

# District of Stewart

Canada's Most Northerly Ice-Free Port

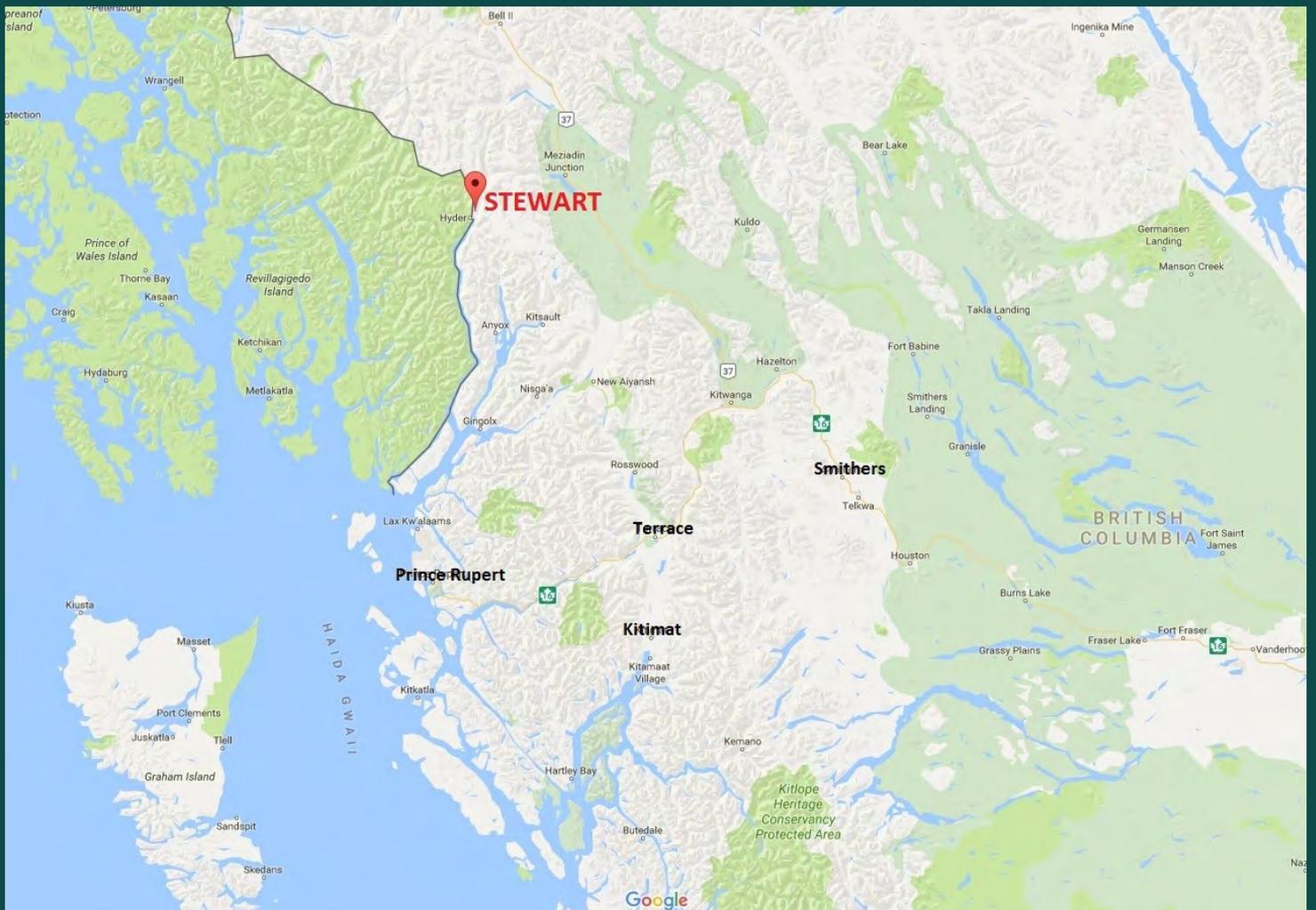


## 2017 Annual Report





**Welcome to Stewart**



# Stewart

Situated across from Alaska's Misty Fiords National Park and at the end of the Portland Canal, Stewart, BC is a unique border town attracting tourists from every corner of the world.

Stewart was established in 1905 and named after the Stewart brothers who were early prospectors in the area. Stewart's boom happened in 1910 with the illusions of gold, furs and riches.

The economy of Stewart is supported by a varied range of industries including logging, mining and mining exploration and is destined to become a major port for distribution of ore and logs. Stewart offers a paved highway to major transportation routes, a salt water port which supports a barge terminal and bulk commodity loader.

The Portland Canal is a mere 80-90 miles from the Pacific Ocean allowing ships of all kinds to come from all over the world.



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## Municipal Council — 2014 to 2018



Mayor Galina Durant (front row, center)

### Councillors

(front row) Sylvia Goulet, Gina McKay

(back row) Eike Riemann, Bernie Elliott,  
Neal Rowe, Patricia Lynn

Council conducts its Regular Meetings on the second and fourth Monday of every month at 7 p.m. in Council Chambers located at the Municipal Hall, 705 Brightwell Street.

Public delegations and input are always welcome at Council Meetings – please contact the District office at (250) 636-2251 to schedule a delegation time in advance.

For more information on local government and the District of Stewart, visit the municipal website:

[www.districtofstewart.com](http://www.districtofstewart.com)

# Message from the Mayor

On behalf of District Council, I am proud to present the District of Stewart 2017 Annual Report.

This document showcases key initiatives and accomplishments in our community over the last year, goals for 2017 and 2018, and presents the District's audited 2017 financial statements.

In 2017, as with other years, Council and Staff worked diligently to accomplish goals that were set with a focus on fiscal responsibility, accountability, customer service & engagement, and progressive community planning. This focus was established during Strategic Planning Sessions.

Improvement of the Corporate Culture, Communications and Public Engagement; Enhancement of Community Social and Recreational Well-being, Municipal Infrastructure, and Economic Development were determined by Council to be significant.

When I think of a livable community, I think of a place with both small-town charm and opportunities for investors and businesses. A place where sports and the arts are thriving, and where the environment is valued and protected. A place that is safe, and where families can afford to live, and their kids as well once they grow up. A place that people are proud to call their home. Planning for the future was a priority throughout the year and continues in 2018.

The District remains committed to providing high-quality municipal programs, services and infrastructure for all residents, and to engaging responsibly as we navigate and shape the future together.

