 4 - COVID-19 Safe Restart Grant for Local Governments

For the year ended December 31, 2025

	2025	2024
Balance, beginning of year	\$ 812,550	\$ 1,240,375
Eligible costs incurred:		
Building modifications	-	177,797
Recreation, parks and culture	89,368	56,649
Computer and technology costs to improve connectivity and virtual connections	146,083	154,496
Community Safety	-	38,883
Total eligible costs incurred	235,451	427,825
Balance, end of year	\$ 577,099	\$ 812,550

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.

District of Sechelt
Schedule 5 - Growing Communities Fund

For the Year Ended December 31, 2025

	2025	2024
Balance, beginning of year	\$2,992,534	\$3,446,987
Interest and contributions	91,520	143,771
Active Transportation Network	(71,587)	(174,694)
Municipal Hall and Library Remediation	(93,100)	(192,802)
Wakefield Road Culvert Replacement	(13,494)	(230,728)
Sanitary Collection System Asset Replacement and Renewal	(16,259)	-
Balance, end of year	\$2,889,614	\$2,992,534

The Province of British Columbia distributed conditional Growing Communities Fund (GCF) grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia.

The District of Sechelt received \$3,759,000 of GCF funding in March 2023.