

**THE CORPORATION OF THE
VILLAGE OF SAYWARD
Financial Statements
December 31, 2024**

THE CORPORATION OF THE VILLAGE OF SAYWARD

Index to Financial Statements

Year Ended December 31, 2024

	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, 2024	18
Schedule 3 - Combined Statement of Operations by Segment Year ended December 31, 2023	19
Schedule 4 - Reserve Fund Transactions	20
Schedule 5 - Growing Communities Fund Unaudited	21

MANAGEMENT REPORT

December 31, 2024

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, 2024.



John Thomas
Acting CAO

May 6, 2025



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, 2024, 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, 2024, 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.

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 Newstead Boates Inc

Chartered Professional Accountants
Campbell River, BC

May 6, 2025

THE CORPORATION OF THE VILLAGE OF SAYWARD

Statement of Operations

Year Ended December 31, 2024

	2024		2023
	Budget	Actual	
	(Note 14)		(Note 15)
Revenues (Schedules 2 and 3)			
Taxation (Note 10)	\$ 510,673	\$ 471,898	\$ 431,483
User Fees	302,762	310,222	297,992
Government Grants and Transfers (Schedule 1)	2,699,578	746,447	1,186,233
Sales of Services	45,106	127,977	122,001
Investment and Other Income	<u>204,210</u>	<u>203,892</u>	<u>102,241</u>
	<u>3,762,329</u>	<u>1,860,436</u>	<u>2,139,950</u>
Expenditures (Schedules 2 and 3)			
General Government Services	933,985	823,844	644,255
Recreation and Parks Services	339,799	402,739	386,600
Protection Services	78,638	124,187	139,105
Transportation Services	70,035	48,289	34,937
Solid Waste Services	48,500	50,621	47,721
Public Works Services	103,402	125,153	116,820
Sewer Services	155,162	129,294	143,262
Water Services	<u>294,839</u>	<u>306,154</u>	<u>245,747</u>
	<u>2,024,360</u>	<u>2,010,281</u>	<u>1,758,447</u>
Annual Surplus (Deficit)	1,737,969	(149,845)	381,503
Accumulated Surplus - Beginning of Year	<u>12,200,066</u>	<u>12,200,066</u>	<u>11,818,563</u>
Accumulated Surplus - End of Year	<u>\$13,938,035</u>	<u>\$12,050,221</u>	<u>\$12,200,066</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Statement of Change in Net Financial Assets

Year Ended December 31, 2024

	2024		2023
	Budget	Actual	
	(Note 14)		(Note 15)
Annual Surplus (Deficit)	\$ 1,737,969	\$ (149,845)	\$ 381,503
Use of Prepaid Expenses	-	25,709	31,907
Acquisition of Prepaid Expenses	-	(32,552)	(25,709)
Net Acquisition of Tangible Capital Assets	(1,860,076)	(96,926)	(72,932)
Amortization of Tangible Capital Assets	260,038	290,497	309,858
Remeasurement of Asset Retirement Obligations	-	(23,516)	-
Recognition of Asset Retirement Obligations	-	-	(979,803)
	<u>137,931</u>	<u>13,367</u>	<u>(355,176)</u>
Net Financial Assets - Beginning of Year	<u>333,844</u>	<u>333,844</u>	<u>689,020</u>
Net Financial Assets - End of Year	<u>\$ 471,775</u>	<u>\$ 347,211</u>	<u>\$ 333,844</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Statement of Cash Flows

Year Ended December 31, 2024

2024

2023

Cash Flows From Operating Activities:

Annual Surplus (Deficit)	\$ (149,845)	\$ 381,503
Items Not Involving Cash		
Amortization of Tangible Capital Assets	290,497	309,858
Actuarial Adjustment to Long Term Debt	<u>(4,219)</u>	<u>(3,903)</u>
	136,433	687,458
Changes in Non-Cash Operating Balances		
Accounts and Taxes Receivable	(46,272)	306,219
Account Payable	52,321	(3,834)
Deferred Revenue	41,513	152,653
Prepaid Expenses	<u>(6,843)</u>	<u>6,198</u>
	<u>177,152</u>	<u>1,148,694</u>