In 2017, considerable steps were taken to secure funding to address much needed infrastructure projects. Our efforts resulted in \$1,022,100.00 in Infrastructure Grants awarded to the District of Stewart. This is a significant investment in building the infrastructure that Stewart needs now and for the future.

This look back at the previous year provides opportunity to celebrate our successes, while learning about how we can serve our citizens by building a better economy, stronger and safer community, and an even smarter Town Hall. I encourage you to take the time to browse this Annual Report. You will find the finance of the District of Stewart are in excellent shape and the plans for the future are well-laid and based on a strong foundation.

The 2017 Annual Municipal Report is an opportunity to recognize the vast work that has been accomplished this past year by members of Council, residents and volunteers.

Council joins me in recognizing our Management Team and Staff for their ongoing professionalism, and daily dedication to preserving and enhancing the quality of life that we all enjoy in Stewart.

On behalf of Council, we are truly honoured to be serving such a caring community with a big heart.

We hope you enjoy reading this report and learning more about accomplishments and plans we are working on which will position Stewart to be one of the best places to live, work, and play.

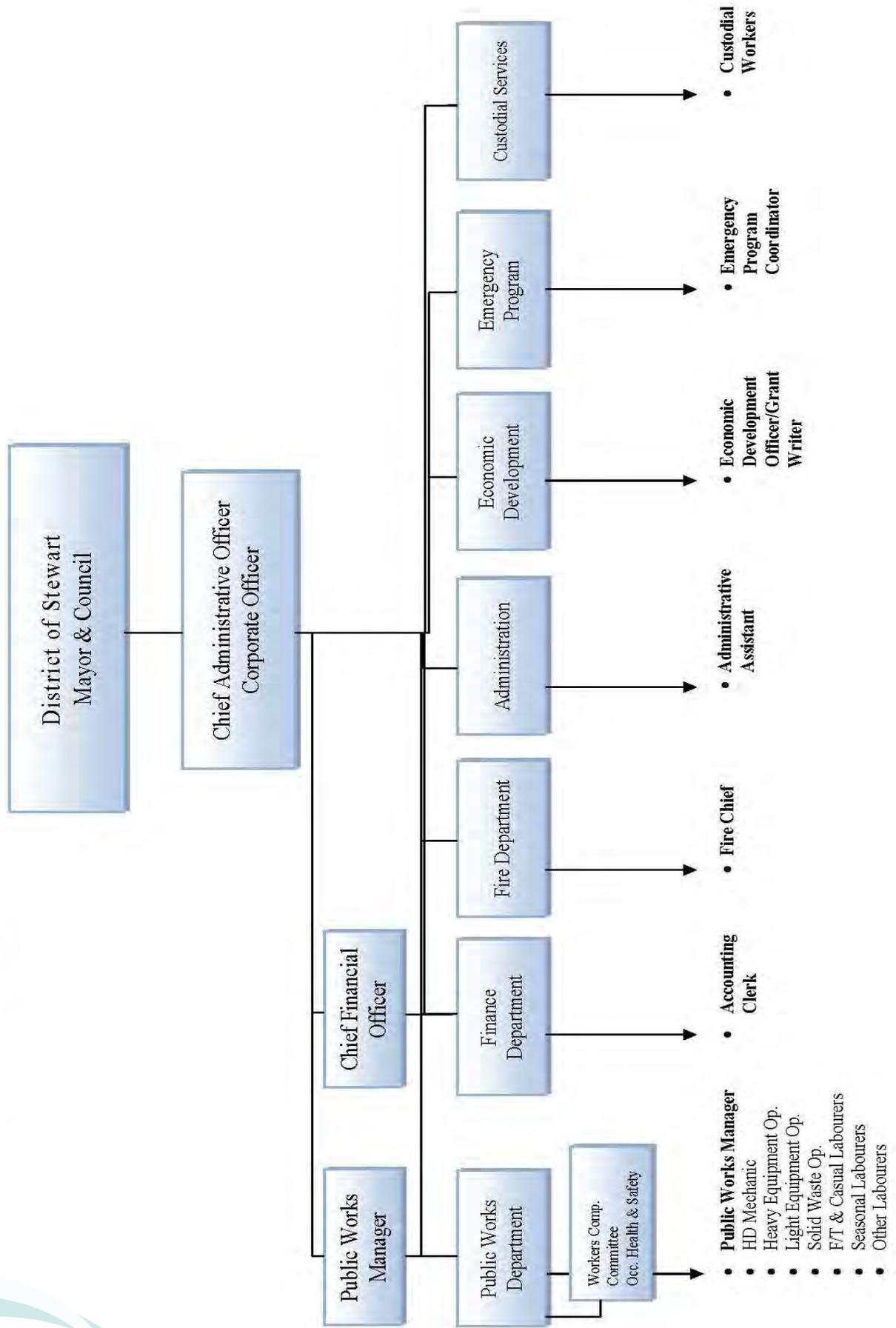
*Galina Durant*

**Mayor Galina Durant**



# DISTRICT OF STEWART

Organizational Chart –2016



## ACTIVITY LIST for 2017

Objective	Measure	Outcome
<b>#1) INFRASTRUCTURE</b>		
1. Renew & Maintain Infrastructure (Water, sewer, roads, street lighting (LED), drainage, buildings)	<ul style="list-style-type: none"> <li>▪ Complete asset management plan</li> <li>▪ Complete energy consumption audit/climate action charter</li> </ul>	<ul style="list-style-type: none"> <li>▪ Completed</li> <li>▪ Policy adopted</li> <li>▪ Member of Climate Action Charter</li> <li>▪ Seal Coated Dike Road &amp; Railway Street</li> </ul>
2. Flood Mitigation	<ul style="list-style-type: none"> <li>▪ Complete mitigation work in Bear River as determined by application to Federal/provincial gov. (Bear River Structural Mitigation Grant)</li> <li>▪ Complete installation of a flood monitoring system in Bear River</li> </ul>	<ul style="list-style-type: none"> <li>▪ Flood Monitor Installed &amp; operational</li> <li>▪ Secured grant for flood mitigation</li> </ul>
3. Airport Development	<ul style="list-style-type: none"> <li>▪ Assess current condition and investigate opportunity for airport expansion</li> </ul>	<ul style="list-style-type: none"> <li>▪ Feasibility study completed</li> </ul>
4. Recycling & Swimming Pool (?)	<ul style="list-style-type: none"> <li>▪ Investigate options for building improvements or alternative site</li> </ul>	<ul style="list-style-type: none"> <li>▪ Building assessment completed</li> </ul>
5. Energy audit	<ul style="list-style-type: none"> <li>▪ Determine areas/methods to reduce energy consumption</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identified required changes</li> </ul>
6. Truck fleet	<ul style="list-style-type: none"> <li>▪ Assess &amp; determine replacement timeline</li> </ul>	<ul style="list-style-type: none"> <li>▪ Plow Truck replaced</li> </ul>
7. Library	<ul style="list-style-type: none"> <li>▪ Continued support</li> </ul>	<ul style="list-style-type: none"> <li>▪ Support ongoing</li> </ul>
<b>#2) SOCIAL &amp; RECREATION</b>		
1. Elementary School Uses	<ul style="list-style-type: none"> <li>▪ Conduct cost benefit analysis for community use</li> </ul>	<ul style="list-style-type: none"> <li>▪ School sold</li> </ul>
2. Community Clean-Up	<ul style="list-style-type: none"> <li>a) Establish bylaw enforcement policy for unsightly premises/derelict vehicles &amp; boats</li> <li>b) Undertake community clean-up</li> </ul>	<ul style="list-style-type: none"> <li>b) Community Cleanup</li> </ul>
3. Outdoor Pool	<ul style="list-style-type: none"> <li>▪ Investigate options for location and development</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ongoing</li> </ul>
