

**THE CORPORATION OF THE
VILLAGE OF SAYWARD
Financial Statements
December 31, 2023**

THE CORPORATION OF THE VILLAGE OF SAYWARD

Index to Financial Statements

Year Ended December 31, 2023

	Page
MANAGEMENT REPORT	1
INDEPENDENT AUDITORS' REPORT	2 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Operations	5
Statement of Change in Net Financial Assets	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 16
Schedule 1 - Government Grants and Transfers to the Village and Ratepayers	17
Schedule 2 - Combined Statement of Operations by Segment Year ended December 31, 2023	18
Schedule 3 - Combined Statement of Operations by Segment Year ended December 31, 2022	19
Schedule 4 - Reserve Fund Transactions	20
Schedule 5 - COVID-19 Safe Restart Grant Unaudited	21
Schedule 6 - Growing Communities Fund Unaudited	22

MANAGEMENT REPORT

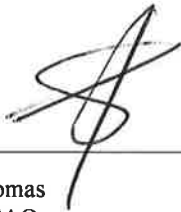
December 31, 2023

The Mayor and Council of The Corporation of the Village of Sayward (the "Village") has delegated the responsibility for the integrity and objectivity of the financial information contained in the financial statements to the management of the Village. The 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 properly authorized and recorded in compliance with legislative and regulatory requirements and that financial records are reliable for preparation of the financial statements. These systems are monitored and evaluated by management.

The Village's independent auditors, Chan Nowosad Boates Inc., Chartered Professional Accountants, are engaged to express an opinion as to whether these financial statements present fairly the Village's financial position and operating results in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards. These statements present, in all significant respects the financial position of the Village as at December 31, 2023.



John Thomas
Acting CAO

September 3, 2024



INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of The Corporation of the Village of Sayward

Opinion

We have audited the accompanying financial statements of The Corporation of the Village of Sayward (the "Village"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion, the Village's financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2023, and of its financial performance and its cash flows for the year then ended. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards.

Basis of Opinion

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

We are independent of the Village in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

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

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

In preparing the financial statements, management is responsible for assessing the Village'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 intends for the Village to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for over-seeing the Village's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these financial statements.

THE CORPORATION OF THE VILLAGE OF SAYWARD

Statement of Financial Position

December 31, 2023

2023

2022

FINANCIAL ASSETS

Cash	\$ 1,633,894	\$ 578,716
Portfolio Investments (Note 3)	44,143	42,914
Accounts Receivable (Note 4)	111,182	417,401
	<u>1,789,219</u>	<u>1,039,031</u>

LIABILITIES

Accounts Payable (Note 5)	174,873	208,704
Deferred Revenue (Note 6)	274,799	122,146
Long Term Debt (Note 7)	36,982	60,243
Liability for Contaminated Site (Note 8)	30,000	-
Asset Retirement Obligations (Note 9)	979,803	-
	<u>1,496,457</u>	<u>391,093</u>

NET FINANCIAL ASSETS

292,762 647,938

NON-FINANCIAL ASSETS

Prepaid Expenses	25,709	31,907
Tangible Capital Assets (Note 10)	11,840,513	11,097,636
	<u>11,866,222</u>	<u>11,129,543</u>

ACCUMULATED SURPLUS (Note 14)

\$ 12,158,984 \$ 11,777,481

Contingencies (Note 12)

Approved by:



Mayor



Chief Financial Officer

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village'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 Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

