

# District of Stewart



## 2022 Annual Report

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# Mission Statement

**To work with our citizens to create a healthy, vibrant and caring community through:**

- Visionary leadership & accountable governance
- Citizen involvement
- Balancing the expectation for services with available resources
- Decision-making that integrates the social, economic & environmental interests of the community
- Quality in customer service



## Municipal Council 2023 to 2026



## Introducing the District of Stewart Mayor & Council

**Mayor Angela Brand Danuser**  
(seated center)

**Councillors:**

Jessica Kennedy  
Keenan Kennedy  
Sean Pownall  
Frank Kamermans  
Nina Russel  
Hopi Kruchkowski (*absent*)

Council conducts its Regular Meetings on the second and fourth Monday of every month at 7:00pm. Meetings are typically held in the Council Chambers located at the Municipal Hall, 705 Brightwell Street.

Public delegations and input are always welcome at Council Meetings—please contact the District office at (250) 636-2251 to schedule a delegation time in advance.

For more information on local government and the District of Stewart, visit the municipal website:

[www.districtofstewart.com](http://www.districtofstewart.com)



# Message from the Mayor

On behalf of the District of Stewart Council and Staff, I am pleased to present the 2022 Municipal Annual Report. In this report you will find important information about Municipal operations, including a financial overview, and accomplishments and progress made on Council's strategic goals.

2022 saw a municipal election with only one Councillor choosing to run again. I would like to thank the previous Council and Mayor for the dedication to the community during their term. I am confident that your new Council is committed to finding ways to improve our service levels, and to make fiscally responsible decisions throughout the municipality.

Council has recently updated the 2023 – 2026 Strategic Plan with a vision of Stewart being a healthy, sustainable, and vibrant small community that has a diversified and stable economy where industry and tourism are both thriving and growing simultaneously; while also respecting and protecting the environment. To help us realise this vision, Council has prioritised Economic Development, Organizational Excellence, sound planning, replacement and development of our Assets and Infrastructure and maintaining and developing our recreational, emergency management and health care services all with the goal of making Stewart a more Liveable Community.

Our District employees are the hardest working I know. Despite being short staffed in all departments, they always step up and do their best to provide the services we all rely on daily.

I would also like to acknowledge and thank the volunteers within our community—without the support and community spirit they bring, many of the events we all enjoy would not be possible.

It is an honour to serve once again as the Mayor of Stewart. I am grateful to have the endorsement of this community and I am confident that your Council through strong engagement with our residents and stakeholders will work tirelessly to help make Stewart a wonderful place to work, live and play.

Sincerely,



**Angela Brand Danuser**  
Mayor, District of Stewart



# Connect With Us

## **Administration & Finance**

Office & Council Chambers

705 Brightwell Street

P.O. Box 460

Stewart BC VoT 1W0

**Phone:** (250) 636-2251

**Email:** [info@districtofstewart.com](mailto:info@districtofstewart.com)

## **Community Development & Recreation**

603 Columbia

Stewart BC VoT 1W0

**Phone:** (778) 794-9955

**Email:** [recreation@districtofstewart.com](mailto:recreation@districtofstewart.com)

## **Public Works**

Office & Shop

403 Main Street

Stewart BC VoT 1W0

**Phone:** (250) 636-9123

**Email:** [operations@districtofstewart.com](mailto:operations@districtofstewart.com)

## **Website:**

[www.districtofstewart.com](http://www.districtofstewart.com)

## **Facebook Page:**

[facebook.com/TheDistrictofStewart](https://facebook.com/TheDistrictofStewart)

## **Council Agendas, Meetings & Bylaws:**

[districtofstewart.civicweb.net/Portal](http://districtofstewart.civicweb.net/Portal)

# Community Profile

## Find yourself.

At the head of the awe-inspiring 90-mile-long Portland Canal, surrounded by rich forestry, Cambria ice fields, and incredible wildlife.

Reliving the history that is Stewart BC, Canada's most Northerly, ice-free port; situated across from Alaska's Misty Fiords National Park and the end of the Portland Canal.

Exploring this unique border town that attracts tourists from every corner of the world!



# Community Profile

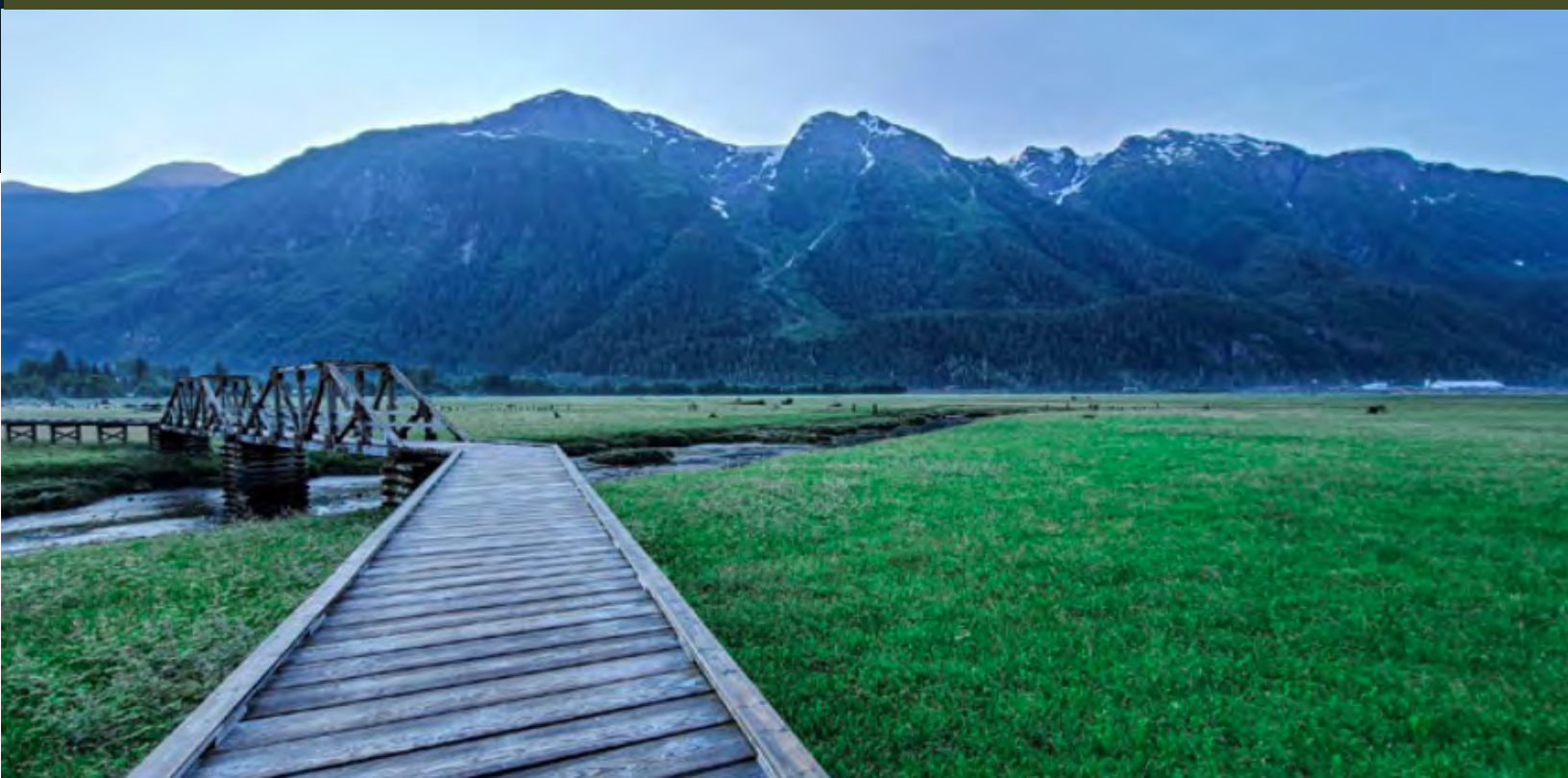


## Find yourself.

Hiking In the surrounding mountain ranges on a variety of maintained trails boasting breathtaking views.

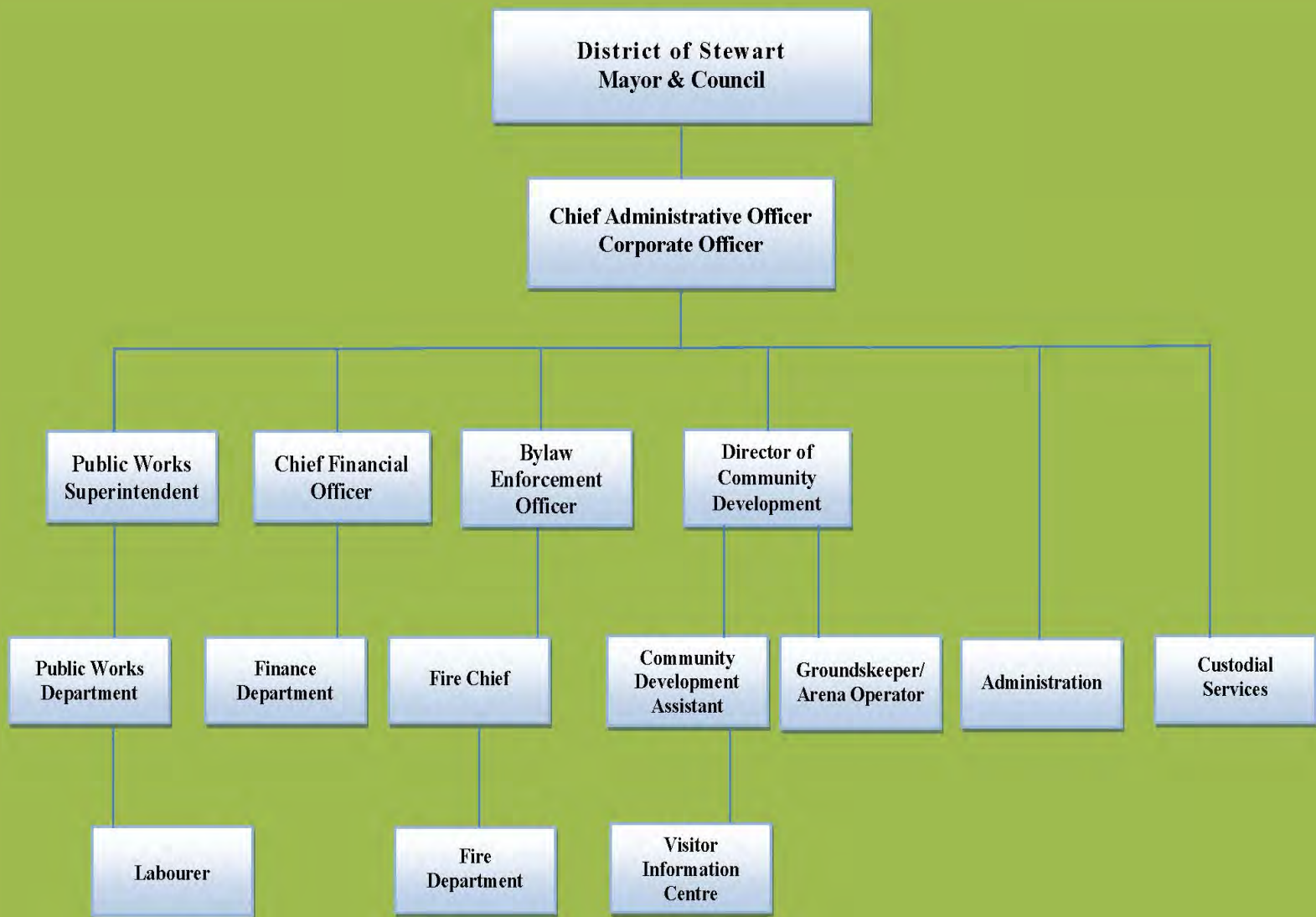
Capturing photos of the flora and fauna as you stroll along the boardwalk; reaching 805 meters across the tide flats.

