

District of Stewart



2023 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 (resigned)

Keenan Kennedy

Sean Pownall (resigned)

Frank Kamermans

Nina Russell

Hopi Kruchkowski (absent)

Patty Lynn (absent) bi-election
July 8, 2023

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



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.



Message from the Mayor Continued

Downtown Vision Plan: Council received the Downtown Vision Plan, which outlines a comprehensive strategy for revitalizing our downtown area. While not all items in the plan are attainable, this plan is one step in creating a vibrant, attractive, and economically viable town center.

Grant Funding: In 2023, the District received nearly \$300,000 in grant funding to support municipal objectives & operations, community enhancement & events, as well as cultural promotion, poverty reduction and development of the Age Friendly Action Plan.

New Interim CAO

At the end of 2023, we welcomed Tarra Barker as the new interim Chief Administrative Officer (CAO). Council is very excited to have her in this position. Tarra is well respected in the community, and her extensive experience, history, and ability to work collaboratively are highly valued. We are confident that under her leadership, our municipal operations will continue to thrive and meet the evolving needs of our community.

Looking Ahead

As we move forward, we remain committed to working together to build a better Stewart. Our collective efforts, vision, and dedication will ensure that we continue to improve the quality of life for all residents. We are proud of what we have accomplished and look forward to the opportunities and challenges that lie ahead.

Thank you for your continued support and engagement.



Angela Brand Danuser
Mayor

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

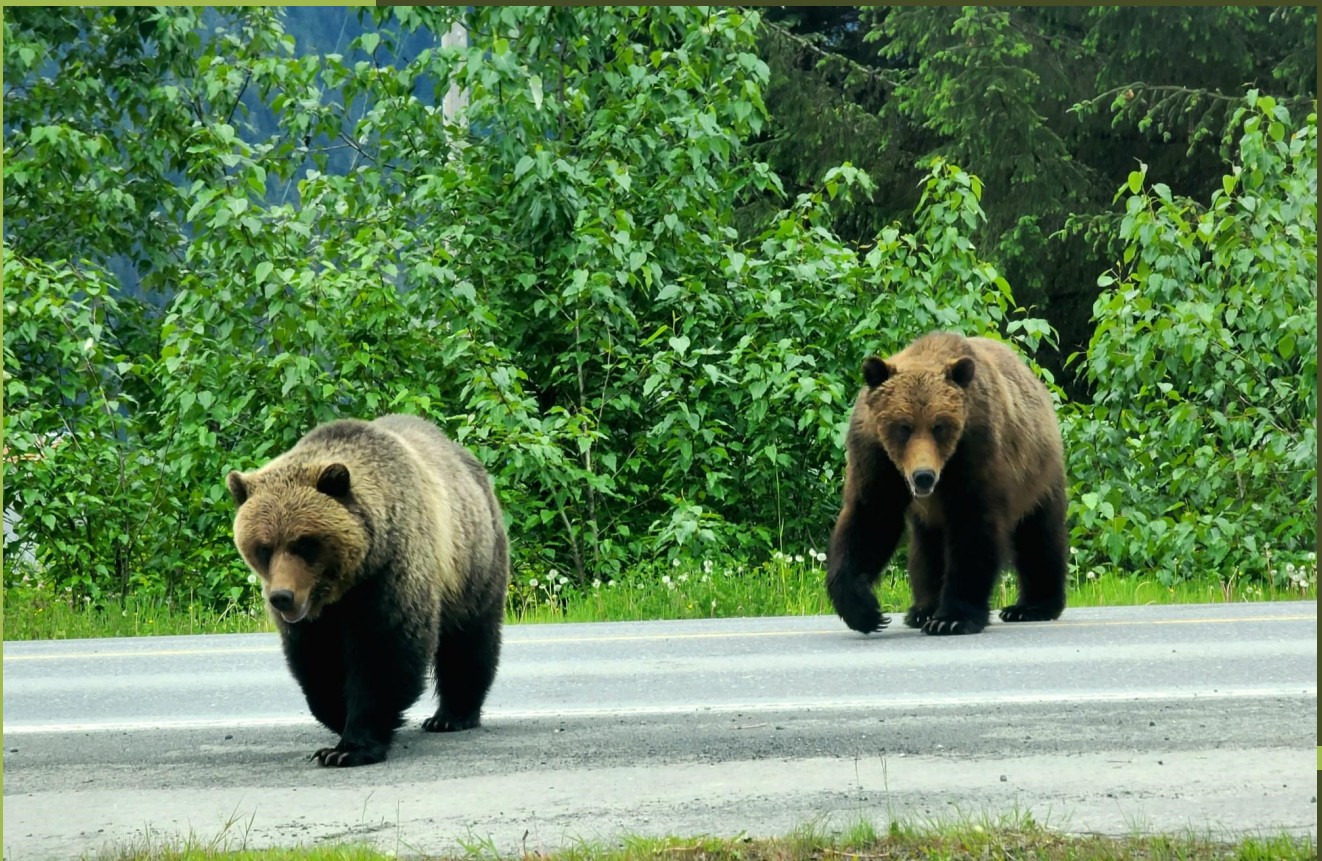
Community Profile

Find yourself.

At the head of the awe-inspiring 71-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.

