

**Town of Qualicum Beach
Statement of Financial Information
For the Year Ended December 31, 2023**

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Town of Qualicum Beach
Schedule of Council Remuneration and Expenses
For The Twelve Months Ending December 31, 2023

Name	Position	Remuneration (Stipend)	Reimbursed Expenses
Harrison, S	Councillor	\$39,019	\$8,202
Skipsey, A	Councillor	\$39,019	\$7,687
Vander Valk, P	Councillor	\$39,019	\$1,817
Westbroek, T	Mayor	\$52,025	\$6,022
Young, J	Councillor	\$39,019	\$6,070
		<u>\$208,101</u>	<u>\$29,798</u>

Town of Qualicum Beach
Schedule of Employee Remuneration and Expenses
For The Twelve Months Ending December 31, 2023

Name	Position	Base Remuneration¹	Other Remuneration²	Total Remuneration	Expenses	Total
Augustyn, R	Senior Planner	86,038	378	86,415	2,704	89,119
Burow, P	Utility Chief Operator	83,002	888	83,890	500	84,390
Conn, G	Manager of Finance	115,781	3,856	119,637	2,084	121,721
Cornell, P.G.	Fire Chief	146,789	710	147,499	9,060	156,559
Crossley, C	Utility IV	75,008	357	75,365	897	76,262
Dickinson, R	Director of Infrastructure Services	78,859	458	79,317	2,046	81,363
Eshpeter, M	Building Inspector III	77,376	357	77,733	2,652	80,386
Froats, J	Information Systems Analyst	82,236	242	82,478	2,591	85,069
Goldfuss, K	Interim Operations Manager/ Airport Manager	111,036	8,099	119,135	0	119,135
Golob, E	Local Ass't Fire Commissioner III	80,466	23,765	104,230	6,414	110,644
Gould, W	Deputy Corporate Administrator	98,309	695	99,004	402	99,406
Gray, J	Utility IV (Arborist)	75,008	357	75,365	291	75,656
Hayre, R	Director of Finance	135,187	480	135,668	7,564	143,232
Hillsden, C	Trades III (Mechanic)	80,466	357	80,823	302	81,125
Humphreys, J	Utility III (Public Works)	74,092	926	75,018	306	75,324
Khrustalev, D	Information Systems Analyst	86,035	357	86,392	1,885	88,277
Lyonnais, R	Utility III	74,092	2,377	76,469	1,819	78,288
Marshall, D.R.	Bylaw Officer II	88,678	357	89,036	214	89,250
McKenzie, F	Deputy Fire Chief	129,141	710	129,851	3,877	133,728
Myden, S	Utility IV (Public Works)	74,427	1,409	75,836	1,802	77,638
Oakes, J	Utility III (Parks)	74,092	2,048	76,141	884	77,025
Orr, P	Mechanic/Trades I	75,008	357	75,365	309	75,674
Phye, D	Utility IV (Public Works)	75,008	357	75,365	0	75,365
Sales, L.B.	Director of Planning	149,080	13,890	162,970	7,585	170,555
Smith, C	Working Foreman	81,455	357	81,813	3,094	84,907
Sumando, C	Local Ass't Fire Commissioner III	80,466	24,742	105,208	11,172	116,380
Sun, R	Manager of IT and GIS	114,910	661	115,571	1,973	117,544
Svensen, H.B.	Corporate Administrator/ Deputy CAO	164,328	10,158	174,486	334	174,820
Twigge, L	Working Foreman	91,693	398	92,090	4,730	96,820
Varela, L	Chief Administrative Officer	202,281	694	202,975	8,810	211,785
Warzybok, A	Director of Human Resources	128,911	695	129,606	8,736	138,342
Watson, O	Manager of Capital Projects	116,008	1,364	117,372	1,758	119,130
Weir, R.K.	Interim Director of Capital Projects	119,884	5,473	125,357	653	126,010
Young, E.A.	Utility III (Public Works)	74,821	525	75,346	955	76,301
Total For Employees Over \$75,000		3,399,969	108,857	3,508,827	98,404	3,607,230
Total For Employees Under \$75,000				2,158,506	43,436	2,201,943
Total For All Employees				5,667,333	141,840	5,809,173

¹Base remuneration includes any form of salary or wages paid to an employee during the year but does not include anything payable under a severance agreement.

²Other Remuneration includes taxable benefits, vacation payouts, overtime payouts for Union staff and fire pay.

Town of Qualicum Beach
Reconciliation of Employee and Council Remuneration
as compared to 2023 Financial Statements

	Amount
Employee remuneration schedule	5,667,333
Council remuneration schedule	<u>208,101</u>
sub total	5,875,434
Employee Benefits and Other Adjustments	<u>1,479,947</u>
Total Wages and Benefits in Financial Statements	<u><u>7,355,381</u></u>

