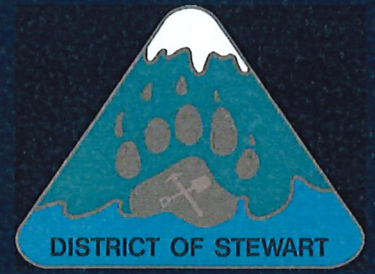
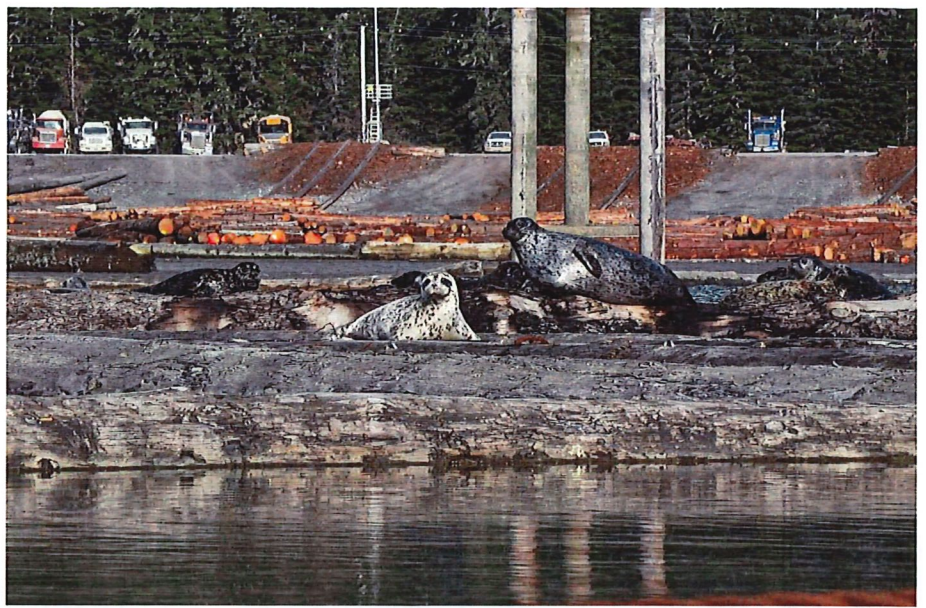


District of Stewart



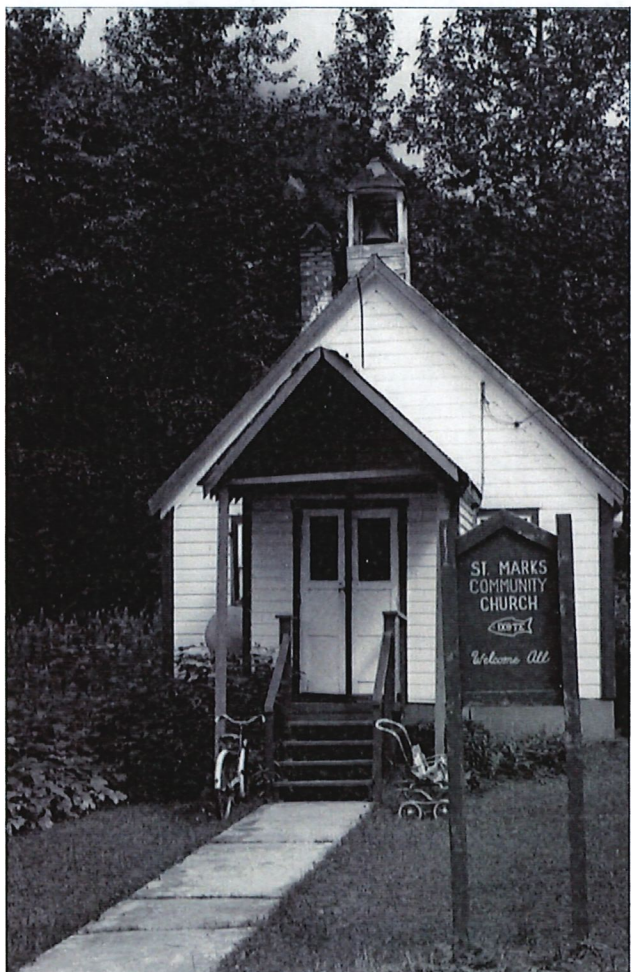
2023 Annual Report



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



Message from the Mayor

On behalf of the District of Stewart Council and Staff, I am pleased to present the 2023 Municipal Annual Report. This report highlights some of our community's accomplishments and the strides we have made in various projects and initiatives throughout the year.

Council Changes

While this is the second year for this Council, we had two Councillors who chose to step down from their roles. In response to these departures, we conducted one by-election in 2023 and another in 2024, ensuring that our Council remains fully equipped to serve the community.

Major Projects and Initiatives

Despite facing some challenges, our Council and staff have been diligently working on several key projects to enhance our community:

Emergency Services: Contracted services continued through 2023 for flood protection with the Bear River and Bitter Creek monitoring systems.

Dike Repairs: Due to fisheries permitting timeline issues, this project is currently on hold, however, we remain committed to starting this crucial project as soon as possible. Ensuring the safety and security of our community through improved flood protection remains a top priority.

Emergency Services: Contracted services continued through 2023 for flood protection with the Bear River and Bitter Creek monitoring systems.

Arena: The Al Lawrence Memorial Arena officially reopened on December 19, 2022, following the installation of a new Ice Plant. The District of Stewart sponsored a Public Skate to mark the occasion. Throughout the remainder of the 2022 / 2023 season, the arena has been a vibrant community hub, hosting numerous events and providing organized recreation including Minor Hockey, Figure Skating, Oldtimers Hockey, a Curling Bonspiel and weekly public skates. As a result of the replacement of this significant equipment, the Al Lawrence Memorial Arena continues to be the hub of the community.