Cash Flows From Capital Activities:

Purchase of Tangible Capital Assets	<u>(96,926)</u>	<u>(72,929)</u>
-------------------------------------	-----------------	-----------------

Cash Flows From Investing Activities:

Disposition (Acquisition) of Portfolio Investments	44,101	(1,229)
Repayments of Long Term Debt	<u>(20,018)</u>	<u>(19,358)</u>
	<u>24,083</u>	<u>(20,587)</u>

Increase in Cash and Cash Equivalents 104,309 1,055,178

Cash and Cash Equivalents - Beginning of Year 1,633,894 578,716

Cash and Cash Equivalents - End of Year \$ 1,738,203 \$ 1,633,894

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2024

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.

g) 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, 2024

1. Significant Accounting Policies (Continued):

g) 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.

h) 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.

i) 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.

j) 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, 2024 and December 31, 2023.

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2024

1. Significant Accounting Policies (Continued):

k) 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. Portfolio Investments:

	<u>2024</u>	<u>2023</u>
MFA: Short Term Bonds	\$ 42	\$ 39
MFA: Ultra-Short Bonds	-	21,737
MFA: Money Market Fund	-	22,367
	<u>\$ 42</u>	<u>\$ 44,143</u>

3. Accounts Receivable:

	<u>2024</u>	<u>2023</u>
Property Taxes	\$ 67,730	\$ 58,951
Other Governments	22,561	33,764
Trade and Other	67,163	18,467
	<u>\$ 157,454</u>	<u>\$ 111,182</u>

4. Accounts Payable:

	<u>2024</u>	<u>2023</u>
Other Governments	\$ 16,229	\$ 35,212
Trade and Other	195,076	109,258
Payroll Liabilities	25,512	30,403
	<u>\$ 236,817</u>	<u>\$ 174,873</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2024

5. Deferred Revenue:

	<u>2023</u>	<u>Collections</u>	<u>Transfers</u>	<u>2024</u>
Complete Communities	\$ 61,800	\$ -	\$ -	\$ 61,800
CRI Firesmart	25,353	-	(24,318)	1,035
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)	-
Teens	-	1,548	-	1,548
Housing Capacity Study	-	151,313	(10,097)	141,216
Taxes and Other	19,031	6,963	(14,863)	11,131
	<u>\$ 233,717</u>	<u>\$ 159,824</u>	<u>\$ (118,311)</u>	<u>\$ 275,230</u>

6. 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>2024</u>	<u>2023</u>
Total Outstanding Debt - Beginning of Year	\$ 36,982	\$ 60,243
Reduction of Long-Term Debt	(24,237)	(23,261)
Total Outstanding Debt - End of Year	<u>\$ 12,745</u>	<u>\$ 36,982</u>

The interest rate on water and sewer long-term debt is 8.92% per annum (2023 - 5.42%). The interest rate on the public works truck long-term debt is at the variable MFA rate, which was 4.4% at December 31, 2024 (2023 - 5.7%). The interest expense on all debt held by the Village in the year ended December 31, 2024 is \$1,960 (2023 - \$2,619).

Future payments on net outstanding debt over the next year are:

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Public Works Truck</u>	<u>Total</u>
2025	\$ 8,312	\$ 2,860	\$ 1,573	\$ 12,745

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.

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2024

6. Long Term Debt (continued):

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, 2024, the Village debt reserve fund was \$7,406 (2023 - \$7,308), which was not recorded as the Village does not consider it to be material.

7. 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 plan to remediate the site involves handpicking of remaining concrete and post-remediation monitoring. A preliminary estimate of the total cost to remediate this site was made by the Village in 2023, and work to remediate the site began during the year ended December 31, 2024. Because the timeline for remediation is expected to occur over the next fiscal year, the estimated liability has not been discounted as the difference is not material and has been recorded at its estimated remediation cost.