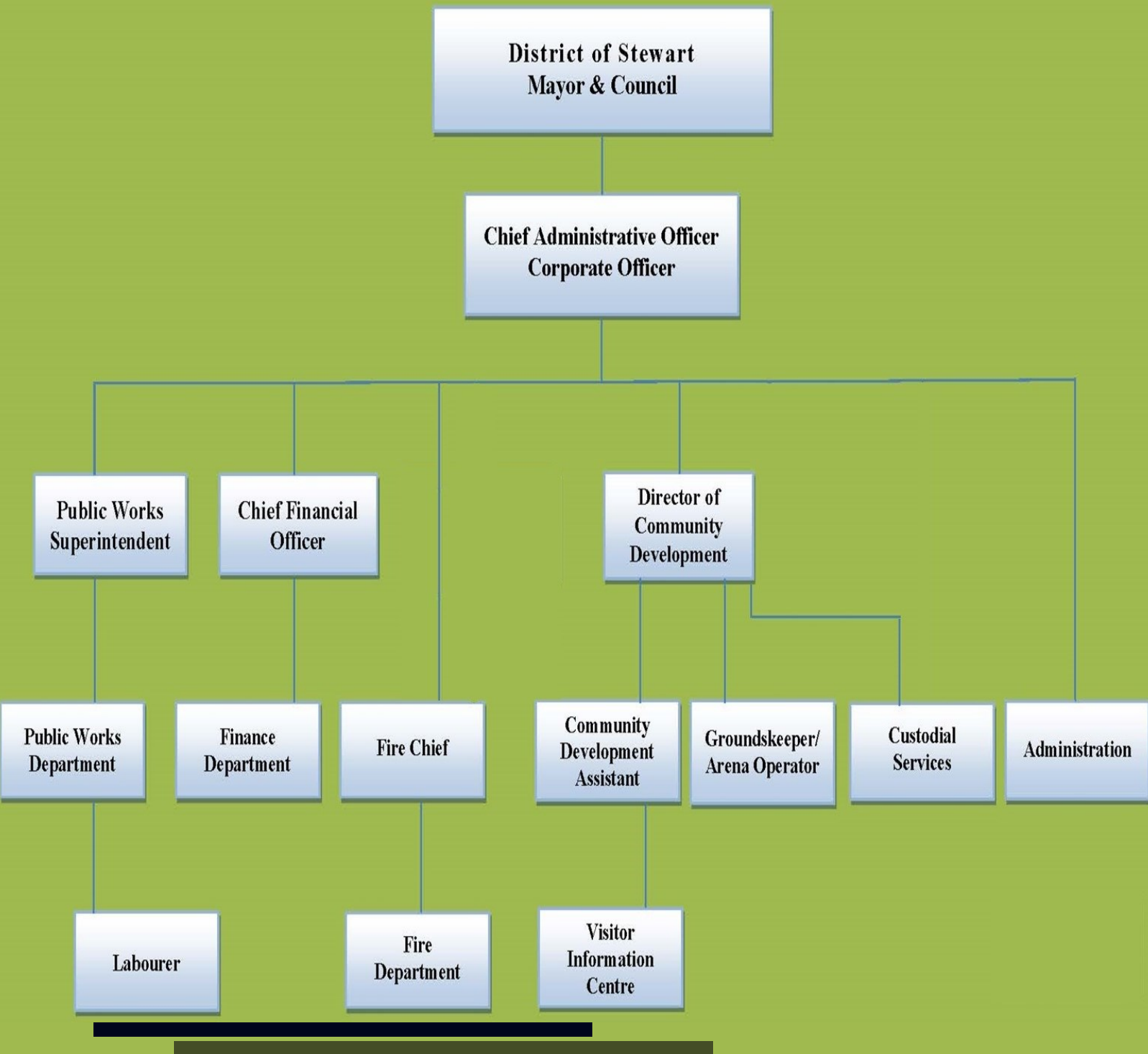
Hiking In the surrounding mountain ranges on a variety of maintained trails boasting breathtaking views.

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 2023



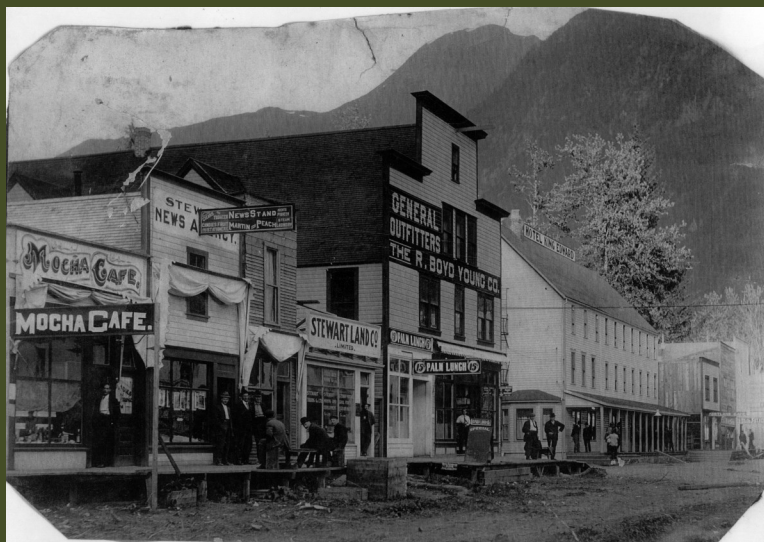
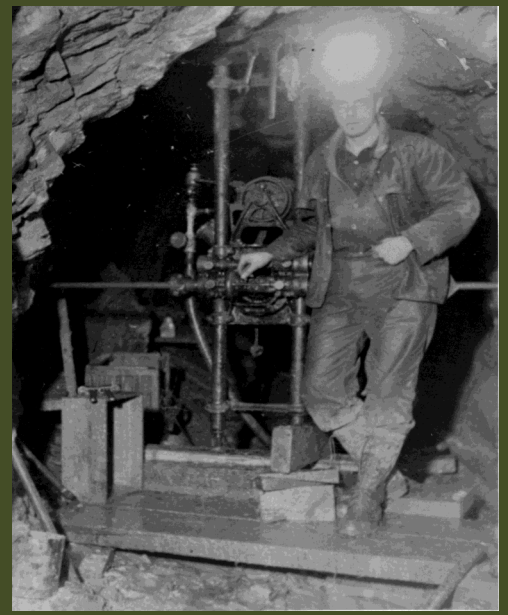
Summary of Strategic Priorities Actions & Measures of Success