Chan Nawrood Boatis Inc

Chartered Professional Accountants
Campbell River, BC

September 3, 2024

THE CORPORATION OF THE VILLAGE OF SAYWARD

Statement of Operations

Year Ended December 31, 2023

	<u>2023</u>		<u>2022</u>
	<u>Budget</u>	<u>Actual</u>	
	(Note 15)		
Revenues (Schedules 2 and 3)			
Taxation (Note 11)	\$ 468,200	\$ 431,483	\$ 395,163
User Fees	295,240	297,992	262,348
Government Grants and Transfers (Schedule 1)	2,738,368	1,186,233	646,619
Sales of Services	32,150	122,001	82,580
Contribution from Others	-	2,566	1,706
Investment and Other Income	<u>91,058</u>	<u>99,675</u>	<u>45,767</u>
	<u>3,625,016</u>	<u>2,139,950</u>	<u>1,434,183</u>
Expenditures (Schedules 2 and 3)			
General Government Services	691,953	644,255	556,525
Recreation and Parks Services	341,269	386,600	339,839
Protection Services	114,842	139,105	113,974
Transportation Services	62,611	34,937	76,819
Solid Waste Services	49,000	47,721	54,049
Public Works Services	106,978	116,820	100,841
Sewer Services	134,279	143,262	147,285
Water Services	<u>239,737</u>	<u>245,747</u>	<u>261,592</u>
	<u>1,740,669</u>	<u>1,758,447</u>	<u>1,650,924</u>
Annual Surplus (Deficit)	1,884,347	381,503	(216,741)
Accumulated Surplus - Beginning of Year	<u>11,777,481</u>	<u>11,777,481</u>	<u>11,994,222</u>
Accumulated Surplus - End of Year	<u>\$13,661,828</u>	<u>\$12,158,984</u>	<u>\$11,777,481</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Statement of Change in Net Financial Assets

Year Ended December 31, 2023

	2023		2022
	Budget	Actual	
	(Note 15)		
Annual Surplus (Deficit)	\$ 1,884,347	\$ 381,503	\$ (216,741)
Use of Prepaid Expenses	-	31,907	26,648
Acquisition of Prepaid Expenses	-	(25,709)	(31,907)
Net Acquisition of Tangible Capital Assets	(1,950,576)	(72,932)	(482,740)
Amortization of Tangible Capital Assets	214,986	309,858	227,423
Recognition of Asset Retirement Obligations	-	(979,803)	-
	148,757	(355,176)	(477,317)
Net Financial Assets - Beginning of Year	647,938	647,938	1,125,255
Net Financial Assets - End of Year	\$ 796,695	\$ 292,762	\$ 647,938

THE CORPORATION OF THE VILLAGE OF SAYWARD

Statement of Cash Flows

Year Ended December 31, 2023

2023

2022

Cash Flows From Operating Activities:

Annual Surplus	\$ 381,503	\$ (216,741)
Items Not Involving Cash		
Amortization of Tangible Capital Assets	309,858	227,423
Actuarial Adjustment to Long Term Debt	<u>(3,903)</u>	<u>(3,596)</u>
	687,458	7,086
Changes in Non-Cash Operating Balances		
Accounts and Taxes Receivable	306,219	(6,205)
Account Payable	(3,834)	352
Deferred Revenue	152,653	24,475
Prepaid Expenses	<u>6,198</u>	<u>(5,259)</u>
	<u>1,148,694</u>	<u>20,449</u>

Cash Flows From Capital Activities:

Purchase of Tangible Capital Assets	<u>(72,929)</u>	<u>(482,740)</u>
-------------------------------------	-----------------	------------------

Cash Flows From Investing Activities:

Acquisition of Portfolio Investments	(1,229)	(364)
Repayments of Long Term Debt	<u>(19,358)</u>	<u>(19,740)</u>
	<u>(20,587)</u>	<u>(20,104)</u>

Increase (Decrease) in Cash and Cash Equivalents 1,055,178 (482,395)

Cash and Cash Equivalents - Beginning of Year 578,716 1,061,111

Cash and Cash Equivalents - End of Year \$ 1,633,894 \$ 578,716

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2023

The Corporation of the Village of Sayward (the "Village") was incorporated as a municipality in 1968 under the provisions of the British Columbia Municipal Act. Its principal activities are the provision of local government services to residents of the Village. These services include fire protection, public works, planning, parks and recreation, water distribution and sewer collection, and other general government services, as governed by the Community Charter and Local Government Act.