	<u>2024</u>	<u>2023</u>
Balance - Beginning of Year	\$ 30,000	\$ -
Additions	-	30,000
Reduction of liability	<u>(9,623)</u>	<u>-</u>
Balance - End of Year	<u>\$ 20,377</u>	<u>\$ 30,000</u>

8. 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 \$1,003,319 (2023 - \$979,803). The assets had an estimated useful life of 50 to 70 years each when purchased, of which 13 to 48 years remain. The timing of post-closure care cannot yet be reasonably estimated, so no discounting has been applied to the liability. In the year ended December 31, 2024, the asset retirement obligations were remeasured to account for inflation at a rate of 2.40%.

	<u>2024</u>	<u>2023</u>
Balance - Beginning of Year	\$ 979,803	\$ -
Additions	-	979,803
Remeasurement of AROs	<u>23,516</u>	<u>-</u>
Balance - End of Year	<u>\$ 1,003,319</u>	<u>\$ 979,803</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2024

9. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2024	2023
General Capital Assets										
Land	\$ 2,122,436	\$ -	\$ -	\$ 2,122,436	\$ -	\$ -	\$ -	\$ -	\$ 2,122,436	\$ 2,122,436
Buildings	3,653,688	45,116	-	3,698,804	1,283,889	80,690	-	1,364,579	2,334,225	2,369,799
Equipment, Vehicles and Furniture	1,017,582	31,268	-	1,048,850	707,558	45,632	-	753,190	295,660	310,024
Engineered Structures										
Water	5,090,953	7,200	-	5,098,153	762,114	84,505	-	846,619	4,251,534	4,328,839
Sewer and Drainage	3,196,332	36,858	-	3,233,190	1,210,603	54,703	-	1,265,306	1,967,884	1,985,729
Roads	506,386	-	-	506,386	453,154	2,446	-	455,600	50,786	53,232
Park Infrastructure	789,531	-	-	789,531	119,077	22,521	-	141,598	647,933	670,454
	<u>\$16,376,908</u>	<u>\$ 120,442</u>	<u>\$ -</u>	<u>\$16,497,350</u>	<u>\$ 4,536,395</u>	<u>\$ 290,497</u>	<u>\$ -</u>	<u>\$ 4,826,892</u>	<u>\$11,670,458</u>	<u>\$11,840,513</u>

Included in Buildings and Sewer and Drainage at December 31, 2024 is \$70,324 (2023 - \$36,845) of capitalized costs for the Fire Hall #1 Stair Replacement Project and Drainage Project 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, 2025, at which time amortization will begin to be recorded on the assets.

10. Taxation:

	Budget 2024	Actual 2024	Actual 2023
General Municipal Purposes	\$ 510,673	\$ 471,898	\$ 431,483
Collections for Other Governments			
Province of British Columbia - School Tax	100,000	105,431	110,633
Comox Strathcona Waste Management	8,500	7,809	8,471
Comox Strathcona Regional Hospital District	21,000	19,711	21,490
Strathcona Regional District	16,500	17,147	17,730
Vancouver Island Regional Library	14,700	16,844	14,623
Municipal Finance Authority	15	15	-
British Columbia Assessment Authority	2,600	2,697	2,843
Province of BC - Police Tax	18,000	21,727	21,366
	<u>691,988</u>	<u>663,279</u>	<u>628,639</u>
Transfers			
Province of British Columbia - School Tax	100,000	105,431	110,633
Comox Strathcona Waste Management	8,500	7,809	8,469
Comox Strathcona Regional Hospital District	21,000	19,711	21,492
Strathcona Regional District	16,500	17,147	17,743
Vancouver Island Regional Library	14,700	16,844	14,889
Municipal Finance Authority	15	15	17
British Columbia Assessment Authority	2,600	2,697	2,843
Province of BC - Police Tax	18,000	21,727	21,336
	<u>181,315</u>	<u>191,381</u>	<u>197,422</u>
Available for General Municipal Purposes	<u>\$ 510,673</u>	<u>\$ 471,898</u>	<u>\$ 431,217</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2024

11. 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.