Kayaking lakes and navigating the Canal with eagles overhead and orcas & seals swimming within view.





# Organizational Structure





# Services Provided To Residents

- Garbage Collection
- Aerodrome maintenance
- Landscape Maintenance
- Arena Operation
- Fire Rescue Protection
- Bylaw Compliance
- Cemetery Operation
- Legislative (*bylaw/policy adoption, approval of development permits*)
- Parks & Recreation & Community Development
- Recreation Programs, facilities & Operation maintenance
- Sanitary sewer collection system operation
- Water system operation
- Road maintenance
- Building infrastructure maintenance
- Parks Maintenance & Operation
- Taxation collection service



# Council's Strategic Plan 2022



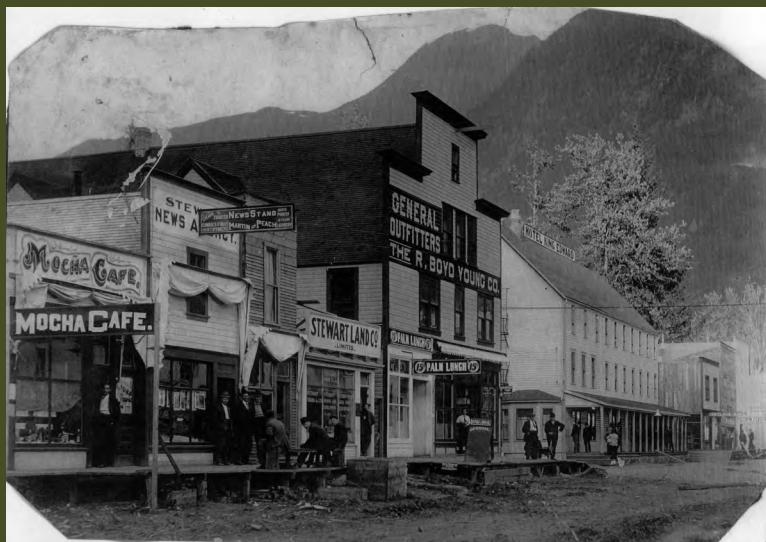
# Summary of Strategic Priorities Actions & Measures of Success

2022

Strategic Priority Area	Action Required to Achieve Vision	Successful Outcome
<b>Safe Community</b>		
<p><b>To Ensure all residents feel and are safe in Stewart</b></p>	<p>Work in collaboration with the RCMP to set policing priorities for the District that address current local crime trends and ongoing and emerging public safety issues.</p> <p>Administration and Council to continue to work with the Stewart Volunteer Fire &amp; Rescue Department to enhance the Fire Master Plan that identifies the risks facing the community and ensures the members are fully prepared to offer the required education, prevention, response and suppression services.</p> <p>Implement recommendation of Auditor General for Local Government’s audit of District’s Emergency Management Program.</p>	<ul style="list-style-type: none"> <li>Quarterly reports to Council from RCMP</li> </ul>
<p><b>To provide safe roads for pedestrians, cyclists and vehicles</b></p>	<p>Develop and implement a Traffic Strategy to deal with proposed increased industrial traffic</p>	
<p><b>To safeguard residents and visitors by providing “Bear Awareness Education” and establishing clear guidelines</b></p>	<p>Become designated as a Bear Smart Community</p>	<ul style="list-style-type: none"> <li>Staff researching process</li> </ul>
<b>Secure Finances, Assets and Infrastructure</b>		
<p><b>To ensure sound financial management of the District</b></p>	<p>Review Building Permit &amp; Business Licencing programs: consider revising bylaws and fees, ensure permit reflects current building code standards, etc.</p>	<ul style="list-style-type: none"> <li>Bylaw revisions done</li> </ul>
<p><b>To ensure resources are available when needed</b></p>	<p>Develop a financial sustainability program to ensure contingency funds and reserves are in place for essential requirements and unforeseen circumstances.</p>	
<p><b>To ensure well-planned, maintained and financed public infrastructure</b></p>	<p>Develop an implementation plan for the Facilities Master Plan: inspect all District buildings and assess whether replacement or repair is required.</p> <p>Develop engineering master plans for long-term infrastructure planning for water, sewer (GPS mapping), drainage, roads, the Dike and Aerodrome.</p>	
<b>Bold Economic Development</b>		
<p><b>To attract and retain business investment</b></p>	<p>Prepare an industrial Land &amp; Economic Development Strategy: determine next phase of industrial land, and establish how to promote the economic development that coincides with it</p> <p>Implementation of Tourism Strategy &amp; Operational Plan: Finalize the Tourism Task Force Initiatives and Determine the future of the Information Centre and Municipal Campground operations</p> <p>Improve the long-term viability of the Aerodrome</p> <p>Marketing Strategy Development</p> <p>Campground revitalization</p>	

Strategic Priority Area	Action Required to Achieve Vision	Successful Outcome
<b>Liveable Complete Community</b>		
<b>To develop distinct neighborhoods and a liveable community</b>	Attract and incentivize affordable housing options by investigating Grants for potential developers and builders	<ul style="list-style-type: none"> <li>• New OCP &amp; Zoning bylaw in preparation</li> </ul>
<b>To be an attractive community for living, working and playing</b>	<p>Encourage Small-Lot Development by revising the Zoning Bylaw and looking into creating a program to</p> <p>Implement secondary suite program: investigate zoning bylaw and potentially amend to allow for suites</p> <p>Enhance vitality of downtown by attracting businesses to the downtown core that meet community needs</p>	
<b>To the greatest extent possible, meet the social, cultural and physical needs of the community</b>	<p>Update Zoning &amp; OCP Bylaws</p> <p>Expand recreation space for all ages</p> <p>Develop a Recreation &amp; Parks Department</p> <p>Work with community stakeholders to form partnerships to develop a boat launch/marina</p>	<ul style="list-style-type: none"> <li>• Recreation &amp; Parks department developed</li> </ul>
<b>To the greatest extent possible, meet the social, cultural and physical needs of the community</b>	<p>Build a Community Hall to meet the needs of the Community</p> <p>Work with a community group to bring a Day Care facility to Stewart</p> <p>Create a Good Neighbor Bylaw</p> <p>Continue to advocate for Northern Health Bus Service</p>	<ul style="list-style-type: none"> <li>• Received grant for a Community Hall.</li> <li>• Good Neighbor Bylaw in draft</li> <li>• Bylaw Officer hired</li> <li>• Continued advocating for bus service to and from Stewart</li> </ul>
<b>Engaged Community</b>		
<b>To have well-informed citizens</b>	<p>Develop &amp; implement a community engagement &amp; communications policy:</p> <ul style="list-style-type: none"> <li>• Regulate what is communicated from Council and how it is conveyed</li> <li>• Public announcement email listing</li> </ul>	<ul style="list-style-type: none"> <li>• Communications Policy adopted by Council</li> <li>• Public Announcement email prepared</li> </ul>
<b>To engage citizens to hear from them</b>		
<b>To have citizens engage in aspects of community life that interest and impact them</b>		<ul style="list-style-type: none"> <li>•</li> </ul>
<b>Continue to work with partners for the benefit of the community</b>		<ul style="list-style-type: none"> <li>•</li> </ul>

Strategic Priority Area	Action Required to Achieve Vision	Successful Outcome
<b>Organizational Excellence</b>		
To provide Effective & efficient services	<ul style="list-style-type: none"> <li>◆ Strengthen organizational effectiveness and culture                             <ul style="list-style-type: none"> <li>● Work towards a dynamic team</li> <li>● Encourage professional development</li> </ul> </li> </ul>	
To be a high performing professional organization	<ul style="list-style-type: none"> <li>◆ Ensure Staff have the right tools to be able to do their job well</li> <li>◆ Fluency in technology with ability to work remotely</li> <li>◆ Team discussions to determine innovative and improved methods to meet goals</li> </ul>	
To attract highly qualified, high performing staff	Initiate succession planning strategies	
Ensure administrative fairness and transparency in District processes	Provide opportunities for communication and collaboration between Council & Staff	
To strive for continuous improvement	Strengthen performance measures Team discussions to determine innovative and improved methods to meet goals	





# 2022 Achievements

## Al Lawrence Memorial Arena Reopening



2022 saw the reopening of the Al Lawrence Memorial Arena with the installation of a new Refrigeration System. The Arena is the winter hub of the community and was a high priority for Council to complete.



# 2022 Achievements

## Rainey Creek Campground

\$100,000 was allocated to the Rainey Creek Campground to get it operational for the 2022 Season. Campground management was put in place with a 2 year agreement to partner with the District of Stewart and a Stewart resident to ensure it was opened and operational.



## Administrative Staffing for 2022

2022 was a year of transition for the organization due to significant staff turnover. The following key positions were filled to secure the District operations for the future:

1. Chief Administrative Officer
2. Chief Financial Officer
3. Director of Community Development
4. Arena & Grounds Operator
5. Public Works Operators



# 2022 Achievements

## H2Notify Emergency Notification System Implementation

In 2022, the District implemented the H2Notify which is an automated notification system that sends recorded and transcribed messages using phone, text and email. Notifications are created by District Staff and delivered to registered community contacts through the app. When used for emergency communications, the app provides instant emergency alerts and critical information as well as mass notifications of non-emergency items.