1. Significant Accounting Policies:

a) Basis of Presentation:

The Village prepares its financial statements in accordance with Canadian public sector accounting standards using guidelines developed by the Public Sector Accounting Board ("PSAS") for the Chartered Professional Accountants of Canada.

b) Cash:

Cash balances comprise of cash on hand and demand deposits.

c) Portfolio Investments:

Portfolio investments are recorded at cost. Portfolio investments in Municipal Finance Authority of British Columbia (MFA) Bond and Money Market Funds are recorded at cost plus earnings that are reinvested in the funds.

d) Tangible Capital Assets:

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Amortization is recorded on a straight-line basis over the estimated useful life of the tangible capital asset commencing once the asset is in use. Donated tangible capital assets are recorded at fair value at the time of the donation.

Estimated useful lives of tangible capital assets are as follows:

Land Improvements	10 to 40 years
Buildings	20 to 70 years
Equipment, Vehicles & Furniture	10 to 40 years
Water Infrastructure	100 years
Sewer and Drainage Infrastructure	100 years
Roads and Bridges	25 to 75 years

e) Collection of Taxes on Behalf of Other Taxation Authorities:

The Village collects taxation on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these other entities are not reflected in these financial statements. Levies imposed by other taxation authorities are not included as taxes for municipal purposes.

f) Deferred Revenue:

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specific purpose.

f) Revenue Recognition:

Revenues are recorded on the accrual basis of accounting and include revenue in the period in which the transaction or events occurred.

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2023

1. Significant Accounting Policies (Continued):

f) Revenue Recognition (continued):

Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. Taxes receivable are recognized net of allowance for anticipated uncollectible amounts.

Through the British Columbia Assessment's appeal process, taxes may be adjusted by way of supplementary roll adjustments. The affects of these adjustments on taxes are recognized at the time they are awarded.

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

Government grants and transfers, which include legislative grants, are recognized in the financial statements when received or when the funding becomes receivable if 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.

Sale of service and other revenue is recognized when performance of services is complete, amounts are measurable and collectibility is reasonably assured.

g) Financial Instruments:

Financial instruments consist of cash, portfolio investments, accounts receivable, accounts payable and long term debt. Unless otherwise noted, it is management's opinion that the Village is not exposed to significant interest rate, currency or credit risk arising from these financial instruments.

h) Use of Estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period.

Significant areas requiring the use of management estimates relates to the collectibility of accounts receivable, valuation of investments, estimates of contingent liabilities, the provision of amortization and the estimation of potential environmental liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

i) Contaminated Sites:

Governments are required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standards, the government has a responsibility for the remediation, future economic benefits will be given up, and a reasonable estimate can be made.

Management has assessed its potential liabilities under the new standard including sites that are no longer in productive use and sites which the Village accepts responsibility. There is one such sites that had contamination in excess of an environmental standard which required remediation, and a liability has been recognized as at December 31, 2023.

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2023

1. Significant Accounting Policies (Continued):

i) Asset Retirement Obligations:

The Village recognizes a liability for an asset retirement obligation when there is a legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date.

2. Changes in Accounting Policies:

PS 3280 - Asset Retirement Obligations

On January 1, 2023, the Village adopted Public Accounting Standard PS 3280 - Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets. The Town determined that the removal of asbestos in Village owned buildings and the decommissioning of the weir would result in an asset retirement obligation. This standard was adopted under the prospective application method at the date of adoption. Under the prospective application method, an increase in the carrying amount of the related tangible capital asset is recognized in the same amount as the estimated liability as at January 1, 2023.

PS 3450 - Financial Instruments

On January 1, 2023 the Village adopted Public Accounting Standards PS 3450 - Financial Instruments and PS 2601 - Foreign Currency Translation. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instrument and foreign currency transactions. Under PS 3450, all financial instruments, including derivatives, are included on the Statement of Financial Position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Village's accounting policy choices. The adoption of these standards did not result in changes to previously reported amounts.