12. 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, 2023, the plan had about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 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 next valuation will be as at December 31, 2024.

The Village paid \$16,466 (2023 - \$25,488) of employer contributions while employees contributed \$14,880 (2023 - \$23,572) to the plan in fiscal 2024.

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

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2024

13. Accumulated Surplus:

The Village segregates its accumulated surplus in the following categories:

	<u>2024</u>	<u>2023</u>
Unappropriated Surplus (Deficit)		
General	\$ (58,745)	\$ 154,452
Sewer	132,207	139,196
Water	<u>102,863</u>	<u>126,551</u>
	<u>176,325</u>	<u>420,199</u>
 Reserves (Schedule 4)	 <u>1,219,502</u>	 <u>956,139</u>
 Equity in Tangible Capital Assets		
General	3,253,679	3,331,510
Sewer	1,943,015	1,952,790
Water	<u>5,457,700</u>	<u>5,539,428</u>
	<u>10,654,394</u>	<u>10,823,728</u>
 Accumulated Surplus	 <u>\$ 12,050,221</u>	 <u>\$ 12,200,066</u>

14. Fiscal Plan:

The Fiscal Plan amounts represent the Financial Plan Bylaw adopted by Council on May 16, 2024.

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>2024</u>
Financial Plan (Budget) Bylaw	\$ -
Add:	
Debt Principal Repayments	35,929
Capital Expenditures	1,860,076
Budgeted Transfers to Reserves	102,002
Less:	
Amortization Adjustment	<u>(260,038)</u>
 Annual Surplus Presented in Financial Statements	 <u>\$ 1,737,969</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2024

15. Prior Period Adjustment:

During the year ended December 31, 2024 the Village identified that in the year ended December 31, 2022, certain funding received from the Province of BC was recorded as deferred revenue when it should have been recognized as revenue in 2022. The funding remained in deferred revenue in the comparative figures for the year ending December 31, 2023. The amount has been adjusted appropriately in the current year, the impact of which is detailed below:

	Balance at December 31, 2023, as Previously Stated	Adjustment	Balance at December 31, 2023, as Restated
Deferred Revenue	\$ 274,799	\$ (41,082)	\$ 233,717
Accumulated Surplus - Beginning of Year	11,777,481	41,082	11,818,563
Accumulated Surplus - End of Year	12,158,984	41,082	12,200,066

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.

17. Comparative Figures:

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

THE CORPORATION OF THE VILLAGE OF SAYWARD

Schedule 1 - Government Grants and Transfers to the Village and Ratepayers Year Ended December 31, 2024

	<u>2024</u>		<u>2023</u>
	<u>Budget</u>	<u>Actual</u>	
	(Note 14)		
Federal Government			
Grants in Lieu of Taxes	\$ 8,872	\$ 7,922	\$ 7,525
Gas Tax Community Works Fund	<u>75,149</u>	<u>78,620</u>	<u>75,149</u>
	<u>84,021</u>	<u>86,542</u>	<u>82,674</u>
Province of BC and Federal/Provincial Programs			
General Fund			
Small Communities Grant	384,000	368,200	343,000
Growing Communities Fund	-	-	622,000
Other	<u>382,453</u>	<u>253,877</u>	<u>96,752</u>
	<u>766,453</u>	<u>622,077</u>	<u>1,061,752</u>
General Capital			
Other	<u>1,849,104</u>	<u>37,828</u>	<u>41,807</u>
	<u>\$ 2,699,578</u>	<u>\$ 746,447</u>	<u>\$ 1,186,233</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Schedule 2 - Combined Statement of Operations by Segment

