

Village of Lions Bay
Financial Statements
For the year ended December 31, 2024

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Financial Statements
For the year ended December 31, 2024

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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

October 7, 2025

"Ross Blackwell"

Ross Blackwell
Chief Administrative Officer

October 7, 2025

Independent Auditor's Report

To the Mayor and Councilors of the
Village of Lions Bay

Village of Lions Bay
Statement of Financial Position

As at December 31	2024	2023
Financial Assets		
Cash and cash equivalents	6,218,225	6,421,298
Accounts receivable	696,257	440,997
Grants receivable	-	13,295
Debt reserve fund	40,153	38,803
	6,954,635	6,914,393
Liabilities		
Accounts payable	689,217	428,562
Sick, overtime, wellness and vacation payable	94,983	46,048
Deferred revenue (Note 1)	142,719	107,475
Developer deposits (Note 2)	163,250	153,250
Equipment financing (Note 3)	7,118	24,693
Long term debt (Note 4)	1,454,031	1,636,135
Asset retirement obligation (Note 5)	54,862	52,505
	2,606,180	2,448,668
Net Financial Assets	4,348,455	4,465,725
Non-Financial Assets		
Tangible capital assets (Schedule 3)	24,223,228	23,405,096
Prepaid expenses	20,856	43,510
	24,244,084	23,448,606
Accumulated Surplus (Note 11)	28,592,539	27,914,331

Contingent liabilities and contractual obligations (Note 7)
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 2024	2024	2023
	(Note 9)		
Revenue (Schedules 1 & 2)			
Taxation (Note 6)	2,238,307	2,299,918	2,134,608
Utility user rate	1,465,171	1,389,246	1,322,550
Government transfers	2,221,236	965,343	1,492,761
Sale of services	440,296	436,420	415,466
Other revenues	258,830	455,418	331,285
Gain on disposal of tangible capital assets	-	16,095	-
	6,623,840	5,562,440	5,696,670
Expenses (Schedules 1 & 2)			
General government	1,603,988	1,691,787	1,489,485
Protective services	610,243	845,363	580,969
Public works operation	1,144,051	381,055	1,130,577
Solid waste collection	233,560	201,913	192,771
Planning and development	51,173	40,296	39,853
Parks and recreation	352,870	383,515	247,783
Water system operations	1,129,209	1,218,029	837,683
Sewer system operations	108,711	122,274	91,386
	5,233,805	4,884,232	4,610,507
Annual Surplus	1,390,035	678,208	1,086,163
Accumulated Surplus , beginning of year	27,914,331	27,914,331	26,828,168
Accumulated Surplus , end of year	29,304,366	28,592,539	27,914,331

Village of Lions Bay
Statement of Change in Net Financial Assets

For the year ended December 31	Financial Plan 2024	2024	2023
	(Note 9)		
Annual Surplus	1,390,035	678,208	1,086,163
Change in Tangible Capital Assets			
Acquisition of tangible capital assets	(3,959,386)	(1,434,847)	(150,017)
Amortization of tangible capital assets	723,741	616,715	617,926
Accretion	2,359	2,359	-
	(3,233,286)	(815,773)	467,909
Change in Other Non-Financial Assets			
Net use (acquisition) of prepaid expenses	-	20,295	(6,795)
Change in net financial assets for the year	(1,843,251)	(117,270)	1,547,277
Net financial assets, beginning of year	4,465,725	4,465,725	2,918,448
Net financial assets, end of year	2,622,474	4,348,455	4,465,725

**Village of Lions Bay
Statement of Cash Flows**

For the year ended December 31	2024	2023
Cash provided by (used in)		
Operating transactions		
Annual surplus	678,208	1,086,163
Items not involving cash		
Amortization expense	616,715	617,926
Accretion expense	2,359	-
Gain on sale of assets	(16,095)	-
Changes in non-cash operating balances		
Accounts receivable	(255,381)	(253,295)
Grants receivable	13,295	(5,556)
Debt reserve fund	(1,351)	(1,170)
Developer deposits	10,000	(15,250)
Deferred revenue	35,244	28,579
Accounts payable	260,652	(313,724)
Sick, overtime, wellness and vacation payable	48,936	(9,934)
Prepaid expenses	22,777	(7,240)
	1,415,359	1,126,499
Capital transactions		
Cash used to acquire tangible capital assets	(1,434,847)	(97,517)
Proceeds on disposal of tangible capital assets	16,094	-
	(1,418,753)	(97,517)
Financing transactions		
Repayment of equipment financing	(17,575)	(17,059)
Repayment of long-term debt principal	(182,104)	(254,102)
	(199,679)	(271,161)
Increase (decrease) in cash and equivalents during the year	(203,073)	757,821
Cash and equivalents, beginning of year	6,421,298	5,663,477
Cash and equivalents, end of year	6,218,225	6,421,298
Supplemental information:		
Interest paid on long-term debt	104,511	84,011

Village of Lions Bay
Summary of Significant Accounting Policies

December 31, 2024

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 years

Village of Lions Bay
Summary of Significant Accounting Policies

December 31, 2024

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 services are delivered. Connection fee revenues are recognized when the connection has been established.