3. Portfolio Investments:

	<u>2023</u>	<u>2022</u>
MFA: Short Term Bonds	\$ 39	\$ 40
MFA: Ultra-Short Bonds	21,737	21,584
MFA: Money Market Fund	<u>22,367</u>	<u>21,290</u>
	<u>\$ 44,143</u>	<u>\$ 42,914</u>

4. Accounts Receivable:

	<u>2023</u>	<u>2022</u>
Property Taxes	\$ 58,951	\$ 64,318
Other Governments	33,764	215,574
Trade and Other	<u>18,467</u>	<u>137,509</u>
	<u>\$ 111,182</u>	<u>\$ 417,401</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2023

5. Accounts Payable:

	<u>2023</u>	<u>2022</u>
Other Governments	\$ 35,212	\$ 28,442
Trade and Other	109,258	136,131
Payroll Liabilities	30,403	44,131
	<u>\$ 174,873</u>	<u>\$ 208,704</u>

6. Deferred Revenue:

	<u>2022</u>	<u>Collections</u>	<u>Transfers</u>	<u>2023</u>
Complete Communities	\$ -	\$ 61,800	\$ -	\$ 61,800
CRI Firesmart	-	49,680	(24,327)	25,353
Internet Maintenance	62,595	-	-	62,595
Kelsey Centre	2,438	-	-	2,438
Next Generation 911	-	22,500	-	22,500
Disaster Risk Reduction	-	36,000	-	36,000
Plan H	-	4,000	-	4,000
Climate Action Program	41,082	-	-	41,082
Taxes and Other	16,031	11,928	(8,928)	19,031
	<u>\$ 122,146</u>	<u>\$ 185,908</u>	<u>\$ (33,255)</u>	<u>\$ 274,799</u>

7. Long Term Debt:

The Village has debt instruments through the MFA obtained for the purposes of Water and Sewer. The Village also has financing from MFA for a Public Works Truck. The gross amount borrowed for Sewer and Water in 2005 was \$121,015 and \$41,635, respectively. The gross amount borrowed for the Public Works Truck was \$65,000 in 2020. The current balance of water, sewer and public works long-term debt is as follows:

	<u>2023</u>	<u>2022</u>
Total Outstanding Debt - Beginning of Year	\$ 60,243	\$ 83,579
Reduction of Long-Term Debt	(23,261)	(23,336)
Total Outstanding Debt - End of Year	<u>\$ 36,982</u>	<u>\$ 60,243</u>

The interest rate on water and sewer long-term debt is 0.91% per annum (2022 - 0.91%). The interest rate on the public works truck long-term debt is at the variable MFA rate, which was 5.7% at December 31, 2023 (2022 - 3.82%).

The interest expense on all debt held by the Village in the year ended December 31, 2023 is \$2,619 (2022 - \$2,237).

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2023

7. Long Term Debt (continued):

Future payments on net outstanding debt over the next two years are:

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Public Works Truck</u>	<u>Total</u>
2024	8,070	2,777	13,370	24,217
2025	<u>8,312</u>	<u>2,860</u>	<u>1,593</u>	<u>12,765</u>
	<u>\$ 16,382</u>	<u>\$ 5,637</u>	<u>\$ 14,963</u>	<u>\$ 36,982</u>

The MFA provides capital financing for regional districts and their member municipalities. The MFA is required to establish a debt reserve fund. Each regional district, through its member municipalities who are in the proceeds of the debt issue, is required to pay into the debt reserve fund certain amounts set out in the debt agreements. The MFA pays into the debt reserve fund these monies from which interest earned thereon less administrative expenses becomes an obligation to the regional districts. It must then use this fund if at any time there are insufficient funds to meet payments on its obligations. When this occurs, the regional district or municipality may be called upon to restore the fund.

Upon maturity of a debt issue, the unused portion of the debt reserve fund established for the issue will be discharged to the Village. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, 2023, the Village debt reserve fund was \$7,308 (2022 - \$7,223), which was not recorded as the Village does not consider it to be material.

