



VILLAGE OF BELCARRA

STATEMENT OF FINANCIAL INFORMATION (SOFI) REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

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Published pursuant to the *Financial Information Regulation* under the
Financial Information Act of British Columbia

Section 1

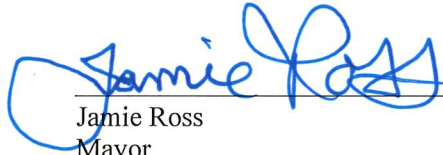
VILLAGE OF BELCARRA

STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned hereby approve [as noted in *Financial Information Regulation*, Schedule 1, subsection 9(2)], all of the statements and schedules included in this Statement of Financial Information (SOFI) report, produced as required by the *Financial Information Act*.



Paula Richardson
Chief Administrative Officer
June 3, 2024



Jamie Ross
Mayor
June 3, 2024

Prepared pursuant to Financial Information Regulation, Schedule 1, subsection 9 (2)



VILLAGE OF BELCARRA

"Between Forest and Sea"

4084 BEDWELL BAY ROAD, BELCARRA, B.C. V3H 4P8
TELEPHONE 604-937-4100 FAX 604-939-5034
belcarra@belcarra.ca • www.belcarra.ca



Section 2

VILLAGE OF BELCARRA MANAGEMENT REPORT

The consolidated financial statements contained in this Statement of Financial Information (SOFI) under the *Financial Information Act* have been prepared by management in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. The integrity and objectivity of these statements are management's responsibility. Management is responsible for all the statements and schedules prepared for this Statement of Financial Information, and for ensuring that the information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal controls, which in part includes an external audit which is undertaken annually.

The Village's external auditors, KPMG LLP, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the consolidated financial statements. Their examination does not relate to the other schedules and statements required by the Financial Information Act. Their examination includes a review and evaluation of the Village's internal control systems and includes appropriate tests and procedures to provide a reasonable assurance that the financial statements are presented fairly.

On behalf of the Village of Belcarra,

Paula Richardson
Chief Administrative Officer
June 3, 2024

Prepared pursuant to Financial Information Regulation, Schedule 1, subsection 9(3)

Section 3

VILLAGE OF BELCARRA

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

The Village of Belcarra has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation during the 2023 fiscal year.

Prepared pursuant to Financial Information Regulation, Schedule 1, subsections 5(3) and 5(4)

Section 4

VILLAGE OF BELCARRA

SCHEDULE OF REMUNERATION AND EXPENSES

Elected Officials

| <u>Name</u> | <u>Position</u> | <u>Remuneration</u> | <u>Expenses</u> | <u>Total</u> |
|--|-----------------|---------------------|---------------------|---------------------|
| Clark, Carolina | Councillor | \$ 12,000.80 | \$ 3,677.74 | \$ 15,678.54 |
| Elworthy, Joe | Councillor | \$ 12,000.80 | \$ 809.52 | \$ 12,810.32 |
| Ross, Jamie | Mayor | \$ 24,001.50 | \$ 3,858.10 | \$ 27,859.60 |
| Ruzycki, Janet | Councillor | \$ 12,000.80 | \$ 3,491.27 | \$ 15,492.07 |
| Wilder, Liisa | Councillor | \$ 12,000.80 | \$ 4,921.84 | \$ 16,922.64 |
| Total Elected Officials (Mayor and Council) | | \$ 72,004.70 | \$ 16,758.47 | \$ 88,763.17 |

Employees

| <u>Employee Name</u> | <u>Position</u> | <u>Remuneration</u> ¹ | <u>Expenses</u> | <u>Total</u> |
|---|---|----------------------------------|---------------------|----------------------|
| Fortier, Lance | Public Works Maintenance Worker | \$ 83,991.32 | \$ 453.87 | \$ 84,445.19 |
| Grewal, Sartaj | Building Official | \$ 84,863.40 | \$ 761.53 | \$ 85,624.93 |
| Novak, Stewart | Public Works and Emergency Preparedness Coordinator | \$ 105,231.91 | \$ 1,559.52 | \$ 106,791.43 |
| Richardson, Paula | Chief Administrative Officer | \$ 114,257.68 | \$ 5,569.76 | \$ 119,827.44 |
| Smith, Brad | Public Works Maintenance Worker | \$ 86,689.05 | \$ 1,282.62 | \$ 87,971.67 |
| Connie Esposito | Accounting Clerk & Records Management Coordinator | \$ 76,548.10 | \$ 661.00 | \$ 77,209.10 |
| Amanda Seibert | Corporate Officer | \$ 82,162.68 | \$ 0.00 | \$ 82,162.68 |
| Total for Employees Over \$75,000 | | \$ 633,744.14 | \$ 10,288.30 | \$ 644,032.44 |
| Total For Employees Under \$75,000 | | \$ 48,322.55 | \$ 1,426.57 | \$ 49,749.12 |
| Total Remuneration & Expenses for Employees | | \$ 682,066.69 | \$ 11,714.87 | \$ 693,781.56 |
| Total Remuneration & Elected Officials & Employees | | \$ 754,071.39 | \$ 28,473.34 | \$ 782,544.73 |

¹Includes taxable benefits

The variance between the remuneration schedules and the salaries, wages and benefit expenses reported in the consolidated Financial Statements of the Village of Belcarra are attributable to a number of factors, including that the remuneration schedule is based on actual payments made during the year, while the financial statements are prepared on an accrual basis. Also, wages and benefits in the financial statements include the employer's cost of benefits, which are not taxable to employees, and are thus not included in this schedule.

Expenses include travel expenses, memberships, tuition, vehicle reimbursements and registration fees paid directly to an employee or a third party on behalf of an elected official or employee.

Prepared pursuant to Financial Information Regulation, Schedule 1, subsections 6(2), 6(3), 6(4), 6(5) & 6(6)

Section 5

**VILLAGE OF BELCARRA
STATEMENT OF SEVERANCE AGREEMENTS**

There were no severance agreements during the fiscal year 2023.