2023

Strategic Priority Area	Action Required to Achieve Vision	Successful Outcome
Safe Community		
To Ensure all residents feel and are safe in Stewart	<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 & 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"> Quarterly reports to Council from RCMP Twelve volunteers received training in Exterior firefighter Skills Program– Program teaches the firefighting skills that they need to pass and exceed the British Columbia Fire Service Minimum Training Standards set by the BC Office of the Fire Commissioner.
To provide safe roads for pedestrians, cyclists and vehicles	Develop and implement a Traffic Strategy to deal with proposed increased industrial traffic	
To safeguard residents and visitors by providing "Bear Awareness Education" and establishing clear guidelines	Become designated as a Bear Smart Community	<ul style="list-style-type: none"> Staff researching process
Secure Finances, Assets and Infrastructure		
To ensure sound financial management of the District	Review Building Permit & Business Licencing programs: consider revising bylaws and fees, ensure permit reflects current building code standards, etc.	<ul style="list-style-type: none"> Bylaw revisions done
To ensure resources are available when needed	Develop a financial sustainability program to ensure contingency funds and reserves are in place for essential requirements and unforeseen circumstances.	
To ensure well-planned, maintained and financed public infrastructure	<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>	
Bold Economic Development		
To attract and retain business investment	<p>Prepare an industrial Land & 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 & 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
Liveable Complete Community		
To develop distinct neighborhoods and a liveable community	<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
To be an attractive community for living, working and playing	<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
To the greatest extent possible, meet the social, cultural and physical needs of the community	<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		
To have well-informed citizens	<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
To engage citizens to hear from them		
To have citizens engage in aspects of community life that interest and impact them		
Continue to work with partners for the benefit of the community		

Strategic Priority Area	Action Required to Achieve Vision	Successful Outcome
◆ Organizational Excellence		
◆ To provide Effective & efficient services	◆ Strengthen organizational effectiveness and culture <ul style="list-style-type: none"> • Work towards a dynamic team • Encourage professional development 	
To be a high performing professional organization	◆ Ensure Staff have the right tools to be able to do their job well ◆ Fluency in technology with ability to work remotely ◆ Team discussions to determine innovative and improved methods to meet goals	
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 <ul style="list-style-type: none"> ◆ Team discussions to determine innovative and improved methods to meet goals 	



2023 Achievements

Al Lawrence Memorial Arena - Fully Functioning 2023

The Al Lawrence Memorial Arena was fully functioning for the 2023 season with the installation of a new Plant System and several other repairs. The Arena is the winter hub of the community and was a high priority for Council to complete.