4. Boardwalk	<ul style="list-style-type: none"> <li>▪ Maintenance &amp; improvements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ongoing</li> </ul>
5. Complete Nature Trail	<ul style="list-style-type: none"> <li>▪ Adding additional gravel to trail and building/repairing bridges</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ongoing</li> </ul>
6. Recreation Facilities	<ul style="list-style-type: none"> <li>▪ Explore more active recreation facilities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Walking Track &amp; Mini-Golf grants received</li> </ul>
7. Palliative care	<ul style="list-style-type: none"> <li>▪ Pursue and advocate for palliative care facilities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Age Friendly Grant rec'd</li> </ul>
8. Support Healthy Community Committee	<ul style="list-style-type: none"> <li>▪ Provide Budget</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ongoing support</li> <li>▪ ESS Grant Received</li> </ul>
<b>#3) ECONOMIC DEVELOPMENT</b>		
1. Intermodal Port	Pursue Development	<ul style="list-style-type: none"> <li>▪ Ongoing</li> </ul>
2. Boat Launch	<ul style="list-style-type: none"> <li>▪ Complete</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pending</li> </ul>
3. Create Proactive Business Climate	<ul style="list-style-type: none"> <li>a) Develop a strategy</li> <li>b) Implement community partnerships to establish a proactive business</li> </ul>	<ul style="list-style-type: none"> <li>▪ Economic Development initiated a community Business Walk</li> </ul>
4. Tourism (Chamber of Commerce / Campground)	<ul style="list-style-type: none"> <li>a) Review campground operation options</li> <li>b) Develop a tourism promotion policy</li> </ul>	<ul style="list-style-type: none"> <li>a) Review ongoing</li> <li>b) Tourism Initiative Agreement with RDKS</li> </ul>
5. Booming Grounds	<ul style="list-style-type: none"> <li>▪ Provide sufficient budget for ongoing repair &amp; maintenance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Budget prepared</li> <li>▪ Log Skids repairs</li> </ul>
<b>#4) ADMINISTRATIVE</b>		
1. Council & Staff Learning Opportunities	<ul style="list-style-type: none"> <li>a) Determine suitable opportunity for distance learning/other media/travel</li> <li>b) Provide inventory of available courses for Council &amp; Staff</li> </ul>	<ul style="list-style-type: none"> <li>▪ Small Water Systems: 3 Public Works employees certified</li> </ul>
2. Healthy Work Environment	<ul style="list-style-type: none"> <li>▪ Develop and institute programs to ensure there is good moral and respectful interaction</li> </ul>	<ul style="list-style-type: none"> <li>▪ Christmas party, Staff BBQ, B-day cake days</li> </ul>
3. Streamline Procedures <ul style="list-style-type: none"> <li>▪ Fiscal responsibility</li> <li>▪ Efficiency</li> </ul>	<ul style="list-style-type: none"> <li>▪ Institute efficient systems for operating and maintenance</li> <li>▪ Institute efficient financial procedures (banking, accounts payable)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Regular Staff meetings to address budget</li> <li>▪ new savings account</li> </ul>
4. Policies & Bylaws (Social Media, Traffic)	<ul style="list-style-type: none"> <li>a) Update as necessary</li> <li>b) Adopt a social media use policy</li> <li>c) Review and update traffic bylaw</li> </ul>	<ul style="list-style-type: none"> <li>a) ongoing</li> <li>b) adopted</li> <li>c) ongoing</li> </ul>
5. Information Technology (I.T.)	<ul style="list-style-type: none"> <li>▪ Upgrade internet, security, computers &amp; contract support</li> </ul>	<ul style="list-style-type: none"> <li>Accomplished</li> </ul>
6. Emergency Plan <ul style="list-style-type: none"> <li>▪ Coordinator</li> <li>▪ Programme</li> </ul>	<ul style="list-style-type: none"> <li>a) Complete Emergency Plan updates</li> <li>b) Conduct tabletop exercises</li> <li>c) Investigate roll of Emergency Coordinator</li> </ul>	<ul style="list-style-type: none"> <li>Emergency Coordinator Hired</li> </ul>