Town of Qualicum Beach
Schedule of Supplier Payments for 2023

SUPPLIER NAME

ADVANTAGE ONE TECHNOLOGY	26,571
ALEXANDRIA PLACE HOLDINGS	90,000
AMAIIS TECHNOLOGIES INC	31,649
AMAZON.COM.CA INC	34,731
ARROWVIEW ELECTRIC	90,271
ASSOCIATED FIRE SAFETY GROUP	103,125
BASELINE ARCHAEOLOGICAL SERVICES	56,295
BC ASSESSMENT AUTHORITY	174,931
BC HYDRO	473,882
BEACH CORNER CONCEPTS INC	198,659
BLUE PINE ENTERPRISES LTD	78,750
BRANCHING OUT URBAN FORESTRY	31,400
BRENTWOOD ADVISORY GROUP	46,810
BROGAN FIRE & SAFETY	91,167
C&L SUPERIOR CLEANING SERVICES	118,200
CANOE PROCUREMENT GROUP	59,196
CITY OF PARKSVILLE	79,841
COLLINS ELECTRIC INC	117,201
COPCAN CIVIL LP	265,307
CUPE - LOCAL #401	55,790
DBL DISPOSAL SERVICES	63,586
DOLLY'S HOME HARDWARE	50,844
DOMINION GOVLAW LLP	40,729
DYCON CONSTRUCTION LTD.	47,583
E.B. HORSMAN & SON	75,849
EDGETT EXCAVATING LTD	575,144
ENEX FUELS	894,225
ESRI CANADA	35,294
FORT GARRY FIRE TRUCKS	58,789
FORTIS BC-NATURAL GAS	32,009
FORWARD HOUSE COMMUNITY SOCIETY	27,481
FOUR STAR WATERWORKS	36,328
GREGG DISTRIBUTORS (BC) LTD	39,607
HAYLOCK BROTHERS PAVING	223,724
ICBC	41,257
IDEA CAMP COMMUNICATIONS	60,011
INTO THE WOODS CHILD CARE SOCIETY	80,506
KIRACO CONSULTING	30,192
KNAPPETT INDUSTRIES (2006) LTD	1,680,973
KOERS & ASSOCIATES ENGINEERING	628,374
KPMG LLP	37,832
KTI LIMITED	29,472
LAFRENTZ ROAD MARKING	50,169
LOUISE KOOL & GALT	30,060

Town of Qualicum Beach
Schedule of Supplier Payments for 2023

SUPPLIER NAME

MAINROAD MAINTENANCE PRODUCTS	49,551
MILESTONE EQUIPMENT CONTRACTING INC	1,591,564
MINISTER OF FINANCE	2,418,086
MKM PROJECTS LTD	395,793
MUNICIPAL INSURANCE ASSOC OF BC	315,695
MUNICIPAL PENSION FUND	853,204
NAKED NATURALS WHOLE FOODS LTD	25,083
NEXTGEN AUTOMATION	34,858
OPERATIONS ECONOMICS INC	30,144
PACIFIC BLUE CROSS	217,293
PWL PARTNERSHIP LANDSCAPE ARCHITECTS	27,956
QB CHAMBER OF COMMERCE	55,119
QB HISTORICAL & MUSEUM SOCIETY	119,652
RAYLEC POWER LTD	563,370
RBS MANAGED IT SERVICES	295,546
RECEIVER GENERAL FOR CANADA	1,238,609
REGIONAL DISTRICT OF NANAIMO	7,530,415
RIPTIDE MARINE SALES LTD	29,064
ROLLINS MACHINERY LTD	30,724
ROYAL BANK OF CANADA	261,957
SAFETEK EMERGENCY VEHICLES LTD	2,002,041
SEAL TEC INDUSTRIES LTD	47,094
SMITH ROAD MARKING	36,764
TELUS MOBILITY (BC)	35,395
TETRA TECH CANADA INC	81,830
VANCOUVER ISLAND REGIONAL LIBRARY	619,717
VANCOUVER ISLAND UNIVERSITY	56,895
VISA	198,681
WASTE CONNECTIONS OF CANADA	69,467
WESTERN OIL SERVICES	62,635
WESTPLAN CONSULTING GROUP	53,626
WEX CANADA LTD	28,359
WHITE PACIFIC SERVICES	93,026
WORKSAFEBC	192,722
YOUNG ANDERSON BARRISTERS	92,178
1100916 BC LTD	74,510
1283723 BC LTD	34,712
1399640 BC LTD	26,980
 TOTAL PAYMENTS (Vendors Over \$25,000)	 26,984,126
MISCELLANEOUS PAYMENTS (\$25,000 and Under)	<u>2,227,916</u>
TOTAL PAYMENTS	<u>29,212,042</u>

**Town of Qualicum Beach
Reconciliation of Suppliers Payments for 2023
Compared to Financial Statements**

Supplier Name	Amount
Supplier payments	29,212,042
Employee remuneration	5,667,333
Council remuneration	208,101
Acquisition of capital assets	-9,540,740
Amortization of capital assets	3,922,330
Other amounts and adjustments	-375,064
Other government tax payments	<u>-9,420,485</u>
Total Adjusted Payments	<u>19,673,517</u>
2023 Financial Statement Expenditures	<u>19,673,517</u>

**Town of Qualicum Beach
Schedule of Debt (Long Term)
For the year ended December 31, 2023**

	2023	2022
<u>Capital Lease</u>		
Fire Hall Loan 2.25%, due November 30, 2025	\$ 925,873	\$1,388,809
Fire Truck Loan, daily floating rate, due December 31, 2027	\$ 771,615	\$ 920,000
Fire Truck Loan, daily floating rate, due December 31, 2028	\$2,000,000	\$ -

Town of Qualicum Beach
Schedule of Guarantee & Indemnity Agreements
For the year ended December 31, 2023

There were no guarantee & indemnity agreements outstanding at December 31, 2023.