Prepared pursuant to Financial Information Regulation, Schedule 1, subsections 6(7) & 6(8)

Section 6

VILLAGE OF BELCARRA

SCHEDULE OF PAYMENTS TO PERSONS OR ENTITIES

| PAYMENTS TO PERSONS OR ENTITIES | AMOUNT |
|---|------------------------|
| NAME | |
| A MAIS Technologies Inc. | \$ 26,666.11 |
| Andrea Saito | 36,375.00 |
| Avenue Machinery Corp. | 40,600.00 |
| B.A. Blackwell & Associates Ltd. | 28,304.04 |
| BC Assessment Authority | 27,336.28 |
| Chapman Planning & Consulting | 40,992.75 |
| District of North Vancouver | 108,361.80 |
| Drive Products Inc. | 44,632.80 |
| Dueck on Marine | 84,238.56 |
| K&E Business Services Inc. ¹ | 151,116.00 |
| Lidstone & Company | 51,158.34 |
| Metro Vancouver Regional District (water debt repayment) | 269,563.20 |
| Metro Vancouver Regional District (Property Tax Levy) ² | 374,826.49 |
| Municipal Insurance Association of BC | 43,935.00 |
| Municipal Pension Plan ³ | 84,707.44 |
| Pacific Blue Cross | 43,810.41 |
| Pooni Group Inc. | 37,802.39 |
| Province of British Columbia (School Tax Remittance) ² | 1,210,876.32 |
| Receiver General (Employment Insurance and Canada Pension Plan employer portions) | 39,858.79 |
| Sandpiper Contracting LLP | 47,460.00 |
| Sea to Sky Network Solutions | 64,897.22 |
| South Coast British Columbia Transportation (Property Tax Levy) ² | 176,299.17 |
| Waste Connections | 62,629.81 |
| WSP Canada Inc. | 27,735.92 |
| Young, Anderson | 49,552.82 |
| Total Payments to Suppliers Over \$25,000 | \$ 3,173,736.66 |
| TOTAL PAYMENTS TO SUPPLIERS UNDER \$25,000 | \$ 467,405.50 |
| GRANTS & CONTRIBUTIONS | \$2,668.00 |
| GRAND TOTAL | \$ 3,643,810.16 |

¹ Includes special, one-time projects for strategic planning (\$10,710), long-term financial plan (\$18,690), road map to financial sustainability (\$20,230), asset management plan (\$3,430) & natural assets (\$490), with partial offsetting funding from grant (\$21,671) and Community Works Fund Reserve (\$21,169)

² Taxes or levies collected on behalf of taxing authorities and forwarded to authorities

³ Employer and employee pension contributions

The Village prepares the schedules of payments based on actual disbursements processed through its accounts payable system.

This schedule of payments is a “cash basis” listing. The figures therefore will differ significantly from the expenditures in the consolidated financial statements which are reported on an accrual basis, resulting in timing differences. Furthermore, there are disbursements on this schedule which are not considered expenditures in the financial statements including payments made to other taxing authorities, employee payroll deductions, debt principal repayments and payments for the acquisition of tangible capital assets.

Prepared pursuant to Financial Information Regulation, Schedule 1, section 7 and the Financial Information Act, section 2

Section 7

**VILLAGE OF BELCARRA
STATEMENT OF INACTIVE CORPORATIONS**

The Village of Belcarra does not have any inactive corporations.

Prepared pursuant to Financial Information Regulation, Schedule 1, section 8

Section 8

**VILLAGE OF BELCARRA
FINANCIAL STATEMENTS**

Provided pursuant to Financial Information Regulation, Schedule 1, sections 2,3, 4 & 5

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Financial Statements of

VILLAGE OF BELCARRA

And Independent Auditor's Report thereon

Year ended December 31, 2023

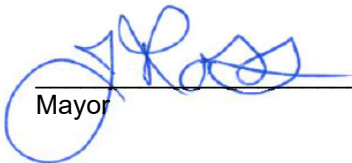
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Village of Belcarra ("Village") have been prepared by management in accordance with Canadian Public Sector Accounting Standards ("PSAS"). Preparation and fair presentation of the financial statements is the responsibility of the Village.

Village Council ensures management fulfills its responsibilities for financial reporting, budgeting and internal controls by approving bylaws and policies, reviewing variance reports and financial statements, and having discussions with the Village's auditors.

The audit firm of KPMG LLP, appointed by Village Council, has expressed its opinion that the financial statements prepared by management fairly present, in all material respects, the financial position of the Village as at December 31, 2023, and the results of 2023 operations in accordance with PSAS.

The Village maintains a system of internal and administrative controls designed to provide reliable and accurate financial information and to ensure assets of the Village are appropriately accounted for and adequately safeguarded. Expenditures and revenues are analyzed regularly by finance staff and updates are provided to Village Council at the end of the 2nd, 3rd and 4th quarters, and as required.



Mayor



Chief Administrative Officer



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITOR'S REPORT

To the Council of Village of Belcarra

Opinion

We have audited the financial statements of Village of Belcarra (the "Village"), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations for the year then ended
- the statement of changes in net financial assets (debt) for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2023, and its results of operations, its changes in net financial assets (debt) 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 auditor's report.

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

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

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

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



In preparing the financial statements, management is responsible for assessing the Village's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Village or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Village'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 the 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 Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village to cease to continue as a going concern.



*Village of Belcarra
Page 3*

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada
April 2, 2024

VILLAGE OF BELCARRA

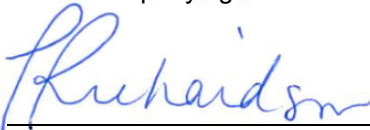
Statement of Financial Position

December 31, 2023, with comparative information for 2022

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Financial assets | | |
| Cash | \$ 3,002,723 | \$ 2,047,060 |
| Investments (note 3) | 1,085,649 | 1,051,518 |
| Receivables (note 4) | 180,993 | 94,577 |
| MFA debt reserve deposit (note 8) | 59,422 | 57,631 |
| | <u>4,328,787</u> | <u>3,250,786</u> |
| Liabilities: | | |
| Accounts payable and accrued liabilities (note 5) | 171,145 | 108,408 |
| Performance bonds and refundable deposits (note 6) | 242,123 | 258,734 |
| Deferred revenue (note 7) | 323,536 | 318,608 |
| Debt (note 8) | 2,984,969 | 3,150,134 |
| Employee future benefit (note 13) | 13,600 | 13,000 |
| | <u>3,735,373</u> | <u>3,848,884</u> |
| Net financial assets (debt) | 593,414 | (598,098) |
| Non-financial assets: | | |
| Tangible capital assets (note 9) | 10,429,030 | 10,505,991 |
| Prepaid expenses | 12,992 | 13,268 |
| Inventories held for consumption | 22,143 | 25,519 |
| | <u>10,464,165</u> | <u>10,544,778</u> |
| Accumulated surplus (note 10) | \$ 11,057,579 | \$ 9,946,680 |

Commitments and contingencies (note 11)
Contractual rights (note 16)

See accompanying notes to financial statements.