# MUNICIPAL OBJECTIVES 2018

PRIORITY/DESIRED OUTCOMES	Tasks/Action Plan
<b>#1) Infrastructure</b>	
1. Renew and Maintain Infrastructure <ul style="list-style-type: none"> <li>▪ Water</li> <li>▪ Sewer</li> <li>▪ Roads</li> <li>▪ Drainage</li> </ul>	<ul style="list-style-type: none"> <li>▪ complete energy consumption audit/climate action charter</li> <li>▪ Include in 2018 – 2022 Financial Plan adequate funding for all assets identified in Asset Management Plan that requires replacement in these years</li> <li>▪ apply for infrastructure grants when available to match the District’s Asset Management Plan</li> </ul>
2. Flood Mitigation	<ul style="list-style-type: none"> <li>▪ complete mitigation work in Bear River as determined by application to Federal/provincial govts. (Bear River Structural Mitigation Grant)</li> </ul>
3. Airport Development	<ul style="list-style-type: none"> <li>▪ assess current condition and investigate opportunity for airport expansion</li> </ul>
<b>#2) ECONOMIC DEVELOPMENT</b>	
1. Pursue Intermodal Port Development	<ul style="list-style-type: none"> <li>▪ The District will support industrial parks and facilities to provide for intermodal port facilities</li> </ul>
2. Create Proactive Business Climate	<ul style="list-style-type: none"> <li>▪ Develop a strategy to create a proactive business climate</li> <li>▪ Implement community partnerships to</li> <li>▪ establish a proactive business climate</li> </ul>
3. Tourism	<ul style="list-style-type: none"> <li>▪ Develop a tourism promotion policy with the Regional District</li> </ul>
<b>#3) ADMINISTRATIVE</b>	
1. Council Orientation	<ul style="list-style-type: none"> <li>▪ Hire Consultant to put on seminar for new Council elected in November 2018</li> </ul>
2. Streamline Procedures	<ul style="list-style-type: none"> <li>▪ Establish a Policy and Procedures Committee to review all policies, and bylaws</li> <li>▪ Institute efficient financial procedures with a goal of reducing costs by 5%</li> </ul>
3. Emergency Plan	<ul style="list-style-type: none"> <li>▪ Complete emergency plan updates</li> <li>▪ Conduct tabletop exercises</li> </ul>

## **Council has identified the following as the highest priorities for the District**

### **Priority #1 - Infrastructure**

The District of Stewart is a mature community. This means that much of the Infrastructure, roads, sidewalks, sewer and water systems and equipment, etc., will require significant repairs and or replacement over the next decade. The Asset Management Plan has been finalized and should be used to prepare a Capital Replacement program for equipment and prepare “shovel ready” grant applications for projects identified within the next 5 years.

### **Priority #2 – Flood Mitigation**

Stewart’s proximity to the Bear Rive places the community at considerable risk from potential flooding. The District should continue to apply for Federal and Provincial funding to assist in mitigating flooding in the area. A long-term plan should be developed for gravel removal, and dike repairs and upgrading.

### **Priority #3 – Port Development**

Stewart is historically a port community and recent years have seen an increase in port activity. Council sees the development of traffic through Stewart as an opportunity to improve the economic and social health of the community. In order to achieve additional port capacity, Council will support industrial parks and facilities to provide for intermodal port facilities. The Stewart Port must have intermodal capacity in order to compete with other ports in our area of competition.

# Permissive Tax Exemptions—2017

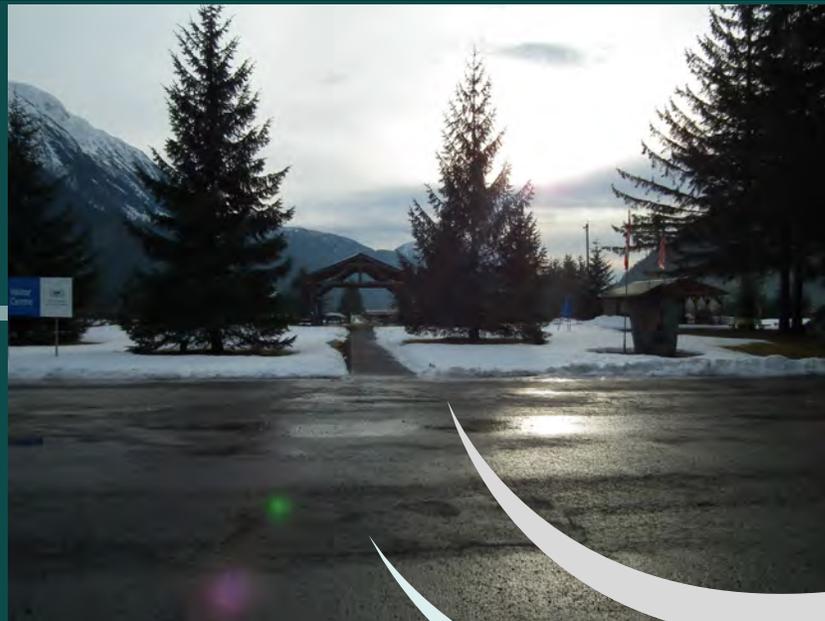
**The following land, being an area surrounding a building set apart and in use for public worship, is exempt from taxation for the year 2016 under section 224(2)(f) of the *Community Charter*:**

Lands and improvements registered under the name of North American Baptist Conference – Association of BC Churches, as follows: Roll 196.000, Lot 8-9, Block 18, D.L. 466, Plan 1191 PID: 012-979-457 & 012-979-465

Lands and improvements registered under the name of North American Baptist Conference – Association of BC Churches, as follows: Roll 194.100, Lot 6-7, Block 18, D.L. 466, Plan 1191 PID: 012-981-303 & 012-981-281

Lands and improvements registered under the name of Roman Catholic Episcopal Corp of Prince Rupert as follows: Roll 202.005, Lot 21, Block 19, D.L. 466, Plan 1191 PID: 012-966-665

Lands and improvements registered under the name of Anglican Synod Diocese of Caledonia as follows: Roll 374.010, Parcel B, Block 25, D.L. 469, Plan 958 PID: 014-236-575