Year Ended December 31, 2024

	General Government	Recreation and Parks	Protective	Transportation	Solid Waste	Public Works	Sewer	Water	2024 Actual	2024 Budget (Note 14)
Revenues										
Taxation	\$ 463,791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,032	\$ 2,075	\$ 471,898	\$ 510,673
User Fees	-	-	-	-	50,258	-	95,002	164,962	310,222	302,762
Government Grants and Transfers	668,836	-	77,611	-	-	-	-	-	746,447	2,699,578
Sales of Services	44,774	54,501	17,884	10,818	-	-	-	-	127,977	45,106
Investment and Other Income	187,080	7,107	330	-	4,540	330	3,425	1,080	203,892	204,210
	<u>1,364,481</u>	<u>61,608</u>	<u>95,825</u>	<u>10,818</u>	<u>54,798</u>	<u>330</u>	<u>104,459</u>	<u>168,117</u>	<u>1,860,436</u>	<u>3,762,329</u>
Expenses										
Amortization	14,605	57,424	21,659	2,446	-	18,111	54,703	121,549	290,497	260,038
Debt Charges	-	-	-	-	-	-	1,101	379	1,480	1,480
Minor Capital	-	4,518	-	-	-	-	-	-	4,518	37,625
Operating	546,176	154,259	82,197	36,705	50,621	37,629	26,735	110,854	1,045,176	979,823
Wages and Benefits	263,063	186,538	20,331	9,138	-	69,413	46,755	73,372	668,610	745,394
	<u>823,844</u>	<u>402,739</u>	<u>124,187</u>	<u>48,289</u>	<u>50,621</u>	<u>125,153</u>	<u>129,294</u>	<u>306,154</u>	<u>2,010,281</u>	<u>2,024,360</u>
Excess (Deficiency) of Revenues over Expenses	\$ <u>540,637</u>	\$ <u>(341,131)</u>	\$ <u>(28,362)</u>	\$ <u>(37,471)</u>	\$ <u>4,177</u>	\$ <u>(124,823)</u>	\$ <u>(24,835)</u>	\$ <u>(138,037)</u>	\$ <u>(149,845)</u>	\$ <u>1,737,969</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Schedule 3 - 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
Investment and Other Income	77,056	13,718	-	-	4,123	800	3,209	3,335	102,241	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>3,625,016</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 4 - Reserve Fund Transactions

Year Ended December 31, 2024

	Transportation Infrastructure	Growing Community Fund	Capital	Sewer Capital	Community Works Gas Tax	Climate Action	Election	2024 Total	2023 Total
Revenue									
Government Grants	\$ -	\$ -	\$ -	\$ -	\$ 78,620	\$ 120,373	\$ -	\$ 198,993	\$ 738,230
Other Income	49	42,638	142	376	17,245	191	366	61,007	10,798
	<u>49</u>	<u>42,638</u>	<u>142</u>	<u>376</u>	<u>95,865</u>	<u>120,564</u>	<u>366</u>	<u>260,000</u>	<u>749,028</u>
Expenses									
Other	-	-	-	-	-	-	-	-	110,115
Net Surplus	49	42,638	142	376	95,865	120,564	366	260,000	638,913
Transfers									
From (to) Operating Fund	-	-	-	-	-	-	3,363	3,363	(6,637)
Change in Reserve Fund Balances	49	42,638	142	376	95,865	120,564	3,729	263,363	632,276
Opening Fund Surplus Balance	<u>709</u>	<u>612,000</u>	<u>2,044</u>	<u>5,391</u>	<u>247,520</u>	<u>84,902</u>	<u>3,573</u>	<u>956,139</u>	<u>323,863</u>
Ending Fund Surplus Balance	<u>\$ 758</u>	<u>\$ 654,638</u>	<u>\$ 2,186</u>	<u>\$ 5,767</u>	<u>\$ 343,385</u>	<u>\$ 205,466</u>	<u>\$ 7,302</u>	<u>\$ 1,219,502</u>	<u>\$ 956,139</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Schedule 5 - Growing Communities Fund Unaudited

Year Ended December 31, 2024

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>2024</u>
Growing Communities Funds Carried Forward	\$ 612,000
Interest Allocated	42,638
Eligible Costs	<u> -</u>
Balance, December 31, 2024	<u>\$ 654,638</u>