



THE MUNICIPALITY OF THE VILLAGE OF LIONS BAY

STATEMENT OF FINANCIAL INFORMATION - SOFI

For the Fiscal Year Ended December 31, 2023

Pursuant to the *Financial Information Act*:

- 1)
 - i) Schedule of Guarantee and Indemnity Agreements
 - ii) Schedule of Remuneration
 - iii) Statement of Severance Agreements
 - iii) Schedule of Amounts Paid to Suppliers for Goods or Services
 - iv) Statement of Financial information Approval
- 2) Management Report
- 3) 2023 Audited Financial Statements



THE MUNICIPALITY OF THE VILLAGE OF LIONS BAY

**SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023
PURSUANT TO THE FINANCIAL INFORMATION ACT**

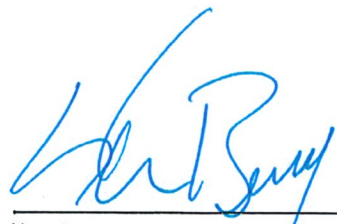
SECTION 5

This organization has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

Information on all Contingent Liabilities and Commitments for this organization are included in Notes 7 and 8 to the Financial Statements.



Joseph Chirkoff
Financial Officer
Date: March 18, 2025



Ken Berry
Mayor, on behalf of Council
Date: March 18, 2025

THE MUNICIPALITY OF THE VILLAGE OF LIONS BAY

FINANCIAL INFORMATION ACT REPORT
Year Ended December 31, 2023

SCHEDULE OF REMUNERATION
SECTION 6

<i>Name</i>	<i>Position</i>	<i>Remuneration*</i>	<i>Expenses**</i>
MAYOR & COUNCIL:			
Neville Abbott	Councillor	9,129	-
Jalme Cunliffe	Councillor	6,086	-
Michael Broughton	Councillor	9,129	104.59
Marcus Reuter	Councillor	9,129	-
Ken Berry	Mayor	18,258	-
Total Council		<u>\$51,731</u>	<u>104.59</u>
STAFF:			
Employees in excess of \$75,000:			
Garth Begley	Public Works Foreman	111,255	-
Karen Jeffery	Municipal Accountant	79,472	-
Marina Blagodarov	Public Works Technician 2	77,505	3,893.49
Joseph Chirkoff	Financial Officer	109,630	1,496.25
Alberto Urrutia	Public Works Treatment Plant Operator 1	116,755	-
Karl Buhr	Public Works Manager	75,750	-
Aldan Young	Public Works Foreman	144,879	-
		<u>715,246</u>	<u>5,389.74</u>
Add amounts paid to Employees < \$75,000:		601,894	9,115.13
Total Staff		<u>1,317,140</u>	<u>14,504.87</u>
TOTAL COUNCIL AND STAFF		<u><u>\$1,368,871</u></u>	<u><u>\$14,609</u></u>

RECONCILIATION OF AMOUNTS PAID:

ADD: Benefits & Remittances paid by employer (non taxable)	269,099
Difference in Cash/ Accrual	122,748
Total	\$1,760,718

Total per Schedule 1 of the Financial Statements **\$1,760,718**

* Remuneration includes taxable benefits and vacation payouts.

** Expenses include travel expenses, memberships, tuition, relocation, vehicle leases, extraordinary hiring expenses, registration fees and similar amounts paid directly to an employee, or to a third party on behalf of the employee, and which has not been included in 'remuneration'.


Joseph Chirkoff
Financial Officer


Ken Berry
Mayor



THE MUNICIPALITY OF THE VILLAGE OF LIONS BAY

**SCHEDULE OF SEVERANCE AGREEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023
PURSUANT TO THE FINANCIAL INFORMATION ACT**

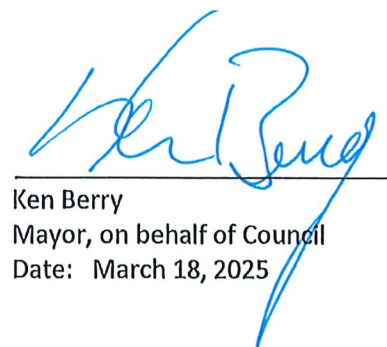
SECTION 6 (7)

There were no severance agreements under which payment commenced between the Municipality of the Village of Lions Bay and its non-unionized employees during the fiscal year 2023.

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(7).