8. Liability for Contaminated Site:

In June 2021, the Village water supply dam was deconstructed and replaced with a low head intake. During the construction, rain events flooded the worksite resulting in incomplete work including the removal of dam concrete particles. In August 2022, work began with removal of remaining dam concrete and reservoir sediment. During construction, the Department of Fisheries and Oceans (DFO) visited the site and issued the Village a Fisheries Act Direction to remove concrete that was or could wash into fish habitat. The Village undertook remediation by removing concrete, hand picking drifted pieces in the lower reaches and using an excavator in the dam site. In September 2022, instream cleanup was completed and the DFO was notified. In June 2024, DFO served a corrective measure to develop a plan to remove the remaining concrete and monitor the effectiveness for 3 years.

The proposed plan will involve handpicking of remaining concrete and post-remediation monitoring. A preliminary estimate of the total cost to remediate this site was made by the Village. Because the timeline for remediation is over the next three years, the estimated liability has not been discounted as the difference is not material and has been recorded at its estimated remediation cost of \$30,000 (2022 - \$Nil).

9. Asset Retirement Obligations

The Village has a number of buildings and a weir that are still in use which have a legal remediation requirement associated with them. The Village estimated that removal and remediation costs for these assets will total \$979,803 (2022 - \$Nil). The assets had an estimated useful life of 50 to 70 years each when purchased, of which 14 to 62 years remain. The timing of post-closure care cannot yet be reasonably estimated, so no discounting has been applied to the liability.

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2023

10. Tangible Capital Assets

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2023	2022
General Capital Assets										
Land	\$ 2,122,436	\$ -	\$ -	\$ 2,122,436	\$ -	\$ -	\$ -	\$ -	\$ 2,122,436	\$ 2,122,436
Buildings	2,937,041	716,647	-	3,653,688	1,222,492	61,397	-	1,283,889	2,369,799	1,714,549
Equipment, Vehicles and Furniture	981,494	36,088	-	1,017,582	656,688	50,870	-	707,558	310,024	324,806
Engineered Structures										
Water	4,790,953	300,000	-	5,090,953	647,531	114,583	-	762,114	4,328,839	4,143,422
Sewer and Drainage	3,196,332	-	-	3,196,332	1,152,562	58,041	-	1,210,603	1,985,729	2,043,770
Roads	506,386	-	-	506,386	450,708	2,446	-	453,154	53,232	55,678
Park Infrastructure	789,531	-	-	789,531	96,556	22,521	-	119,077	670,454	692,975
	<u>\$15,324,173</u>	<u>\$ 1,052,735</u>	<u>\$ -</u>	<u>\$16,376,908</u>	<u>\$ 4,226,537</u>	<u>\$ 309,858</u>	<u>\$ -</u>	<u>\$ 4,536,395</u>	<u>\$11,840,513</u>	<u>\$11,097,636</u>

Included in Buildings at December 31, 2023 is \$36,845 (2022 - \$NIL) of capitalized costs for a generator and heat pump that are not presently being amortized as the related projects were not complete and the physical assets had not been put into use at the financial statement date. The assets are expected to be placed in use during the year ending December 31, 2024, at which time amortization will begin to be recorded on the assets.

11. Taxation:

	Budget 2023	Actual 2023	Actual 2022
General Municipal Purposes	\$ 468,200	\$ 431,483	\$ 395,163
Collections for Other Governments			
Province of British Columbia - School Tax	100,000	110,633	98,401
Comox Strathcona Waste Management	8,500	8,471	8,061
Comox Strathcona Regional Hospital District	21,000	21,490	20,448
Strathcona Regional District	16,500	17,730	16,358
Vancouver Island Regional Library	14,700	14,623	13,756
Municipal Finance Authority	15	-	14
British Columbia Assessment Authority	2,600	2,843	2,553
Province of BC - Police Tax	18,000	21,366	17,968
	<u>649,515</u>	<u>628,639</u>	<u>572,722</u>
Transfers			
Province of British Columbia - School Tax	100,000	110,633	98,401
Comox Strathcona Waste Management	8,500	8,469	8,061
Comox Strathcona Regional Hospital District	21,000	21,492	20,448
Strathcona Regional District	16,500	17,743	16,358
Vancouver Island Regional Library	14,700	14,889	13,756
Municipal Finance Authority	15	17	14
British Columbia Assessment Authority	2,600	2,843	2,553
Province of BC - Police Tax	18,000	21,336	17,968
	<u>181,315</u>	<u>197,422</u>	<u>177,559</u>
Available for General Municipal Purposes	<u>\$ 468,200</u>	<u>\$ 431,217</u>	<u>\$ 395,163</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2023