Building permit revenue is recognized on a straight-line basis over the lifespan of the permit.

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.

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.

Revenue from transactions with performance obligations is recognized when the Village satisfies a performance obligation by providing the promised good or services to a payor. The performance obligation is evaluated as being satisfied either over a period of time or at a point in time.

Village of Lions Bay
Summary of Significant Accounting Policies

December 31, 2024

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.
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.
Financial Instruments	<p>The Village's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable, developer deposits, equipment financing, 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 costs are added to the carrying value for financial instruments.</p> <p>All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.</p> <p>Unrealized gains and losses from changes in the fair value of financial instruments are 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 instruments are reported 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.</p>
Municipal Pension Plan	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 liabilities and assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the plan.
Segmented Information	The Village segments its operations for financial reporting purposes based upon areas of managerial responsibility. This information is provided in Note 13 and Schedule 1.

Village of Lions Bay
Summary of Significant Accounting Policies

December 31, 2024

Change in Accounting Policy

Effective January 1, 2024, the Village adopted the new Public Sector Accounting Standard, PS 3400 Revenue. This policy provides guidance for revenue transactions (defined as the inflow of cash, receivables or other considerations, during ordinary activities from the sale of goods, rendering of services and use of resources) not previously defined in the Public Sector Accounting Handbook (PSA Handbook).

Revenues with performance obligations are recognized when, or as, the Village has satisfied the performance obligation either through a point in time or over a period of time. The Village satisfies the performance obligations when control of the benefits associated with the promised goods or services have passed to the payor.

Revenue from transactions with no performance obligations are recognized at realizable value when the Village has the authority to claim or retain an inflow of economic resources and a past event giving rise to a claim or economic resources has occurred.

This standard is applied prospectively, applying on the transactions occurring after the effective date and to any outstanding balances existing as of the effective date. There was no impact to the Village's reporting of revenues as a result of adoption of the new standard.

Village of Lions Bay
Notes to Financial Statements

December 31, 2024

1. Deferred Revenue

	2024	2023
Next Generation 911 grant	45,000	-
Indigenous Engagement grant	40,000	-
Contributions for future use	-	14,208
Prepaid taxes	57,719	93,267
	142,719	107,475

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 \$163,250 (2023 - \$153,250) 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:

2025	7,271
Total future minimum lease payments	7,271
Less: Imputed interest (at 3%)	(153)
Present value of minimum lease payments	7,118

Village of Lions Bay
Notes to Financial Statements

December 31, 2024

4. Long Term Debt

Bylaw/Issue Number	Interest Rate	Maturity Date	Issued	Debt Outstanding	
				2024	2023
353 / 93	5.1%	2025	114,000	7,165	14,151
374 / 104	2.9%	2028	600,000	160,256	196,543
401 / 104	2.9%	2028	800,000	213,675	262,058
104 / 380	2.9%	2028	250,000	66,773	81,893
142 / 508	3.15%	2047	460,900	386,668	398,235
150 / 508	1.99%	2040	600,000	498,221	524,366
MFA Financing	(a)	2024	380,000	-	-
MFA Financing	(a)	2026	195,000	121,273	158,889
				1,454,031	1,636,135

(a) MFA Financing incurred to acquire equipment has a variable interest rate based on the Canadian Dollar Offered Rate (CDOR) and was 3.61% at December 31, 2024 (5.06% at December 31, 2023).

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

2025	136,178
2026	130,670
2027	130,966
2028	89,792
2029	34,382

Village of Lions Bay
Notes to Financial Statements

December 31, 2024

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 2024, the Village recorded amortization expense of \$7,185 (2023 - \$6,798) on the Asset Retirement asset and \$2,357 (2023 - \$2,208) of accretion expense on the liability.

	2024	2023
Opening Balance	\$52,505	\$ -
Addition	-	50,297
Accretion	2,357	2,208
	Closing balance	\$52,505
	\$54,862	\$52,505

6. Taxation

	2024	2023
General purposes	2,201,590	2,036,000
Collections for other tax authorities		
School Taxes – Province	1,177,645	1,190,806
RCMP	191,458	190,837
Regional District	79,834	76,199
Greater Vancouver Transportation Authority	340,754	285,954
Municipal Finance Authority	251	260
British Columbia Assessment Authority	43,886	44,053
	4,035,418	3,824,109

Village of Lions Bay
Notes to Financial Statements

December 31, 2024

6. Taxation (Continued)

Transfers to other tax authorities	2024	2023
School Taxes – Province	1,177,645	1,190,806
RCMP	191,458	190,837
Regional District	79,834	76,199
Greater Vancouver Transportation Authority	340,754	285,954
Municipal Finance Authority	251	260
British Columbia Assessment Authority	43,886	44,053
	<u>1,833,828</u>	<u>1,788,109</u>
Available for general purposes	2,201,590	2,036,000
Water and sewer utility parcel taxes	98,328	98,608
	<u>2,299,918</u>	<u>2,134,608</u>

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, 2024) 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.
- (iv) As at December 31, 2024, there were various legal claims pending against the Village arising in the ordinary course of its operations. The outcome of these claims is presently indeterminable and accordingly no provision has been made in these financial statements.