Joseph Chirkoff
Financial Officer
Date: March 18, 2025



Ken Berry
Mayor, on behalf of Council
Date: March 18, 2025

THE MUNICIPALITY OF THE VILLAGE OF LIONS BAY

FINANCIAL INFORMATION ACT REPORT
Year Ended December 31, 2023

SCHEDULE OF AMOUNTS PAID TO SUPPLIERS FOR GOODS AND SERVICES
SECTION 7

<i>Supplier Accounts</i>	<i>Amounts Paid In 2023</i>
School Tax***	1,660,055.02
Revenue Canada	464,913.03
BA Blacktop Ltd	341,710.88
South Coast BC Transportation Authority***	330,243.03
Metro Vancouver Regional District***	271,324.27
Waste Control Services Inc.	207,993.10
Municipal Pension Plan	133,402.74
BC Hydro	122,401.55
Municipal Insurance Association	114,782.09
Municipal Finance Authority	104,107.60
Overholt Law LLP	103,476.21
Sea to Sky Network Solutions	70,800.17
Shy's Forest Products Ltd.	63,812.57
White Rock Iron Products Ltd.	56,592.62
SINCO	49,407.17
E-COMM	45,788.18
Red Cape Solutions Inc.	45,257.63
BC Assessment Authority***	44,053.66
Northstar Access Corporation	41,776.40
BC Assessment Authority***	40,740.00
Miller Ron	39,258.15
Millenia Architecture Corp.	38,238.54
Supersave Fuels	37,053.05
WYD Contracting	35,764.96
Workers Compensation Board	35,312.74
Lidstone & Company	32,227.72
Irwin Air Ltd	27,688.78
Associated Fire Safety Equipment	26,651.77
Pacific Blue Cross	26,344.66
Ramtech Environmental Products	25,767.05
 Total for Suppliers Paid > \$ 25,000	 4,636,945.34
 Other Supplier Payments	 1,133,437.67
 All Payments	 <u>5,770,383.01</u>

*** Other Taxing Authority Payments

The Village prepares the Schedule of Suppliers of Goods and Services based on actual disbursements through the accounts payable system which is on a cash basis. The audited Financial Statements figure is based on an accrual basis, therefore, this figure will be significantly different. There are also a number of payments included in the Supplier report that are not considered operating expenses in the audited Financial Statements such as capital expenditures, payments made to other authorities for tax requisitions, refunds, and payroll related expenses.


Ken Berry
Mayor



THE MUNICIPALITY OF THE VILLAGE OF LIONS BAY

**STATEMENT OF FINANCIAL INFORMATION APPROVAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023
PURSUANT TO THE FINANCIAL INFORMATION ACT**

SECTION 9 (2)

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.



Joseph Chirkoff
Financial Officer
Date: March 18, 2025



Ken Berry
Mayor, on behalf of Council
Date: March 18, 2025



THE MUNICIPALITY OF THE VILLAGE OF LIONS BAY

MANAGEMENT REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023 PURSUANT TO THE FINANCIAL INFORMATION ACT SECTION 9

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with generally accepted accounting principles, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this 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.

The Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through the external auditors. The external auditors have met with Council.

The Mayor and Council are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through the Finance and Audit Standing Committee. The Committee meets periodically throughout the year as required.

The external auditors, *MNPLLP*, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. Their examination includes a review and evaluation of the corporation's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to the Council and meet with them on an annual basis.

On behalf of the Village of Lions Bay,



Joseph Chirkoff
Financial Officer
March 18, 2025

Village of Lions Bay
Financial Statements
For the year ended December 31, 2023

Village of Lions Bay
Financial Statements
For the year ended December 31, 2023

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Management's Responsibility for the Financial Statements

The accompanying financial statements of the Village of Lions Bay (the "Village") are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants Canada. A summary of the significant accounting policies are described in the summary of significant accounting policies which precede the notes to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Village's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

Mayor and Council meet with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by MNP LLP, independent external auditors appointed by the Village. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Village's financial statements.

"Joseph Chirkoff"

Joseph Chirkoff CPA, CA
Chief Financial Officer

March 4, 2025

"Ross Blackwell"

Ross Blackwell
Chief Administrative Officer

March 4, 2025

Independent Auditor's Report

To the Mayor and Council of the Village of Lions Bay:

Opinion

We have audited the financial statements of the Village of Lions Bay (the "Village"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, 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 Village 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 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.

Other Matter

The financial statements for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on May 8, 2024.

Other Information

Management is responsible for the other information, consisting of an annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do 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 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 there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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.