Paula Richardson
Chief Administrative Officer

VILLAGE OF BELCARRA

Statement of Operations

Year ended December 31, 2023, with comparative information for 2022

| | 2023 Budget (notes 1(h) and 17) | 2023 | 2022 |
|---|---------------------------------------|----------------------|---------------------|
| Revenue: | | | |
| Taxation (including grants in lieu) | \$ 1,284,104 | \$ 1,290,159 | \$ 1,219,691 |
| Sales of services and regulatory fees | 663,993 | 732,474 | 650,720 |
| Government transfers | 529,119 | 1,329,802 | 551,651 |
| Investment income | 57,693 | 182,973 | 69,426 |
| Actuarial income | 44,814 | 46,163 | 45,064 |
| Other | 11,516 | 36,962 | 15,562 |
| | <u>2,591,239</u> | <u>3,618,533</u> | <u>2,552,114</u> |
| Expenses: | | | |
| General government and fiscal services | 304,296 | 306,802 | 248,756 |
| Administration and human resources | 267,901 | 267,208 | 309,032 |
| Information technology | 40,636 | 68,149 | 62,302 |
| Support services (engineering, finance and planning) | 158,985 | 282,860 | 220,172 |
| Building inspection and bylaw enforcement | 87,334 | 101,573 | 89,650 |
| Public works and transportation | 336,619 | 389,471 | 362,748 |
| Major road network ("MRN") | 168,196 | 136,440 | 119,320 |
| Fire and emergency services | 7,454 | 5,183 | 9,755 |
| Waste and recycle depot ("WARD") | 195,832 | 206,772 | 167,586 |
| Water system | 698,985 | 743,176 | 632,494 |
| | <u>2,266,238</u> | <u>2,507,634</u> | <u>2,221,815</u> |
| Annual surplus | 325,001 | 1,110,899 | 330,299 |
| Accumulated surplus, beginning of year | 9,946,680 | 9,946,680 | 9,616,381 |
| Accumulated surplus, end of year | \$ 10,271,681 | \$ 11,057,579 | \$ 9,946,680 |

See accompanying notes to financial statements.

VILLAGE OF BELCARRA

Statement of Changes in Net Financial Assets (Debt)

Year ended December 31, 2023, with comparative information for 2022

| | 2023 Budget (notes 1(h) and 17) | 2023 | 2022 |
|---|---------------------------------------|--------------|--------------|
| Annual surplus | \$ 325,001 | \$ 1,110,899 | \$ 330,299 |
| Acquisition of tangible capital assets | (550,100) | (295,603) | (248,242) |
| Amortization of tangible capital assets | 354,090 | 306,857 | 303,456 |
| Loss on disposal of tangible capital assets | - | 65,707 | - |
| | (196,010) | 76,961 | 55,214 |
| Prepaid expenses consumed | - | 276 | 377 |
| Inventories held for consumption consumed (acquired) | - | 3,376 | (19,646) |
| | - | 3,652 | (19,269) |
| Change in net financial assets (debt) | 128,991 | 1,191,512 | 366,244 |
| Net debt, beginning of year | (598,098) | (598,098) | (964,342) |
| Net financial assets (debt), end of year | \$ (469,107) | \$ 593,414 | \$ (598,098) |

See accompanying notes to financial statements.

VILLAGE OF BELCARRA

Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

| | 2023 | 2022 |
|--|--------------|--------------|
| Cash provided by (used in): | | |
| Operating activities: | | |
| Annual surplus | \$ 1,110,899 | \$ 330,299 |
| Items not involving cash: | | |
| Amortization of tangible capital assets | 306,857 | 303,456 |
| Loss on disposal of tangible capital assets | 65,707 | - |
| Actuarial income on debt | (46,163) | (45,064) |
| | 1,437,300 | 588,691 |
| Changes in non-cash operating working capital: | | |
| Receivables | (86,416) | 35,162 |
| MFA debt reserve deposit | (1,791) | (1,260) |
| Accounts payable and accrued liabilities | 62,737 | (25,867) |
| Performance bonds and refundable deposits | (16,611) | 43,554 |
| Deferred revenue | 4,928 | 84,108 |
| Employee future benefit | 600 | (700) |
| Prepaid expenses | 276 | 377 |
| Inventories held for consumption | 3,376 | (19,646) |
| | 1,404,399 | 704,419 |
| Financing activity: | | |
| Principal payments on debt | (119,002) | (106,645) |
| Investing activity: | | |
| Purchase of investments | (34,131) | (25,380) |
| Capital activity: | | |
| Acquisition of tangible capital assets | (295,603) | (248,242) |
| Increase in cash | 955,663 | 324,152 |
| Cash, beginning of year | 2,047,060 | 1,722,908 |
| Cash, end of year | \$ 3,002,723 | \$ 2,047,060 |

See accompanying notes to financial statements.

VILLAGE OF BELCARRA

Notes to Financial Statements

Year ended December 31, 2023

The Village of Belcarra (the “Village”) is a municipality in the Province of British Columbia which operates under the provisions of the *Local Government Act* and *Community Charter*. The Village’s principal activities include the provision of local government services to residents and businesses.

1. Significant accounting policies:

The Village prepares its financial statements in accordance with Canadian Public Sector Accounting Standards (“PSAS”), which includes the following significant accounting policies:

(a) Basis of presentation:

The financial statements present the resources and operations including all accounts and funds of the Village. All inter-fund transactions have been eliminated.