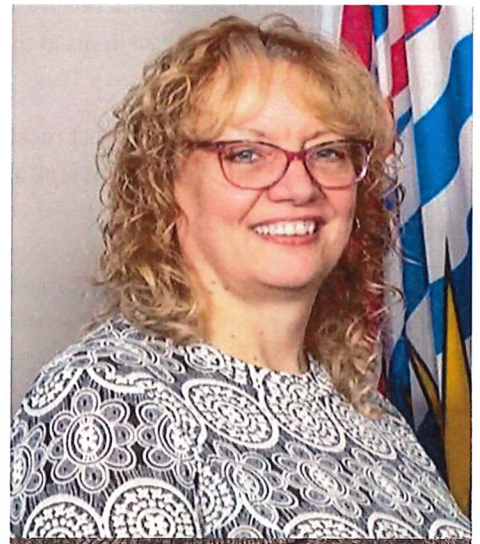
Upgrades to the Wastewater Treatment Facility: Required upgrades to our wastewater treatment facility were completed. These upgrades are essential to maintaining the health and environmental standards of our community.

Council Chambers Audio/Video System Improvements: To enhance transparency and public engagement, we have made significant improvements to the audio and video systems in the Council Chambers. These upgrades will ensure better communication and accessibility for all community members.

Clements Lake Camping Area Upgrades: We have actively advocated for necessary upgrades to the Bear Lake camping area. These improvements aim to enhance the recreational experience for residents and visitors.

Paving and Road Improvements Reserve: In a forward-thinking move, Council established a reserve fund dedicated to paving and road improvements. With a commitment to adding to this reserve annually, we are ensuring that our infrastructure will receive much-needed improvements that are long overdue.

Promotion of Stewart as a Regional Hub: Your Council has been actively advocating to industry partners to promote Stewart as a regional hub. By highlighting our strategic location and unique advantages, we aim to attract more businesses and opportunities to our community.



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

Community Development & Recreation

603 Columbia

Stewart BC VoT 1W0

Phone: (778) 794-9955

Email: recreation@districtofstewart.com

Public Works

Office & Shop

403 Main Street

Stewart BC VoT 1W0

Phone: (250) 636-9123

Email: operations@districtofstewart.com

Website:

www.districtofstewart.com

Facebook Page:

facebook.com/TheDistrictofStewart

Council Agendas, Meetings & Bylaws:

districtofstewart.civicweb.net/Portal

Community Profile



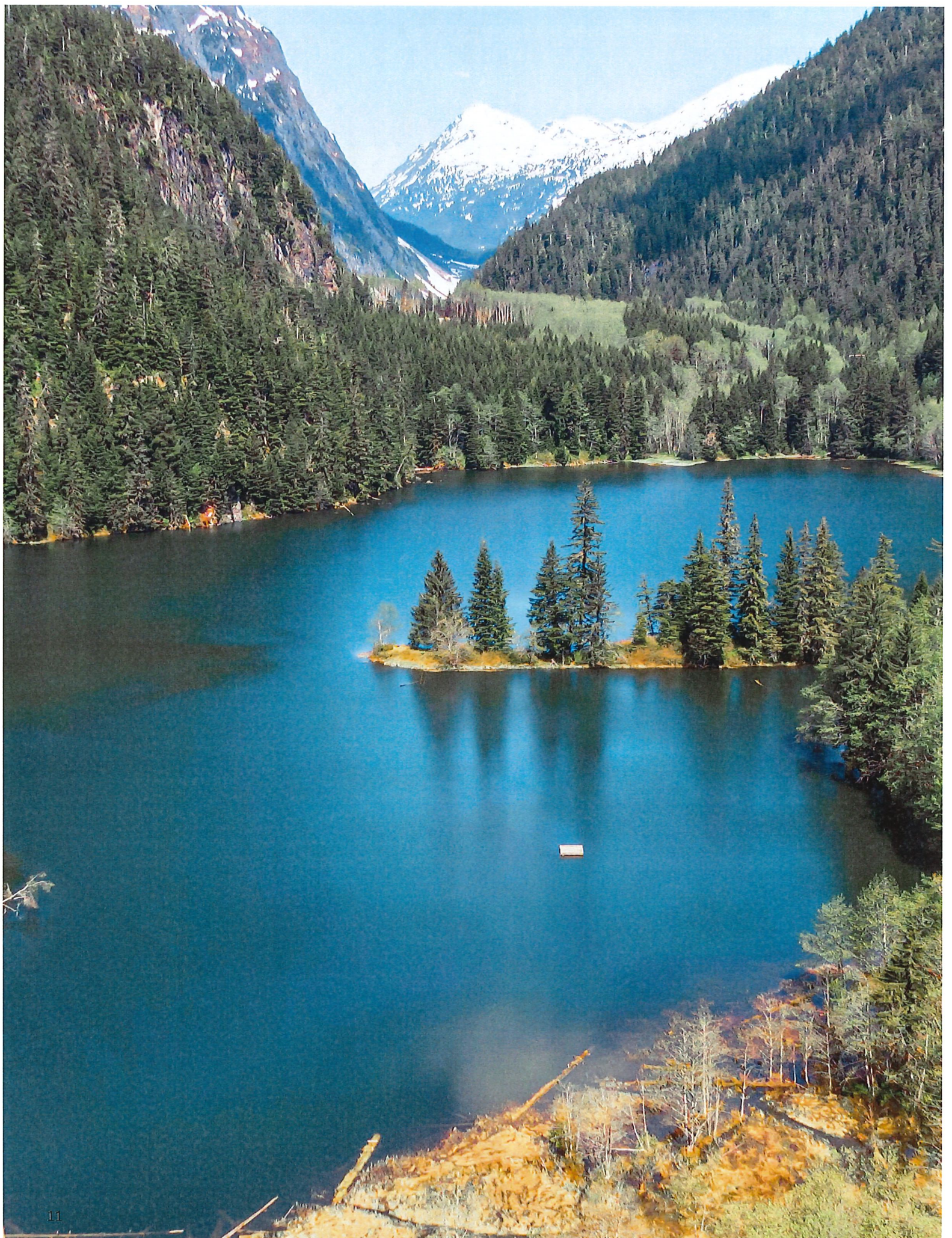
Find yourself.