Nanaimo, British Columbia

March 4, 2025

MNP LLP

Chartered Professional Accountants

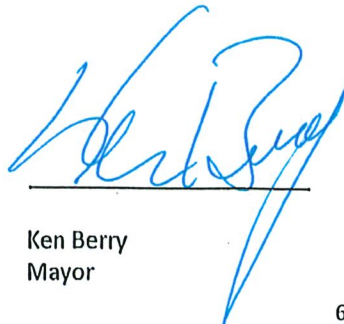
Village of Lions Bay
Statement of Financial Position

As at December 31	2023	2022
Financial Assets		
Cash and cash equivalents	6,421,298	5,663,477
Accounts receivable	440,997	187,702
Grants receivable	13,295	7,739
Debt reserve fund	38,803	37,633
	<u>6,914,393</u>	<u>5,896,551</u>
Liabilities		
Accounts payable (Note 7)	428,562	742,736
Sick, overtime, wellness and vacation payable	46,048	55,982
Deferred revenue (Note 1)	107,475	78,896
Developer deposits (Note 2)	153,250	168,500
Equipment financing (Note 3)	24,693	41,752
Long term debt (Note 4)	1,636,135	1,890,237
Asset retirement obligation (Note 5)	52,505	-
	<u>2,448,668</u>	<u>2,978,103</u>
Net Financial Assets	<u>4,465,725</u>	<u>2,918,448</u>
Non-Financial Assets		
Tangible capital assets (Schedule 3 and 4)	23,405,096	23,871,310
Prepaid expenses	43,510	38,410
	<u>23,448,606</u>	<u>23,909,720</u>
Accumulated Surplus (Note 11)	<u>27,914,331</u>	<u>26,828,168</u>

Contingent liabilities and contractual obligations
Contractual rights (Note 8)



Joseph Chirkoff CPA, CA
Financial Officer



Ken Berry
Mayor

**Village of Lions Bay
Statement of Operations**

For the year ended December 31	Financial Plan 2023	2023	2022
	(Note 9)		
Revenue (Schedules 1 & 2)			
Taxation (Note 6)	2,109,100	2,134,608	1,998,220
Utility user rate	1,343,829	1,322,550	1,257,157
Government transfers	2,036,053	1,492,761	520,755
Sale of services	436,736	415,466	427,471
Other revenues	264,321	331,285	233,438
Gain on disposal of tangible capital assets	-	-	40,500
	6,190,039	5,696,670	4,477,541
Expenses (Schedules 1 & 2)			
General government	1,524,502	1,489,485	1,555,017
Protective services	546,969	580,969	558,407
Public works operation	810,367	1,130,577	757,987
Solid waste collection	216,122	192,771	198,788
Planning and development	38,848	39,853	44,908
Parks and recreation	340,472	247,783	311,700
Water system operations	1,077,868	837,683	986,612
Sewer system operations	121,037	91,386	105,514
	4,676,186	4,610,507	4,518,933
Annual Surplus (Deficit)	1,513,853	1,086,163	(41,392)
Accumulated Surplus, beginning of year	26,828,168	26,828,168	26,869,560
Accumulated Surplus, end of year	28,342,021	27,914,331	26,828,168

Village of Lions Bay
Statement of Change in Net Financial Assets

For the year ended December 31	Financial Plan 2023	2023	2022
	(Note 9)		
Annual Surplus (deficit)	1,513,853	1,086,163	(41,392)
Change in Tangible Capital Assets			
Acquisition of tangible capital assets	(2,038,000)	(150,017)	(699,911)
Amortization of tangible capital assets	685,776	617,926	567,755
Proceeds on disposal of tangible capital assets	-	-	8,000
Gain on disposal of tangible capital assets	-	-	(40,500)
	(1,352,224)	467,909	(164,656)
Change in Other Non-Financial Assets			
Net use (acquisition) of prepaid expenses	-	(6,795)	(9,103)
Change in net financial assets for the year	(161,629)	1,547,277	(215,151)
Net financial assets, beginning of year	2,918,448	2,918,448	3,133,599
Net financial assets, end of year	2,756,819	4,465,725	2,918,448

Village of Lions Bay
Statement of Cash Flows

For the year ended December 31	2023	2022
Cash provided by (used in)		
Operating transactions		
Annual surplus (deficit)	1,086,163	(41,392)
Items not involving cash		
Amortization expense	617,926	567,755
(Gain) loss on disposal of tangible capital assets	-	(40,500)
Changes in non-cash operating balances		
Accounts receivable	(253,295)	3,418
Grants receivable	(5,556)	53,756
Other assets	-	-
Debt reserve fund	(1,170)	(823)
Developer deposits	(15,250)	24,500
Deferred revenue	28,579	31,321
Accounts payable	(313,724)	169,030
Sick, overtime, wellness and vacation payable	(9,934)	(50,523)
Prepaid expenses	(7,240)	(9,102)
	<u>1,126,499</u>	<u>707,440</u>
Capital transactions		
Cash used to acquire tangible capital assets	(97,517)	(699,911)
Proceeds on disposal of tangible capital assets	-	8,000
	<u>(97,517)</u>	<u>(691,911)</u>
Financing transactions		
Repayment of equipment financing	(17,059)	(16,559)
Repayment of long-term debt principal	(254,102)	(239,840)
Issue of long-term debt	-	195,000
	<u>(271,161)</u>	<u>(61,399)</u>
Increase in cash and equivalents during the year	757,821	(45,870)
Cash and equivalents, beginning of year	5,663,477	5,709,347
Cash and equivalents, end of year	6,421,298	5,663,477
Supplemental information:		
Interest paid on long-term debt	84,011	80,345