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

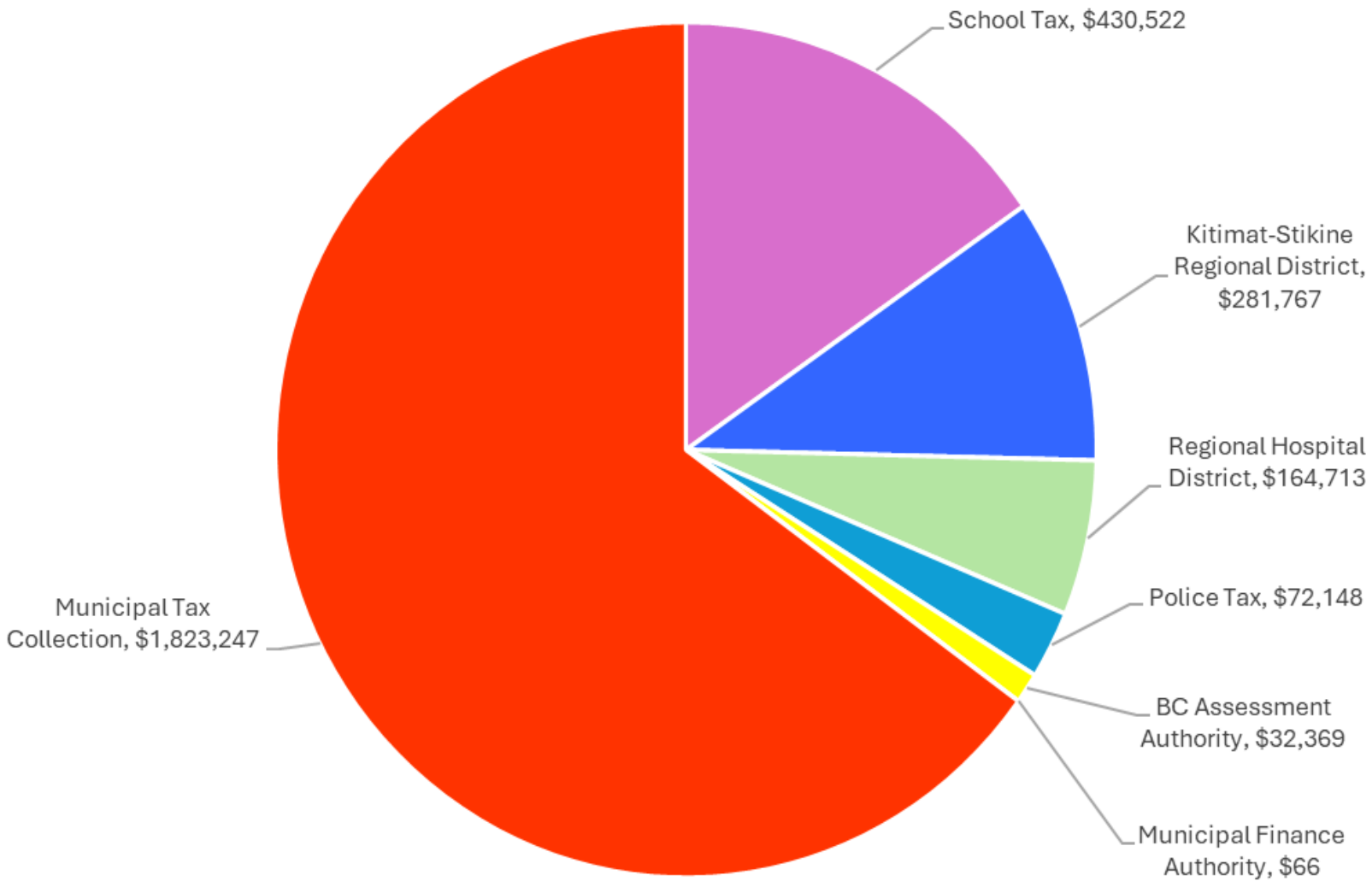
Formed a Community Hall Committee

Permissive Tax Exemptions 2023

	Address	Roll #	Assessed	Tax Rate	Municipal
North American Baptist Conference	615-6th Ave	196000	\$ 27,500	14.7464	\$ 405.53
North American Baptist Conference	617-6th Ave	194100	148,500	14.7464	\$ 2,189.84
Roman Catholic Episcopal Corp of PR	418-8th Ave	202005	\$ 68,100	11.0598	\$ 753.17
Anglican Synod Diocese of Caledonia	403-9th Ave	374010	\$ 90,9000	11.0598	\$ 1,005.34
				Total:	\$ 4,353.88