Village of Lions Bay
Notes to Financial Statements

December 31, 2024

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:

2025	27,102
2026	28,980
2027	28,980
2028	28,980
2029	28,980
Thereafter	28,980

9. Financial Plan

Financial plan amounts represent the Financial Plan Bylaw adopted by Council on May 7, 2024 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:

	2024
Financial Plan Balance per Bylaw	-
Add back:	
Capital expenditures	3,959,386
Repayment of Debt	191,873
MFA Actuarial Gain on Debt	43,083
Less:	
Proceeds from Borrowing	-
Budgeted transfers from accumulated surplus	(2,078,207)
Amortization	(726,100)
Financial Plan Surplus per Statement of Operations	1,390,035

Village of Lions Bay
Notes to Financial Statements

December 31, 2024

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, 2023, the plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 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 \$93,133 (2023 - \$67,813) for employer contributions to the plan in fiscal 2024.

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

11. Accumulated Surplus

The components of accumulated surplus are as follows:

	<u>2024</u>	<u>2023</u>
Invested in tangible capital assets	22,707,217	21,691,763
Reserve funds (Note 12)	4,216,538	3,804,787
Unrestricted amounts	1,668,784	2,417,781
	28,592,539	27,914,331

Unrestricted amounts represent the amount of Accumulated Surplus remaining after deducting the other appropriated surplus balances. It is available to temporarily finance operations until planned revenues (i.e. property taxes, fees, grants ect.) are received, or for other operating or capital purposes as determined by Council, to the extent that it is available as cash.

Reserve funds are accumulated surplus that has been set aside by decision of Council for a specified purpose. Statutory reserves have been established 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.

Village of Lions Bay
Notes to Financial Statements

December 31, 2024

12. Reserve Funds

	Opening Balance	Revenues & Transfers	Interest Earned	Expenditures & Transfers	Closing Balance
Capital reserves	669,907	-	20,097	-	690,005
Land reserve fund	888,382	98,606	28,131	-	1,015,118
Infrastructure fund	836,634	194,518	28,017	-	1,059,169
Curly Stewart fund	11,127	1,070	350	(1,000)	11,547
Growing Communities Fund (Schedule 4)	675,536	-	20,266	-	695,802
Gas tax reserve	723,201	-	21,696	-	744,897
	3,804,787	294,194	118,557	(1,000)	4,216,538

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.

December 31, 2024

13. Segmented Information (Continued)

Planning and Development

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

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.

14. Financial Risk Management

The Village is potentially exposed to credit risk, market and interest risk and liquidity risk. The following analysis provides an assessment of those risks as at December 31, 2024.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk primarily arises from the Village's cash, accounts receivable and investments. The risk exposure is limited to their carrying amounts at the date of the statement of financial position.

The Village mitigates exposure to credit risk for cash by maintaining its cash with top rated Canadian Schedule I financial institutions, and by maintaining its investments with MFABC which meets the investment requirements of Section 183 of the Community Charter of the Province of BC. As at December 31, 2024 the Village did not maintain any investments.

Accounts receivable primarily consist of amounts receivable from government organizations, residents and financial institutions. To reduce the risk, the Village regularly reviews the collectability of its accounts receivable and if needed, will establish an allowance based on its best estimate of potentially uncollectible amounts. The Village historically has not had difficulty collecting receivables, nor have counterparties defaulted on any payments.

December 31, 2024

14. Financial Risk Management (Continued)

Market and Interest Rate Risk

Market risk is the risk that changes in market prices and inputs, such as interest rates, will affect the fair value of the Village's investments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk. The Village does not hold any investments with exposure to market risk as at December 31, 2024.

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's investments recognized at fair value are impacted by changes in market interest rates. Increases in interest rates result in a decrease of the fair value of the Villages MFA investments, while a decrease results in an increase in the fair value. The annual changes to the fair value of these investments are recognized through the statement of remeasurement gains losses) until realized on disposal. As at December 31, 2024 the Village did not maintain any investments at fair value.