Village of Lions Bay
Summary of Significant Accounting Policies

December 31, 2023

The Village of Lions Bay ("the Village") is a municipality in the province of British Columbia operating under the provisions of the Community Charter. The Village provides a wide range of services to the residents such as parks and recreation, fire and rescue, general government services, solid waste collection, and maintenance of roads, storm drainage, water and sewer infrastructure and facilities. The Village prepares its financial statements in accordance with Canadian public sector accounting standards ("PSAS") using guidelines developed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Basis of Accounting The basis of accounting followed in these financial statements is an accrual method and includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenses in the period the goods and services are acquired and a liability is incurred.

The financial statements include the accounts of all funds of the Village. Interfund transactions and balances have been eliminated.

**Cash and
Cash Equivalents**

Cash and cash equivalents include bank balances and bank term deposits or guaranteed income certificates with duration of less than three months at the time of purchase. All amounts are held at Canadian chartered banks and are denominated in Canadian dollars.

**Tangible Capital
Assets**

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is put into use. Contributed tangible capital assets are recorded at fair value at the time of the contribution.

Estimated useful lives of tangible capital assets are as follows:

Buildings	20 to 50 years
Equipment, furniture, and vehicles	5 to 20 years
Land improvements	7 to 40 years
Infrastructure - water	5 to 80 years
Infrastructure - sewer	5 to 100 years
Transportation	10 to 60 years
Storm sewer	25 to 50 year

Village of Lions Bay

Summary of Significant Accounting Policies

December 31, 2023

Debt Reserve Fund

Under borrowing arrangements with the Municipal Finance Authority (MFA), the Village is required to lodge security by means of demand notes and interest bearing cash deposits based on the amount of the borrowing. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits are held by the MFA as security against the possibility of debt repayment default. If the debt is repaid without default, the deposits are refunded to the Village. The balance of the contingent demand notes are not included in the financial statements of the Village.

Revenue Recognition

Taxes are recorded when they meet the definition of an asset, have been authorized and the taxable event occurs. Taxes receivable are recognized net of allowance for anticipated uncollectible amounts.

Through the British Columbia Assessments appeal process, taxes may be adjusted by way of supplementary roll adjustments. The effects of these adjustments on taxes are recognized at the time they are awarded. Levies imposed by other taxing authorities, including the Greater Vancouver Regional District, are not included as taxes for municipal purposes.

Charges for sewer, water usage and solid waste collection are recorded as user fees. Connection fee revenues are recognized when the connection has been established.

Government transfers, which include legislative grants, are recognized as revenue in the financial statements when received if the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. If government transfers contain stipulation liabilities, they are recognized as deferred revenue, and the related revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Sales of service and other revenue is recognized on an accrual basis.

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.

Village of Lions Bay
Summary of Significant Accounting Policies

December 31, 2023

Use of Estimates	The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. A significant area requiring management estimates relates to the useful life of tangible assets for amortization calculations and asset retirement obligations.
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Contaminated Sites	A liability for remediation of a contaminated site is recognized at the financial statement date when an environmental standard exists, contamination exceeds the standard, and it is expected that future economic benefits will be given up and the liability can be reasonably estimated.
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Change in Accounting Policy	<p>On January 1, 2023, the Village adopted Public Sector Standard 3280, Asset Retirement Obligations ("PS 3280"). This new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets such as asbestos removal in retired buildings, and the costs to decommission drinking water wells. The standard was adopted on a prospective basis at the date of adoption.</p>
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A liability is recognized when, as at the financial reporting date:

- 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.

The resulting costs have been capitalized into the carrying amount of the related tangible capital assets and are being amortized on the same basis as the related tangible capital asset. Assumptions used in the calculations are reviewed annually.

Upon adopting PS 3280 the Village recorded an asset and a liability of \$50,297 (Note 5).

Effective January 1, 2023, the Village adopted Public Sector Standard 3450 - Financial Instruments. The standard was adopted prospectively and comparative figures were not restated. The Village's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, deposits, and long-term debt. All financial instruments are measured at cost or amortized cost on the statement of financial position, using the effective interest rate method to determine interest revenue or expense. Transaction

Village of Lions Bay

Summary of Significant Accounting Policies

December 31, 2023

costs are added to the carrying value for financial instruments.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. Unrealized gains and losses from changes in the fair value of financial instruments would be recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations. As the Village has no financial instruments reported at fair value, no statement of remeasurement gain or loss is presented in these financial statements.