**Town of Qualicum Beach
Report of Employee Severance Agreements
For the year ended December 31, 2023**

There were no severance agreements made between the Town of Qualicum Beach and its non-unionized employees during 2023.

Consolidated Financial Statements of



TOWN OF
QUALICUM BEACH

And Independent Auditor's Report thereon

Year ended December 31, 2023



TOWN OF QUALICUM BEACH

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Town of Qualicum Beach (the "Town") are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated 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 Town'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 consolidated financial statements. These systems are monitored and evaluated by management.

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

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

Director of Finance



KPMG LLP
177 Victoria Street, Suite 400
Prince George BC V2L 5R8
Canada
Tel 250 563 7151
Fax 250 563 5693

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the Town of Qualicum Beach

Opinion

We have audited the consolidated financial statements of Town of Qualicum Beach (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated 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 consolidated financial position of the Entity as at December 31, 2023 and its consolidated results of operations and its consolidated 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 Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 Entity'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 Entity'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 Entity 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.



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- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly wavy line that serves as a flourish or underline.

Chartered Professional Accountants

Prince George, Canada

May 3, 2024



December 31, 2023, with comparative information for 2022

See accompanying notes to consolidated financial statements.

2/1/2020



TOWN OF QUALICUM BEACH

Consolidated Statement of Operations and Accumulated Surplus

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

	2023 Budget (note 16)	2023 Actual	2022 Actual
Revenue (note 15):			
Net taxation (note 12)	\$ 13,394,600	\$ 13,418,972	\$ 12,686,574
Sales of services	3,741,400	4,176,746	4,118,601
Other revenue from own sources	1,623,500	1,684,226	1,775,667
Interest and tax penalties	407,000	1,302,422	495,359
Government transfers (note 13)	7,537,300	7,383,214	5,187,136
Capital contributions	-	930,000	12,550
Gain on sale of tangible capital assets	-	29,816	-
Gain on sale of assets held for sale	-	-	2,581,704
Total revenue	26,703,800	28,925,396	26,857,591
Expenses (note 15):			
General government services	2,505,700	2,636,314	2,494,906
Protective services	2,867,500	2,702,508	2,653,714
Transportation services	3,825,900	6,395,266	6,606,705
Solid waste services	933,700	995,136	924,259
Water services	2,249,600	2,236,007	1,727,514
Sewer services	1,032,000	961,120	458,847
Planning and development services	2,651,400	2,187,978	1,983,827
Parks and recreation services	1,513,200	1,559,188	1,616,134
Total expenses	17,579,000	19,673,517	18,465,906
Annual surplus	9,124,800	9,251,879	8,391,685
Accumulated surplus, beginning of year	141,906,840	141,906,840	133,515,155
Accumulated surplus, end of the year	\$ 151,031,640	\$ 151,158,719	\$ 141,906,840

See accompanying notes to consolidated financial statements.



Consolidated Statement of Changes in Net Financial Assets

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

	Budget	2023	2022
Annual surplus	\$ 9,124,800	\$ 9,251,879	\$ 8,391,685
Acquisition of tangible capital assets	(9,987,500)	(9,540,740)	(7,069,247)
Amortization of tangible capital assets	-	3,922,330	3,541,508
Proceeds on sale of tangible capital assets	-	29,816	-
(Gain) loss on disposal of tangible capital assets	-	(29,816)	43,063
	(9,987,500)	(5,618,410)	(3,484,676)
(Purchase) use of supplies inventories	-	(83,615)	7,580
Change in prepaid expenses	-	(51,180)	10,920
	-	(134,795)	18,500
Change in net financial assets	(862,700)	3,498,674	4,925,509
Net financial assets, beginning of year	13,226,284	13,226,284	8,300,775
Net financial assets, end of year	\$ 12,363,584	\$ 16,724,958	\$ 13,226,284

See accompanying notes to consolidated financial statements.



TOWN OF QUALICUM BEACH

Consolidated Statement of Cash Flows

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

	2023	2022
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 9,251,879	\$ 8,391,685
Items not involving cash:		
Gain on sale of assets held for sale	-	(2,581,704)
(Gain) loss on disposal of tangible capital assets	(29,816)	43,063
Amortization of tangible capital assets	3,922,330	3,541,508
	13,144,393	9,394,552
Changes in non-cash operating working capital:		
Accounts receivable	(702,721)	(1,123,767)
Capital lease receivable	29,306	40,286
Municipal Finance Authority debt reserve fund deposit	(1,678)	(1,179)
Inventories	(83,615)	7,580
Prepaid expenses	(51,180)	10,920
Accounts payable and accrued liabilities	1,253,126	122,551
Accrued employee benefits	122,235	(211,572)
Deferred revenue	868,139	(960,203)
Performance bonds and deposits	148,460	(83,940)
Asset retirement obligation	307,130	-
	15,033,595	7,195,228
Financing:		
Repayment of long-term debt	(611,321)	(462,937)
Proceeds from long-term debt	2,000,000	920,000
	1,388,679	457,063
Investing:		
Acquisition of tangible capital assets	(9,540,740)	(7,069,247)
Proceeds on disposal of tangible capital assets	29,816	-
Acquisition of assets held for sale	-	(186,940)
Proceeds on sale of assets held for sale	-	4,149,380
	(9,510,924)	(3,106,807)
Increase in cash and cash equivalents	6,911,350	4,545,484
Cash and cash equivalents, beginning of year	22,442,932	17,897,448
Cash and cash equivalents, end of year	\$ 29,354,282	\$ 22,442,932

See accompanying notes to consolidated financial statements.