(b) Non-financial assets:

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

(i) Tangible capital assets:

Tangible capital assets are initially recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

| Asset | Useful life - years |
|-----------------------------------|---------------------|
| Buildings and facilities | 7 to 50 |
| Vehicles, machinery and equipment | 7 to 20 |
| Office furniture and equipment | 4 to 15 |
| Recycling depot | 7 to 30 |
| Roads and sidewalks | 5 to 75 |
| Storm sewer infrastructure | 15 to 45 |
| Water system infrastructure | 7 to 100 |

Annual amortization is charged commencing when the asset is available for use. Assets under construction are not amortized until the asset is put into productive use.

When events or circumstances indicate that a tangible capital asset no longer has any long-term service potential, the net carrying amount is written down to the residual value of the asset.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(b) Non-financial assets (continued):

(ii) Works of art and heritage assets:

Works of art and heritage assets are not recorded as assets in these financial statements as stipulated by PSAS.

(iii) Interest capitalization:

The Village does not capitalize interest costs associated with the acquisition or construction of tangible capital assets.

(iv) Leased tangible capital assets:

Leases that transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(v) Inventories held for consumption:

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

(c) Debt:

Debt is recorded net of related sinking fund balances held by the Municipal Finance Authority of BC ("MFA").

(d) Employee future benefits:

The Village and its employees make contributions to the Municipal Pension Plan. The Municipal Pension Plan is a multi-employer contributory defined benefit pension plan. These contributions are expensed as incurred.

The Village also accrues non-vested sick leave. The liability relating to these benefits is actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The liability under this benefit plan is accrued based on projected benefits as the employees render services necessary to earn the future benefits.

(e) Revenue recognition:

Revenue is recognized when it is earned and measurable. Unearned amounts are reported on the statement of financial position as deferred revenue, performance bonds, or deposits.

Annual taxation revenues are recognized in the year they are levied and are calculated using the approved tax rates in the annual tax rates bylaw.

Property taxes imposed by other taxing authorities are not included as taxes for municipal purposes.

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(f) Expense recognition:

Expenses are recorded on the accrual basis and are recognized upon the receipt of goods or services. Interest expense on debt is recorded on an accrual basis in accounts payable and accrued liabilities.

(g) Government transfers:

Restricted transfers from governments are deferred and recognized as revenue as the related expenditures are incurred or the stipulations in the related agreement are met. Unrestricted transfers are recognized as revenue when received or receivable, provided the amount to be received can be reasonably estimated and collection is reasonably assured.

(h) Budget reporting:

The budget figures reported in the statement of operations and statement of changes in net financial assets (debt) represent the 2023 component of the Village of Belcarra 5-Year (2023 – 2027) Financial Plan Bylaw No. 606, 2023, adopted by Village Council on March 27, 2023.

(i) Use of accounting estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Adjustments, if any, will be reflected in the financial statements in the period of settlement or change in the amount of the estimate.

(j) Segment disclosures:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives in PSAS. The Village has provided definitions of segments as well as presented financial information in segmented format (note 18).

(k) Contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for contaminated sites is recognized net of any expected recoveries when a site is not in productive use and the following criteria are met:

(i) An environmental standard exists;

(ii) Contamination exceeds the environmental standard;

(iii) The Village is directly responsible or accepts responsibility;

(iv) It is expected that future economic benefits will be given up; and

(v) A reasonable estimate of the amount can be made.

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(k) Contaminated sites (continued):

The liability is recognized as management's estimate of the cost of remediation and post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site. The Village has no liability for contaminated sites as at year-end.

(l) Financial instruments:

The Village's financial instruments include cash, investments, receivables, accounts payable and accrued liabilities and debt.

Financial instruments are recorded at fair value on initial recognition. Equity instruments quoted in an active market and derivatives are subsequently recorded at fair value as at the reporting date. All other financial instruments are subsequently recorded at cost or amortized cost unless the Village elects to carry the instruments at fair value. The Village has not elected to carry any financial instruments at fair value.

Unrealized changes in fair value are recognized on the statement of remeasurement gains and losses. They are recorded in the statement of operations when they are realized. There are no unrealized changes in fair value as at December 31, 2023 and December 31, 2022. As a result, the Village does not have a statement of remeasurement gains and losses.

Transaction costs incurred on the acquisition of financial instruments subsequently measured at fair value are expensed as incurred. Investment transactions are recorded on the trade date.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations.

2. Adoption of new accounting standards:

(a) PS 3280 *Asset Retirement Obligations*:

On January 1, 2023, the Village of Belcarra adopted Canadian public sector accounting standard PS 3280 *Asset Retirement Obligations*. An asset retirement obligation is recognized when, as at financial reporting date, all of the following criteria are met:

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

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2023

2. Adoption of new accounting standards (continued):

(a) PS 3280 *Asset Retirement Obligations* (continued):

The estimate of the asset retirement obligation includes costs directly attributable to the asset retirement activities and is recorded as a liability and increase to the related tangible capital assets if the tangible capital asset is in productive use. The asset retirement obligation is recorded as a liability and expense if the related tangible capital asset is unrecognized or no longer in productive use. The Village determined there were no significant asset retirement obligations associated with its tangible capital assets as at December 31, 2023 and December 31, 2022 and hence, the adoption of this standard did not have an impact on the amounts presented in these financial statements.

(b) PS 3450 *Financial Instruments* and related standards:

On January 1, 2023, the Village adopted Canadian public sector accounting standard PS 3450 *Financial Instruments*, PS 2601 *Foreign Currency Translation*, PS 1201 *Financial Statement Presentation* and PS 3041 *Portfolio Investments*. Under PS 3450 *Financial Instruments*, all financial instruments are included on the statement of financial position and are measured at either fair value or cost or amortized cost based on the characteristics of the instrument and the Village's accounting policy choices (see note 1(l)).

The adoption of these standards did not have an impact on the amounts presented in these financial statements.