Recent Accounting Pronouncements

Section PS 3400, Revenue, was issued by the Public Sector Accounting Standards Board (PSAB or the "Board") November 2018. It is effective for fiscal years beginning on or after April 1, 2023. Section PS 3400 applies to all public sector entities following Public Sector Accounting Standards (PSAS). Section PS 3400 was needed as previously the Public Sector Accounting Handbook (PSA Handbook) only provided guidance on accounting for certain types of revenue transactions such as taxation and government transfers. However, there was no overall general revenue recognition guidance. This new standard will fill this gap and provide more consistency in practice for revenue recognition outside of the specific revenue streams already covered by other standards. The Village does not expect any impact upon adoption of PS 3400.

Village of Lions Bay
Notes to Financial Statements

December 31, 2023

1. Deferred Revenue

	<u>2023</u>	<u>2022</u>
Contributions for future use	14,208	16,709
Prepaid taxes	93,267	62,187
	<u>107,475</u>	<u>78,896</u>

2. Developer Deposits

Bylaw 497 requires an applicant for certain building permits to pay a damage deposit of \$1,500 when the work is under \$50,000 and \$3,000 when the work is over \$50,000. The deposit less any costs incurred by the Village in restoring or replacing any damaged works or property will be returned to the applicant. The total cash on deposit of \$153,250 (2022 - \$168,500) has been reported as a liability because the deposits will be returned to the applicants at the completion of the project. Any portion of these deposits used for replacing damaged works or property will be taken into income by the Village in the period it is determined that restoration or replacement is required.

3. Equipment Financing

The Village has entered into obligations for emergency radios with future payment requirements as follows:

2024	18,185
2025	<u>7,271</u>
Total future minimum lease payments	25,456
Less: Imputed interest (at 3%)	<u>(763)</u>
Present value of minimum lease payments	<u><u>24,693</u></u>

Village of Lions Bay
Notes to Financial Statements

December 31, 2023

4. Long Term Debt

Bylaw/Issue Number	Interest Rate	Maturity Date	Issued	Debt Outstanding	
				2023	2022
353 / 93	5.1%	2025	114,000	14,151	20,694
374 / 104	2.9%	2028	600,000	196,543	231,706
401 / 104	2.9%	2028	800,000	262,058	308,580
104 / 380	2.9%	2028	250,000	81,893	96,431
142 / 508	3.15%	2047	460,900	398,235	409,466
150 / 508	1.99%	2040	600,000	524,366	550,118
MFA Financing	(a)	2024	380,000	-	78,242
MFA Financing	(a)	2026	195,000	158,889	195,000
				1,636,135	1,890,237

(a) MFA Financing incurred to acquire equipment has a variable interest rate based on the Canadian Dollar Offered Rate (CDOR) and was 5.06% at December 31, 2023 (4.77% at December 31, 2022).

Repayments of debt to the MFA required in the next five years are as follows:

2024	134,395
2025	136,178
2026	130,670
2027	130,966
2028	89,792

Village of Lions Bay
Notes to Financial Statements

December 31, 2023

5. Asset Retirement Obligations

The Village owns two buildings known to have asbestos which represents a health risk upon demolition of the building, and there is a legal obligation to remove it. The buildings have estimated useful lives between 35 and 50 years, of which 2-50 years remain. Expected costs for remediation have been inflated using an estimate of 2.5% per annum. Estimated costs to retire these assets have been discounted to the present value using a discount rate of 4.39% per annum. The new section was adopted prospectively at January 1, 2023, resulting in an increase to the tangible capital assets and asset retirement obligations of \$50,297. During fiscal year 2023, the Village recorded amortization expense of \$6,798 on the Asset Retirement asset and \$2,208 of accretion expense on the liability.