TOWN OF QUALICUM BEACH

Notes to Consolidated Financial Statements

Year ended December 31, 2023

Nature of operations:

Town of Qualicum Beach (the "Town") The Town of Qualicum Beach (the "Town") was incorporated on May 5, 1942 under the provisions of the Local Government Act of British Columbia. The Town's principal activities include the provision of services to residents of Qualicum Beach. These include general government services, protective services, transportation services, solid waste services, water services, sewer services planning and development services and parks and recreation services.

1. Significant accounting policies:

These consolidated financial statements of the Town are prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Town are as follows:

(a) Basis of consolidation:

(i) Consolidated entities:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the Town. The Town is comprised of all organizations, committees and local boards accountable for the administration of its financial affairs and resources to the Town and which are owned or controlled by the Town.

(ii) Accounting for Region and School Board transactions:

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the Region and the School Board are not reflected in these consolidated financial statements.

(iii) Trust funds:

Trust funds and their related operations administered by the Town are not included in these consolidated financial statements.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(b) Basis of accounting:

The Town follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Revenue recognition:

Taxation and user fee revenues are recognized in accordance with the provisions of the Community Charter. The Town is required to act as the agent for the collection of certain taxes and fees imposed by other authorities. Collections for other authorities are excluded from the Town's taxation revenues, except for the taxes collected for the Vancouver Island Regional Library.

Revenue unearned in the current period is reported on the consolidated statement of financial position as deferred revenue.

(d) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

(e) Government transfers:

Government transfers, which include legislative grants, are recognized as revenue in the financial statements when 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. Transfer revenue is recognized in the statement of operations as the stipulations for liabilities are settled.

(f) Cash and cash equivalents:

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition.



TOWN OF QUALICUM BEACH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(g) Assets held for sale:

Assets held for sale are those expected to be sold within one year. They are valued at the lower of cost or expected net realizable value. When a decline in net realizable value is determined to be other than temporary, the impairment is recognized in the consolidated statement of operations and accumulated surplus.

(h) Accrued employee benefits:

The Town and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred.

In addition to the Municipal Pension Plan, sick leave and other retirement benefits are also available to the Town's employees. The costs of these benefits are determined based on years of service and best estimates of retirement ages and expected future salary and wage increases. The obligations under these benefit plans are accrued based on projected benefits earned as the employees render services necessary to earn the future benefits.

(i) Non-financial assets:

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

(i) Inventories:

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



TOWN OF QUALICUM BEACH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(i) Non-financial assets (continued):

(ii) Tangible capital assets:

Tangible capital assets are 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 the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful life - Years
Buildings	5-50
Equipment	3-20
Land improvements	10-75
Transportation	20-75
Water and sewer	50-80

A full year of amortization is charged in the year that an asset becomes available for productive use and none in the year of disposal.

Assets under construction are not amortized until the asset is available for productive use.

(iii) Contributions of tangible capital assets:

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

(iv) Interest capitalization:

The Town does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(j) Use of estimates:

The preparation of the financial statements in conformity with Canadian public sector accounting standards 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 year. Significant items subject to such estimates and assumptions include the carrying value of tangible capital assets, collectibility of accounts receivable, accrued liabilities, obligations related to employee future benefits, and the provision for asset retirement obligations.

The Town's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

Actual results could differ from those estimates.

(k) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- a) an environmental standard exists;
- b) contamination exceeds the environmental standard;
- c) the organization is directly responsible or accepts responsibility for the liability;
- d) future economic benefits will be given up; and
- e) a reasonable estimate of the liability can be made.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(l) Asset retirement obligation:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- a) there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- b) the past transaction or event giving rise to the liability has occurred;
- c) it is expected that future economic benefits will be given up; and
- d) a reasonable estimate of the amount can be made.

The estimate of the asset retirement obligation includes costs directly attributable to the asset retirement activities.

If the tangible capital asset is in productive use, the estimated obligation is recorded as a liability and increase to the related tangible capital asset. The increase to the tangible capital asset is amortized in accordance with the amortization accounting policy outlined in note 1(i)(ii). The carrying value of the liability is reviewed at each financial reporting date with changes to the amount of the original estimate of cash flows recorded as an adjustment to the asset retirement obligations liability and related tangible capital asset.

If the tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed. The carrying value of the liability is reviewed at each financial reporting date with changes to the amount of the original estimate of cash flows recorded as an adjustment to the asset retirement obligations liability and expense.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(m) Financial instruments:

Financial instruments include cash and cash equivalents, accounts receivable, Municipal Finance Authority ("MFA") deposit, accounts payable and accrued liabilities, accrued employee benefits, performance bonds and deposits, and long-term debt. Cash and cash equivalents include cash, high-interest savings accounts and short-term highly liquid investments that are readily convertible to known amount of cash and are subject to insignificant risk of changes in value.

Financial instruments are recorded at fair value on initial recognition. Equity instruments quoted in an active market and derivatives are subsequently measured at fair value as at the reporting date. All other financial instruments are subsequently measured at cost or amortized cost unless the Town has elected to carry the financial instrument at fair value. The Town has elected to carry any financial instruments at cost.