## Bear Smart Program

The WildSafeBC Program performed outreach activities with the goal of preventing conflict with wildlife in the community. A Bear Hazard assessment was conducted to move forward with the goal of becoming a BearSmart Community



## Downtown Revitalization

The District of Stewart's Downtown Vision and Action Plan re-envisioned Fifth Avenue to serve community members of all ages and abilities, is attractive to economic development, and is a destination for visitors. This plan presents a vision for a vibrant and locally scaled downtown that reflects the community's needs, values and aspirations in a clear and practical visioning document and was made available for Public Engagement in 2022



## Community Hall Public Engagement

Info about this



# 2022 Equipment Purchases

2013 Genie Boom Lift



2022 John Deere 644G  
Front End Loader



2022 John Deere  
Skid Steer

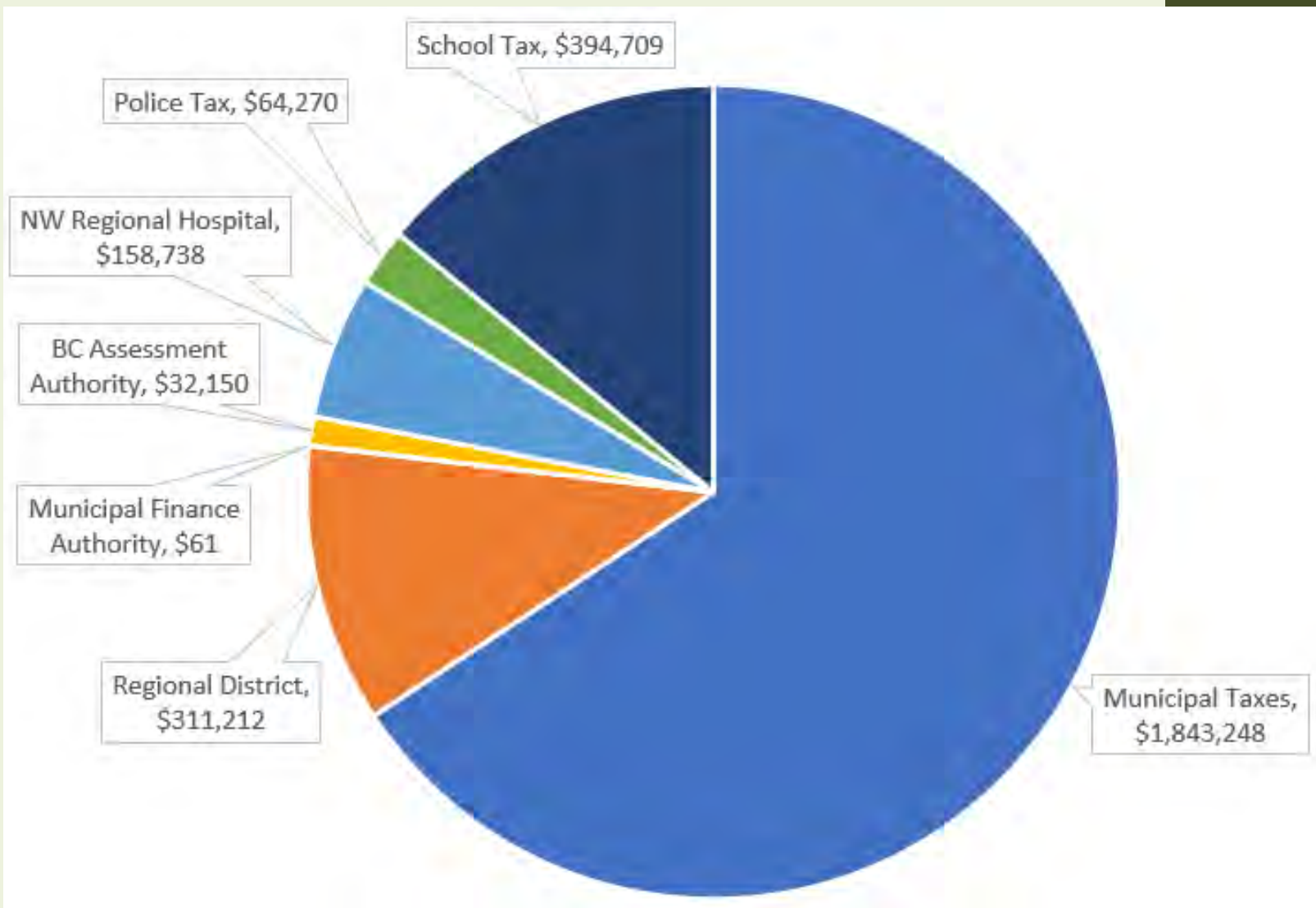


# Permissive Tax Exemptions 2022

	Address	Roll #	Assessed Value	Tax Rate	Municipal Taxes
North American Baptist Conference	615-6th Ave	196000	\$ 25,000	14.7464	\$ 368.66
North American Baptist Conference	617-6th Ave	194100	\$ 143,000	11.0598	\$ 1,581.55
Roman Catholic Episcopal Corp of PR	418-8th Ave	202005	\$ 97,200	11.0598	\$ 1,075.01
Anglican Synod Diocese of Caledonia	403-9th Ave	374010	\$ 83,700	11.0598	\$ 925.71
				<b>Total:</b>	<b>\$ 3,950.93</b>