6. Taxation

	<u>2023</u>	<u>2022</u>
General purposes	2,036,000	1,899,613
Collections for other tax authorities		
School Taxes – Province	1,190,806	1,117,087
RCMP	190,837	150,820
Regional District	76,199	71,378
Greater Vancouver Transportation Authority	285,954	273,308
Municipal Finance Authority	260	241
British Columbia Assessment Authority	44,053	42,334
	<u>3,824,109</u>	<u>3,554,781</u>

Village of Lions Bay
Notes to Financial Statements

December 31, 2023

Transfers to other tax authorities

School Taxes – Province	1,190,806	1,117,087
RCMP	190,837	150,820
Regional District	76,199	71,378
Greater Vancouver Transportation Authority	285,954	273,308
Municipal Finance Authority	260	241
British Columbia Assessment Authority	44,053	42,334
	1,788,109	1,655,168
Available for general purposes	2,036,000	1,899,613
Water and sewer utility parcel taxes	98,608	98,607
	2,134,608	1,998,220

7. Contingent Liabilities and Contractual Obligations

- (i) The Village is responsible as a member of the Greater Vancouver Regional District for its portion of any operating deficits or capital debt related to functions in which it participates.
- (ii) The Village is a participant in the Municipal Insurance Association of British Columbia (the "Association"). Should the Association pay out claims in excess of the premiums received, it is possible that the Village, along with the other participants, would be required to contribute towards the deficit. Management does not consider external payments under this contingency to be likely and therefore no amounts have been accrued.
- (iii) The Village is a shareholder and member of the Emergency Communications for British Columbia Incorporated ("E-Comm") whose services provided include: regional 9-1-1 call centre; Wide Area Radio network, dispatch operations; and records management. The Village has 1 Class A Share (Police and Fire) and no Class B Shares (Operations) (of a total of 28 Class A and 23 Class B shares issued and outstanding as at December 31, 2023) recorded at nominal cost. As a Class A shareholder, the Village shares in both funding the future operations and capital obligations of E-Comm (in accordance with a cost sharing formula), including any lease obligations committed to by E-Comm up to the shareholder's withdrawal date.

Village of Lions Bay
Notes to Financial Statements

December 31, 2023

8. Contractual Rights

The Village entered into a lease contract for space in a building located at 410 Centre Road which expires in July 2030. In return, the Village receives the following revenues:

2023	25,760
2024	25,760
2025	27,102
2026	28,980
2027	28,980
Thereafter	86,940

9. Financial Plan

Financial plan amounts represent the Financial Plan Bylaw adopted by Council on May 12, 2023 with adjustments for items accounted for differently under PSAS.

The Financial Plan Bylaw anticipated use of surpluses accumulated in previous years to balance against current year expenditures in excess of current year revenues. In addition, the Financial Plan Bylaw anticipated capital expenditures rather than amortization expense and repayment of debt during the year.

The following shows how these amounts were combined:

	<u>2023</u>
Financial Plan Balance per Bylaw	-
Add back:	
Capital expenditures	2,038,000
Repayment of Debt	229,303
MFA Actuarial Gain on Debt	38,561
Less:	
Proceeds from Borrowing	-
Budgeted transfers from accumulated surplus	(106,235)
Amortization	<u>(685,776)</u>
Financial Plan Surplus per PSAS	<u>1,513,853</u>

Village of Lions Bay
Notes to Financial Statements

December 31, 2023

10. Pension Plan

The employer 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.

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 Village paid \$67,813 (2022 - \$95,987) for employer contributions to the plan in fiscal 2023.

The next valuation will be as at December 31, 2024.

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

11. Accumulated Surplus

The components of accumulated surplus are as follows:

	2023	2022
Invested in tangible capital assets	21,691,763	21,939,321
Reserve funds (Note 12)	3,129,251	2,760,826
Unrestricted amounts	3,093,317	2,128,021
	27,914,331	26,828,168

Village of Lions Bay
Notes to Financial Statements

December 31, 2023

12. Reserve Funds

	Opening Balance	Revenues & Transfers	Interest Earned	Expenditures & Transfers	Closing Balance
Capital reserves	656,772	-	13,135	-	669,907
Land reserve fund	773,323	98,606	16,453	-	888,382
Infrastructure fund	642,115	179,878	14,641	-	836,634
Curly Stewart fund	11,889	-	238	(1,000)	11,127
Gas tax reserve	676,727	32,614	13,860	-	723,201
	2,760,826	311,098	58,327	(1,000)	3,129,251

13. Segmented Information

The Village is a diversified municipal government institution that provides a wide range of services to its residents such as parks and recreation, maintenance of roads, fire and rescue, sewer and water utilities and solid waste collection. Key functional segments have been separately disclosed in Schedule 1. Following is a brief description of these segments and the activities they provide:

General Government

This segment relates to the general administration of the Village. It also includes revenues and expenses such as property tax revenues, legal costs, etc. that cannot be directly attributed to a specific segment.

Protective Services

Protective Services is comprised of fire and rescue services, bylaw enforcement and emergency services. The fire and rescue department is responsible for providing fire suppression service, fire prevention programs, training and education and highway call-out services. The members of the fire department are volunteer fire fighters.

Public Works Operation

Public works is responsible for the maintenance of roads, bridges, storm drainage, street lighting, creeks and drainage, fleet, equipment and snow removal.