Unrealized changes in fair value would be recognized on the consolidated statement of remeasurement gains and losses. They are recorded in the consolidated statement of operations when they are realized. There are no unrealized changes in fair value as at December 31, 2023 and 2022 as the Town does not hold any equity instruments quoted in an active market nor any derivatives. As a result, the Town does not have a consolidated statement of remeasurement gains and losses.

Transaction costs incurred on the acquisition of financial instruments subsequently measured at fair value are expensed as incurred. Transaction costs incurred on the acquisition of financial instruments recorded at cost or amortized cost are included in the cost.

Sales and purchases of investments 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 consolidated statement of operations.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

2. Changes in accounting policies:

(a) PS 3450 - Financial Instruments:

On January 1, 2023, the Town adopted Public Accounting Standards PS 3450 – Financial Instruments. The standard was adopted prospectively from the date of adoption.

The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments, including derivatives, are included on the consolidated statement of financial position, and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Town's accounting policy choices.

Financial instruments are classified into two categories: fair value or cost.

- i. Fair value category: Includes investments that are quoted in an active market and derivative instruments reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments is recorded as an expense. Unrealized gains and losses on financial assets would be recognized in the statement of remeasurement gains and losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the statement of operations and accumulated surplus. There are no unrealized gains or losses as of December 31, 2023. As a result, the Town does not have a statement of remeasurement gains and losses.
- ii. Cost category: Gains and losses are recognized in the statement of operations and accumulated surplus when the financial asset is derecognized due to disposal or impairment. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments is included in the cost of the related investments.

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

2. Changes in accounting policies (continued):

(b) PS 3280 - Asset Retirement Obligations:

On January 1, 2023, the Town adopted Canadian public sector accounting standard 3280 Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of tangible capital assets. The standard was adopted using the prospective transitional provisions.

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

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

The estimated asset retirement costs are capitalized only if the related tangible capital asset is in productive use and recognized in the Town's books. The increase to the tangible capital asset is amortized in accordance with the amortization accounting policy outlined in note 1(i)(ii).

3. Cash and cash equivalents:

Included in cash and cash equivalents is \$270,652 (2022 - \$261,610) that is invested on behalf of the cemetery trust fund. These funds may only be used for the upkeep and care of the cemetery and burial plots.



TOWN OF QUALICUM BEACH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

4. Accounts receivable:

	2023	2022
Property taxes	\$ 447,072	\$ 384,062
Water rates	329,417	333,592
Sewer rates	197,797	202,577
Solid waste	212,829	212,743
Receivable from federal government	1,018,638	725,381
Receivable from provincial government	1,000,095	460,520
Interest receivable	124,459	83,432
Trade receivables	140,864	366,143
	<u>\$ 3,471,171</u>	<u>\$ 2,768,450</u>

5. Accounts payable and accrued liabilities:

	2023	2022
Trade payables	\$ 2,687,672	\$ 1,852,002
Payable to federal government	988,257	359,273
Payable to provincial government	359,979	181,967
Holdbacks payable	184,803	574,344
	<u>\$ 4,220,711</u>	<u>\$ 2,967,586</u>



TOWN OF QUALICUM BEACH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

6. Deferred revenue:

	2023	2022
Prepaid taxes	\$ 1,560,894	\$ 1,392,954
Prepaid utilities	13,224	10,328
Development cost charges	2,941,318	2,742,106
Off street parking	336,999	216,064
Grants	913,395	645,746
Land lease	143,125	150,000
Shoreline works	45,000	45,000
Building permits	126,202	22,856
Building licenses	17,210	-
Other	47,401	51,575
	<u>\$ 6,144,768</u>	<u>\$ 5,276,629</u>

Development cost charges includes statutory reserves that are required to be set-up under section 188(2) of the Community Charter.



TOWN OF QUALICUM BEACH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

7. Long-term debt:

	2023	2022
Municipal Finance Authority Loan bearing interest at 2.25% per annum, principal payments of \$231,468 semi-annually plus interest, due November 30, 2025.	\$ 925,873	\$ 1,388,809
Municipal Finance Authority Loan bearing interest at a daily floating rate, payments of \$17,156 monthly plus interest, due December 31, 2027.	771,615	920,000
Municipal Finance Authority Loan bearing interest at a daily floating rate, payments of \$38,322 monthly plus interest, due December 31, 2028.	2,000,000	-
	<u>\$ 3,697,488</u>	<u>\$ 2,308,809</u>

Principal repayments are due as follows:

2024	\$ 1,000,751
2025	1,018,166
2026	587,017
2027	648,081
2028	443,473
	<u>\$ 3,697,488</u>

8. Assets retirement obligation:

The Town owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the buildings and there is a legal obligation to remove it. In the 2023 initial recognition year, the Town recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at December 31, 2023 in the undiscounted amount of \$307,130.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

9. Tangible capital assets:

The Town manages and controls various works of art located at Town sites and public display areas including paintings and a sculpture. These assets are not recorded as tangible capital assets and are not amortized.