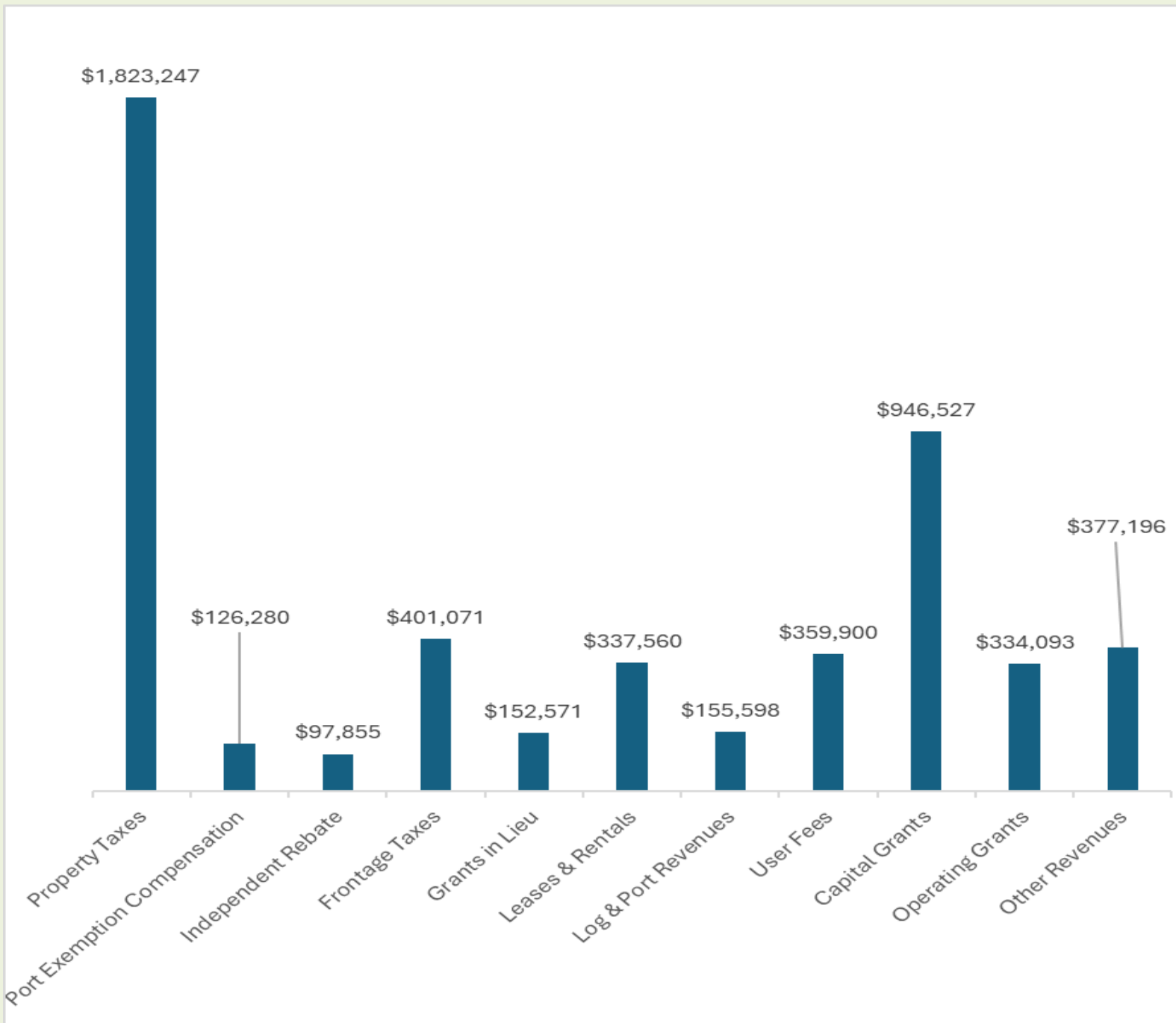
Financial Statistics

2023 Taxes Collected: \$2,804,832



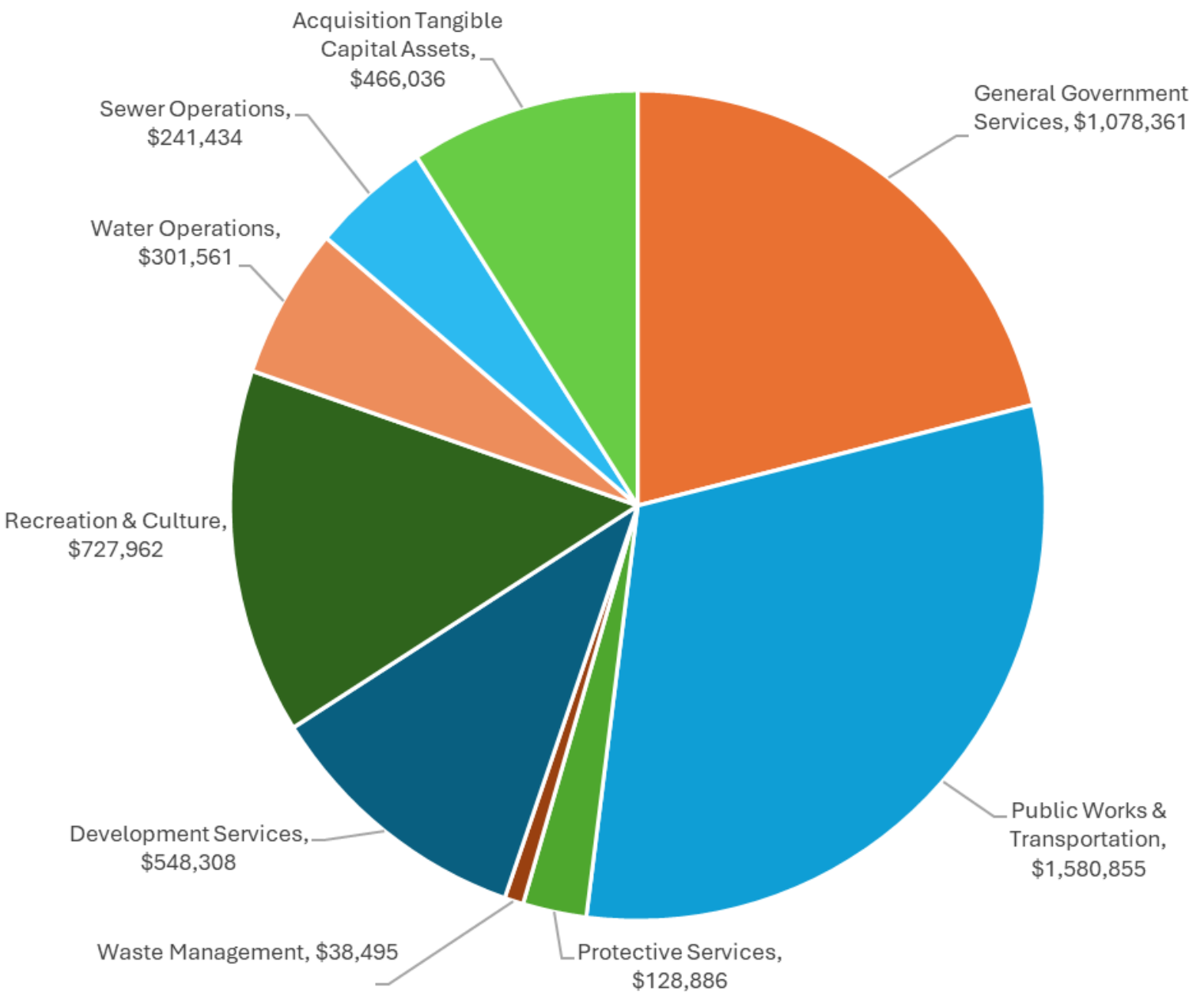
Financial Statistics

2023 Municipal Revenue Sources—Total: \$4,488,233



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

ACTIVE TRANSPORTATION GRANT: \$99,050.00

- ◆ Develop an Active Transportation Plan which will identify opportunities to make our community safe for vulnerable road users

PARTICIPATION 2023 :

- ◆ Community Wide event where all members of the community were encouraged to track their activity.
- ◆ Community Groups hosted events to encourage Participation within the community.

PLAN H— Summer of Safety: \$5,000

- ◆ Programming for youth designed around outdoor awareness and safety

VISION ZERO GRANT: \$20,000

- ◆ Cross walks and speed signs on Railway and Brightwell St.

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

COMMUNITY EMERGENCY PREPAREDNESS FUND: \$18,000

Emergency Operations Centres & Training

EOC Preparedness 2022

- ◆ The District of Stewart purchased a projection unit, A Microsoft Hub and steel mobile stand. In addition the District of Stewart had 16 participants in the 23WI-MRG-1121-CM002 HRVA course, which was held on April 18th and 19th 2023
- ◆ Started in 2022 completed in 2023