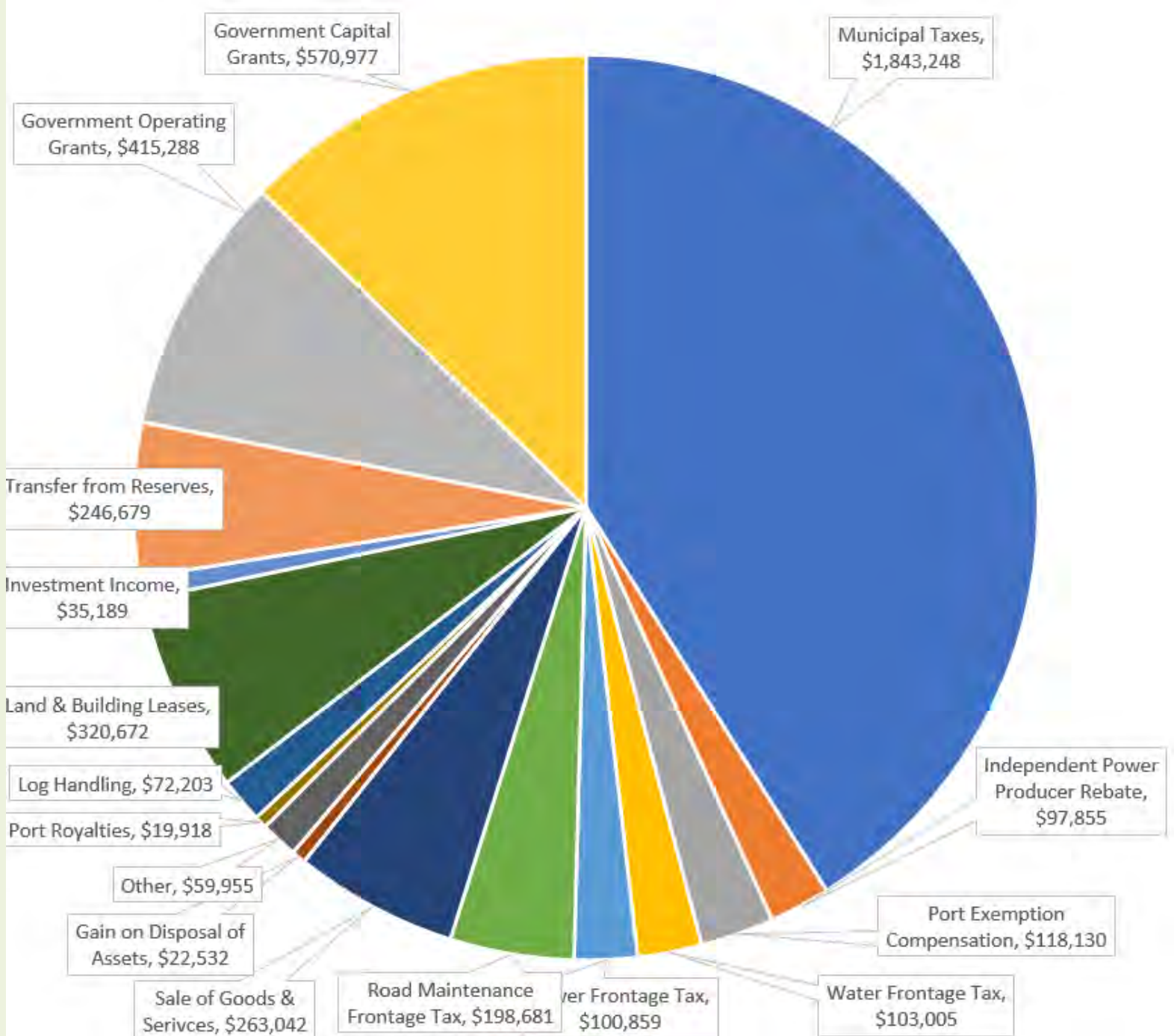
# Financial Statistics

**2022 Taxes Collected: \$2,804,388**



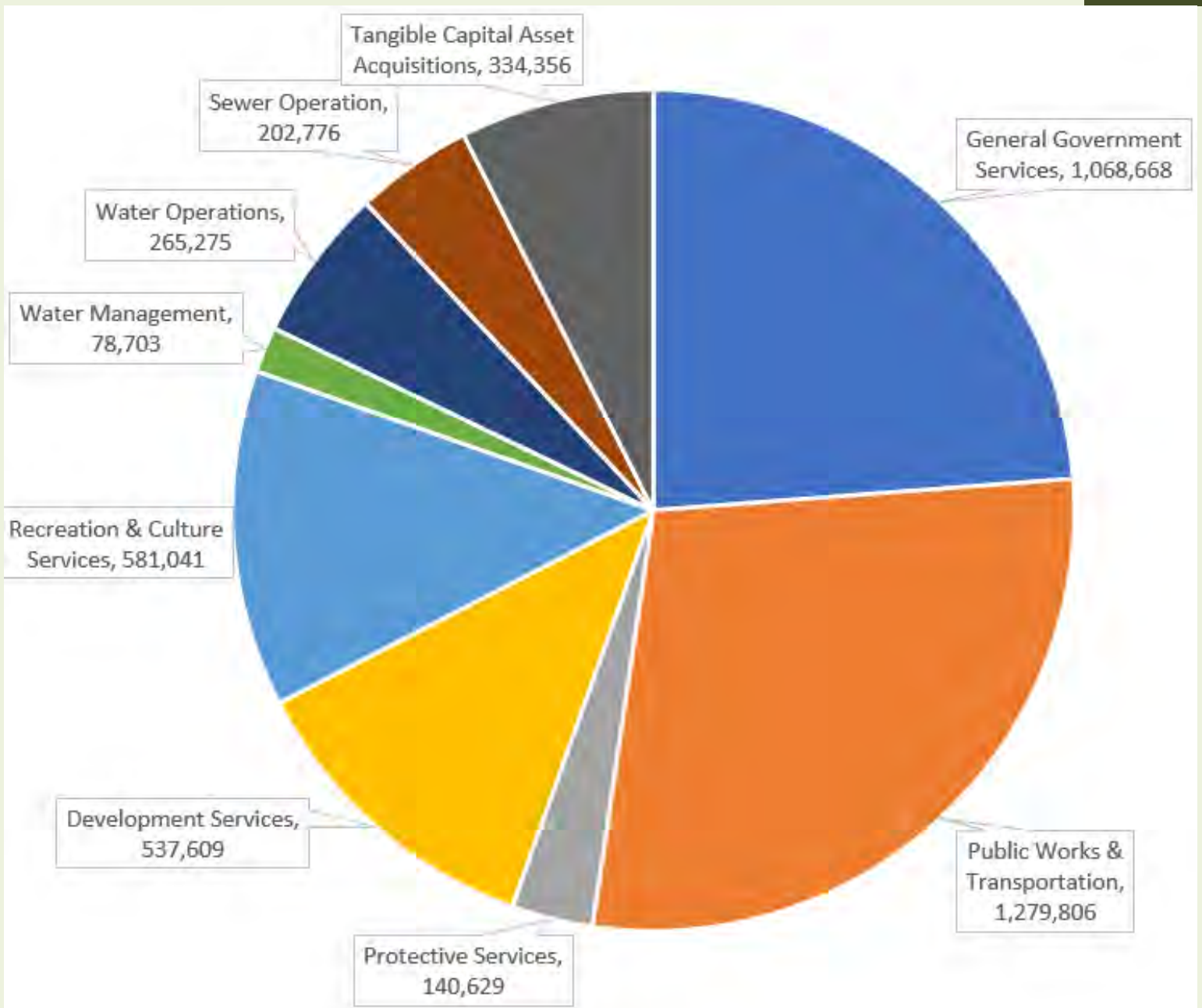
# Financial Statistics

## 2022 Municipal Revenue Sources—Total: \$4,488,233



# Financial Statistics

## 2022 Municipal Expenditures and Transfers by Department —Total: \$4,488,863







# Grant Projects

## Asset Management Project

**UTILITIES: \$45,000**

## Federation of Municipalities Asset Management Project

To improve the Utilities Asset Information for GIS readiness, update utility operations & Maintenance Practices and develop and expand Asset Management Strategy at a cost of \$50,000

# Grant Projects

## ADMINISTRATIVE BUILDING EXTERIOR UPGRADE:

**\$164,000**

Investing in Canada Infrastructure Program

COVID-19 Resilience

- ◆ Retro fit the building envelope to increase insulating properties
- ◆ Install cladding/siding with sub girt system
- ◆ Upgrade the insulation and vapour barrier
- ◆ Replace 9 windows and 2 glass door
- ◆ Total Cost of \$210,000 with \$46,000 from reserves
- ◆ Completion scheduled for 2023

# Grant Projects

## COMMUNITY EMERGENCY PREPAREDNESS FUND: \$18,000

### Emergency Operations Centres & Training EOC Preparedness 2022

- ◆ Justice Institute of BC training
- ◆ Purchase projector and screen
- ◆ Purchase EOC color-coded vests
- ◆ Public information and/or education delivered by social media, bulletin board postings and printed newsletters
- ◆ Total Cost of \$28,100 with \$10,100 from reserves

# Grant Projects

## STRUCTURAL FLOOD MITIGATION: \$692,000

Union of BC Municipalities

- ◆ Complete detailed site review to confirm extent and final mitigation works
- ◆ Environmental approvals process and prepare tender documents
- ◆ Tender project and select contractor
- ◆ Complete capital works
- ◆ Finalize project and register with Deputy Inspector of Dikes
- ◆ Fully funded project with a total Cost of \$692,000

# Grant Projects

## **FLOOD MITIGATION PLANNING: \$85,000**

**Emergency Management BC**

**National Disaster Mitigation Program**

- ◆ The project will result in a mitigation plan for the Bear River that will help to plan for investments to protect critical infrastructure within the community
- ◆ Site visits and discussions with all stakeholders
- ◆ Prepare option analysis, cost estimates and draft report
- ◆ Fully funded project (50% Provincial & 50% Federal) with a total Cost of \$85,000

# Grant Projects

## HIGHWAY 37A DESTINATION TRAILS: \$80,000

### Phase I

#### BC Rural Dividend Program

- ◆ Public engagement sessions and online surveys
- ◆ Completion of a Tourism Opportunities study for Hwy 37 Trails
- ◆ Completion of improvements for the Rainey Creek Trail
  - ◆ Brushing/widening of trail as identified
  - ◆ Placement of signage and trail map information along the trail
- ◆ Total Project cost of \$100,000 with \$80,000 Grant funding, \$10,000 reserves and \$10,000 in-kind
- ◆ Completion scheduled for 2023

# Grant Projects

## STEWART DOWNTOWN REVITALIZATION

PLANNING: \$20,000

### Northern Development Initiative Trust

- ◆ The ultimate deliverable for the project is a comprehensive vision and action plan for the downtown area, over 3 phases
- ◆ Phase 1—Project Initiation and engagement
- ◆ Phase 2—Stewart Downtown Vision & Action Plan
- ◆ Phase 3—Implementation Plan
- ◆ Total Project cost of \$43,300 with \$20,000 Grant funding, and \$23,300 from reserves
- ◆ Completion scheduled for 2023



# Grant Projects

## **STEWART COMMUNITY SHUTTLE PROJECT: \$200,000** **Northern Development Initiative Trust**

- ◆ This multi-year project is in the discussion phase
- ◆ NDIT initial funding contribution commitment is \$80,000 Capital (vehicle purchase)
- ◆ NDIT operating commitment is \$120,000 over 3 years
- ◆ Total Project cost of \$250,000 with \$200,000 grant funded, \$20,000 from capital reserves and \$30,000 from operational fund

# Grant Projects

## **STEWART BOARDWALK REHABILITATION: \$100,000** **Community Economic Recovery Infrastructure Program** **Destination Development**

- ◆ Boardwalk Project will consist of material and labour for removal and replacement of old decking and installation of a railing on the boardwalk
- ◆ This project is 100% Grant funded in the amount of \$100,000

# Grant Projects

## REPAIR & REHABILITATION OF THE 1938 GOVERNMENT BUILDING: \$80,000 Heritage BC 150 Time in Memorial Grant Program

- ◆ Stewart Museum will provide project management for the project
- ◆ District of Stewart will provide some labour services for project
- ◆ Project includes: exterior repairs and painting, lighting update to LEDs, bathroom accessibility, Archive Room expansion, and flooring
- ◆ Total project is \$105,000 with \$80,000 grant funding, \$10,000 from the Museum, \$5,000 in-kind (Museum) and \$10,000 in-kind (District)

# Grant Projects

## STEWART COMMUNITY HALL: \$1,455,997

### Investing in Canada Infrastructure Program Community Culture and Recreation Programs

- ◆ The project works will include:  
Open hall area with stage,  
Commercial kitchen, bathrooms,  
foyer, meeting room, access  
road and parking lot, utility  
connections, site preparation  
and landscaping and other  
related works
- ◆ The total project cost is  
\$1,994,516 with \$1,455,997 grant  
funding and \$538,519 from  
reserves

# Grant Projects

## Community Better Challenge: \$750 Participation

- ◆ This program took place in June, and was designed to encourage community members to be active and track their activities as part of a nationwide contest.
- ◆ The District purchased pickleball equipment with the funds

# Grant Projects

## DISTRICT OF STEWART WASTEWATER TREATMENT FACILITY UPGRADES: \$827,015

investing in Canada Infrastructure Program  
Green Infrastructure Environmental Quality

- ◆ The project work includes:
- ◆ Construction of a third rapid infiltration basin, site preparation and fencing, removal of existing manhole, effluent piping aeration laterals, diffusers and distribution piping
- ◆ Installation of manhole, control structure, including water valves and modification of existing control structure
- ◆ Installation of submerged aeration laterals and related components and works
- ◆ The total project cost is \$1,127,800 with \$827,015 from grant funding and \$300,785 from reserves

# 2023 STRATEGIC FOCUS AREAS, GOALS, AND PRIORITY ACTIONS

Council identified four strategic focus areas for the 2023-2024 year of office. These are areas the Council considers priorities for the near and longer term. Each of the strategic focus areas is detailed along with goals and priority actions.

## 1. Economic Development

The District will attract and support new business investment and partnership opportunities that will provide employment and encourage growth by recruitment and retention of workers, address transient workforce, airport development and enhance the vitality of the downtown.

## 2. Livable Community

The District will maintain and develop recreational, emergency management and health care services to support an enhanced lifestyle and healthy community by Recreation & Tourism promotion and development, Trails Master Plan, review 2020 Housing Needs Assessment, Healthcare (Seniors & Hospice) and Emergency Management.

## 3. Organizational Excellence

The District will work towards leadership and organizational stability through partnerships (First Nations, Regional District, Industry), increase public communication, Staff training, and organizational review.

## 4. Assets and Infrastructure

The District will pursue financial stability through sound planning, replacement and development by addressing aging infrastructure







# Next Steps Getting to 2023

This strategic plan sets out the “what” and staff will develop the “how”. It provides direction to staff on Council’s 2023 priorities. Staff will develop work plans that address the priorities over the next year. Many of these priority actions will be completed using existing resources while others will come to Council as new projects with requests to dedicate new resources.

Staff will develop regular updates throughout the term of Council to update Council and the public with respect to progress on the various priority actions.