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.

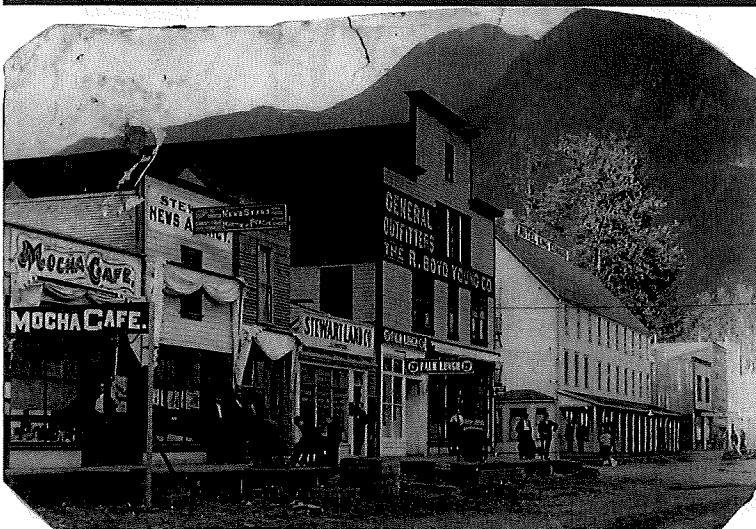
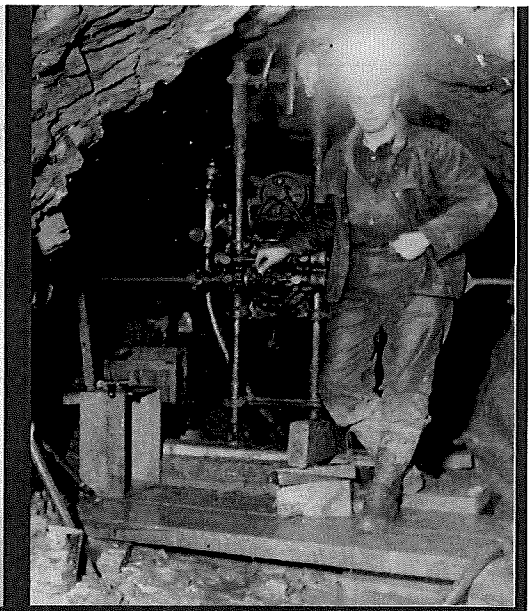




Council's Strategic Plan 2023



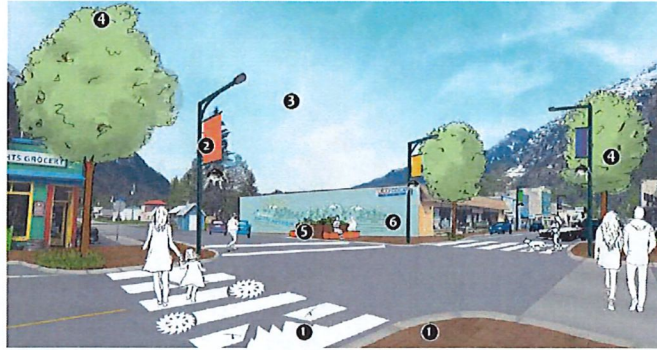
Strategic Priority Area	Action Required to Achieve Vision	Successful Outcome
Liveable Complete Community		
<p>To develop distinct neighborhoods and a liveable community</p>	<p>Attract and incentivize affordable housing options by investigating Grants for potential developers and builders</p> <p>Encourage 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>	<ul style="list-style-type: none"> • New OCP & Zoning bylaw in preparation
<p>To be an attractive community for living, working and playing</p>	<p>Update Zoning & OCP Bylaws</p> <p>Expand recreation space for all ages</p> <p>Develop a Recreation & Parks Department</p> <p>Work with community stakeholders to form partnerships to develop a boat launch/marina</p>	<ul style="list-style-type: none"> • Recreation & Parks department developed
<p>To the greatest extent possible, meet the social, cultural and physical needs of the community</p>	<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 Nothern Health Bus Service</p>	<ul style="list-style-type: none"> • Received grant for a Community Hall. • Good Neighbor Bylaw in draft • Continued advocating for bus service to and from Stewart
Engaged Community		
<p>To have well-informed citizens</p>	<p>Develop & implement a community engagement & communications policy:</p> <ul style="list-style-type: none"> • Regulate what is communicated from Council and how it is conveyed • Public announcement email listing 	<ul style="list-style-type: none"> • Communications Policy adopted by Council
<p>To engage citizens to hear from them</p>		
<p>To have citizens engage in aspects of community life that interest and impact them</p>		
<p>Continue to work with partners for the benefit of the community</p>		



2023 Achievements

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.