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

FLOOD MITIGATION PLANNING: \$85,000

Emergency Management BC

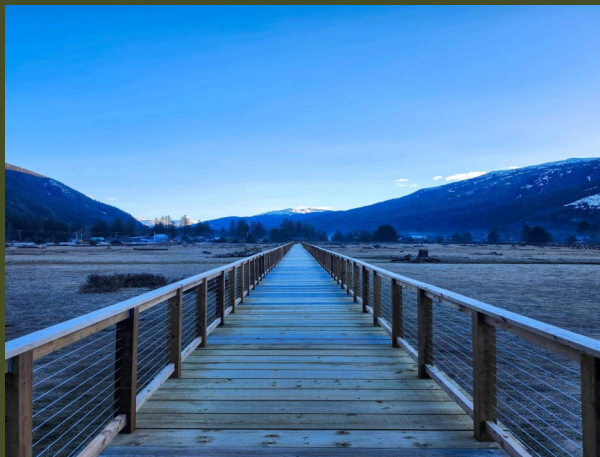
National Disaster Mitigation Program

- ◆ 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

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

COMPLETE COMMUNITIES: \$73,250.00

- ◆ Develop a report that sets out key assessment findings, identified strengths, opportunities, and challenges to increase community completeness

NBCTA Accessibility Grant: \$5,350

- ◆ Develop a report that sets out key assessment findings, identified strengths, opportunities, and challenges to increase community completeness

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

Essential Drinking Water—CWF 2018: \$4,888,250

- ◆ Construction of an approximately 2800m³ reservoir
- ◆ Installation of about 400m of each of 350mm and 250mm diameter main
- ◆ Construction of about 500m access road to reservoir site
- ◆ Supply well monitoring and analysis
- ◆ Correction of sanitary sewer deficiencies
- ◆ Watermain repair and replacement
- ◆ Related civil, mechanical and electrical work
- ◆ Project completed 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

Grant Projects

Growing Communities Fund: \$673,000

- ◆ Develop a report that sets out key assessment findings, identified strengths, opportunities, and challenges to increase community completeness

AGE FRIENDLY GRANT- \$25,000.00

- ◆ Update the Age Friendly Plan
- ◆ as well as develop an age friendly action plan

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.

District Funded Projects Continued

- ◆ **Stewart Community Connections: \$70,000**
To manage and facilitate community events and celebrations for 2022 and 2023
- ◆ **Arena : New Plant and repairs \$500,000**
- ◆ **Landfill Closure-Wells: \$26,281**
There was no operational groundwater monitoring wells at the Stewart Landfill. To maintain regulatory compliance, the District of Stewart must install three new groundwater monitoring wells

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.





DISTRICT OF STEWART
705 Brightwell Street
Stewart BC VoT 1Wo
districtofstewart.com

PHOTO CREDITS:
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Camus Photography
Darren Hicks
Stephanie Kennedy



2023 Financial Statements



District Of Stewart
Financial Statements
December 31, 2023

District Of Stewart
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For the year ended December 31, 2023

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**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

Management's Responsibility

To the Mayor and Council of the 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 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 Council is also responsible for recommending the appointment of the District's external auditors.

MNP LLP is appointed by the Mayor and 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 Council and management to discuss their audit findings.

April 22, 2024

Chief Administrative Officer

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, 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.

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

April 22, 2024

Chartered Professional Accountants

District Of Stewart
Statement of Financial Position
As at December 31, 2023

	2023	2022
Financial assets		
Cash and cash equivalents <i>(Note 4)</i>	6,482,151	5,896,643
Taxes receivable <i>(Note 5)</i>	177,373	231,978
Accounts receivable <i>(Note 6)</i>	822,487	896,420
Total of assets	7,482,011	7,025,041
Liabilities		
Accounts payable and accrued liabilities <i>(Note 7)</i>	313,254	596,920
Deferred revenue <i>(Note 8)</i>	1,159,203	977,455
Performance bonds and environmental deposits	200,738	194,685
Equipment financing <i>(Note 10)</i>	475,597	641,925
Asset retirement obligations <i>(Note 11)</i>	590,249	574,869
Total of financial liabilities	2,739,041	2,985,854
Net financial assets	4,742,970	4,039,187
Commitments and contingent liabilities <i>(Note 12)</i>		
Non-financial assets		
Tangible capital assets <i>(Schedule 1)</i>	15,041,207	15,280,297
Prepaid expenses	30,955	29,612
Total non-financial assets	15,072,162	15,309,909
Accumulated surplus <i>(Note 13)</i>	19,815,132	19,349,096

Approved on behalf of Council

_____ Chief Financial Officer, Joanne Molnar

_____ Mayor, Angela Danuser

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 Change in Net Financial Assets
For the year ended December 31, 2023

	2023 <i>Budget</i> <i>(Note 17)</i>	2023	2022
Annual surplus	3,962,316	466,036	87,677
Acquisition of tangible capital assets	(5,417,239)	(406,381)	(1,451,953)
Amortization of tangible capital assets	-	739,338	710,882
Gain on disposal of tangible capital assets	-	-	(22,532)
Proceeds on sale of tangible capital assets	-	-	63,025
Addition to tangible capital assets relating to asset retirement obligations	-	(93,867)	-
Acquisition of prepaid expenses	-	(1,343)	(3,467)
Change in net financial assets	(1,454,923)	703,783	(616,368)
Net financial assets, beginning of year	4,039,187	4,039,187	4,655,555
Net financial assets, end of year	2,584,264	4,742,970	4,039,187

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

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. Change in accounting policy

Asset retirement obligations

Effective January 1, 2023, the District adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 *Asset Retirement Obligations*. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements. Pursuant to these recommendations, the change was applied prospectively, and prior periods have not been restated.

Previously, the District recorded the provision for site rehabilitation in accordance with PS 3270 *Solid Waste Landfill Closure and Post-Closure Liability*, which requires recognition of a liability for post-closure care as the site capacity is used and is equal to the proportion of the estimated total expenditure required for post-closure care. Under the new standard, a liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset.