DISTRICT OF STEWART  
705 Brightwell Street  
Stewart BC VoT 1Wo  
[districtofstewart.com](http://districtofstewart.com)

PHOTO CREDITS:  
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Maureen Tarrant  
Camus Photography



# 2022 Financial Statements



**District of Stewart**  
**Financial Statements**  
*December 31, 2022*

**DISTRICT OF STEWART  
COUNCIL - 2022**

**MAYOR**

Angela Brand Danuser

**COUNCILLORS**

Frank Kamermans  
Sean Pownall  
Hopi Kruchkowski

Nina Russell  
Keenan Kennedy

**APPOINTED OFFICIALS**

Chief Administrative Officer  
Chief Financial Officer

Todd Francis  
Joanne Molnar

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For the year ended December 31, 2022

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## Management's Responsibility

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To the Mayor and Members of Council of District of Stewart:

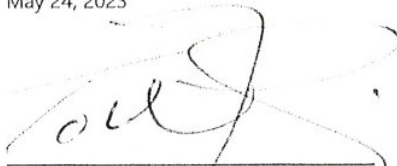
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Mayor and members of Council are composed entirely of Councilors who are neither management nor employees of the District. Mayor and Council are responsible for overseeing management in the performance of its financial reporting responsibilities. Mayor and members of Council fulfil these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Committee is also responsible for recommending the appointment of the District's external auditors.

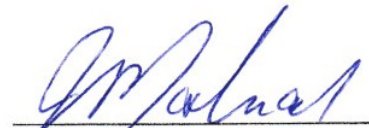
MNP LLP is appointed by the the Mayor and Members of Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Committee and management to discuss their audit findings.

May 24, 2023



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Chief Administrative Officer



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Chief Financial Officer

To the Mayor and Members of Council of District of Stewart:

## Opinion

We have audited the financial statements of District of Stewart (the "District"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2022, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

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

## Other Matter

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information, including Schedules 1 to 14, has been presented for purposes of additional analysis. The supplementary information presented in Schedules 1 to 10 have been subjected to the auditing procedures applied in the financial statements and, in our opinion, this supplementary information is presented fairly, in all material aspects, in relation to the financial statements taken as a whole. We do not express an opinion on Schedules 11, 12, 13 or 14 because our examination did not extend to the detailed information therein.

## Other Information

Management is responsible for the other information. The other information comprises the annual report. The annual report is expected to be made available to use after the date of this auditor's report.

Our opinion on the 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 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 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 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 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 Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Terrace, British Columbia

May 24, 2023

*MNP LLP*

Chartered Professional Accountants

**District of Stewart**  
**Statement of Financial Position**  
*As at December 31, 2022*

	2022	2021
<b>Financial assets</b>		
Cash and short-term investments <i>(Note 3)</i>	5,896,643	6,001,693
Taxes receivable <i>(Note 4)</i>	231,978	257,454
Accounts receivable <i>(Note 5)</i>	896,420	804,525
<b>Total of assets</b>	<b>7,025,041</b>	<b>7,063,672</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities <i>(Note 6)</i>	596,920	348,230
Deferred revenue <i>(Note 7)</i>	977,455	1,015,978
Performance bonds and environmental deposits	194,685	193,337
Landfill post-closure liability <i>(Note 9)</i>	574,869	574,869
Equipment financing <i>(Note 10)</i>	641,925	275,703
<b>Total of financial liabilities</b>	<b>2,985,854</b>	<b>2,408,117</b>
<b>Net financial assets</b>	<b>4,039,187</b>	<b>4,655,555</b>
<b>Commitments and contingent liabilities</b> <i>(Note 11)</i>		
<b>Non-financial assets</b>		
Tangible capital assets <i>(Schedule 1)</i>	15,280,297	14,579,719
Prepaid expenses	29,612	26,145
<b>Total non-financial assets</b>	<b>15,309,909</b>	<b>14,605,864</b>
<b>Accumulated surplus</b> <i>(Note 12)</i>	<b>19,349,096</b>	<b>19,261,419</b>

Approved on behalf of the Council



Chief Financial  
Officer, Joanne  
Molnar



Mayor, Angela  
Danuser

*The accompanying notes are an integral part of these financial statements*

## District of Stewart

### Statement of Operations and Accumulated Surplus

*For the year ended December 31, 2022*

	Schedules	2022 Budget (Note 16)	2022	2021
<b>Revenue</b>				
Net taxes available for municipal purposes (Note 14)		2,395,527	2,461,778	2,391,175
Government grants and transfers (Note 15)		3,728,483	986,265	1,798,092
Rentals		317,120	320,672	327,274
User fees and sales of goods and services		-	263,042	80,503
Log handling and port royalty revenues		170,000	92,121	63,252
Other		39,150	59,955	68,339
Investment income		-	35,189	9,720
Gain on sale of tangible capital assets		-	22,532	762,889
		<b>6,650,280</b>	<b>4,241,554</b>	5,501,244
<b>Expenses</b>				
General Government Services	3	739,319	1,068,668	880,809
Public Works and Transportation	4	1,190,090	1,279,806	1,406,680
Protective Services	5	193,374	140,629	203,814
Waste Management	6	98,456	78,073	55,249
Development Services	7	238,292	537,609	508,930
Recreation and Cultural Services	8	417,481	581,041	504,007
Water Operations	9	121,644	265,275	258,958
Sewer Operations	10	144,420	202,776	684,688
		<b>3,143,076</b>	<b>4,153,877</b>	4,503,135
<b>Annual surplus</b>		<b>3,507,204</b>	<b>87,677</b>	998,109
<b>Accumulated surplus, beginning of year</b>		<b>19,261,419</b>	<b>19,261,419</b>	18,263,310
<b>Accumulated surplus, end of year (Note 12)</b>		<b>22,768,623</b>	<b>19,349,096</b>	19,261,419

The accompanying notes are an integral part of these financial statements

**District of Stewart**  
**Statement of Change in Net Financial Assets**  
*For the year ended December 31, 2022*

	<b>2022 Budget (Note 16)</b>	<b>2022</b>	<b>2021</b>
<b>Annual surplus</b>	<b>3,507,204</b>	<b>87,677</b>	998,109
Acquisition of tangible capital assets	<b>(5,865,352)</b>	<b>(1,451,953)</b>	(1,648,815)
Amortization of tangible capital assets	-	<b>710,882</b>	650,872
Gain on disposal of tangible capital assets	-	<b>(22,532)</b>	(762,889)
Proceeds on sale of tangible capital assets	-	<b>63,025</b>	808,912
Acquisition of prepaid expenses	-	<b>(3,467)</b>	-
<b>Increase (decrease) in net financial assets</b>	<b>(2,358,148)</b>	<b>(616,368)</b>	46,189
<b>Net financial assets, beginning of year</b>	<b>4,655,555</b>	<b>4,655,555</b>	4,609,366
<b>Net financial assets, end of year</b>	<b>2,297,407</b>	<b>4,039,187</b>	4,655,555

*The accompanying notes are an integral part of these financial statements*

**District of Stewart**  
**Statement of Cash Flows**  
For the year ended December 31, 2022

	2022	2021
<b>Operating activities</b>		
Annual surplus	87,677	998,109
Non-cash items		
Amortization	710,882	650,872
Gain on disposal of tangible capital assets	(22,532)	(762,889)
	<b>776,027</b>	886,092
Changes in working capital accounts		
Taxes receivable	25,476	861
Accounts receivable	(91,895)	98,049
Accounts payable and accrued liabilities	248,690	(523,632)
Deferred revenue	(38,523)	638,290
Performance bonds and environmental deposits	1,348	55,323
Landfill post-closure liability	-	(39,731)
Prepaid expenses	(3,467)	-
	<b>917,656</b>	1,115,252
<b>Financing activities</b>		
Advances of long-term debt	525,600	-
Long-term debt repayments	(159,378)	(134,792)
	<b>366,222</b>	(134,792)
<b>Capital activities</b>		
Purchases of tangible capital assets	(1,451,953)	(1,648,815)
Proceeds from disposal of tangible capital assets	63,025	808,912
	<b>(1,388,928)</b>	(839,903)
<b>Increase (decrease) in cash resources</b>	<b>(105,050)</b>	140,557
<b>Cash and short-term investments, beginning of year</b>	<b>6,001,693</b>	5,861,136
<b>Cash and short-term investments, end of year</b> (Note 3)	<b>5,896,643</b>	6,001,693

The accompanying notes are an integral part of these financial statements

**1. Nature of operations**

The District of Stewart (the "District") is a municipality in the Province of British Columbia and operates under the provisions of the Local Government Act and the Community Charter of British Columbia. The District provides municipal services such as public works, protective services, planning, parks, recreation and other general government services to the residents of the District.

**2. Significant accounting policies**

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

***Basis of presentation***

The financial statements of the District are prepared by management in accordance with Canadian generally accepted accounting principals for local governments as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

The financial statements reflect the assets, liabilities, revenues and expenses of the District's activities and funds. The District does not control any external entities and accordingly no entities have been consolidated into the financial statements.

***Revenue recognition***

The District follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. Expenses are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

***Taxation***

Annual levies for non-optional municipal services and general administrative services are recorded as taxes for municipal services in the year they are levied. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Through the British Columbia Assessment appeal process, taxes may be adjusted by way of supplementary roll adjustments. The affects of these adjustments on taxes levied are recognized at the time the supplementary roll adjustment is received and the adjustment is reasonably anticipated.

***Government transfers***

Government transfers without stipulations are recognized as revenue in the period which the events giving rise to the transfer occur, when the transfer is authorized and all eligibility criteria, if any, have been met, and reasonable estimates of the amount can be made. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability (deferred revenue). In such circumstances, the District recognized the revenue as the criteria are met or decreases the liability when repayment is made.

***Investment income***

Investment income is recognized when earned. Income generated on reserve funds held in separate investment accounts is allocated to the reserve fund on which it was earned.

***Other revenue***

Revenue from the sale of services or user fees is recognized when the service or product is rendered by the District. Revenue from property rentals is recognized as revenue in the period in which the property is occupied by the tenant or in accordance with the lease agreement.

***Short-term investments***

Short-term Investments are carried at cost, except for investments in Municipal Finance Authority of British Columbia pooled investments, which are carried at market value. When, in the opinion of management, there is a permanent decline in value, investments are written down to their net realizable value.

**2. Significant accounting policies** *(Continued from previous page)*

***Tangible capital assets***

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing the year the asset is put into service. Work-in-progress is recorded at cost. Donated tangible capital assets are reported at fair value at the time of donation. Estimated useful lives are as follows:

Land improvements	12 - 60 years
Buildings	25 - 60 years
Motor vehicles	5 - 35 years
Furniture, equipment and technology	5 - 25 years
Transportation infrastructure	10 - 65 years
Water infrastructure	12 - 50 years
Sewer infrastructure	10 - 50 years
Storm sewer	20 - 60 years

***Deferred revenue from non-government sources***

Deferred revenue includes amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired, thereby extinguishing the related liability.