3. Investments:

| | 2023 | 2022 |
|--------------------------|--------------|--------------|
| MFA short-term bond fund | \$ 1,085,649 | \$ 1,051,518 |

The fair value of the investments as at December 31, 2023 is \$1,038,711 (2022 - \$986,049).

4. Receivables:

| | 2023 | 2022 |
|--|------------|-----------|
| Municipal property taxes and user fees | \$ 34,947 | \$ 1,855 |
| Accounts receivable | 49,301 | 30,119 |
| Grants receivable | 63,665 | 39,699 |
| Goods and services tax | 33,080 | 22,904 |
| | \$ 180,993 | \$ 94,577 |

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2023

5. Accounts payable and accrued liabilities:

| | 2023 | 2022 |
|--------------------------------------|-------------------|-------------------|
| Trade accounts payables and accruals | \$ 103,509 | \$ 51,243 |
| MFA debt interest expense accrual | 36,300 | 36,300 |
| Payroll accrual | 31,336 | 20,865 |
| | \$ 171,145 | \$ 108,408 |

6. Performance bonds and refundable deposits:

| | 2023 | 2022 |
|---------------------|-------------------|-------------------|
| Performance bonds | \$ 236,799 | \$ 253,410 |
| Refundable deposits | 5,324 | 5,324 |
| | \$ 242,123 | \$ 258,734 |

7. Deferred revenue:

| | Balance, beginning of year | Contributions received | Restricted interest income | Revenue recognized | Balance, end of year |
|---|----------------------------------|---------------------------|----------------------------------|-----------------------|----------------------------|
| Municipal Insurance Association | \$ 328 | \$ - | \$ - | \$ - | \$ 328 |
| Climate change action plan grant (a) | 45,082 | 45,082 | - | - | 90,164 |
| Major road network grant (b) | 114,065 | 132,094 | 5,541 | (181,880) | 69,821 |
| Next Generation 9-1-1 grant (c) | - | 22,500 | - | - | 22,500 |
| Property taxes paid in advance (d) | 159,133 | 278,569 | 6,487 | (303,465) | 140,723 |
| | \$ 318,608 | \$ 478,245 | \$ 12,028 | \$ (485,345) | \$ 323,536 |

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2023

7. Deferred revenue (continued):

(a) Climate change action plan grant:

Funding provided by the Province of British Columbia (the "Province") to fund implementation of climate action that will reduce emissions, create new opportunities for people in the clean economy and prepare the community for future climate impacts. The grant is carried forward for use in future years.

(b) Major road network ("MRN") grant:

Annually, the Village receives a grant from the South Coast British Columbia Transportation Authority ("TransLink") intended to cover the operating and maintenance costs of Bedwell Bay Road as it is designated as part of the MRN. Grants received in excess of actual costs incurred are carried forward for use in future years.

(c) Next Generation 9-1-1 grant:

Funding provided by the Province and administered by the Union of BC Municipalities to support local preparedness for the implementation of Next Generation 9-1-1. Next Generation 9-1-1 ("NG9-1-1") is an initiative aimed at updating the 9-1-1 service infrastructure to improve public emergency communications services in a growing wireless mobile society. In addition to calling 9-1-1 from a phone, it enables the public to transmit text, images, video and data to the 9-1-1 center. The NG9-1-1 infrastructure is intended to replace the current services over time.

The Village has been awarded \$45,000 under this grant program, 50% of which was received in 2023 and will be spent in future years.

(d) Property taxes paid in advance:

Property tax overpayments and advance payments by property owners who choose to participate in the Village's Tax Prepayment Plan are carried forward for use in the following year.

8. Debt:

The Village obtained a 25-year debt instrument through the MFA in 2012, pursuant to a security issuing bylaw under authority of the *Community Charter*, to finance capital expenditures for the installation of a potable water system serving most of the Village. The debt was refinanced by the MFA in 2022, at which time the interest rate on the debt increased from 2.90% to 3.39%. Principal payments and actuarial adjustments managed by MFA are netted against related debts. Details are as follows:

| Bylaw number | Maturity date | Interest rate | Authorized | Principal payments and actuarial adjustments | 2023 | 2022 |
|--------------|---------------|---------------|--------------|--|--------------|--------------|
| 413 | 2037 | 3.39% | \$ 4,441,330 | \$ 1,456,361 | \$ 2,984,969 | \$ 3,150,134 |

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2023

8. Debt (continued):

Total interest expense on the debt for the year was \$150,561 (2022 - \$128,799).

As a condition of this borrowing, a portion of the debt proceeds is withheld by the MFA in a debt reserve deposit. The Village has also executed a demand note in connection with the debt. The demand note is contingent in nature and is not reflected in the financial statements. The details of the debt reserve deposit and contingent demand note at December 31 are as follows:

| | 2023 | 2022 |
|----------------------|-----------|-----------|
| Debt reserve deposit | \$ 59,422 | \$ 57,631 |
| Demand note | 73,309 | 73,309 |

Future principal payments and actuarial adjustments on the outstanding debt over the next five years and thereafter are as follows:

| | |
|--------------|--------------|
| 2024 | \$ 169,549 |
| 2025 | 175,484 |
| 2026 | 181,626 |
| 2027 | 187,982 |
| 2028 | 194,562 |
| Future years | 2,075,766 |
| | <hr/> |
| | \$ 2,984,969 |

The Village has a revolving credit facility of \$230,000, payable on demand, bearing interest at the lender's prime rate of interest per annum and is not collateralized. The revolving credit facility was unused as at December 31, 2023 and December 31, 2022.