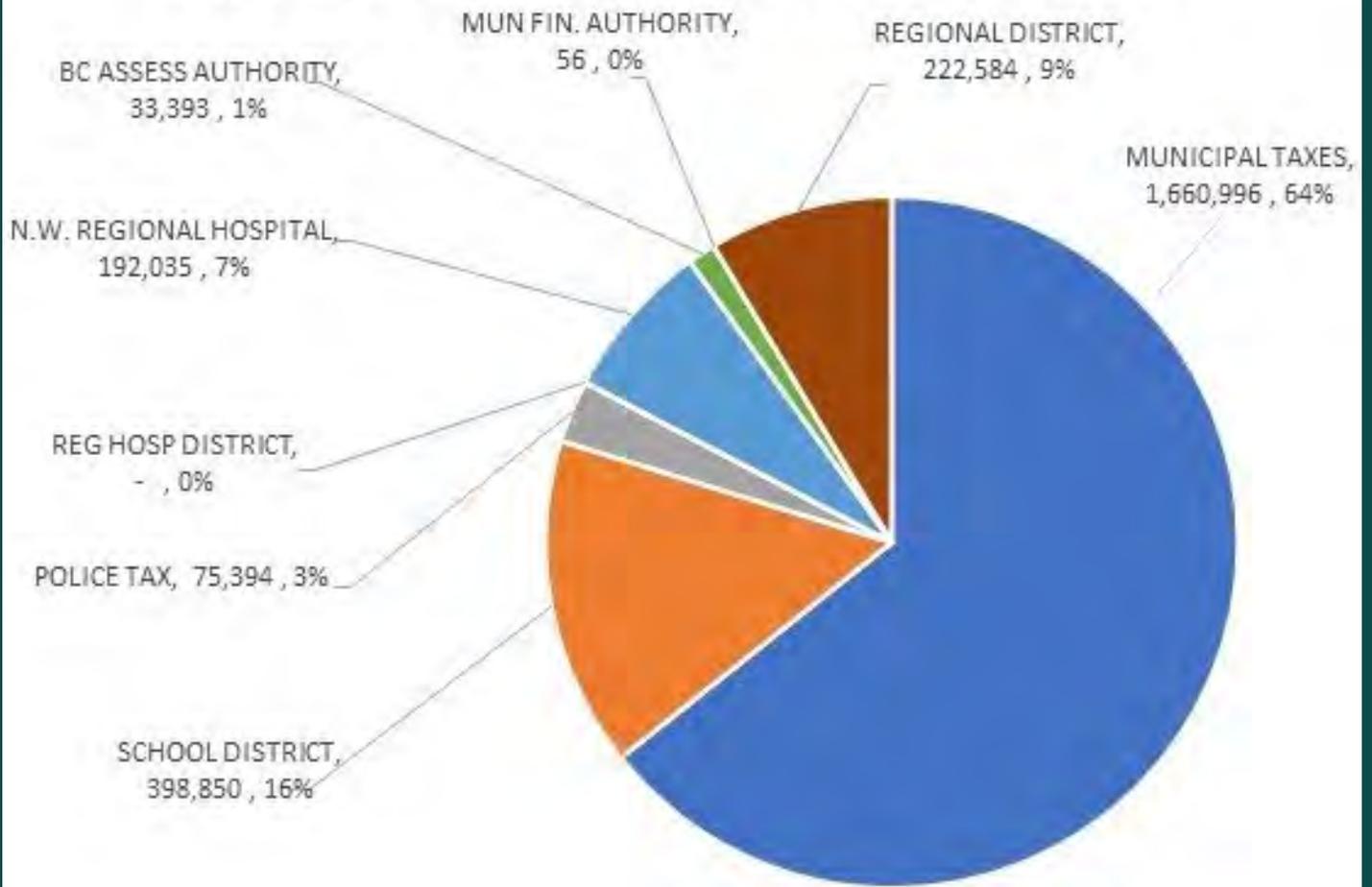


## PERMISSIVE TAX EXEMPTIONS FOREGONE TAX REVENUE

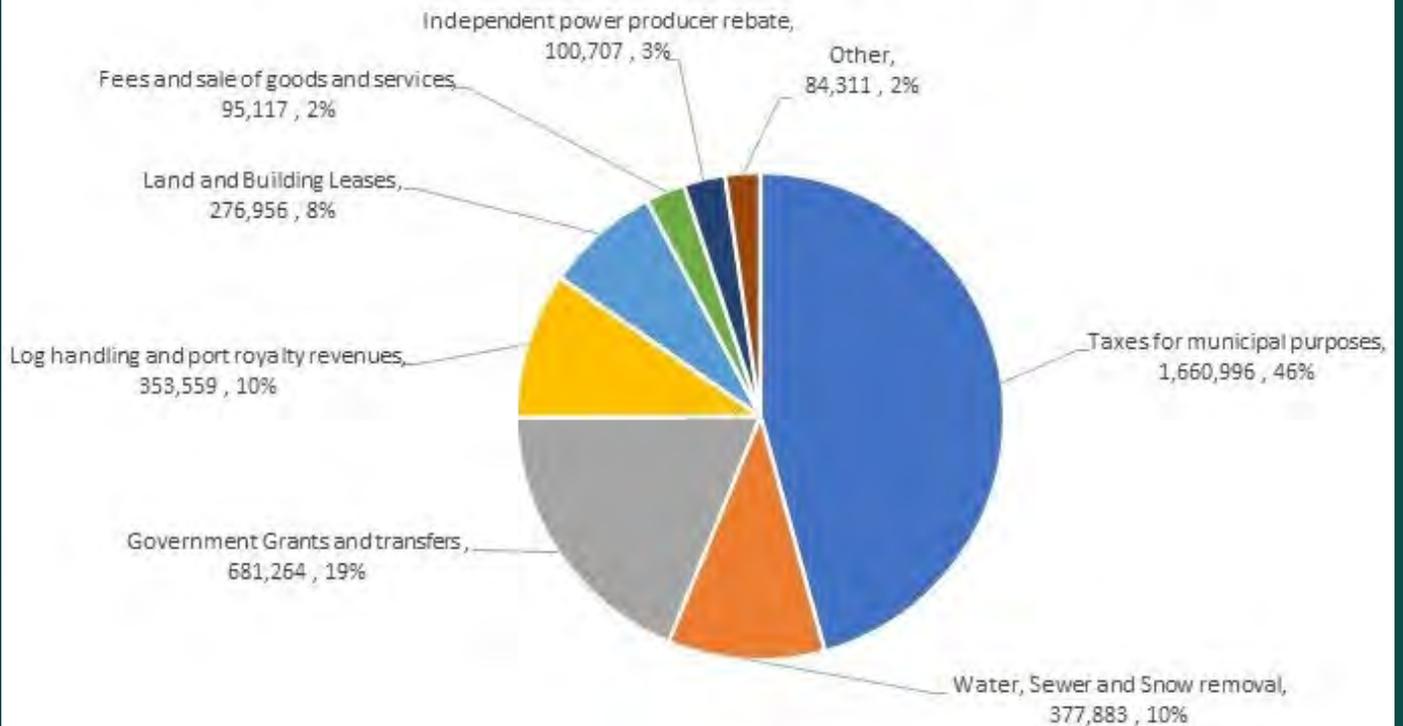
2017

	Address	ROLL #	Assessed Value	Tax Rate	Municipal Taxes
North American Baptist Conference	615-6th Ave	196000	\$ 39,900	11.7096	\$ 467.21
North American Baptist Conference	613-6th Ave	194100	\$ 130,400	11.7096	\$ 1,526.93
Roman Catholic Episcopal Corp of PR	418-8th Ave	202005	\$ 89,900	11.7096	\$ 1,052.69
Anglican Synod Diocese of Caledonia	403 - 9th Ave	374010	\$ 69,300	11.7096	\$ 811.48
					<b>\$ 3,858.31</b>