***Fund accounting***

The operating fund, consisting of the general, water, and sewer operating funds comprises the operating costs of the services provided by the District.

The reserve funds have been established to hold assets for specific future purposes as approved by the District Council. Allowable transfers to and from these funds are defined in reserve fund establishment bylaws.

***Segments***

The District of Stewart is a municipal government that provides a wide range of services to its residents and taxpayers. The District operations and activities are organized and reported by segments in Schedule 2 and Schedules 3 to 10. Property taxation revenue which funds many of the operations is not allocated to a specific segment and is reported as unallocated.

***Protective Services***

Protective services include fire protection, first responders and emergency planning and management.

***Recreation and Cultural***

The District operates and maintains the arena, parks, trails, open spaces and leisure services. Support for the Rainey Creek Municipal Campground, Stewart Public Library, and Stewart Museum are also reported under this segment.



**2. Significant accounting policies** *(Continued from previous page)*

**Segments** *(Continued from previous page)*

*Public Works and Transportation Services*

The public works department provides transportation services including street maintenance, snow removal, building maintenance, street lighting, fleet maintenance, airport maintenance, dyke maintenance, and storm sewers.

*Development Services*

Economic development activities including planning and land management, as well as revenues and related expenditures from commercial services are reported in this segment.

*General Government Services*

General government operations include legislative services, general administration, finance and information technology functions.

*Waste Management*

Waste management services are provided by the Public Works department and include the collection and treatment/disposal of solid waste, yard waste and recyclables.

*Water Operations*

This segment includes all operating activities related to pumping, testing and distributing water throughout the District and operates under the Public Works Department.

*Sewer Operations*

This segment includes all operating activities related to collection and treatment of wastewater throughout the District and operates under the Public Works Department.

**Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

**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 amounts reported in the financial statements and accompanying notes. Circumstances may arise that cause actual results to differ from management estimates, however, management does not believe it is likely that such differences will materially affect the District's financial position. Adjustments, if any, will be reflected in operations in the period of settlement.

Significant areas requiring the use of management estimates relate to the determination of the landfill post-closure liability, useful lives of tangible capital assets, sick pay liability, and allowance for doubtful accounts receivable including property tax receivable and tax sale receivable.

**Financial instruments**

The District's financial instruments consist of cash and short-term investments, accounts receivable, accounts payable and accrued liabilities, performance bonds and environmental deposits and equipment financing. Unless otherwise indicated, it is management's opinion that the District is not exposed to any significant interest, credit, or currency risks arising from these financial instruments.

**Employee future benefits**

The District and its employees make contributions to the Municipal Pension Plan, and the employees accrue benefits under this plan based on service. The District's contributions are expensed as incurred.

**2. Significant accounting policies** *(Continued from previous page)*

**Contaminated sites**

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the District:
- is directly responsible; or,
- accepts responsibility; and
- a reasonable estimate of the amount can be made.

Management has not identified any contaminated sites at this time and therefore no liability is recognized in these financial statements.

**3. Cash and short-term investments**

Cash and short-term investments are composed of cash on deposit and investments as follows:

	<b>2022</b>	<b>2021</b>
<b>Municipal Finance Authority of B.C. Investments</b>		
- Money market fund	<b>69,496</b>	68,178
- Short-term bond fund	<b>542,018</b>	560,788
	<b>611,514</b>	628,966
Cash	<b>5,285,129</b>	5,372,727
	<b>5,896,643</b>	6,001,693

The District has established an operating line of credit with its bank which carries a maximum credit limit of \$473,000 and bears interest at prime. At December 31, 2022, the District had utilized \$Nil on the line of credit.

**4. Taxes receivable**

	<b>2022</b>	<b>2021</b>
Current	<b>137,276</b>	152,369
Arrears	<b>93,406</b>	104,048
Delinquent	<b>891</b>	1,037
Taxes due on properties sold at tax sale	<b>405</b>	-
	<b>231,978</b>	257,454

**District of Stewart**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2022*

**5. Accounts receivable**

	2022	2021
Government grants/reimbursements receivable		
- Provincial	683,741	512,270
- Northern Development Initiative Trust	95,804	62,002
- Other	42,258	7,148
GST receivable	58,228	28,377
Log throughput receivable	-	1,687
Other receivables	16,389	193,041
	896,420	804,525

**6. Accounts payable and accrued liabilities**

	2022	2021
Trade accounts payable	501,584	219,191
Accrued salary, wages and employee benefits	93,036	84,806
Tax sale proceeds held for redemption or transfer of title	2,300	1,896
Other government agencies	-	42,337
	596,920	348,230

**7. Deferred revenue**

	2022	2021
Federal Gas Tax - Community Works Fund (Note 8)	466,891	388,228
Grant funds	501,767	573,899
Rent, business and animal licenses received in advance	2,259	2,259
Carbon Action Plan fund	-	29,466
Old Firehall fund	6,538	22,126
	977,455	1,015,978

**8. Federal Gas Tax Agreement (Community Works Fund)**

Funding is provided by the Government of Canada and the use of the funding is restricted by the terms of a funding agreement between the District of Stewart and the Union of British Columbia Municipalities. Funding may be used towards certain public transit, community energy, water, wastewater, solid waste and capacity building projects, as specific in the funding agreement.

	2022	2021
Opening balance of unspent funds	388,228	240,140
Amounts received during the year	75,529	147,541
Interest earned	3,134	547
	466,891	388,228

**District of Stewart**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2022*

**9. Landfill post-closure liability**

The landfill closure was completed in 2019. The District is required to perform post-closure monitoring of the ground water for a minimum of 25 years and accordingly a liability has been recorded based on the estimated cost provided by an external engineering firm. In 2022, the Operational Certificate for the landfill post closure monitoring was amended. This resulted in a change to expected timing and nature of expenditures in order to settle the liability. However, there was no significant change in the overall estimate as a result of these amendments. Monitoring and maintenance is expected to be required through 2046. Estimated costs in 2023 are estimated to be \$52,000, with subsequent costs through 2046 of approximately \$27,400 per year.

**10. Equipment financing**

	<b>2022</b>	<b>2021</b>
Municipal Finance Authority capital demand loan that was repaid in full during the year.	-	49,828
Municipal Finance Authority capital demand loan payable at \$3,545 per month including interest at a current rate of 4.51% and maturing August 2024. The loan is secured by equipment with a net book value of \$196,983 (2021 - \$229,814).	<b>65,628</b>	106,494
Municipal Finance Authority capital demand loan payable at \$3,546 per month including interest at a current rate of 4.51% and maturing December 2024. The loan is secured by equipment with a net book value of \$155,607 (2021 - \$181,542).	<b>78,768</b>	119,381
Municipal Finance Authority capital demand loan payable at \$6,531 per month including interest at a current rate of 4.51% and maturing July 2027. The loan is secured by equipment with a net book value of \$357,910.	<b>342,203</b>	-
Municipal Finance Authority capital demand loan payable at \$1,370 per month including interest at a current rate of 4.51% and maturing September 2027. The loan is secured by equipment with a net book value of \$65,003.	<b>72,947</b>	-
Municipal Finance Authority capital demand loan payable at \$1,540 per month including interest at a current rate of 4.51% and maturing September 2027. The loan is secured by equipment with a net book value of \$78,444.	<b>82,379</b>	-
	<b>641,925</b>	275,703

Principal repayments on long-term debt in each of the next five years are estimated as follows:

2023	180,364
2024	158,317
2025	103,640
2026	107,615
2027	91,989
	641,925

**11. Commitments and contingent liabilities**

*Capital requirements*

District Council has approved a 2022 - 2026 capital expenditure financial plan which includes expenditures of \$8,149,602 for 2022 - 2026. This is to be funded through government grants and transfers of \$5,022,748, reserves of \$2,514,841, \$530,000 proceeds from borrowing, and the balance of \$82,013 from operating funds.

*Third party claims*

Subsequent to year-end, the District was named as a defendant in a legal action. No liability has been recorded regarding this legal action as the amount of loss, if any, has been assessed as not determinable.

*Pension plan*

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, are responsible for administering the plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2021, the Plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 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 unfounded actuarial liability.

The most recent valuation of 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 District of Stewart paid \$83,734 (2021 - \$102,862) for employer contributions to the Plan in fiscal 2022. 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 the individual employers participating in the Plan.

**12. Accumulated surplus**

Accumulated surplus consists of the following:

	<b>2022</b>	2021
Operating fund surplus	<b>614,603</b>	614,603
Reserve funds - Schedule 11	<b>4,096,121</b>	4,342,800
Equity in tangible capital assets ( <i>Note 13</i> )	<b>14,638,372</b>	14,304,016
	<b>19,349,096</b>	19,261,419

**District of Stewart**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2022*

**13. Equity in tangible capital assets**

Equity in tangible capital assets represents the net book value of total capital assets less long term debt assumed to acquire those assets. The change in equity in tangible capital assets is as follows:

	2022	2021
Increases:		
Capital acquisitions	1,451,953	1,648,815
Retirement of debt - principal repayments	159,378	134,792
Decreases:		
Amortization	(710,882)	(650,872)
Disposals, at net book value	(40,493)	(46,023)
Assumptions of debt	(525,600)	-
Change in equity in tangible capital assets	334,356	1,086,712
Equity in tangible capital assets - beginning of year	14,304,016	13,217,304
	14,638,372	14,304,016

**14. Net taxes available for municipal purposes**

	2022	2021
<i>Taxes collected:</i>		
Property taxes	2,669,406	2,634,365
Frontage assessments	402,545	402,588
Grants in lieu of taxes	134,982	122,292
Independent power producer rebate	97,855	98,029
Port property tax exemption compensation	118,130	114,912
	3,422,918	3,372,186
<i>Less transfers to other governments:</i>		
School District	(394,709)	(386,083)
Regional District of Kitimat-Stikine	(311,212)	(317,150)
Regional Hospital District	(158,738)	(170,498)
Police Tax	(64,270)	(74,510)
BC Assessment Authority	(32,150)	(32,709)
Municipal Finance Authority	(61)	(61)
	(961,140)	(981,011)
Net taxes available for municipal purposes	2,461,778	2,391,175

**District of Stewart**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2022*

**15. Government grants and transfers**

	2022	2021
<b>Federal</b>		
Conditional	9,180	22,746
<b>Provincial</b>		
Conditional	561,797	1,493,994
Unconditional	323,000	261,000
	884,797	1,754,994
<b>Regional and other</b>		
Conditional	92,288	20,352
	986,265	1,798,092

**16. Annual budget**

The budget amounts presented on the Statement of Operations and Accumulated Surplus represent the Financial Plan Bylaw adopted by Council on May 9, 2022 plus or minus those amounts not conforming to the financial statement presentation.