Solid Waste Collection

Solid waste collection consists of recycling services and organics and waste collection.

Planning and Development

This segment includes building inspection, zoning and community planning such as land use master plan.

Village of Lions Bay
Notes to Financial Statements

December 31, 2023

Parks and Recreation

This segment provides services meant to improve the health and development of the residents. They include recreation programs in the community centre, maintenance of trails, parks and beaches and facilities maintenance and management.

Water Utility

This segment is comprised of water treatment, water quality, water storage and water distribution to residents.

Sewer

The sewer utility provides for the operation, maintenance and repair of the sanitary sewer collection and waste water treatment plant.

Village of Lions Bay
Schedule 1 - Combined Statement of Operations by Segment - 2023

For the year ended December 31, 2023

	General Fund									2023	2023
	General Government	Protective Services	Public Works Operation	Solid Waste Collection	Planning and Development	Parks and Recreation	Total General Fund	Water Utility	Sewer Utility	Actual	Financial Plan
											(Note 9)
Revenues											
Taxation	2,036,001	-	-	-	-	-	2,036,001	-	98,607	2,134,608	2,109,080
Utility user rates	-	-	-	206,772	-	-	206,772	1,035,205	80,573	1,322,550	1,343,829
Government transfers	432,351	59,783	-	-	-	1,000,627	1,492,761	-	-	1,492,761	2,036,053
Sales of services	19,648	292,314	-	30,337	46,986	10,401	399,686	7,071	8,709	415,466	436,756
Other revenues	256,682	37,663	-	-	-	-	294,345	37,540	(600)	331,285	264,321
Gain on sale of asset held for sale	-	-	-	-	-	-	-	-	-	-	-
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	-	-
	2,744,682	389,760	-	237,109	46,986	1,011,028	4,429,565	1,079,816	187,289	5,696,670	6,190,039
Expenses											
Operating											
Goods and Services	385,183	323,938	805,064	192,771	10,542	134,851	1,852,349	254,600	40,901	2,147,850	2,282,479
Labour	730,126	256,352	310,134	-	29,311	112,932	1,438,855	307,906	13,958	1,760,719	1,645,611
Amortization	374,176	-	-	-	-	-	374,176	207,223	36,527	617,926	685,776
	1,489,485	580,290	1,115,198	192,771	39,853	247,783	3,665,380	769,729	91,386	4,526,495	4,613,866
Interest	-	679	15,379	-	-	-	16,058	67,954	-	84,011	62,320
	1,489,485	580,969	1,130,577	192,771	39,853	247,783	3,681,438	837,683	91,386	4,610,506	4,676,186
Annual surplus (deficit)	1,255,197	(191,209)	(1,130,577)	44,338	7,133	763,245	748,127	242,133	95,903	1,086,163	1,513,853

Village of Lions Bay

Schedule 2 - Combined Statement of Operations by Segment - 2022

For the year ended December 31, 2022

	General Fund									
	General Government	Protective Services	Public Works Operation	Solid Waste Collection	Planning and Development	Parks and Recreation	Total General Fund	Water Utility	Sewer Utility	2022 Actual
Revenues										
Taxation	1,899,613	-	-	-	-	-	1,899,613	-	98,607	1,998,220
Utility user rates	-	-	-	195,700	-	-	195,700	984,971	76,486	1,257,157
Government transfers	520,755	-	-	-	-	-	520,755	-	-	520,755
Sales of services	28,211	311,055	-	11,044	47,406	10,586	408,302	16,871	2,298	427,471
Other revenues	157,611	36,049	-	-	-	5,000	198,660	34,178	600	233,438
Gain on sale of asset held for sale	40,500	-	-	-	-	-	40,500	-	-	40,500
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	-
	2,646,690	347,104	-	206,744	47,406	15,586	3,263,530	1,036,020	177,991	4,477,541
Expenses										
Operating										
Goods and Services	287,786	329,661	500,898	198,788	17,638	147,440	1,482,211	379,719	51,255	1,913,185
Labour	927,144	227,439	246,348	-	27,270	164,260	1,592,461	347,128	18,059	1,957,648
Amortization	340,087	-	-	-	-	-	340,087	191,468	36,200	567,755
	1,555,017	557,100	747,246	198,788	44,908	311,700	3,414,759	918,315	105,514	4,438,588
Interest	-	1,307	10,741	-	-	-	12,048	68,297	-	80,345
	1,555,017	558,407	757,987	198,788	44,908	311,700	3,426,807	986,612	105,514	4,518,933
Annual surplus (deficit)	1,091,673	(211,303)	(757,987)	7,956	2,498	(296,114)	(163,277)	49,408	72,477	(41,392)