12. Contingencies:

- (a) The Village is responsible as a member of the Strathcona Regional District and a member of the Comox Strathcona Waste Management Function for its share of any operating deficits or long-term debt related to functions in which it participates. Management of the Village has assessed the risks of any contingent liabilities as unlikely at this time therefore no provision has been recorded in the financial statements.
- (b) The Village is partially self-insured through the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible that the Village along with the other participants, would be required to contribute towards the deficit.

13. Pension Plan:

The Village and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2022, the plan had about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local governments.

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

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

The Village paid \$25,488 (2022 - \$22,161) of employer contributions while employees contributed \$23,572 (2022 - \$20,495) to the plan in fiscal 2023.

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 cost to individual employers participating in the plan.

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2023

14. Accumulated Surplus:

The Village segregates its accumulated surplus in the following categories:

	<u>2023</u>	<u>2022</u>
Unappropriated Surplus		
General	\$ 195,534	\$ 250,634
Sewer	139,196	123,365
Water	<u>126,551</u>	<u>83,309</u>
	<u>461,281</u>	<u>457,308</u>
Reserves (Schedule 4)	<u>873,975</u>	<u>282,780</u>
Equity in Tangible Capital Assets		
General	3,331,510	3,413,160
Sewer	1,952,790	2,002,996
Water	<u>5,539,428</u>	<u>5,621,237</u>
	<u>10,823,728</u>	<u>11,037,393</u>
Accumulated Surplus	<u>\$ 12,158,984</u>	<u>\$ 11,777,481</u>

15. Fiscal Plan:

The Fiscal Plan amounts represent the Financial Plan Bylaw adopted by Council on May 2, 2023.

The budget anticipated use of surpluses accumulated in previous years to balance against current expenditures in excess of current year revenues. In addition, the budget anticipated capital expenditures rather than amortization expense. The following schedule reconciles the approved bylaw to the amounts presented in the financial statements.

	<u>2023</u>
Financial Plan (Budget) Bylaw	\$ -
Add:	
Debt Principal Repayments	35,937
Capital Expenditures	1,950,576
Budgeted Transfers to Reserves	748,451
Less:	
Amortization Adjustment	(214,986)
Proceeds from Borrowing	(400,000)
Budgeted Transfers from Reserves	<u>(235,631)</u>
Annual Surplus Presented in Financial Statements	<u>\$ 1,884,347</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2023

16. Segmented Information:

The Village provides various services within various departments. The segmented information as disclosed in Schedules 2 and 3 reflects those functions offered by the Village as summarized below:

General government – activities related to the administration of the Village as a whole including central administration, finance, human resources, information systems and legislative and election operations.

Recreation and parks – activities related to all recreational and parks services including the maintenance of parks and facilities for recreational activities.

Protective – activities related to providing for the security of the property and citizens of the Village including policing, fire protection, health and emergency planning.

Transportation – activities related to transportation including maintenance of roads, sidewalks, street lighting and drainage.

Solid waste – activities related to solid waste management.

Public works – activities related to overall maintenance of the Village including green initiatives, building maintenance and insurance, animal control and recycling.

Sewer – activities related to gathering, treating, transporting, storing and discharging sewage or reclaimed water.

Water – activities related to supplying, storing, treating and transporting water.

For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment, in addition to amounts that are allocated to each segment on a reasonable basis.