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2023

9. Tangible capital assets:

| | Land | Buildings and facilities | Vehicle machinery and equipment | Office furniture and equipment | Recycling depot | Road and sidewalks | Storm sewer infrastructure | Water system infrastructure | Assets under construction | 2023 Total | 2022 Total |
|---|------------|--------------------------|---------------------------------|--------------------------------|-----------------|--------------------|----------------------------|-----------------------------|---------------------------|---------------|---------------|
| Cost: | | | | | | | | | | | |
| Opening balance | \$ 329,318 | \$ 520,905 | \$ 421,380 | \$ 176,727 | \$ 157,190 | \$ 2,879,722 | \$ 352,146 | \$ 9,730,409 | \$ 25,191 | \$ 14,592,988 | \$ 14,351,646 |
| Add: Additions, net of transfers | - | 1,188 | 156,104 | 15,273 | 1,188 | - | 55,380 | 33,998 | 32,472 | 295,603 | 248,242 |
| Less: Disposals | - | - | (105,954) | - | - | - | - | (22,484) | (25,191) | (153,629) | (6,900) |
| | 329,318 | 522,093 | 471,530 | 192,000 | 158,378 | 2,879,722 | 407,526 | 9,741,923 | 32,472 | 14,734,962 | 14,592,988 |
| Accumulated amortization: | | | | | | | | | | | |
| Opening balance | - | 278,494 | 260,028 | 131,888 | 99,911 | 1,184,494 | 312,413 | 1,819,769 | - | 4,086,997 | 3,790,441 |
| Add: Amortization | - | 21,020 | 28,607 | 16,590 | 7,052 | 76,558 | 2,754 | 154,276 | - | 306,857 | 303,456 |
| Less: Accumulated amortization on disposals | - | - | (82,022) | - | - | - | - | (5,900) | - | (87,922) | (6,900) |
| | - | 299,514 | 206,613 | 148,478 | 106,963 | 1,261,052 | 315,167 | 1,968,145 | - | 4,305,932 | 4,086,997 |
| Net book value, end of year | \$ 329,318 | \$ 222,579 | \$ 264,917 | \$ 43,522 | \$ 51,415 | \$ 1,618,670 | \$ 92,359 | \$ 7,773,778 | \$ 32,472 | \$ 10,429,030 | \$ 10,505,991 |

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2023

10. Accumulated surplus:

| | 2023 | 2022 | Increase (decrease) |
|---|----------------------|---------------------|------------------------|
| Unrestricted operating surplus: | | | |
| General operating surplus | \$ 285,963 | \$ 262,641 | \$ 23,322 |
| Waste and recycle depot ("WARD") operating surplus | 2,582 | 28,814 | (26,232) |
| Water operating surplus | 91,970 | 86,651 | 5,319 |
| Total unrestricted operating surplus (a) | 380,515 | 378,106 | 2,409 |
| Restricted operating surplus: | | | |
| General operating surplus (unutilized COVID-19 Safe Restart Grant) (b) | - | 12,666 | (12,666) |
| Statutory reserve funds: | | | |
| Community works gas tax | 364,121 | 407,046 | (42,925) |
| Financial stabilization | 93,771 | 68,870 | 24,901 |
| General capital | 1,140,711 | 1,002,939 | 137,772 |
| Growing Communities Fund | 782,583 | - | 782,583 |
| MFA cash deposit | 59,422 | 57,631 | 1,791 |
| Transportation infrastructure | 520,003 | 373,090 | 146,913 |
| Vehicles and equipment | 113,259 | 95,811 | 17,448 |
| Water capital | 120,129 | 150,339 | (30,210) |
| Water debt repayment | 16,861 | 18,806 | (1,945) |
| Total statutory reserve funds (c) | 3,210,860 | 2,174,532 | 1,036,328 |
| Investment in tangible capital assets: | | | |
| Tangible capital assets | 10,429,030 | 10,505,991 | (76,961) |
| Less debt | (2,984,969) | (3,150,134) | 165,165 |
| Total investment in tangible capital assets (d) | 7,444,061 | 7,355,857 | 88,204 |
| Inventories held for consumption (d) | 22,143 | 25,519 | (3,376) |
| Total accumulated surplus | \$ 11,057,579 | \$ 9,946,680 | \$ 1,110,899 |

(a) Unrestricted operating surplus:

Unrestricted operating surplus is available to temporarily finance operations until planned revenues (i.e. property taxes, fees, grants etc.) are received, or for other operating or capital purposes as determined by Village Council, to the extent that it is available.

(b) Restricted operating surplus:

Restricted operating surplus is the COVID-19 Safe Restart Grant funds that have been used to fund allowable COVID-19 related expenses.

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2023

10. Accumulated surplus (continued):

(c) Statutory reserve funds:

The Village establishes reserve funds by bylaw in accordance with the *Community Charter* and their use is restricted by the related bylaw and legislation. In the normal course of operations, these funds will be used to finance the future services or capital works for which they have been appropriated.

(d) Investment in tangible capital assets and inventories held for consumption:

Investment in tangible capital assets is equal to the book value of the tangible capital assets less related debt. In the normal course of operations, the tangible capital assets and inventories held for consumption will not be available to finance operations, but will be consumed to provide services, and the debt will be repaid with future revenues.

11. Commitments and contingencies:

(a) Contingent liability:

The loan agreements with the Greater Vancouver Regional District, Greater Vancouver Water District, Greater Vancouver Sewerage and Drainage District, and the MFA provide that, if at any time the scheduled payments provided for in the agreements are not sufficient to meet the MFA's obligations in respect of such borrowing, the resulting deficiency becomes a joint and several liability of the Village and the other parties. Management does not consider payment under this contingency to be likely and therefore no liability has been recorded.

(b) Third party claims:

There is a lawsuit and claim pending by and against the Village. The outcome of this claim is undeterminable and it is the opinion of management that final determination of this claim will not materially affect the financial statements of the Village.

12. Pension plan:

The Village and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 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.

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2023

12. Pension plan (continued):

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2024, with results available in 2025.

The Village paid \$41,915 (2022 - \$26,390) for employer contributions to the plan in 2023.

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

13. Employee future benefits:

The Village provides non-vested sick leave to its employees. The accrued benefit liability related to these benefits is determined as follows:

| | 2023 | 2022 |
|---|-----------|-----------|
| Accrued benefit obligation, beginning of year | \$ 14,400 | \$ 15,300 |
| Current service cost | 2,700 | 2,600 |
| Interest cost | 300 | 300 |
| Benefits paid | (2,400) | (3,600) |
| Amortization of actuarial gain | (200) | (200) |
| Accrued benefit obligation, end of year | 14,800 | 14,400 |
| Unamortized actuarial loss | (1,200) | (1,400) |
| Accrued benefit liability, end of year | \$ 13,600 | \$ 13,000 |

Actuarial gains and losses are amortized over the expected average remaining service period of the related employee group commencing the year after the gain or loss arises.