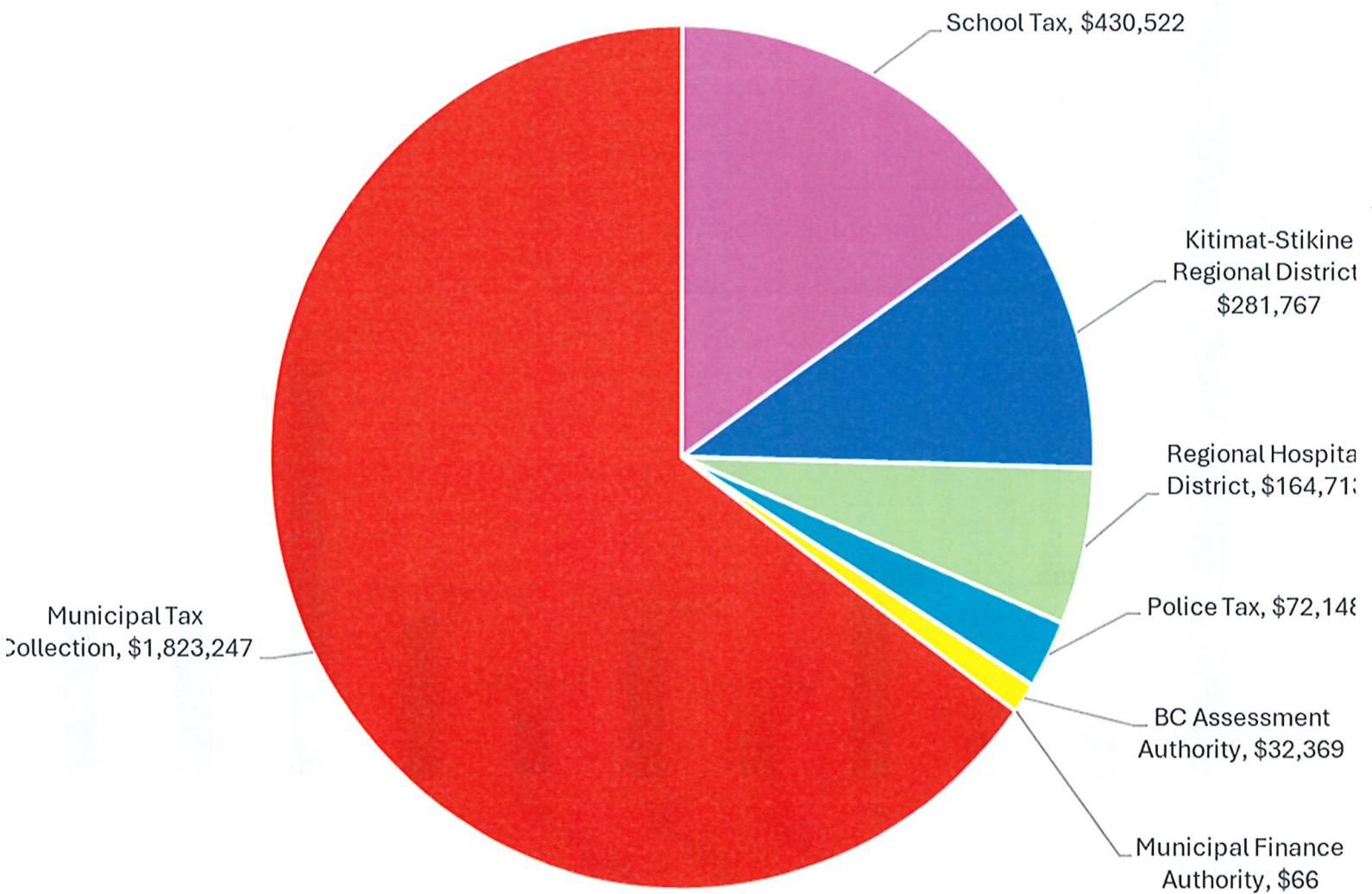


Community Hall Public Engagement

Formed a Community Hall Committee

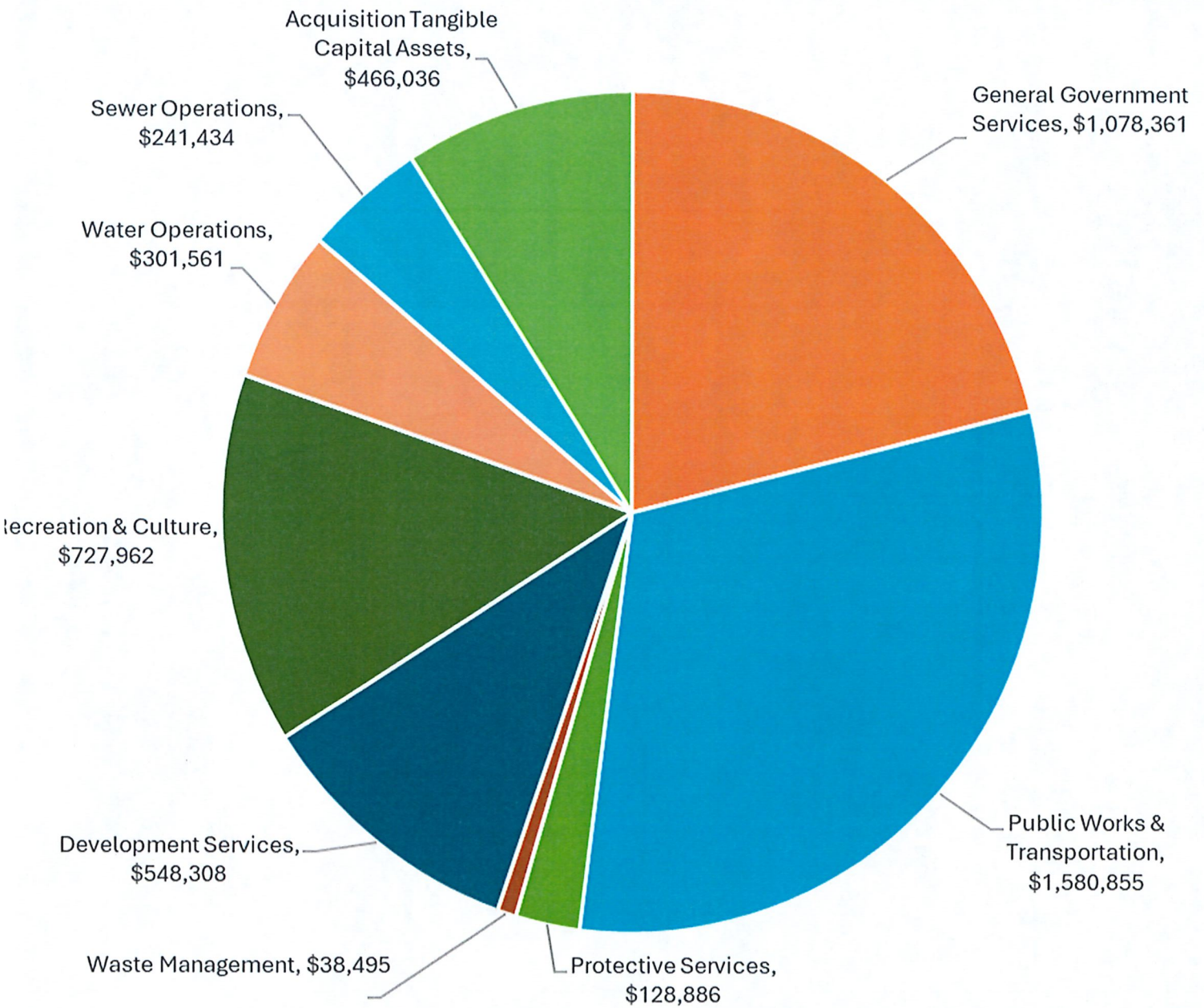
Financial Statistics

2023 Taxes Collected: \$2,804,832



Financial Statistics

2023 Municipal Expenditures and Transfers by Department — Total: \$5,111,898



Grant Projects

Asset Management Project

BUILDING CONDITION ASSESSMENT: \$45,000

Federation of Municipalities Asset Management Project

- ◆ Building Condition Assessment for all the District of Stewart buildings

POVERTY REDUCTION: \$10,800

UNION OF BC MUNICIPALITIES

- ◆ Delivered workshops on food safety
- ◆ started to build on a food equipment lending library
- ◆ Project is near completion

INDIGENOUS GRANT; \$10,000

- ◆ Purchase local Indigenous Artwork to be displayed at the Visitor Centre

CANADA SUMMER JOBS:

- ◆ Received funding for two staff at the Visitor Centre

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 Capital Investment Planning
- Develop and expand Asset Management Strategy

NDIT 2023 Marketing Initiatives: \$10,000

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



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

Heritage BC Museum: \$105,000

- ◆ 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)
- ◆ Project started in 2022 finished in 2023

Grant Projects

Infrastructure & Planning Granduc Rd: \$15,000

- ◆ Develop a report that sets out key assessment findings, identified strengths, opportunities, and challenges to increase community completeness
- ◆ An assessment of the current condition of Granduc Road to improve safety and access for industry and tourism.
- ◆ Granduc is the only road access to Stewart's largest tourism attraction, the world-famous Salmon Glacier, as well as multiple mining operations that help to maintain the economic stability of the community of Stewart

District Funded Projects

- Council Audio/ Visual Systems and Desks : \$50,000
- Grader Repairs– Repair works to the Volvo G976 Grader: \$20,000 Funding source for the works shall be Capital funds
- Boat Launch—Feasibility study for the proposed Boat Launch at Stewart Marina/ Harbour
- Lift Station Pump Repairs: \$20,000 - The Meyers 70HP Pump was out of service and repaired and put back into operation as it is a vital piece of equipment regarding groundwater and sewer issues in that area.