There was no material impact on the financial statements from the prospective application of the new accounting recommendations. See Note 12 for details of asset retirement obligations recorded.

Financial instruments

Effective January 1, 2023, the District adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives under Section PS 3450 *Financial Instruments*. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the financial statements from the prospective application of the new accounting recommendations.

3. 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.

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.

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

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. Asset retirement obligations are the best estimate of the amount required to retire the tangible capital asset.

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.

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the District to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at December 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

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

At each financial reporting date, the District reviews the carrying amount of the liability. The District recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Financial instruments

The District recognizes its financial instruments when the District becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the District may irrevocably elect to subsequently measure any financial instrument at fair value. The District has not made such an election during the year

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

6. Accounts receivable

	2023	2022
Government grants/reimbursements receivable		
- Provincial	460,902	683,741
- Northern Development Initiative Trust	57,773	95,804
- Other	-	42,258
GST receivable	42,715	58,228
Other receivables	261,097	16,389
	822,487	896,420

7. Accounts payable and accrued liabilities

	2023	2022
Trade accounts payable	191,427	501,584
Accrued salary, wages and employee benefits	114,127	93,036
Tax sale proceeds held for redemption or transfer of title	7,700	2,300
	313,254	596,920

8. Deferred revenue

	2023	2022
Federal Gas Tax - Community Works Fund (Note 9)	562,772	466,891
Grant funds	594,172	501,767
Rent, business and animal licenses received in advance	2,259	2,259
Old Firehall fund	-	6,538
	1,159,203	977,455

9. 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.

	2023	2022
Opening balance of unspent funds	466,891	388,228
Amounts received during the year	79,280	75,529
Interest earned	16,601	3,134
	562,772	466,891

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

11. Asset retirement obligations

The District recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of buildings and wells. The asset retirement cost is amortized on a straight-line basis over the useful life of the tangible capital assets.

The District estimated the amount of the liability using discounted future expenditures estimated to retire the tangible capital asset. The significant assumptions used to determine the best estimate of the liability include:

- the estimated total future expenditures for settlement of the liability is assumed to be \$281,179 and the discount rate applied in the calculation was 4.73%.

	2023	2022
Liabilities incurred	93,867	-
Accretion expense	4,121	-
Balance, end of year	97,988	-

The District's landfill closure was completed in 2019 and 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. There are 23 years of liability remaining at an estimated cost of \$27,400 per annum.

In 2023, the estimate was adjusted to reflect a discount rate change to 4.72%. This resulted in a reduction of the estimate by \$59,631.

Balance, beginning of year	574,869	574,869
Liabilities settled	(22,977)	-
Change in estimated cash flows	(59,631)	-
Balance, end of year	492,261	574,869

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

14. 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:

	2023	2022
Increases:		
Capital acquisitions	406,381	1,451,953
Asset retirement obligation asset	93,867	-
Retirement of debt - principal repayments	166,328	159,378
Decreases:		
Amortization	(739,338)	(710,882)
Disposals, at net book value	-	(40,493)
Assumptions of debt	-	(525,600)
Asset retirement obligation liability	(97,987)	-
Change in equity in tangible capital assets	(170,749)	334,356
Equity in tangible capital assets - beginning of year	14,638,372	14,304,016
	14,467,623	14,638,372

15. Net taxes available for municipal purposes

	2023	2022
<i>Taxes collected:</i>		
Property taxes	2,804,832	2,669,406
Frontage assessments	401,072	402,545
Grants in lieu of taxes	152,571	134,982
Independent power producer rebate	98,989	97,855
Port property tax exemption compensation	126,280	118,130
	3,583,744	3,422,918
<i>Less transfers to other governments:</i>		
School District	(430,522)	(394,709)
Regional District of Kitimat-Stikine	(281,767)	(311,212)
Regional Hospital District	(164,713)	(158,738)
Police Tax	(72,148)	(64,270)
BC Assessment Authority	(32,369)	(32,150)
Municipal Finance Authority	(66)	(61)
	(981,585)	(961,140)
Net taxes available for municipal purposes	2,602,159	2,461,778

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
Provincial		
Conditional	294,509	561,797
Unconditional	928,000	323,000
	1,222,509	884,797
Regional and other		
Conditional	48,418	92,288
	1,280,620	986,265

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

18. 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.

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.

19. Financial Instruments

The District as part of its operations carries a number of financial instruments. It is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

20. Growing Communities Fund Grant

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

The District of Stewart received \$673,000 of GCF funding in March 2023. The funds are included in a reserve fund and the grant monies received and spent are outlined in schedule 11. In 2023, no funds were spent and only interest was accrued

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

	Subtotal	Transportation infrastructure	Water infrastructure	Sewer infrastructure	Storm sewer	2023	2022
Cost							
Balance, beginning of year	13,843,871	5,663,532	4,880,429	303,057	634,799	25,325,688	23,924,250
Acquisition of tangible capital assets	259,196	22,105	2,128	122,952	-	406,381	1,451,953
Disposal of tangible capital assets	-	-	-	-	-	-	(50,515)
Asset retirement obligations	63,502	-	30,365	-	-	93,867	-
Balance, end of year	14,166,569	5,685,637	4,912,922	426,009	634,799	25,825,936	25,325,688
Accumulated amortization							
Balance, beginning of year	6,643,002	2,254,271	628,050	300,928	219,140	10,045,391	9,344,531
Annual amortization	510,833	118,728	92,723	1,065	15,989	739,338	710,882
Accumulated amortization on disposals	-	-	-	-	-	-	(10,022)
Balance, end of year	7,153,835	2,372,999	720,773	301,993	235,129	10,784,729	10,045,391
Net book value of tangible capital assets	7,012,734	3,312,638	4,192,149	124,016	399,670	15,041,207	15,280,297
2022 Net book value of tangible capital assets	7,202,891	3,409,261	4,252,379	2,129	415,659	15,280,297	