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2023

13. Employee future benefits (continued):

An actuarial valuation of the Village's accrued sick leave benefit obligation was completed as at December 31, 2021, with extrapolations for each year to December 31, 2024. The actuarial assumptions used to determine the Village's accrued benefit obligation are as follows:

| | 2023 | 2022 |
|---|----------|----------|
| Discount rate | 2.4% | 2.4% |
| Expected wage and salary range increases | 2.5% | 2.5% |
| Expected average remaining service period | 16 years | 17 years |

14. Collections for other governments:

The Village collects certain taxation revenue on behalf of other government bodies. These funds are excluded from the Village's financial statements as they are not revenue of the Village. Such taxes collected and remitted to other government bodies during the year are as follows:

| | 2023 | 2022 |
|---|--------------|--------------|
| Province of British Columbia - school tax | \$ 1,171,102 | \$ 1,007,547 |
| TransLink | 176,299 | 165,930 |
| Metro Vancouver Regional District | 374,826 | 299,720 |
| Police tax | 112,818 | 87,569 |
| BC Assessment and MFA | 27,496 | 26,031 |
| | \$ 1,862,541 | \$ 1,586,797 |

15. Water parcel taxes:

Water parcel taxes are collected each year to pay the annual interest and principal debt payments on debt incurred by the Village for the potable water system construction project. The water parcel tax commenced with the first debt payment requirement in 2013 and will continue for the 25-year term of the related debt (note 8), provided the debt is not otherwise repaid.

The water parcel charge is charged to all taxable parcels that benefit from the construction of the potable water system, with the exception of those parcels that have paid the water parcel charge in full, as defined in the Village of Belcarra Water Supply and Distribution Local Area Service No. 1 Establishment and Loan Authorization Bylaw No. 413, 2008.

16. Contractual rights:

The Village's contractual rights arise from rights to receive payments under grant and other agreements. The Village has the right to collect water parcel taxes between 2024 and 2037 in the total amount of \$3,731,078, which will be recorded in the year to which it relates. Revenue from other contractual rights is difficult to quantify and has not been recorded.

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2023

17. Budget:

Legislatively, the budget must balance planned revenue sources with planned expenditures or use of funds (referred to as the balanced budget requirement). The table below demonstrates how the legislative requirement for a balanced budget has been met.

| | 2023 Budget | 2023 | 2022 |
|---|----------------|--------------|------------|
| Annual surplus, statement of operations | \$ 325,001 | \$ 1,110,899 | \$ 330,299 |
| Adjustments for non-cash items: | | | |
| Add: Amortization of tangible capital asset | 354,090 | 306,857 | 303,456 |
| Add: Loss on disposal of tangible capital assets | - | 65,707 | - |
| Add: Changes in inventories held for consumption | - | 3,738 | 2,136 |
| Deduct: Capital funded from grant receivable | - | (6,522) | - |
| Deduct: MFA actuarial interest | (44,814) | (46,163) | (45,064) |
| Adjustments for cash items that are not revenues or expenses, but are sources or uses of funds: | | | |
| Less: Capital expenditures | (550,100) | (295,603) | (248,242) |
| Less: Inventories held for consumption acquired | - | (361) | (21,782) |
| Less: Capital funded from deferred revenue | - | (45,440) | - |
| Less: Debt principal repayment | (119,002) | (119,002) | (106,645) |
| Net transfers for operating or capital purposes: | | | |
| To reserves | 34,199 | (984,366) | (226,617) |
| From surplus | 27,126 | 38,929 | 25,807 |
| To surplus (annual surplus) | (26,500) | (28,673) | (13,348) |
| | \$ - | \$ - | \$ - |

18. Segment reporting:

The Village provides a wide range of municipal services. These services have been grouped into related departmental functions or service areas for segment reporting purposes. The following schedule shows the associated revenue and expenses for each segment. The various segments and the associated departmental functions or services are as follows:

General Government and Fiscal Services

This segment is comprised of services that relate to Village Council's legislative function including grants and elections. Functions that apply to the Village as a whole such as municipal hall upkeep, insurance, audit, banking and legal are included in this segment.

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2023

18. Segment reporting (continued):

Administration and Human Resources

This segment includes Council support services, management of legal issues, records management, various human resources functions and oversight of departmental areas.

Information Technology

This segment is comprised of services related to the Village's information systems technology and infrastructure including its website.

Support Services (engineering, finance and planning)

This segment includes the Village's contracted support services for engineering, finance and planning. These services are provided on an as needed basis.

Building Inspection and Bylaw Enforcement

This segment provides for building inspection and bylaw enforcement services which includes enforcement of various regulatory bylaws such as parking.

Public Works and Transportation

This segment includes the provision of services that relate to the Village's roads, bridges and drainage systems as well as for the maintenance of pedestrian walkways and trails.

Major Road Network ("MRN")

This segment involves the maintenance and upkeep of the regional Bedwell Bay Road, the costs of which are funded by TransLink.

Fire and Emergency Services

This segment includes emergency planning and response services and minor expenditures related to fire protective, as the Sasamat Fire Department and its related services are shared regional services requisitioned and funded through the Metro Vancouver Regional District.

Waste and Recycle Depot ("WARD")

This segment provides for refuse and recycling collection at the drop-off center and pick-up and disposal of these same materials.

Water System

This segment provides for the distribution and treatment of the water supply which is used for domestic and firefighting purposes.