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

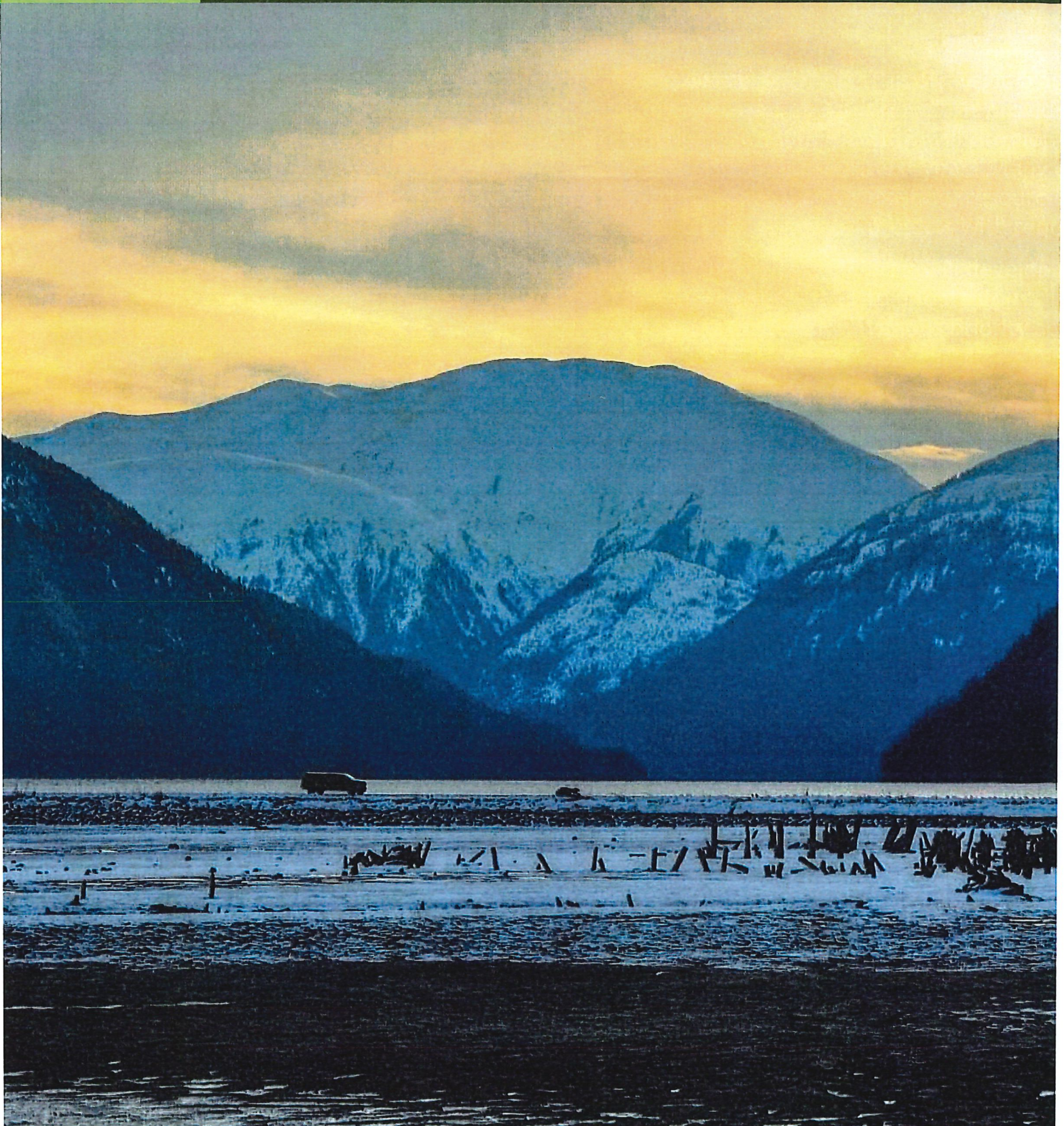
Getting to 2024

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.



2023 Financial Statements



District Of Stewart
Financial Statements
December 31, 2023

**DISTRICT OF STEWART
COUNCIL - 2023**

MAYOR

Angela Brand Danuser

COUNCILLORS

Frank Kamermans
Patty Lynn
Hopi Kruchkowski

Nina Russell
Keenan Kennedy

APPOINTED OFFICIALS

Chief Administrative Officer
Chief Financial Officer

Tarra Barker
Joanne Molnar

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, 2023, and the statements of operations, 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, 2023, 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 13, has been presented for purposes of additional analysis. The supplementary information presented in Schedules 1 and 2 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 2 to 13 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.

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

April 22, 2024

Chartered Professional Accountants

District Of Stewart
Statement of Operations and Accumulated Surplus
For the year ended December 31, 2023

	<i>Schedules</i>	<i>2023 Budget (Note 17)</i>	<i>2023</i>	<i>2022</i>
Revenue				
Net taxes available for municipal purposes <i>(Note 15)</i>		2,623,712	2,602,159	2,461,778
Government grants and transfers <i>(Note 16)</i>		4,347,466	1,280,620	986,265
Rentals		340,085	349,227	320,672
User fees and sales of goods and services		123,838	514,252	263,042
Log handling and port royalty revenues		120,000	155,598	92,121
Other		125,600	69,330	59,955
Investment income		-	140,712	35,189
Gain on sale of tangible capital assets		-	-	22,532
		7,680,701	5,111,898	4,241,554
Expenses				
General Government Services	3	960,674	1,078,361	1,068,668
Public Works and Transportation	4	1,451,943	1,580,855	1,279,806
Protective Services	5	113,553	128,886	140,629
Waste Management	6	73,265	38,495	78,073
Development Services	7	453,779	548,308	537,609
Recreation and Cultural Services	8	380,512	727,962	581,041
Water Operations	9	159,005	301,561	265,275
Sewer Operations	10	125,654	241,434	202,776
		3,718,385	4,645,862	4,153,877
Annual surplus		3,962,316	466,036	87,677
Accumulated surplus, beginning of year		19,349,096	19,349,096	19,261,419
Accumulated surplus, end of year		23,311,412	19,815,132	19,349,096

The accompanying notes are an integral part of these financial statements

District Of Stewart
Statement of Cash Flows
For the year ended December 31, 2023

	2023	2022
Operating activities		
Annual surplus	466,036	87,677
Non-cash items		
Amortization	739,338	710,882
Gain on disposal of tangible capital assets	-	(22,532)
Accretion expense	4,121	-
	1,209,495	776,027
Changes in working capital accounts		
Taxes receivable	54,605	25,476
Accounts receivable	73,161	(91,895)
Accounts payable and accrued liabilities	(282,896)	248,690
Deferred revenue	181,748	(38,523)
Performance bonds and environmental deposits	6,053	1,348
Landfill post-closure liability	(82,608)	-
Prepaid expenses	(1,341)	(3,467)
	1,158,217	917,656
Financing activities		
Advances of long-term debt	-	525,600
Long-term debt repayments	(166,328)	(159,378)
	(166,328)	366,222
Capital activities		
Purchases of tangible capital assets	(406,381)	(1,451,953)
Proceeds from disposal of tangible capital assets	-	63,025
	(406,381)	(1,388,928)
Increase (decrease) in cash resources	585,508	(105,050)
Cash and short-term investments, beginning of year	5,896,643	6,001,693
Cash and short-term investments, end of year (Note 4)	6,482,151	5,896,643

The accompanying notes are an integral part of these financial statements

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

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.

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.

District Of Stewart
Notes to the Financial Statements
For the year ended December 31, 2023

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

Financial instruments *(Continued from previous page)*

The District subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses. The District has not presented a statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in operating annual surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years, recent collection experience for the loan, such as a default or delinquency in interest or principal payments, etc. in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

4. **Cash and cash equivalents**

Cash and temporary investments are composed of cash on deposit and investments as follows:

	2023	2022
Municipal Finance Authority of B.C. Investments		
- Money market fund	73,010	69,496
- Short-term bond fund	570,966	542,018
	643,976	611,514
Cash	5,838,175	5,285,129
	6,482,151	5,896,643

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, 2023, the District had the full limit available to draw on.