Village of Lions Bay
Schedule 3 - Tangible Capital Assets - 2023

For the year ended December 31, 2023

	Land	Buildings	Equipment & Furniture & Vehicles	Land Improvements	Water Infrastructure	Sewer Infrastructure	Transportation	Storm Sewer	WIP -- General	2023 Total	2022 Total
Cost, beginning of year	11,729,844	2,336,836	2,544,869	197,254	9,533,358	1,466,304	5,111,962	101,450	1,009,862	34,031,739	33,374,317
Additions	-	50,299	60,325	-	-	-	-	-	41,088	151,712	732,412
Transfers	-	-	-	26,483	907,074	2,406	-	-	(935,963)	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	(74,990)
Cost, end of year	11,729,844	2,387,135	2,605,194	223,737	10,440,432	1,468,710	5,111,962	101,450	114,987	34,183,451	34,031,739
Accumulated amortization, beginning of year	-	1,060,917	1,615,477	92,529	3,642,108	339,824	3,324,832	84,742	-	10,160,429	9,667,664
Amortization	-	62,796	183,311	9,387	207,223	36,527	117,440	1,242	-	617,926	567,755
Disposals	-	-	-	-	-	-	-	-	-	-	(74,990)
Accumulated amortization, end of year	-	1,123,713	1,798,788	101,916	3,849,331	376,351	3,442,272	85,984	-	10,778,355	10,160,429
Net carrying amount, end of year	11,729,844	1,263,422	806,406	121,821	6,591,101	1,092,359	1,669,690	15,466	114,987	23,405,096	23,871,310

Village of Lions Bay
Schedule 4 - Tangible Capital Assets - 2022

For the year ended December 31, 2022

	Land	Buildings	Equipment & Furniture & Vehicles	Land Improvements	Water Infrastructure	Sewer Infrastructure	Transportation	Storm Sewer	WIP – General	2022 Total	2021 Total
Cost, beginning of year	11,729,844	2,336,836	2,325,579	197,254	9,533,358	1,466,304	4,804,274	101,450	879,418	33,374,317	32,773,923
Additions	-	-	294,280	-	-	-	307,688	-	130,444	732,412	872,582
Disposals	-	-	(74,990)	-	-	-	-	-	-	(74,990)	(272,188)
Cost, end of year	11,729,844	2,336,836	2,544,869	197,254	9,533,358	1,466,304	5,111,962	101,450	1,009,862	34,031,739	33,374,317
Accumulated amortization, beginning of year	-	1,005,306	1,524,645	85,425	3,450,640	303,624	3,214,524	83,500	-	9,667,664	9,361,623
Amortization	-	55,611	165,822	7,104	191,468	36,200	110,308	1,242	-	567,755	575,808
Disposals	-	-	(74,990)	-	-	-	-	-	-	(74,990)	(269,767)
Accumulated amortization, end of year	-	1,060,917	1,615,477	92,529	3,642,108	339,824	3,324,832	84,742	-	10,160,429	9,667,664
Net carrying amount, end of year	11,729,844	1,275,919	929,392	104,725	5,891,250	1,126,480	1,787,130	16,708	1,009,862	23,871,310	23,706,653

Village of Lions Bay
Schedule – Covid-19 Safe Restart Grant

December 31, 2023

COVID-19 BC Safe Restart Grant

In 2020, the Province of British Columbia, under the “COVID-19 Safe Restart Grant Program”, provided the Village of Lions Bay with a grant of \$603,000 for increased operating costs and revenue shortfalls arising during the pandemic. The Village recognized the grant as income in 2020 and have applied these funds to the programs impacted as follows:

	2021
COVID-19 BC Safe Restart Grant received	\$603,000
2020 eligible costs incurred	(235,865)
Balance, December 31, 2020	\$367,135
2021 eligible costs incurred:	
Computer and technology costs to improve connectivity and virtual communications	(13,085)
Revenue shortfalls	(11,887)
General government services	(3,442)
Protective services	(107,654)
Public works	(81,067)
Total 2021 eligible costs incurred	(217,135)
Balance, December 31, 2021	\$150,000
2022 eligible costs incurred:	
General government services	68,919
Protective services	51,180
Public works	7,000
Total 2022 eligible costs incurred	(127,099)
Balance, December 31, 2022	\$ 22,901
2023 eligible costs incurred:	
General government services	-
Protective services	22,901
Public works	-
Total 2023 eligible costs incurred:	-
Balance, December 31, 2023	\$ -

Village of Lions Bay
Schedule – Growing Communities Grant

December 31, 2023

Grant received in fiscal 2023	\$988,000
Eligible costs incurred	(325,888)
Interest allocation	<u>13,424</u>
Balance, December 31, 2023	<u>\$675,536</u>