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2023

18. Segment reporting (continued):

| | General government and fiscal services | Administration and human resources | Information technology | Support services (engineering finance and planning) | Building inspection and bylaw enforcement | Public works and transportation | Carried forward |
|---------------------------------------|---|--|---------------------------|---|--|---------------------------------------|---------------------|
| Revenue: | | | | | | | |
| Taxation (including grants in lieu) | \$ 1,023,653 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,023,653 |
| Sales of services and regulatory fees | 7,910 | - | - | 1,600 | 164,631 | 1,600 | 175,741 |
| Government transfers | 1,193,362 | - | - | - | - | - | 1,193,362 |
| Investment income | 165,856 | - | - | - | - | - | 165,856 |
| Actuarial income | - | - | - | - | - | - | - |
| Other | 36,962 | - | - | - | - | - | 36,962 |
| | <u>2,427,743</u> | <u>-</u> | <u>-</u> | <u>1,600</u> | <u>164,631</u> | <u>1,600</u> | <u>2,595,574</u> |
| Expenses: | | | | | | | |
| Indemnities, salaries, and benefits | 88,699 | 343,466 | - | - | 124,551 | 209,146 | 765,862 |
| Contracted services | 127,156 | - | 69,160 | 322,673 | 8,018 | - | 527,007 |
| Supplies and materials | 141,783 | 14,961 | - | - | 3,679 | 99,340 | 259,763 |
| Grants | 2,668 | - | - | - | - | - | 2,668 |
| Interest and other | 14,279 | - | - | - | - | 23,932 | 38,211 |
| Amortization | 21,020 | - | 16,590 | - | - | 107,919 | 145,529 |
| Cost recoveries | (88,803) | (91,219) | (17,601) | (39,813) | (34,675) | (50,866) | (322,977) |
| | <u>306,802</u> | <u>267,208</u> | <u>68,149</u> | <u>282,860</u> | <u>101,573</u> | <u>389,471</u> | <u>1,416,063</u> |
| Annual surplus (deficit) | \$ 2,120,941 | \$ (267,208) | \$ (68,149) | \$ (281,260) | \$ 63,058 | \$ (387,871) | \$ 1,179,511 |

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2023

18. Segment reporting (continued):

| | Brought forward | Major road network ("MRN") | Fire and emergency services | Waste and recycle depot ("WARD") | Water system | 2023 | 2022 |
|---------------------------------------|---------------------|----------------------------|-----------------------------|----------------------------------|--------------------|---------------------|-------------------|
| Revenue: | | | | | | | |
| Taxation (including grants in lieu) | \$ 1,023,653 | \$ - | \$ - | \$ - | \$ 266,506 | \$ 1,290,159 | \$ 1,219,691 |
| Sales of services and regulatory fees | 175,741 | - | - | 171,697 | 385,036 | 732,474 | 650,720 |
| Government transfers | 1,193,362 | 136,440 | - | - | - | 1,329,802 | 551,651 |
| Investment income | 165,856 | - | - | 1,791 | 15,326 | 182,973 | 69,426 |
| Actuarial income | - | - | - | - | 46,163 | 46,163 | 45,064 |
| Other | 36,962 | - | - | - | - | 36,962 | 15,562 |
| | <u>2,595,574</u> | <u>136,440</u> | <u>-</u> | <u>173,488</u> | <u>713,031</u> | <u>3,618,533</u> | <u>2,552,114</u> |
| Expenses: | | | | | | | |
| Indemnities, salaries, and benefits | 765,862 | 52,201 | - | 31,398 | 58,673 | 908,134 | 802,895 |
| Contracted services | 527,007 | - | - | 75,137 | 122,683 | 724,827 | 647,213 |
| Supplies and materials | 259,763 | 22,225 | 6,953 | 5,395 | 40,266 | 334,602 | 329,236 |
| Grants | 2,668 | - | - | - | - | 2,668 | 2,713 |
| Interest and other | 38,211 | - | - | - | 192,335 | 230,546 | 136,302 |
| Amortization | 145,529 | - | - | 7,052 | 154,276 | 306,857 | 303,456 |
| Cost recoveries | (322,977) | 62,014 | (1,770) | 87,790 | 174,943 | - | - |
| | <u>1,416,063</u> | <u>136,440</u> | <u>5,183</u> | <u>206,772</u> | <u>743,176</u> | <u>2,507,634</u> | <u>2,221,815</u> |
| Annual surplus (deficit) | \$ 1,179,511 | \$ - | \$ (5,183) | \$ (33,284) | \$ (30,145) | \$ 1,110,899 | \$ 330,299 |

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2023

19. Financial risk management:

Village Council ensures that the Village has identified its major risks and ensures that management monitors and mitigates them.

(a) Credit risk:

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. The Village is exposed to credit risk with respect to its cash, investments and receivables. The Village limits its exposure to credit risk by placing its cash and investments with high credit quality institutions. Receivables mainly consist of property taxes, utilities, grant, trade and other receivables. The *Community Charter* grants authority to the Village to enforce the collection of property taxes and outstanding utility charges. As at December 31, 2023 and December 31, 2022, there were no significant collection issues related to outstanding receivables. The Village has recorded an allowance for doubtful accounts of \$71,101 (2022 - \$56,822).

(b) Liquidity risk:

Liquidity risk is the risk that the Village will not be able to meet its obligations as they fall due. The Village is exposed to liquidity risk with respect to its accounts payable and accrued liabilities. The Village maintains adequate levels of working capital to ensure all obligations can be met when they fall due. The Village maintains strong liquidity from its cash and investments balances.

(e) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Village is exposed to interest rate risk on its investments, whose underlying securities are short-term bonds (note 3), and its debt (note 8).

There has been no change to the financial risks from the prior year.

VILLAGE OF BELCARRA

Schedules to Financial Statements (unaudited)

Year ended December 31, 2023

Schedule 1 - COVID-19 Safe Restart Grant:

| | Total |
|---|-----------|
| Balance, December 31, 2022 | \$ 12,666 |
| Utilized during 2023: | |
| Computer and other electronics technology costs | (12,666) |
| Balance, December 31, 2023 | \$ - |

Schedule 2 - Growing Communities Fund Grant:

The Growing Communities Fund (“GCF”) grant received from the Province under the GCF program is a one-time grant provided to all British Columbia communities, including the Village. The Province has provided a list of eligible expenditures for which the GCF grant can be used.

As a condition of this funding, the GCF grant has been placed in a segregated reserve fund established by bylaw and the Village will report annually on the grant received, the use of the grant and the unused year-end grant balance.

| | Total |
|----------------------------|------------|
| Funds received in 2023 | \$ 759,000 |
| Interest allocated in 2023 | 23,583 |
| Balance, December 31, 2023 | \$ 782,583 |