2023

	Work in progress	Land	Buildings	Equipment	Transportation	Improvements	Land	Water	Sewer	Total
Cost:										
Balance, beginning of year	\$ 11,536,664	\$ 38,432,522	\$ 32,642,014	\$ 7,355,562	\$ 66,386,292	\$ 27,974,552	\$ 16,191,037	\$ 10,242,315	\$ 210,760,958	
Additions	4,919,811	-	295,916	2,801,701	302,453	287,299	3,560	930,000	9,540,740	
Disposal	-	-	-	(112,636)	-	-	-	-	(112,636)	
Transfers	(10,002,400)	-	2,793,586	343,248	4,654,745	2,001,506	198,963	10,352	-	
Balance, end of year	6,454,075	38,432,522	35,731,516	10,387,875	71,343,490	30,263,357	16,393,560	11,182,667	220,189,062	
Accumulated amortization:										
Balance, beginning of year	-	-	12,530,725	4,353,230	39,994,286	12,552,142	6,763,426	6,029,247	82,223,056	
Amortization	-	-	752,915	535,304	1,612,232	601,141	234,080	186,658	3,922,330	
Disposals	-	-	-	(112,636)	-	-	-	-	(112,636)	
Balance, end of year	-	-	13,283,640	4,775,898	41,606,518	13,153,283	6,997,506	6,215,905	86,032,750	
Net book value	\$ 6,454,075	\$ 38,432,522	\$ 22,447,876	\$ 5,611,977	\$ 29,736,972	\$ 17,110,074	\$ 9,396,054	\$ 4,966,762	\$ 134,156,312	



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

9. Tangible capital assets (continued):

2022

	Work in progress	Land	Buildings	Equipment	Transportation	Land Improvements	Water	Sewer	Total
Cost:									
Balance, beginning of year	\$ 7,237,080	\$ 38,432,522	\$ 31,796,546	\$ 6,747,908	\$ 66,291,608	\$ 27,182,672	\$ 16,191,037	\$ 10,242,315	\$ 204,121,688
Additions	5,282,922	-	815,786	573,995	35,593	360,951	-	-	7,069,247
Disposal	(39,898)	-	-	(390,079)	-	-	-	-	(429,977)
Transfers	(943,440)	-	29,682	423,738	59,091	430,929	-	-	-
Balance, end of year	11,536,664	38,432,522	32,642,014	7,355,562	66,386,292	27,974,552	16,191,037	10,242,315	210,760,958
Accumulated amortization:									
Balance, beginning of year	-	-	11,800,569	4,354,027	38,518,819	12,004,266	6,532,239	5,858,542	79,068,462
Amortization	-	-	730,156	386,117	1,475,467	547,876	231,187	170,705	3,541,508
Disposals	-	-	-	(386,914)	-	-	-	-	(386,914)
Balance, end of year	-	-	12,530,725	4,353,230	39,994,286	12,552,142	6,763,426	6,029,247	82,223,056
Net book value	\$ 11,536,664	\$ 38,432,522	\$ 20,111,289	\$ 3,002,332	\$ 26,392,006	\$ 15,422,410	\$ 9,427,611	\$ 4,213,068	\$ 128,537,902

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

10. Accumulated surplus:

	2023	2022
Surplus:		
Investment in tangible capital assets	\$ 130,151,694	\$ 126,229,093
General		
Operating	1,538,519	1,592,773
Allocation to Community Works Gas Tax reserve	-	453,783
Allocation to operating projects reserve	-	796,000
Allocation to asset management reserves	-	6,049,000
Water		
Operating	1,067,662	685,013
Allocation to asset management reserves	-	1,880,000
Sewer		
Operating	214,633	149,875
Allocation to asset management reserves	-	572,000
	132,972,508	138,407,537
Statutory Reserves:		
Equipment reserve fund	-	57,414
Property reserve fund	2,127,648	2,025,159
Park land reserve fund	103,952	98,945
Emissions reduction reserve fund	25,519	24,290
Park improvements reserve fund	100,266	95,436
Cemetery reserve fund	282,892	270,650
Asset replacement reserve fund	5,714,475	-
New asset investment reserve fund	313,182	-
Water infrastructure reserve fund	2,812,416	-
Sewer infrastructure reserve fund	760,339	-
Growing Communities Fund	3,414,107	-
Curling Building reserve fund	115,272	-
	15,770,068	2,571,894

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

10. Accumulated surplus (continued):

	2023	2022
Non Statutory Reserves:		
Municipal Finance Authority debt reserve fund	55,623	53,946
Arrowsmith water reserve	76,515	70,761
Buildings reserve	-	56,000
Affordable housing reserve	450,000	450,000
Developer contribution reserve	104,202	104,202
COVID-19 Safe Restart Grant reserve	-	80,000
Tree replacement	29,000	10,000
Curling Club equipment	-	102,500
Community Works (Gas Tax) reserve	919,468	-
Election reserve fund	10,000	-
Strategic initiatives reserve fund	771,335	-
	2,416,143	927,409
	\$ 151,158,719	\$ 141,906,840

11. Investment in tangible capital assets:

	2023	2022
Investment in tangible capital assets beginning of the year	\$ 126,229,093	\$ 123,201,480
Add:		
Acquisition of tangible capital assets	9,540,740	7,069,247
Reduction in long-term debt	611,321	462,937
Proceeds on long-term debt	(2,000,000)	(920,000)
Asset retirement obligation	(307,130)	-
Less:		
Amortization	(3,922,330)	(3,541,508)
Net book value of tangible capital asset disposals	-	(43,063)
Investment in tangible capital assets at end of year	\$ 130,151,694	\$ 126,229,093