5. **Taxes receivable**

	2023	2022
Current	91,314	137,276
Arrears	72,928	93,406
Delinquent	1,761	891
Taxes due on properties sold at tax sale	11,370	405
	177,373	231,978

District Of Stewart
Notes to the Financial Statements
For the year ended December 31, 2023

10. Equipment financing

	2023	2022
Municipal Finance Authority capital demand loan payable at \$3,545 per month including interest at a current rate of 5.63% and maturing August 2024. The loan is secured by equipment with a net book value of \$164,152 (2022 - \$196,983).	25,760	65,628
Municipal Finance Authority capital demand loan payable at \$3,546 per month including interest at a current rate of 5.63% and maturing December 2024. The loan is secured by equipment with a net book value of \$129,672 (2022 - \$155,607).	39,641	78,768
Municipal Finance Authority capital demand loan payable at \$6,531 per month including interest at a current rate of 5.63% and maturing July 2027. The loan is secured by equipment with a net book value of \$320,235 (2022 - \$357,910).	281,675	342,203
Municipal Finance Authority capital demand loan payable at \$1,370 per month including interest at a current rate of 5.63% and maturing September 2027. The loan is secured by equipment with a net book value of \$57,780 (2022 - \$65,003).	60,499	72,947
Municipal Finance Authority capital demand loan payable at \$1,540 per month including interest at a current rate of 5.63% and maturing September 2027. The loan is secured by equipment with a net book value of \$69,728 (2022 - \$78,444).	68,022	82,379
	475,597	641,925

Principal repayments on long-term debt are estimated as follows:

2024	172,353
2025	103,640
2026	107,615
2027	91,989
	475,597

District Of Stewart
Notes to the Financial Statements
For the year ended December 31, 2023

12. Commitments and contingent liabilities

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, 2022, the Plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any 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 \$153,034 (2022 - \$83,734) for employer contributions to the Plan in fiscal 2023. The next valuation will be as at December 31, 2024, with results available in 2025.

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

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.

B.C. Assessment Authority Appeals

Due to the uncertainty of the outcome of appeals to the B.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.

13. Accumulated surplus

Accumulated surplus consists of the following:

	2023	2022
Operating fund surplus	641,601	614,603
Reserves - Schedule 11	4,705,908	4,096,121
Equity in tangible capital assets (Note 15)	14,467,623	14,638,372
	19,815,132	19,349,096

District Of Stewart
Notes to the Financial Statements
For the year ended December 31, 2023

16. Government grants and transfers

	2023	2022
Federal		
Conditional	9,693	9,180
<hr/>		
Provincial		
Conditional	294,509	561,797
Unconditional	928,000	323,000
<hr/>		
	1,222,509	884,797
<hr/>		
Regional and other		
Conditional	48,418	92,288
<hr/>		
	1,280,620	986,265
<hr/>		

17. Annual budget

The budget amounts presented on the Statement of Operations and Accumulated Surplus represent the Financial Plan Bylaw adopted by Council on May 12, 2023 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:

Net surplus (deficit) per Financial Plan	(516,755)
Add back:	
Principal portion of debt repayments	177,754
Capital expenditures	5,417,239
Transfers to reserve	1,091,550
Deduct:	
Transfers from reserves (net)	(2,207,472)
Net budgeted surplus (deficit) per financial statements	3,962,316

District Of Stewart
Schedule 1 - Schedule of Tangible Capital Assets
For the year ended December 31, 2023

	Land	Land improvements	Buildings	Motor vehicles	Furniture, equipment and technology	Subtotal
Cost						
Balance, beginning of year	1,133,958	2,546,275	5,568,558	3,425,311	1,169,769	13,843,871
Acquisition of tangible capital assets	-	24,714	234,482	-	-	259,196
Disposal of tangible capital assets	-	-	-	-	-	-
Asset retirement obligations	-	-	63,502	-	-	63,502
Balance, end of year	1,133,958	2,570,989	5,866,542	3,425,311	1,169,769	14,166,569
Accumulated amortization						
Balance, beginning of year	-	1,243,648	2,870,235	1,735,696	793,423	6,643,002
Annual amortization	-	55,406	146,163	233,505	75,759	510,833
Accumulated amortization on disposals	-	-	-	-	-	-
Balance, end of year	-	1,299,054	3,016,398	1,969,201	869,182	7,153,835
Net book value of tangible capital assets	1,133,958	1,271,935	2,850,144	1,456,110	300,587	7,012,734
2022 Net book value of tangible capital assets	1,133,958	1,302,627	2,698,323	1,689,615	376,346	7,202,891

District Of Stewart
Schedule 2 - Schedule of Segmented Disclosure
For the year ended December 31, 2023

	General Government Services	Public Works and Transportation	Protective Services	Waste Management	Development Services	Recreation and Cultural Services	Water Operations	Sewer Operations	2023	2022
Revenue										
Net taxes available for municipal purposes	98,989	1,251,439	97,872	63,148	517,395	327,967	137,047	108,302	2,602,159	2,461,778
Government grants and transfers	1,067,123	3,195	-	-	72,627	47,515	-	90,160	1,280,620	986,265
Rentals	-	-	-	-	349,227	-	-	-	349,227	320,672
User fees and sales of goods and services	17,731	-	-	3,193	8,157	129,793	83,536	272,892	514,302	265,042
Log handling and port royalty revenues	-	-	-	-	155,588	-	-	-	155,598	92,121
Other	-	-	-	-	69,280	-	-	-	69,280	59,955
Investment income	140,712	-	-	-	-	-	-	-	140,712	35,189
Gain on sale of tangible capital assets	-	-	-	-	-	-	-	-	-	22,532
	1,324,555	1,254,634	97,872	66,341	1,172,284	504,275	220,583	471,354	5,111,898	4,241,554
Expenses										
Salaries, wages and benefits	561,640	737,725	4,228	48,318	295,188	210,599	109,860	61,922	2,032,480	1,588,830
Goods and services	481,625	494,735	72,390	18,641	246,196	417,084	84,225	82,380	1,897,276	1,828,131
Interest and bank charges	6,740	26,484	-	3,175	-	-	-	-	36,399	26,034
Change in estimate	-	-	-	(59,631)	-	-	-	-	(59,631)	-
	1,050,005	1,258,944	76,618	10,503	544,384	627,683	194,085	144,302	4,442,995	3,442,995
Annual surplus (deficit), before amortization	274,550	(4,310)	21,254	55,838	627,900	(123,408)	25,498	327,052	1,205,374	798,559
Amortization	28,357	321,913	52,267	27,993	3,922	100,278	107,477	97,131	739,338	710,882
Annual surplus (deficit)	246,193	(326,223)	(31,013)	27,845	623,978	(223,686)	(80,979)	229,921	466,036	87,677