THE CORPORATION OF THE VILLAGE OF SAYWARD

Schedule 1 - Government Grants and Transfers to the Village and Ratepayers

Year Ended December 31, 2023

	2023		2022
	Budget	Actual	
	(Note 15)		
Federal Government			
Grants in Lieu of Taxes	\$ 8,065	\$ 7,525	\$ 7,680
Gas Tax Community Works Fund	<u>71,568</u>	<u>75,149</u>	<u>71,568</u>
	<u>79,633</u>	<u>82,674</u>	<u>79,248</u>
Province of BC and Federal/Provincial Programs			
General Fund			
Small Communities Grant	360,000	343,000	463,000
Growing Communities Fund	622,000	622,000	-
Other	<u>273,593</u>	<u>96,752</u>	<u>45,623</u>
	<u>1,255,593</u>	<u>1,061,752</u>	<u>508,623</u>
General Capital			
Other	<u>1,403,142</u>	<u>41,807</u>	<u>58,748</u>
	<u>\$ 2,738,368</u>	<u>\$ 1,186,233</u>	<u>\$ 646,619</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Schedule 2 - Combined Statement of Operations by Segment

Year Ended December 31, 2023

	General Government	Recreation and Parks	Protective	Transportation	Solid Waste	Public Works	Sewer	Water	2023 Actual	2023 Budget
Revenues										
Taxation	\$ 423,376	-	-	-	-	-	6,032	2,075	\$ 431,483	\$ 468,200
User Fees	-	-	-	-	46,990	-	91,511	159,491	297,992	295,240
Government Grants and Transfers	1,102,644	-	83,589	-	-	-	-	-	1,186,233	2,738,368
Sales of Services	52,776	55,483	5,539	7,203	-	-	300	700	122,001	32,150
Contribution from Others	-	2,566	-	-	-	-	-	-	2,566	-
Investment and Other Income	77,056	11,152	-	-	4,123	800	3,209	3,335	99,675	91,058
	<u>1,655,852</u>	<u>69,201</u>	<u>89,128</u>	<u>7,203</u>	<u>51,113</u>	<u>800</u>	<u>101,052</u>	<u>165,601</u>	<u>2,139,950</u>	<u>3,623,016</u>
Expenses										
Amortization	13,803	57,172	27,361	2,446	-	27,649	58,041	123,387	309,859	214,986
Debt Charges	-	-	-	-	-	-	1,101	379	1,480	1,480
Minor Capital	-	6,750	-	-	-	-	-	-	6,750	29,050
Operating	271,729	140,969	92,489	25,414	47,721	28,114	30,566	47,780	684,782	764,596
Wages and Benefits	358,723	181,709	19,255	7,077	-	61,057	53,554	74,201	755,576	730,557
	<u>644,255</u>	<u>386,600</u>	<u>139,105</u>	<u>34,937</u>	<u>47,721</u>	<u>116,820</u>	<u>143,262</u>	<u>245,747</u>	<u>1,758,447</u>	<u>1,740,669</u>
Excess (Deficiency) of Revenues over Expenses	<u>\$ 1,011,597</u>	<u>\$ (317,399)</u>	<u>\$ (49,977)</u>	<u>\$ (27,734)</u>	<u>\$ 3,392</u>	<u>\$ (116,020)</u>	<u>\$ (42,210)</u>	<u>\$ (80,146)</u>	<u>\$ 381,503</u>	<u>\$ 1,884,347</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Schedule 3 - Combined Statement of Operations by Segment

Year Ended December 31, 2022

	General Government	Recreation and Parks	Protective	Transportation	Solid Waste	Public Works	Sewer	Water	2022 Actual	2022 Budget
Revenues										
Taxation	\$ 387,056	-	-	-	-	-	6,032	\$ 2,075	\$ 395,163	\$ 391,200
User Fees	582,321	-	-	-	39,858	-	78,733	143,757	262,348	252,595
Government Grants and Transfers	50,129	30,451	60,653	-	-	-	3,645	-	646,619	976,609
Sales of Services	-	1,030	676	-	-	-	600	1,400	82,580	90,007
Contribution from Others	34,137	6,641	-	-	-	1,159	-	-	1,706	-
Investment and Other Income	1,053,643	38,122	61,329	-	39,858	1,159	91,919	148,153	1,434,183	1,728,961
Expenses										
Amortization	9,953	35,876	14,960	2,446	-	20,112	50,185	93,892	227,424	206,535
Debt Charges	-	-	-	-	-	-	1,101	379	1,480	1,480
Minor Capital	-	7,099	-	-	-	-	-	-	7,099	27,000
Operating	269,112	144,089	81,928	59,346	54,049	34,244	42,572	97,117	782,457	895,608
Wages and benefits	271,460	152,775	17,086	15,027	-	46,485	53,427	70,204	632,464	627,356
	556,525	339,839	113,974	76,819	54,049	100,841	147,285	261,592	1,650,924	1,757,979
Excess (Deficiency) of Revenues over Expenses	\$ 497,118	\$ (301,717)	\$ (52,645)	\$ (76,819)	\$ (14,191)	\$ (99,682)	\$ (55,366)	\$ (113,439)	\$ (216,741)	\$ (29,018)