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

12. Net taxation revenue:

	2023	2022
Taxes collected		
General	\$ 11,112,967	\$ 10,430,330
Parcel tax - water	1,027,840	933,000
Parcel tax - sewer	237,700	213,615
1% utility tax	155,827	144,921
	12,534,334	11,721,866
Taxes collected for other government services		
Education	6,177,120	5,828,777
Regional District of Nanaimo	5,147,986	4,829,124
Nanaimo Regional Hospital District	1,776,043	1,434,763
Vancouver Island Regional Library	619,686	561,928
B.C. Assessment Authority	175,049	166,730
Municipal Finance Authority	1,009	922
	13,896,893	12,822,244
Less taxes paid to other governments	(13,286,956)	(12,224,232)
	609,937	598,012
Grants-in-lieu of taxes		
Federal government	15,943	17,115
Taxes paid to other governments	(8,484)	(9,123)
Fortis BC	93,220	65,863
B.C. Hydro	174,022	133,841
Permissive tax exemptions	-	159,000
	274,701	366,696
	\$ 13,418,972	\$ 12,686,574

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

13. Government transfers:

the government transfers reported on the consolidated Statement of Operations and Accumulated Surplus are:

	2023	2022
Provincial grants		
Unconditional	\$ 792,692	\$ 563,711
BC Air Access Program	20,895	159,000
Childcare Planning and Space Creation (UBCM)	-	850,549
Child Care Capital Funding Program - Childcare BC		
New Spaces Fund	124,700	1,160,176
Strengthening Communities Program	29,400	132,119
Development Approvals Program	77,286	152,741
Tourism Dependent Communities Grant	-	73,732
BC Active Transportation Infrastructure Grant	500,000	-
Waterfront Improvement Grant	532,093	-
Growing Communities Grant	3,346,000	-
Regional: Digital Fire Training System	87,451	-
Others	149,611	-
	5,660,128	3,092,028
Federal grants		
Canada Community Building Fund	471,343	451,479
Airport Capital Assistance Program	233,105	1,075,269
Active Transportation Fund	1,018,638	-
Other	-	568,360
	1,723,086	2,095,108
	\$ 7,383,214	\$ 5,187,136

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

14. Commitments and contingencies:

(a) Regional District

The Town is responsible, as a member of the Regional District of Nanaimo and the Nanaimo Regional Hospital District, for its proportion of any operating deficits or capital debt related to functions in which it participates.

(b) Municipal Pension Plan

The Town 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 240,000 (2022 - 227,000) active members and approximately 124,000 (2022 - 118,000) retired members. Active members include approximately 43,000 (2022 - 42,000) 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 Town paid \$449,731 for employer contributions to the plan in fiscal 2023 (2022 - \$402,534).

The next valuation will be as at December 31, 2024, with results available in 2025.

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



TOWN OF QUALICUM BEACH

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

14. Commitments and contingencies (continued):

(c) Municipal Finance Authority contingent demand notes

Under borrowing arrangements with the MFA, the Town is required to lodge security by means of a demand note and an interest-bearing cash deposit based on the amount of the borrowing. As a condition of the borrowing, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. This deposit is included in the Town's financial assets and is held by the MFA as security against the possibility of debt repayment default. If the debt is repaid without default, the deposit is refunded to the Town. At December 31, 2023, there was a contingent demand note of \$212,517 (2022 - \$212,517) which was not included in the financial statements of the Town.

(d) Municipal Insurance Association of British Columbia

The Town is a participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible that the Town, along with other participants, would be required to contribute towards the deficit.

(e) Contingent liabilities

The Town may, from time to time, be involved in legal proceedings, claims, and litigation that arise in the normal course of business. At December 31, 2023, there are claims outstanding and management has determined the outcome to be undeterminable and thus no accrual has been recorded. It is considered that the potential claims would not materially affect the Town's financial statements and any amounts ultimately settled will be recorded in the period in which the claim is resolved.

15. Segmented information:

The Town is a diversified municipal government that provides a wide range of services to its residents. The following is a description of the types of services included in each of the main segments of the Town's financial statements:

General government services

Services related to general corporate and legislative governance and administration as well as human resources, information technology and financial management.

Protective services

Services related to providing fire protection, bylaw enforcement and building inspection to the Town, as well as the Town's share of expenses related to providing policing.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

15. Segmented information (continued):

Transportation services

Services related to the delivery of municipal public works services including the development and maintenance of roadway systems, street lighting, airport operations and other public works and engineering related services.

Solid waste services

Services related to the collection of garbage and chipping as well as environmental testing and monitoring.

Water services

Services related to the delivery of water and the planning and development and maintenance of the Town's water infrastructure.

Sewer services

Services related to the sanitary sewer removal and the planning and development and maintenance of the Town's sewer infrastructure.

Planning and development services

Services related to planning for development and for improving quality of life and sustainability initiatives.

Parks and recreation services

Services related to the development and maintenance of parks and trails, municipal landscaping, and providing and maintaining recreation and cultural buildings.