The Financial Plan is presented on a cash basis where the purchase of tangible capital assets are expensed rather than capitalized, amortization is not included, proceeds from borrowing is included in revenue and transfers (to) and from reserves are reported in the net surplus (deficit).

The following shows how the financial plan reconciles to the budget on the financial statements:

<b>Net surplus (deficit) per Financial Plan</b>	-
Add back:	
Principal portion of debt repayments	133,152
Capital expenditures	5,865,352
Deduct:	
Transfers from reserves (net)	(1,961,300)
Proceeds from borrowing	(530,000)
<b>Net budgeted surplus (deficit) per financial statements</b>	<b>3,507,204</b>

**17. B.C. Assessment Authority appeals**

Due to the uncertainty of the outcome of appeals to the B.A.C. Assessment Authority, it is not possible to accurately estimate any liability to repay taxes or any asset for taxes receivable. It is the policy of the District to record the effect of any tax adjustments relating to outstanding appeals in the year the appeals are finalized and the adjustment is reasonably anticipated.

**18. Reciprocal insurance Exchange Agreement**

The District of Stewart 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, and not joint and several. The District irrevocably and unconditionally undertakes and agrees to indemnify and save the other harmless subscribers against liability losses and costs which the other subscriber may suffer.

**19. Recent Accounting Pronouncements**

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

- a. There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b. The past transaction or event giving rise to the liability has occurred;
- c. It is expected that future economic benefits will be given up; and
- d. A reasonable estimate of the amount can be made.

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

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

**20. Comparative figures**

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



**District of Stewart**  
**Schedule 1 - Schedule of Tangible Capital Assets**

*For the year ended December 31, 2022*

	<i>Land</i>	<i>Land improvements</i>	<i>Buildings</i>	<i>Motor vehicles</i>	<i>Furniture, equipment and technology</i>	<i>Subtotal</i>
<b>Cost</b>						
Balance, beginning of year	1,134,370	2,439,167	4,785,367	2,939,282	1,148,797	12,446,983
Acquisition of tangible capital assets	-	107,108	783,191	536,132	20,972	1,447,403
Disposal of tangible capital assets	(412)	-	-	(50,103)	-	(50,515)
Balance, end of year	1,133,958	2,546,275	5,568,558	3,425,311	1,169,769	13,843,871
<b>Accumulated amortization</b>						
Balance, beginning of year	-	1,189,478	2,753,367	1,517,523	709,603	6,169,971
Annual amortization	-	54,170	116,868	228,195	83,820	483,053
Accumulated amortization on disposals	-	-	-	(10,022)	-	(10,022)
Balance, end of year	-	1,243,648	2,870,235	1,735,696	793,423	6,643,002
<b>Net book value of tangible capital assets</b>	<b>1,133,958</b>	<b>1,302,627</b>	<b>2,698,323</b>	<b>1,689,615</b>	<b>376,346</b>	<b>7,200,869</b>
2021 Net book value of tangible capital assets	1,134,370	1,249,689	2,032,000	1,421,759	439,194	6,277,012

**District of Stewart**  
**Schedule 1 - Schedule of Tangible Capital Assets**  
*For the year ended December 31, 2022*

	<i>Subtotal</i>	<i>Transportation infrastructure</i>	<i>Water infrastructure</i>	<i>Sewer infrastructure</i>	<i>Storm sewer</i>	<i>2022</i>	<i>2021</i>
<b>Cost</b>							
Balance, beginning of year	12,446,983	5,663,532	4,875,879	303,057	634,799	23,924,250	22,493,623
Acquisition of tangible capital assets	1,447,403	-	4,550	-	-	1,451,953	1,648,815
Disposal of tangible capital assets	(50,515)	-	-	-	-	(50,515)	(218,188)
Balance, end of year	13,843,871	5,663,532	4,880,429	303,057	634,799	25,325,688	23,924,250
<b>Accumulated amortization</b>							
Balance, beginning of year	6,169,971	2,135,543	537,052	298,814	203,151	9,344,531	8,865,824
Annual amortization	483,053	118,728	90,998	2,114	15,989	710,882	650,872
Accumulated amortization on disposals	(10,022)	-	-	-	-	(10,022)	(172,165)
Balance, end of year	6,643,002	2,254,271	628,050	300,928	219,140	10,045,391	9,344,531
<b>Net book value of tangible capital assets</b>	<b>7,200,869</b>	<b>3,409,261</b>	<b>4,252,379</b>	<b>2,129</b>	<b>415,659</b>	<b>15,280,297</b>	<b>14,579,719</b>
2021 Net book value of tangible capital assets	6,277,012	3,527,989	4,338,827	4,243	431,648	14,579,719	

**District of Stewart**  
**Schedule 2 - Schedule of Segmented Disclosure**  
*For the year ended December 31, 2022*

	<i>General Government Services</i>	<i>Public Works and Transportation</i>	<i>Protective Services</i>	<i>Waste Management</i>	<i>Development Services</i>
<b>Revenue</b>					
Net taxes available for municipal purposes	97,855	1,134,574	171,184	123,982	329,077
Government grants and transfers	737,713	3,138	42,984	-	117,609
Rentals	-	-	-	-	320,672
User fees and sales of goods and services	5,343	-	-	3,168	16,074
Log handling and port royalty revenues	-	-	-	-	92,121
Other	-	-	-	-	59,955
Investment income	35,189	-	-	-	-
Gain on sale of tangible capital assets	-	-	-	-	22,532
	<b>876,100</b>	<b>1,137,712</b>	<b>214,168</b>	<b>127,150</b>	<b>958,040</b>
<b>Expenses</b>					
Salaries, wages and benefits	451,627	585,220	46,394	43,293	189,000
Goods and services	580,160	370,519	42,829	4,914	344,687
Interest and bank charges	18,045	6,116	-	1,873	-
	<b>1,049,832</b>	<b>961,855</b>	<b>89,223</b>	<b>50,080</b>	<b>533,687</b>
<b>Annual surplus (deficit), before amortization</b>	<b>(173,732)</b>	<b>175,857</b>	<b>124,945</b>	<b>77,070</b>	<b>424,353</b>
Amortization	18,836	317,951	51,406	27,993	3,922
<b>Annual surplus (deficit)</b>	<b>(192,568)</b>	<b>(142,094)</b>	<b>73,539</b>	<b>49,077</b>	<b>420,431</b>

**District of Stewart**  
**Schedule 2 - Schedule of Segmented Disclosure**  
*For the year ended December 31, 2022*

	<i>Recreation and Cultural Services</i>	<i>Water Operations</i>	<i>Sewer Operations</i>	<b>2022</b>
<b>Revenue</b>				
Net taxes available for municipal purposes	369,574	107,685	127,847	2,461,778
Government grants and transfers	46,358	4,549	33,914	986,265
Rentals	-	-	-	320,672
User fees and sales of goods and services	108,779	15,874	113,804	263,042
Log handling and port royalty revenues	-	-	-	92,121
Other	-	-	-	59,955
Investment income	-	-	-	35,189
Gain on sale of tangible capital assets	-	-	-	22,532
	<b>524,711</b>	<b>128,108</b>	<b>275,565</b>	<b>4,241,554</b>
<b>Expenses</b>				
Salaries, wages and benefits	148,928	77,308	47,060	1,588,830
Goods and services	348,352	79,625	57,045	1,828,131
Interest and bank charges	-	-	-	26,034
	<b>497,280</b>	<b>156,933</b>	<b>104,105</b>	<b>3,442,995</b>
<b>Annual surplus (deficit), before amortization</b>	<b>27,431</b>	<b>(28,825)</b>	<b>171,460</b>	<b>798,559</b>
Amortization	83,761	108,342	98,671	710,882
<b>Annual surplus (deficit)</b>	<b>(56,330)</b>	<b>(137,167)</b>	<b>72,789</b>	<b>87,677</b>

**District of Stewart**  
**General Government Services**  
**Schedule 3 - Schedule of Revenue and Expenses**  
*For the year ended December 31, 2022*

	2022	2021
<b>Revenue</b>		
Government grants and transfers	737,713	268,148
Net taxes available for municipal purposes	97,855	112,063
Investment income	35,189	9,720
User fees and sales of goods and services	5,343	3,880
	<b>876,100</b>	<b>393,811</b>
<b>Expenses</b>		
Advertising and promotion	17,295	12,238
Amortization	18,836	18,174
Bad debts	10,700	-
Benefits	96,260	88,738
Contracted services	129,000	-
Council indemnities	79,548	78,181
Dues, permits and memberships	1,795	5,034
Elections	7,991	6,048
Freight	209	39
IT and software	60,489	56,855
Insurance	15,983	14,358
Interest and bank charges	18,045	5,432
Materials and supplies	9,206	16,783
Miscellaneous	120	963
Office	13,674	19,617
Professional fees	165,002	160,459
Repairs and maintenance	8,214	5,655
Salaries and wages	355,367	355,525
Telephone and internet	12,462	10,048
Training	11,751	5,135
Travel	12,014	1,495
Utilities	24,517	20,032
Vehicle	190	-
	<b>1,068,668</b>	<b>880,809</b>
<b>Annual deficit</b>	<b>(192,568)</b>	<b>(486,998)</b>

**District of Stewart**  
**Public Works and Transportation**  
**Schedule 4 - Schedule of Revenue and Expenses**  
*For the year ended December 31, 2022*

	<i>2022</i>	<i>2021</i>
<b>Revenue</b>		
Net taxes available for municipal purposes	1,134,574	1,199,084
Government grants and transfers	3,138	184,037
	1,137,712	1,383,121
<b>Expenses</b>		
Amortization	317,951	274,758
Benefits	108,478	139,106
Contracted services	9,232	12,800
Freight	8,107	473
Insurance	32,042	44,047
Interest and bank charges	6,116	1,965
Materials and supplies	79,458	142,121
Miscellaneous	2,000	-
Office	410	374
Rentals	1,856	-
Repairs and maintenance	80,659	91,564
Salaries and wages	476,741	537,928
Telephone and internet	7,027	7,489
Training	4,279	3,569
Travel	217	2,612
Utilities	71,936	70,409
Vehicle	73,297	77,465
	1,279,806	1,406,680
<b>Annual deficit</b>	<b>(142,094)</b>	<b>(23,559)</b>

**District of Stewart**  
**Protective Services**  
**Schedule 5 - Schedule of Revenue and Expenses**  
*For the year ended December 31, 2022*