THE CORPORATION OF THE VILLAGE OF SAYWARD

Schedule 4 - Reserve Fund Transactions

Year Ended December 31, 2023

	Transportation Infrastructure	Growing Community Fund	Capital	Sewer Capital	Community Works Gas Tax	Climate Action	Election	COVID-19	2023 Total	2022 Total
Revenue										
Government Grants	\$ -	\$ 622,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 697,149	\$ 71,568
Other Income	<u>43</u>	<u>-</u>	<u>123</u>	<u>-</u>	<u>164</u>	<u>114</u>	<u>114</u>	<u>-</u>	<u>10,798</u>	<u>4,699</u>
	<u>43</u>	<u>622,000</u>	<u>123</u>	<u>-</u>	<u>164</u>	<u>114</u>	<u>114</u>	<u>-</u>	<u>707,947</u>	<u>76,267</u>
Expenses										
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,115</u>	<u>110,115</u>	<u>82,075</u>
Net Surplus (Deficit)	43	622,000	123	-	164	114	(110,115)	(110,115)	597,832	(5,808)
Transfers										
From (to) Operating Fund Acquisition of Capital Assets	<u>-</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,363</u>	<u>-</u>	<u>-</u>	<u>(6,637)</u>	<u>(59,600)</u>
	<u>43</u>	<u>612,000</u>	<u>123</u>	<u>-</u>	<u>164</u>	<u>3,477</u>	<u>(110,115)</u>	<u>-</u>	<u>591,195</u>	<u>(228,818)</u>
Change in Reserve Fund Balances	<u>666</u>	<u>-</u>	<u>1,921</u>	<u>5,391</u>	<u>2,574</u>	<u>96</u>	<u>110,115</u>	<u>-</u>	<u>282,780</u>	<u>511,598</u>
Opening Fund Surplus Balance	<u>709</u>	<u>\$ 612,000</u>	<u>\$ 2,044</u>	<u>\$ 5,391</u>	<u>\$ 2,738</u>	<u>\$ 3,573</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 873,975</u>	<u>\$ 282,780</u>
Ending Fund Surplus Balance										

THE CORPORATION OF THE VILLAGE OF SAYWARD

Schedule 5 - COVID-19 Safe Restart Grant Unaudited

Year Ended December 31, 2023

The Village of Sayward received a grant of \$268,000 under the COVID-19 Safe Restart Grant for Local Governments in the year ending December 31, 2020. The details surrounding these funds are shown in the schedule below:

	<u>2023</u>
COVID-19 Safe Restart Funds Carried Forward	\$ 110,115
Interest Allocated	<u>-</u>
	110,115
Eligible Costs	
Municipal Office Server Upgrades	11,761
Grant Writing	52,935
Fire Department Supplies and Training	20,668
Extended Kelsey Centre Programming	<u>24,751</u>
	<u>110,115</u>
Balance, December 31, 2023	\$ <u>-</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Schedule 6 - Growing Communities Fund Unaudited

Year Ended December 31, 2023

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 Village of Sayward received \$622,000 in funding in March 2023.

	<u>2023</u>
Growing Communities Fund Received	\$ 622,000
Eligible Costs	
Firehall Generator Project	<u>10,000</u>
Balance, December 31, 2023	\$ <u>612,000</u>