The following statement provides additional information for the foregoing functions. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

15. Segmented information (continued):

2023												
	General government services			Protective services	Transportation services	Solid waste services	Water services	Sewer services	Planning and development services	Parks and recreation services	Total	
Revenue:												
Net taxation	\$	12,153,432	\$	-	\$	-	\$	237,700	\$	-	\$	13,418,972
Sale of services		44,885		121,335		826,640		770,616		301,701		4,176,746
Other revenue from own sources		648,750		-		-		-		-		1,684,226
Interest and tax penalties		1,302,422		-		-		-		-		1,302,422
Government transfers		3,758,500		346,055		-		-		198,798		7,383,214
Capital contributions		-		-		-		930,000		-		930,000
Gain on disposal of assets		29,816		-		-		-		-		29,816
Total revenues		17,937,805		467,390		826,640		1,938,316		500,499		28,925,396
Expenses:												
Salaries, wages and employee benefits		2,017,945		1,069,298		148,859		260,287		689,741		7,355,381
Goods and services		408,612		1,483,888		846,277		529,447		1,498,237		8,276,517
Amortization		90,468		149,322		-		171,386		-		3,922,330
Fiscal services		119,289		-		-		-		-		119,289
Total expenses		2,636,314		2,702,508		995,136		961,120		2,187,978		19,673,517
Annual surplus (deficit)	\$	15,301,491	\$	(2,235,118)	\$	(168,496)	\$	834,718	\$	977,196	\$	418,052
												\$ 9,251,879



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

15. Segmented information (continued):

2022

	General government services	Protective services	Transportation services	Solid waste services	Water services	Sewer services	Planning and development services	Parks and recreation services	Total
Revenue:									
Net taxation	\$ 11,539,959	\$ -	\$ -	\$ -	\$ 933,000	\$ 213,615	\$ -	\$ -	12,686,574
Sale of services	367,749	107,077	40,070	782,296	1,665,640	727,445	240,773	13,555	3,944,605
Other revenue from own sources	646,615	-	921,773	-	-	-	-	181,680	1,750,068
Interest and tax penalties	495,359	-	-	-	-	-	-	-	495,359
Government transfers	515,000	262,811	1,721,269	-	210,103	-	284,859	2,193,094	5,187,136
Capital contributions	-	-	12,550	-	-	-	-	-	12,550
Gain on disposal of assets	2,581,704	-	-	-	-	-	-	-	2,581,704
Total revenues	16,146,386	369,888	2,695,662	782,296	2,808,743	941,060	525,632	2,388,329	26,657,996
Expenses:									
Salaries, wages and employee benefits	1,128,014	1,097,761	1,610,759	154,928	688,190	235,596	672,134	1,026,069	6,613,451
Goods and services	1,230,372	1,421,129	2,397,547	769,330	679,438	68,506	1,311,693	378,096	8,256,111
Amortization	81,684	134,824	2,598,399	-	359,886	154,746	-	211,969	3,541,508
Fiscal services	54,836	-	-	-	-	-	-	-	54,836
Total expenses	2,494,906	2,653,714	6,606,705	924,258	1,727,514	458,848	1,983,827	1,616,134	18,465,906
Annual surplus (deficit)	\$ 13,651,480	\$ (2,283,826)	\$ (3,911,043)	\$ (141,962)	\$ 1,081,229	\$ 482,212	\$ (1,458,195)	\$ 772,195	\$ 8,192,090



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

16. Budget data

The budget data presented in these consolidated financial statements is based upon the 2023 operating and capital budgets approved by Council via Bylaw 778 on May 10, 2023.

The table below reconciles the approved budget to the budget figures reported in these consolidated financial statements:

	Budget amount
Revenue:	
Operating budget	\$ 26,703,800
Less:	
Add:	
Proceeds from borrowing	3,325,000
Transfers from surplus or reserves	5,468,000
Total revenue	35,496,800
Expenses:	
Operating budget	17,579,000
Capital budget	9,987,500
Less:	
Add:	
Transfers to reserves	7,230,300
Debt principal repayments	628,000
Debt interest payments	72,000
Total expenses	35,496,800
	\$ -

17. Comparative information:

Certain 2022 comparative figures have been reclassified to conform with the consolidated financial statement presentation adopted for the current year. The changes had no impact on prior year annual surplus.



Schedule 1 - Canada Community Building Fund

Year ended December 31, 2023

	2023	2022
Opening balance	\$ 453,783	\$ -
Grant funds received	471,343	451,478
Interest earned	33,891	2,305
	959,017	453,783
Project expenditures	19,205	-
	\$ 939,812	\$ 453,783

Canada Community Building Fund grants are provided by the Government of Canada. Use of the funding is established by a funding agreement between the Municipality and the Union of British Columbia Municipalities. Canada Community Buildings Fund grants may be used towards designated public transport, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreement.



TOWN OF QUALICUM BEACH

Schedule 2 - COVID-19 Safe Restart Grant

Year ended December 31, 2023

	2023	2022
Opening balance	\$ 80,000	\$ 526,097
Project expenditures		
Revenue shortfalls	-	15,000
Technology costs to improve remote work	38,378	173,369
Community grants	-	70,385
General administration	-	37,355
Emergency services	11,108	50,682
Protective services	-	1,600
Parks and buildings	-	97,706
Planning and community development	30,514	-
	80,000	446,097
	\$ -	\$ 80,000



TOWN OF QUALICUM BEACH

Schedule 3 - Growing Communities Fund

Year ended December 31, 2023
(Unaudited)

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

The Town received \$3,346,000 of GCF funding in March 2023.

	2023	2022
Growing Community Fund	\$ 3,346,000	\$ -
Project expenditures:		
Park upgrades	61,968	-
	3,284,032	-
Interest earned	130,075	-
	\$ 3,414,107	\$ -