The exposure to interest rate risk in relation to debt instruments is limited to long-term debt. The risk applies only to the long-term debt when amortization periods exceed the initial locked in term. Short-term financing is subject to daily float rates, which can result in variability over the course of short-term financing. Interest rate risk related to debt instruments is managed through budget and cash forecasts.

Liquidity Risk

Liquidity risk is the risk that the Village will not be able to meet its financial obligations as they become due. The Village manager liquidity risk by continually monitoring actual and forecasted cash flows from operations, anticipated investing, and financial activities to ensure that its financial obligations are met.

Village of Lions Bay

Schedule 1 - Combined Statement of Operations by Segment - 2024

For the year ended December 31, 2024

	General Fund						Total General Fund	Water Utility	Sewer Utility	2024 Actual	2024 Financial Plan
	General Government	Protective Services	Public Works Operation	Solid Waste Collection	Planning and Development	Parks and Recreation					
Revenues											
Taxation	2,201,310	-	-	-	-	-	2,201,310	-	98,606	2,299,916	2,238,307
Utility user rates	-	-	-	216,433	-	-	216,433	1,088,366	84,448	1,389,247	1,465,171
Government transfers	801,849	102,725	-	-	-	60,769	965,343	-	-	965,343	2,221,236
Sales of services	45,466	289,427	-	29,342	39,508	9,258	413,001	22,452	968	436,421	440,296
Other revenues	363,828	44,943	-	-	-	5,000	413,771	41,647	-	455,418	258,830
Gain on sale of asset held for sale	16,095	-	-	-	-	-	16,095	-	-	16,095	-
Loss on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	-	-
	3,428,548	437,095	-	245,775	39,508	75,027	4,225,953	1,152,465	184,022	5,562,440	6,623,840
Expenses											
Operating											
Goods and Services	484,338	601,807	206,958	201,913	4,233	200,965	1,700,214	376,454	53,964	2,130,632	2,799,821
Labour	844,128	243,251	157,097	-	36,063	182,550	1,463,089	535,143	31,783	2,030,015	1,645,611
Amortization	363,321	-	-	-	-	-	363,321	219,226	36,527	619,074	726,100
	1,691,787	845,058	364,055	201,913	40,296	383,515	3,526,624	1,130,823	122,274	4,779,721	5,171,532
Interest	-	305	17,000	-	-	-	17,305	87,206	-	104,511	62,273
	1,691,787	845,363	381,055	201,913	40,296	383,515	3,543,929	1,218,029	122,274	4,884,232	5,233,805
Annual surplus (deficit)	1,736,761	(408,268)	(381,055)	43,862	(788)	(308,488)	682,024	(65,564)	61,748	678,208	1,390,035

(Note 9)

Village of Lions Bay

Schedule 2 - Combined Statement of Operations by Segment - 2023

For the year ended December 31, 2023

	General Fund						Total General Fund	Water Utility	Sewer Utility	2023 Actual	2023 Financial Plan
	General Government	Protective Services	Public Works Operation	Solid Waste Collection	Planning and Development	Parks and Recreation					
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 3 - Tangible Capital Assets - 2024

For the year ended December 31, 2024

	Land	Buildings	Equipment & Furniture & Vehicles	Land Improvements	Water Infrastructure	Sewer Infrastructure	Transportation	Storm Sewer	WIP – General	2024 Total	2023 Total
Cost, beginning 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
Additions	-	562,503	1,719	4,613	609,765	-	-	-	256,247	1,434,847	151,712
Transfers	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Cost, end of year	11,729,844	2,949,638	2,606,913	228,350	11,050,197	1,468,710	5,111,962	101,450	371,234	35,618,298	34,183,451
Accumulated amortization, beginning 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
Amortization	-	69,321	165,549	9,541	219,226	36,527	115,309	1,242	-	616,715	617,926
Disposals	-	-	-	-	-	-	-	-	-	-	-
Accumulated amortization, end of year	-	1,193,034	1,964,549	111,457	4,068,557	421,878	3,557,581	87,226	-	11,395,070	10,778,355
Net carrying amount, end of year	11,729,844	1,756,604	642,576	116,893	6,981,640	1,055,832	1,554,381	14,224	371,234	24,223,228	23,405,096

Village of Lions Bay
Schedule 4 – Growing Communities Grant

December 31, 2024

Grant received in fiscal 2023	\$988,000
Eligible costs incurred	(325,888)
Interest allocation	<u>13,424</u>
Balance, December 31, 2023	\$675,536
Eligible costs incurred	-
Interest allocation	<u>20,266</u>
Balance, December 31, 2024 (Note 12)	<u>\$695,802</u>

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

Village of Lions Bay
Schedule 5 – Housing Needs Grant

December 31, 2024

Grant received in fiscal 2024	\$155,786
Eligible costs incurred	(2,625)
Interest allocation	<u>4,673</u>
Balance, December 31, 2024	<u>\$157,834</u>