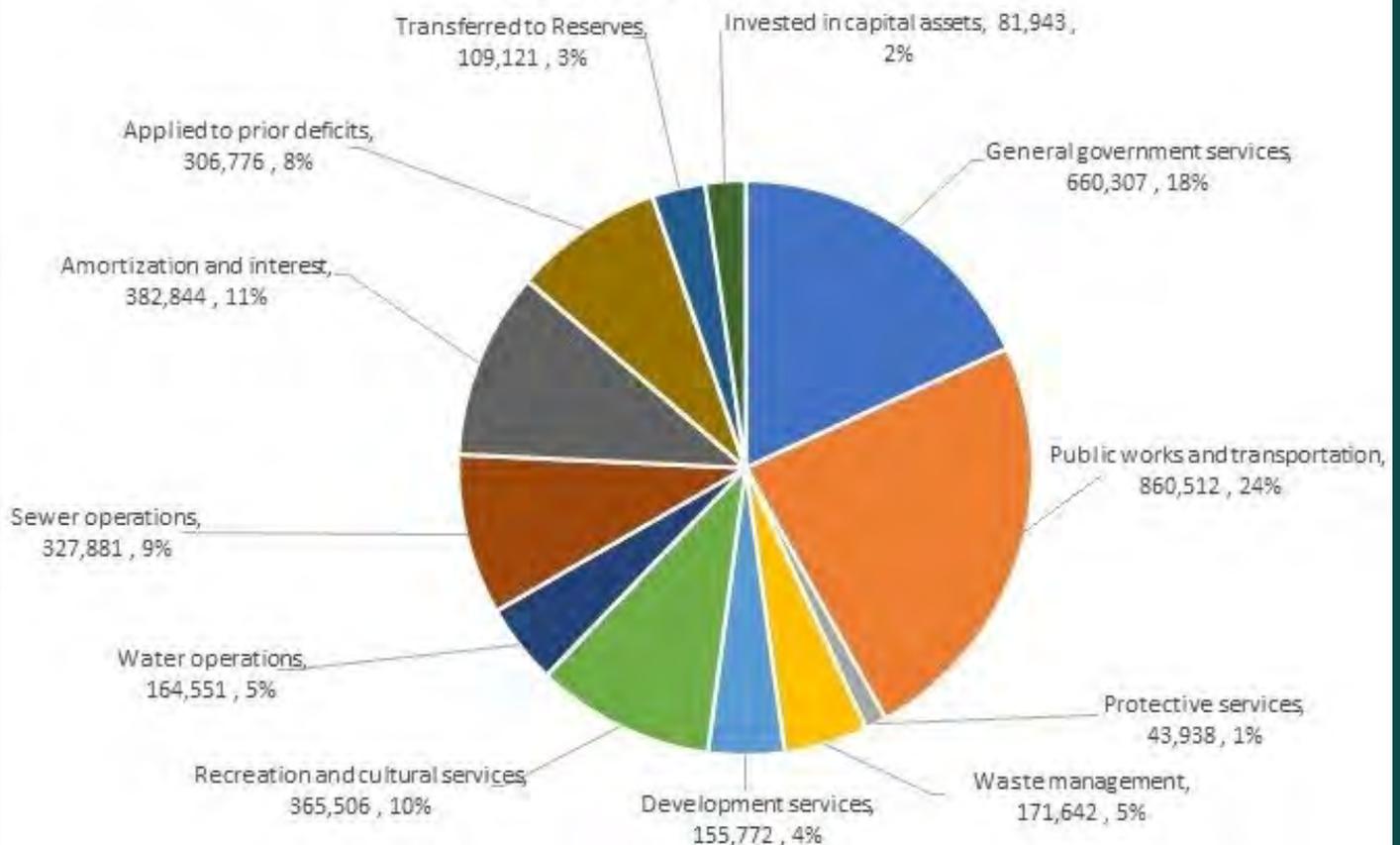
# Taxes Collected - Total \$2,982,363



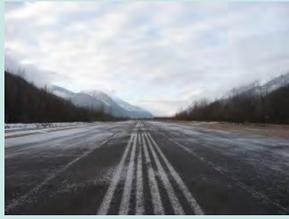
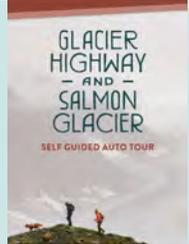
## Municipal Revenue Sources - Total \$3,630,793



## Municipal Expenditures by Department Total: \$3,630,793



# District of Stewart Grants

Grant	Amount	Description	Photo
Airport Business Case	\$ 10,000	Northern Development Initiative Trust  Completed in 2017—formed the foundation for a \$307,000 Grant Application for airport improvements (pending)	
Water Master Plan	\$ 10,000	Ministry of Community, Sport & Cultural Development  Completed in 2017—formed the foundation for a successful \$4.88 million Grant Application for water system improvements	
Dirt Bike Track & Multi-Use Park	\$ 30,000.0 \$ 3,000.00 \$ 31,776.00 \$ 7,300.00 <u>\$112,791.07</u> <u>\$184,867.07</u>	Northern Development Initiative Trust United Way Contributed through sale of timber Contributed from District of Stewart Donated materials & labour Grand Opening in 2017—14 Family memberships, 8 Single & 7 weekend passes sold	
Grant Writer	\$ 8,000.00	Northern Development Initiative Trust  Yearly grant to help cover the cost of grant writing services	
Economic Development Capacity Building	\$ 16,600.00	Northern Development Initiative Trust  Supports the Economic Development services from the Regional District and Regional Tourism Initiatives such as printing of brochures, business walk, etc.	
Flood Warning System Project	\$ 50,000.00	Emergency Management BC  Installation of the River Monitoring Systems on the Bear River and Bitter Creek	
Trail Signage	\$ 4,500.00	Northern Health—Imagine Grant  Map of connector trails to Rainey Creek Trail & signage	