District Of Stewart
Public Works and Transportation
Schedule 4 - Schedule of Revenue and Expenses
For the year ended December 31, 2023
(Unaudited)

	2023	2022
Revenue		
Net taxes available for municipal purposes	1,251,439	1,134,574
Government grants and transfers	3,195	3,138
	1,254,634	1,137,712
Expenses		
Amortization	321,913	317,951
Benefits	139,665	108,478
Contracted services	18,896	9,232
Freight	12,552	8,107
Insurance	27,720	32,042
Interest and bank charges	26,484	6,116
Materials and supplies	168,776	79,458
Miscellaneous	-	2,000
Office	968	410
Rentals	-	1,856
Repairs and maintenance	91,229	80,659
Salaries and wages	598,060	476,741
Telephone and internet	8,211	7,027
Training	5,544	4,279
Travel	4,848	217
Utilities	71,258	71,936
Vehicle	84,733	73,297
	1,580,857	1,279,806
Annual deficit	(326,223)	(142,094)

District Of Stewart
Waste Management
Schedule 6 - Schedule of Revenue and Expenses
For the year ended December 31, 2023
(Unaudited)

	2023	2022
Revenue		
Net taxes available for municipal purposes	63,148	123,982
User fees and sales of goods and services	3,193	3,168
	66,341	127,150
Expenses		
Amortization	27,993	27,993
Benefits	9,181	8,090
Change in estimate	(59,631)	-
Insurance	2,100	-
Interest and bank charges	3,175	1,873
Materials and supplies	2,859	35
Repairs and maintenance	11,550	2,881
Salaries and wages	39,137	35,204
Vehicle	2,132	1,997
	38,496	78,073
Annual surplus	27,845	49,077

District Of Stewart
Recreation and Cultural Services
Schedule 8 - Schedule of Revenue and Expenses
For the year ended December 31, 2023
(Unaudited)

	2023	2022
Revenue		
Net taxes available for municipal purposes	327,967	369,574
Government grants and transfers	47,515	46,358
User fees and sales of goods and services	128,793	108,779
	504,275	524,711
Expenses		
Advertising and promotion	250	-
Amortization	100,278	83,761
Benefits	37,499	29,008
Contracted services	142,333	106,965
Dues, permits and memberships	513	-
Freight	1,805	2,075
Grants and support	75,359	73,979
Insurance	53,318	39,306
Materials and supplies	37,689	34,575
Miscellaneous	4,849	561
Repairs and maintenance	24,826	43,258
Salaries and wages	173,100	119,920
Telephone and internet	4,160	3,396
Utilities	69,896	42,653
Vehicle	2,086	1,584
	727,961	581,041
Annual deficit	(223,686)	(56,330)

District Of Stewart
Sewer Operations
Schedule 10 - Schedule of Revenue and Expenses
For the year ended December 31, 2023
(Unaudited)

	2023	2022
Revenue		
Net taxes available for municipal purposes	108,302	127,847
Government grants and transfers	90,160	33,914
User fees and sales of goods and services	272,892	113,804
	471,354	275,565
Expenses		
Amortization	97,131	98,671
Benefits	9,803	7,519
Dues, permits and memberships	4,036	936
Freight	812	60
Insurance	7,842	8,778
Materials and supplies	5,409	3,044
Miscellaneous	504	220
Repairs and maintenance	26,722	7,469
Salaries and wages	52,120	39,541
Telephone and internet	724	588
Utilities	35,699	35,884
Vehicle	632	66
	241,434	202,776
Annual surplus	229,920	72,789

District Of Stewart
Schedule 12 - Schedule of Expenses
For the year ended December 31, 2023
(Unaudited)

	2023	2022
General Government Services		
Administration	971,089	959,774
Legislative services	107,273	108,894
	1,078,362	1,068,668
Public Works and Transportation Services		
Roads and streets	952,531	789,846
Shop and general	559,627	405,658
Street lighting	53,480	45,672
Dyke & gravel extraction	3,441	821
Other	11,778	37,809
	1,580,857	1,279,806
Protective Services		
Fire department	90,843	72,113
First responders / rescue truck	-	37
Emergency management	38,043	28,547
Bylaw enforcement	-	39,932
	128,886	140,629
Development Services		
Planning and zoning	54,682	179,009
Economic and community development	410,477	247,811
Leased buildings	54,933	62,686
Log handling facilities	20,501	46,389
Other	7,713	1,714
	548,306	537,609
Recreation and Culture Services		
Arena	219,535	163,878
Library funding and service agreement	77,093	71,733
Parks and boardwalk	323,254	256,504
Old fire hall	28,293	29,295
Other funding and service agreements	-	-
Pool building	43,024	40,879
Recreation program and events	36,762	18,752
	727,961	581,041

District Of Stewart
Northern Capital and Planning Grant
Schedule 13 - Schedule of revenue, expenses and fund balances
For the year ended December 31, 2023
(Unaudited)

	2023	2022
Fund Balance		
Opening balance	1,268,544	1,538,589
Add:		
Investment income	41,574	10,291
Deduct:		
Arena upgrades	-	(280,336)
Closing balance	1,310,118	1,268,544