	2022	2021
<b>Revenue</b>		
Net taxes available for municipal purposes	171,184	221,050
Government grants and transfers	42,984	82,255
User fees and sales of goods and services	-	1,870
	<b>214,168</b>	<b>305,175</b>
<b>Expenses</b>		
Amortization	51,406	49,586
Benefits	9,891	10,855
Dues, permits and memberships	846	-
Insurance	1,805	4,082
Materials and supplies	1,468	25,969
Miscellaneous	31,804	27,338
Office	-	3,739
Professional fees	-	4,200
Repairs and maintenance	3,337	5,644
Salaries and wages	36,503	57,969
Telephone and internet	2,020	2,399
Training	1,211	11,908
Vehicle	338	125
	<b>140,629</b>	<b>203,814</b>
<b>Annual surplus</b>	<b>73,539</b>	<b>101,361</b>

**District of Stewart**  
**Waste Management**  
**Schedule 6 - Schedule of Revenue and Expenses**  
*For the year ended December 31, 2022*

	<i>2022</i>	<i>2021</i>
<b>Revenue</b>		
Net taxes available for municipal purposes	<b>123,982</b>	81,810
User fees and sales of goods and services	<b>3,168</b>	5,812
	<b>127,150</b>	87,622
<b>Expenses</b>		
Amortization	<b>27,993</b>	27,992
Benefits	<b>8,090</b>	9,539
Change in estimate	-	(39,730)
Insurance	-	1,406
Interest and bank charges	<b>1,873</b>	1,286
Materials and supplies	<b>35</b>	2,004
Repairs and maintenance	<b>2,881</b>	920
Salaries and wages	<b>35,204</b>	48,210
Vehicle	<b>1,997</b>	3,622
	<b>78,073</b>	55,249
<b>Annual surplus</b>	<b>49,077</b>	32,373



**District of Stewart**  
**Development Services**  
**Schedule 7 - Schedule of Revenue and Expenses**  
*For the year ended December 31, 2022*

	2022	2021
<b>Revenue</b>		
Net taxes available for municipal purposes	329,077	33,412
Rentals	320,672	327,274
Government grants and transfers	117,609	111,553
Log handling and port royalty revenues	92,121	63,252
Other	59,955	68,339
Gain on sale of tangible capital assets	22,532	762,889
User fees and sales of goods and services	16,074	26,555
	<b>958,040</b>	<b>1,393,274</b>
<b>Expenses</b>		
Advertising and promotion	21,677	250
Amortization	3,922	3,922
Benefits	33,411	21,667
Contracted services	124,026	146,541
Freight	55	-
Grants and support	86,875	77,500
Insurance	4,275	3,549
Materials and supplies	9,411	29,855
Miscellaneous	12,715	1,897
Professional fees	-	4,215
Rentals	15,600	15,813
Repairs and maintenance	36,529	22,753
Salaries and wages	155,589	147,734
Telephone and internet	4,202	4,191
Training	604	589
Travel	-	658
Utilities	28,718	27,796
	<b>537,609</b>	<b>508,930</b>
<b>Annual surplus</b>	<b>420,431</b>	<b>884,344</b>

**District of Stewart**  
**Recreation and Cultural Services**  
**Schedule 8 - Schedule of Revenue and Expenses**  
*For the year ended December 31, 2022*

	2022	2021
<b>Revenue</b>		
Net taxes available for municipal purposes	369,574	489,331
User fees and sales of goods and services	108,779	1,870
Government grants and transfers	46,358	39,761
	<b>524,711</b>	<b>530,962</b>
<b>Expenses</b>		
Amortization	83,761	68,908
Benefits	29,008	32,704
Capital assets	-	1,615
Contracted services	106,965	-
Dues, permits and memberships	-	750
Freight	2,075	-
Grants and support	73,979	80,126
Insurance	39,306	32,079
Materials and supplies	34,575	23,506
Miscellaneous	561	4,344
Repairs and maintenance	43,258	40,570
Salaries and wages	119,920	165,249
Telephone and internet	3,396	2,378
Training	-	1,216
Utilities	42,653	50,138
Vehicle	1,584	424
	<b>581,041</b>	<b>504,007</b>
<b>Annual surplus (deficit)</b>	<b>(56,330)</b>	<b>26,955</b>

**District of Stewart**  
**Water Operations**  
**Schedule 9 - Schedule of Revenue and Expenses**  
*For the year ended December 31, 2022*

	2022	2021
<b>Revenue</b>		
Net taxes available for municipal purposes	107,685	116,156
User fees and sales of goods and services	15,874	12,745
Government grants and transfers	4,549	618,863
	<b>128,108</b>	<b>747,764</b>
<b>Expenses</b>		
Amortization	108,342	108,251
Benefits	13,600	15,606
Contracted services	5,727	-
Dues, permits and memberships	768	1,164
Freight	3,203	2,488
Insurance	2,508	3,518
Materials and supplies	1,906	4,971
Miscellaneous	1,199	1,101
Repairs and maintenance	35,703	-
Salaries and wages	63,708	87,510
Telephone and internet	990	585
Training	1,697	798
Travel	-	662
Utilities	25,714	29,727
Vehicle	210	2,577
	<b>265,275</b>	<b>258,958</b>
<b>Annual surplus (deficit)</b>	<b>(137,167)</b>	<b>488,806</b>

**District of Stewart**  
**Sewer Operations**  
**Schedule 10 - Schedule of Revenue and Expenses**  
*For the year ended December 31, 2022*

	2022	2021
<b>Revenue</b>		
Net taxes available for municipal purposes	127,847	138,269
User fees and sales of goods and services	113,804	27,771
Government grants and transfers	33,914	493,475
	<b>275,565</b>	659,515
<b>Expenses</b>		
Amortization	98,671	99,279
Benefits	7,519	3,992
Dues, permits and memberships	936	936
Freight	60	55
Insurance	8,778	5,626
Materials and supplies	3,044	8,996
Miscellaneous	220	1,052
Repairs and maintenance	7,469	496,668
Salaries and wages	39,541	17,844
Telephone and internet	588	572
Travel	-	54
Utilities	35,884	49,324
Vehicle	66	290
	<b>202,776</b>	684,688
<b>Annual surplus (deficit)</b>	<b>72,789</b>	<b>(25,173)</b>

**District of Stewart**  
**Schedule 11 - Schedule of Reserve Fund Activities**

*For the year ended December 31, 2022*

	<i>Land and building</i>	<i>Capital works</i>	<i>Capital and planning</i>	<i>COVID-19 Safe restart</i>	<i>Log Facility Capital</i>	<i>Conservancy</i>	<i>2022 Total</i>	<i>2021 Total</i>
Balance, beginning of year	1,162,692	1,460,517	1,538,589	60,057	55,738	65,207	4,342,800	4,431,402
Transfers in	8,025	275,491	-	-	7,220	8,566	299,302	1,002,024
Investment income	7,849	10,620	10,291	-	437	511	29,708	7,211
Transfers out	(200,330)	(34,966)	(280,336)	(60,057)	-	-	(575,689)	(1,097,837)
<b>Balance, end of year</b>	<b>978,236</b>	<b>1,711,662</b>	<b>1,268,544</b>	<b>-</b>	<b>63,395</b>	<b>74,284</b>	<b>4,096,121</b>	<b>4,342,800</b>

**District of Stewart**  
**Schedule 12 - Schedule of Expenses**  
*For the year ended December 31, 2022*  
*(Unaudited)*

	2022	2021
<b>General Government Services</b>		
Administration	959,774	782,551
Legislative services	108,894	98,258
	<b>1,068,668</b>	<b>880,809</b>
<b>Public Works and Transportation Services</b>		
Roads and streets	789,846	902,211
Shop and general	405,658	425,051
Street lighting	45,672	43,062
Dyke & gravel extraction	821	2,287
Other	37,809	34,069
	<b>1,279,806</b>	<b>1,406,680</b>
<b>Protective Services</b>		
Fire department	72,113	98,950
First responders / rescue truck	37	6,233
Emergency management	28,547	28,949
Bylaw enforcement	39,932	69,682
	<b>140,629</b>	<b>203,814</b>
<b>Development Services</b>		
Planning and zoning	179,009	208,146
Economic and community development	247,811	204,204
Leased buildings	62,686	77,556
Log handling facilities	46,389	15,968
Other	1,714	3,056
	<b>537,609</b>	<b>508,930</b>
<b>Recreation and Culture Services</b>		
Arena	163,878	171,684
Library funding and service agreement	71,733	67,626
Parks and boardwalk	256,504	173,387
Old fire hall	29,295	28,562
Other funding and service agreements	-	7,500
Pool building	40,879	43,924
Recreation program and events	18,752	11,324
	<b>581,041</b>	<b>504,007</b>

**District of Stewart**  
**Schedule 12 - Schedule of Expenses**  
*For the year ended December 31, 2022*  
*(Unaudited)*

	2022	2021
<b>Waste Management</b>		
Garbage collection and landfill operations	78,073	94,979
Change in accounting estimate for landfill closure	-	(39,730)
	<b>78,073</b>	<b>55,249</b>
<b>Water Operations</b>		
General operations	265,275	258,958
<b>Sewer Operations</b>		
General sewer operations	202,776	191,213
Emergency lagoon repairs	-	493,475
	<b>202,776</b>	<b>684,688</b>
	<b>4,153,877</b>	<b>4,503,135</b>

**District of Stewart**  
**Northern Capital and Planning Grant**  
**Schedule 13 - Schedule of revenue, expenses and fund balances**  
*For the year ended December 31, 2022*  
*(Unaudited)*

	<b>2022</b>	<b>2021</b>
<b>Fund Balance</b>		
Opening balance	1,538,589	1,535,903
<b>Add:</b>		
Investment income	10,291	2,686
<b>Deduct:</b>		
Arena upgrades	(280,336)	-
<b>Closing balance</b>	<b>1,268,544</b>	<b>1,538,589</b>



**District of Stewart**  
**COVID-19 Safe Restart Grant**  
**Schedule 14 - Schedule of revenue, expenses and fund balances**  
*For the year ended December 31, 2022*  
*(Unaudited)*

	<b>2022</b>	2021
<b>Fund Balance</b>		
Opening balance	<b>60,057</b>	366,471
<b>Add:</b>		
Investment income	-	86
<b>Deduct:</b>		
Used to cover revenue shortfalls	-	(300,000)
Recreation, parks and cultural	<b>(60,057)</b>	(6,500)
<b>Closing balance</b>	<b>-</b>	60,057