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	128,793	83,536	272,892	514,302	263,042
Log handling and port royalty revenues	-	-	-	-	155,598	-	-	-	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	4,241,854
Expenses										
Salaries, wages and benefits	561,640	737,725	4,228	48,318	298,188	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)	26,498	327,052	1,205,374	796,559
Amortization	26,357	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
General Government Services
Schedule 3 - Schedule of Revenue and Expenses
For the year ended December 31, 2023
(Unaudited)

	2023	2022
Revenue		
Net taxes available for municipal purposes	98,989	97,855
Investment income	140,712	35,189
Government grants and transfers	1,067,123	737,713
User fees and sales of goods and services	17,731	5,343
	1,324,555	876,100
Expenses		
Advertising and promotion	2,577	17,295
Amortization	28,357	18,836
Bad debts	158	10,700
Benefits	118,324	96,260
Contracted services	19,553	129,000
Council indemnities	81,032	79,548
Dues, permits and memberships	5,826	1,795
Elections	9,536	7,991
Freight	336	209
IT and software	72,036	60,489
Insurance	17,847	15,983
Interest and bank charges	6,740	18,045
Materials and supplies	9,973	9,206
Miscellaneous	(21,850)	120
Office	14,397	13,674
Professional fees	122,965	165,002
Repairs and maintenance	6,201	8,214
Salaries and wages	443,316	355,367
Telephone and internet	14,843	12,462
Training	16,387	11,751
Travel	85,784	12,014
Utilities	24,024	24,517
Vehicle	-	190
	1,078,362	1,068,668
Annual surplus (deficit)	246,193	(192,568)

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
Protective Services
Schedule 5 - Schedule of Revenue and Expenses
For the year ended December 31, 2023
(Unaudited)

Revenue		
Net taxes available for municipal purposes	97,872	171,184
Government grants and transfers	-	42,984
	97,872	214,168
Expenses		
Amortization	52,267	51,406
Benefits	188	9,891
Dues, permits and memberships	903	846
Freight	625	-
Insurance	2,236	1,805
Materials and supplies	11,012	1,468
Miscellaneous	45,170	31,804
Repairs and maintenance	2,537	3,337
Salaries and wages	4,040	36,503
Telephone and internet	1,105	2,020
Training	8,697	1,211
Vehicle	105	338
	128,885	140,629
Annual surplus (deficit)	(31,013)	73,539

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
Development Services
Schedule 7 - Schedule of Revenue and Expenses
For the year ended December 31, 2023
(Unaudited)

	2023	2022
Revenue		
Net taxes available for municipal purposes	517,395	329,077
Government grants and transfers	72,627	117,609
Gain on sale of tangible capital assets	-	22,532
Rentals	349,227	320,672
Log handling and port royalty revenues	155,598	92,121
User fees and sales of goods and services	8,157	16,074
Other	69,280	59,955
	1,172,284	958,040
Expenses		
Advertising and promotion	36,175	21,677
Amortization	3,922	3,922
Benefits	57,821	33,411
Contracted services	51,096	124,026
Freight	14	55
Grants and support	77,500	86,875
Insurance	5,422	4,275
Materials and supplies	14,257	9,411
Miscellaneous	342	12,715
Rentals	16,604	15,600
Repairs and maintenance	1,730	36,529
Salaries and wages	240,366	155,589
Telephone and internet	3,594	4,202
Training	6,645	604
Utilities	32,818	28,718
	548,306	537,609
Annual surplus	623,978	420,431

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
Water Operations
Schedule 9 - Schedule of Revenue and Expenses
For the year ended December 31, 2023
(Unaudited)

	2023	2022
Revenue		
Net taxes available for municipal purposes	137,047	107,685
Government grants and transfers	-	4,549
User fees and sales of goods and services	83,536	15,874
	220,583	128,108
Expenses		
Amortization	107,477	108,342
Benefits	17,889	13,600
Contracted services	29,053	5,727
Dues, permits and memberships	1,707	768
Freight	4,103	3,203
Insurance	4,629	2,508
Materials and supplies	10,487	1,906
Miscellaneous	-	1,199
Repairs and maintenance	2,979	35,703
Salaries and wages	91,971	63,708
Telephone and internet	771	990
Training	-	1,697
Utilities	30,086	25,714
Vehicle	410	210
	301,562	265,275
Annual deficit	(80,979)	(137,167)

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 11 - Schedule of Reserve Fund Activities
For the year ended December 31, 2023

	Land and building	Capital works	Capital and planning (Schedule 13)	Climate Action	Growing Communities	Log Facility Capital	Conservancy	2023 Total	2022 Total
Balance, beginning of year	978,236	1,711,662	1,268,544	-	-	63,395	74,284	4,096,121	4,342,800
Transfers in	-	271,189	-	42,082	673,000	14,297	8,516	1,009,084	289,302
Investment income	24,410	54,593	41,574	690	11,028	2,312	2,574	137,181	29,708
Transfers out	(466,835)	(89,643)	-	-	-	-	-	(536,478)	(575,689)
Balance, end of year	535,811	1,967,801	1,310,118	42,772	684,028	80,004	85,374	4,705,908	4,096,121

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

	2023	2022
Waste Management		
Garbage collection and landfill operations	98,125	78,073
Change in accounting estimate for landfill closure	(59,631)	-
	38,494	78,073
Water Operations		
General operations	301,562	265,275
Sewer Operations		
General sewer operations	241,434	202,776
	4,645,862	4,153,877

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