# District of Stewart Grants

Grant	Amount	Description	Photo
Clean Water & Wastewater Grant	\$1,120,000.00	Ministry of Community, Sport & Cultural Development Completed CCTV inspection of the sewer lines to identify problem areas Repairs to Lift Station #3 Testing of hydrants and leak testing Completion of project in 2018	
Firehall Restorations	\$ 88,000.00	BC Museums Association Structural assessment started in 2017 Foundation, roof & other works to be completed in 2018	
Old Pool Building Feasibility Study	\$ 10,000.00	BC Rural Dividend Program Grant awarded in 2017—study to be completed in 2018 and used as a foundation for a capital grant	
Emergency Social Services	\$ 25,000.00	UBCM Emergency Preparedness Fund Applied for in 2017 and awarded in 2018 Will fund equipment and supplies to provide emergency social services	
Emergency Services Grant	\$ 20,000.00	Regional District of Kitimat Stikine To be used for new Rescue Truck	
Carbon Action Revenue Incentive Program	\$ 4,432.00		
Total Grant Revenue	<u>\$1,551,399.07</u>		

# Annual Grants

Provincial per capita grant	\$ 248,330.00
Regional District Emergency Services grant	\$ 12,000.00
BC Hydro cost sharing - Street Lighting Grant	\$ 2,852.00
Community Works Gas Tax Funding	<u>\$ 73,629.00</u>
TOTAL:	<u>\$336,811.00</u>



# Corporate Donations

Sienna Networks (Server & Computer Equipment)	\$ 13,970.00
Ascot Resources (Emergency Services)	\$ 10,000.00
Seabridge Gold (Emergency Services)	\$ 5,000.00
<b>TOTAL:</b>	<b><u>\$ 28,970.00</u></b>



# AUDITED FINANCIAL STATEMENTS 2016

*(Attached at the end of this report)*



**Prepared by Jennifer Larson, Chief Financial Officer**  
***Audited by Carlyle Shepherd & Co.***



## DISTRICT OF STEWART

705 Brightwell Street  
P.O. Box 460  
Stewart, BC  
V0T 1W0

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(250) 636-2417 (F)

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Website: [www.districtofstewart.com](http://www.districtofstewart.com)

**DISTRICT OF STEWART**  
**Financial Statements**  
**As at December 31, 2017**

**DISTRICT OF STEWART  
COUNCIL - 2017**

**MAYOR**

Galina Durant

**COUNCILLORS**

Bernie Elliott  
Sylvia Goulet  
Gina McKay

Patricia Lynn  
Eike Riemann  
Neal Rowe

**APPOINTED OFFICIALS**

Chief Administrative Officer  
Chief Financial Officer

G. Howie  
J. Larson

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## Management's Report

### Management's Responsibility for the Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Councillors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Council. The Councillors review internal financial statements on a regular basis and external audited financial statements yearly.

The external auditors, Carlyle Shepherd & Co. conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to management and Council of the District of Stewart and meet when required.



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Gordon Howie  
Acting Chief Administrative Officer

April 23, 2018

**INDEPENDENT AUDITOR'S REPORT**

**To the Mayor and Council  
District of Stewart**

**Report on the Financial Statements**

We have audited the accompanying statement of financial position of the District of Stewart as at December 31, 2017 and the statements of operations, changes in net financial assets (debt) and cash flows for the year then ended and a summary of significant accounting policies.

**Management Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted the audit in accordance with Canadian generally accepted auditing standards. These standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

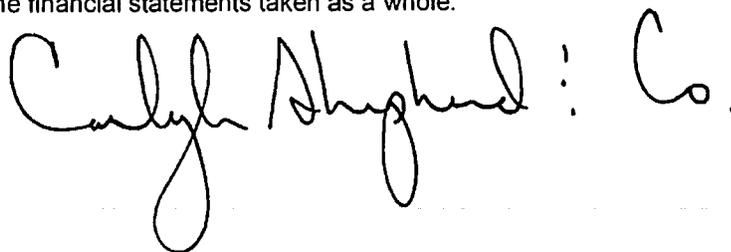
**Opinion**

In our opinion, these financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2017 and the results of its operations, changes in net financial assets (debt) and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the District taken as a whole. The current year's supplementary information in Schedules 1 to 4 is presented for purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and is, in our opinion, fairly stated in all material respects, in relation to the financial statements taken as a whole.

Terrace, BC  
April 23, 2018



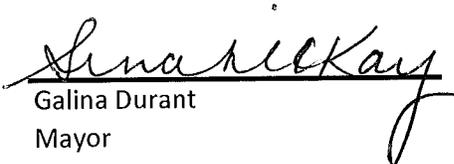
**DISTRICT OF STEWART**  
**STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2017**

	2017	2016
<b>Financial Assets</b>		
Cash and short-term investments (Note 2)	\$ 2,872,758	\$ 1,925,955
Taxes receivable (Note 3)	298,228	283,221
Accounts receivable (Note 4)	189,085	494,929
	<b>3,360,071</b>	<b>2,704,105</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 5)	427,055	367,707
Deferred revenue (Note 6)	373,361	216,489
Performance bonds and environmental deposits	150,489	177,874
Landfill closure liability (Note 7)	2,551,715	2,559,728
Long-term debt (Note 8)	326,052	103,771
	<b>3,828,672</b>	<b>3,425,570</b>
<b>Net financial assets (debt)</b>	<b>(468,602)</b>	<b>(721,465)</b>
<b>Non-financial assets</b>		
Tangible capital assets -Schedule 2	8,438,132	8,193,198
Prepaid expenses	21,926	21,883
	<b>8,460,059</b>	<b>8,215,081</b>
<b>Net financial position</b>	<b>7,991,457</b>	<b>7,493,616</b>
Net financial position comprised of:		
Operating fund surplus	339,717	32,941
Landfill closure deficit (Note 7)	(1,312,102)	(1,312,102)
Reserve funds - Schedule 3	953,865	844,743
Equity in tangible capital assets (Note 9)	8,009,977	7,928,033
	<b>\$ 7,991,457</b>	<b>\$ 7,493,616</b>

Commitments and contingent liabilities (Note 12)

Approved by:

  
 \_\_\_\_\_  
 Gordon Howie  
 Acting Chief Administrative Officer

  
 \_\_\_\_\_  
 Galina Durant  
 Mayor

*The accompanying notes are an integral part of these financial statements.*

**DISTRICT OF STEWART**  
**STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2017**

	2017	Budget	2016
<b>Revenues</b>			
Taxes for municipal purposes <i>(Note 10)</i>	\$ 2,038,879	\$ 2,039,404	\$ 1,920,704
Government Grants and transfers <i>(Note 11)</i>	681,265	743,180	367,540
Log handling and port royalty revenues	353,559	260,000	250,438
Rental	276,956	232,516	233,641
User fees and sale of goods and services	95,117	39,836	201,653
Independent power producer rebate	100,707	100,000	289,481
Investments	7,974	-	6,388
Other	60,928	36,920	44,340
Gain (loss) on disposal of tangible capital assets	15,409	-	7,633
	<b>3,630,793</b>	<b>3,451,856</b>	<b>3,321,818</b>
<b>Expenses</b>			
General government services	660,307	643,852	637,589
Public works and transportation	860,512	854,601	566,906
Protective services	43,938	236,620	28,571
Waste management	171,642	237,269	197,185
Development services	155,772	314,786	151,929
Recreation and cultural services	365,506	345,388	243,584
Interest and bank charges	5,259	41,888	8,653
Water operations	164,551	362,421	124,187
Sewer operations	327,881	406,472	63,801
Amortization of tangible capital assets	377,585	-	330,341
	<b>3,132,952</b>	<b>3,443,297</b>	<b>2,352,747</b>
<b>Revenues in excess of expenses</b>	<b>497,841</b>	<b>8,559</b>	<b>969,071</b>
Net financial position - beginning of year	7,493,616	7,493,616	6,524,545
<b>Net financial position - end of year</b>	<b>\$ 7,991,457</b>	<b>\$ 7,502,175</b>	<b>\$ 7,493,616</b>

*The accompanying notes are an integral part of these financial statements.*

**DISTRICT OF STEWART**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)**  
**For the Year Ended December 31, 2017**

	2017	Budget	2016
<b>Annual Surplus (deficit)</b>	<b>\$ 497,841</b>	<b>\$ 8,559</b>	<b>\$ 969,071</b>
Acquisition of tangible capital assets	(624,012)	-	(510,034)
Amortization of tangible capital assets	377,585		330,342
Loss (gain) on disposal of tangible capital assets	(15,359)		(7,633)
Proceeds on sale of tangible capital asset	16,851		89,940
Other adjustments	(43)		-
Increase (decrease) in net financial assets	252,863	8,559	871,686
Net financial assets (debt) - beginning of year	(721,465)	(721,465)	(1,593,151)
Net financial assets (debt) - end of year	<b>\$ (468,602)</b>	<b>\$ (712,906)</b>	<b>\$ (721,465)</b>

*The accompanying notes are an integral part of these financial statements.*

**DISTRICT OF STEWART**  
**STATEMENT OF CASH FLOW**  
**For the Year Ended December 31, 2017**

	2017	2016
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ 497,841	\$ 969,071
Non-Cash items:		
Amortization	377,585	330,341
(Gain) loss on disposal of tangible capital assets	(15,359)	(7,633)
(Increase) decrease in prepaid expenses	(43)	2
Changes to financial assets / liabilities:		
Decrease (increase) in taxes receivable	(15,007)	(25,596)
Decrease (increase) in accounts receivable	305,844	(153,440)
Increase (decrease) in accounts payable	59,347	180,580
Increase (decrease) in performance bonds	(27,385)	49,985
Increase (decrease) in landfill closure liability	(8,014)	-
Increase (decrease) in deferred revenue	156,872	124,751
<b>Cash provided (used) by operating transactions</b>	<b>1,331,681</b>	<b>1,468,061</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(611,612)	(510,034)
Proceeds from the disposal of tangible capital assets	4,451	89,940
<b>Cash provided (used) by capital transactions</b>	<b>(607,161)</b>	<b>(420,094)</b>
<b>Financing and investing transactions</b>		
Proceeds from debt issues	253,000	-
Debt repayment	(30,719)	(56,064)
<b>Cash provided (used) by financial and investing transactions</b>	<b>222,281</b>	<b>(56,064)</b>
<b>Increase (decrease) in cash position</b>	<b>946,802</b>	<b>991,903</b>
<b>Cash and short term investments - beginning of year (Note 2)</b>	<b>1,925,955</b>	<b>934,052</b>
<b>Cash and short term investments - end of year (Note 2)</b>	<b>\$ 2,872,757</b>	<b>\$ 1,925,955</b>

*The accompanying notes are an integral part of these financial statements.*

**DISTRICT OF STEWART**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2017**

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The District of Stewart (the "District") is a municipality in the Province of British Columbia and operates under the provisions of the Local Government Act and the Community Charter of British Columbia. The District provides municipal services such as public works, protective services, planning, parks, recreation and other general government services to the residents of the District.

**1. Significant Accounting Policies:**

**a) Basis of presentation:**

The financial statements of the District are prepared by management in accordance with Canadian generally accepted accounting principals for local governments as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

The financial statements reflect the assets, liabilities, revenues and expenses of the District's activities and funds. The District does not control any external entities and accordingly no entities have been consolidated into the financial statements.

**b) Revenue recognition**

The District follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. Expenses are accounted for in the period the goods and services are acquired and a liability is incurred or transfers are due.

**Taxation**

Annual levies for non-optional municipal services and general administrative services are recorded as taxes for municipal services in the year they are levied. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Through the British Columbia Assessment appeal process, taxes may be adjusted by way of supplementary roll adjustments. The affects of these adjustments on taxes levied are recognized at the time they are reasonably anticipated.

**Government transfers**

Government transfers are recognized as revenue in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, eligibility criteria have been met and the reasonable estimates of the amounts can be made.

**Investment income**

Investment income is recognized when earned. Income generated on reserve funds held in separate investment accounts is allocated to the reserve fund on which it was earned.

**DISTRICT OF STEWART**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2017**

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**1. Significant Accounting Policies (continued):**

**b) Revenue recognition (continued)**

Other revenue

Revenue from the sale of services or user fees is recognized when the service or product is rendered by the District. Revenue from property rentals is recognized as revenue in the period in which the property is occupied by the tenant or in accordance with the lease agreement.

**c) Short-term Investments**

Short-term Investments are recorded at market value.

**d) Tangible capital assets**

Tangible capital assets, comprised of capital assets and capital work-in-progress, are recorded at cost less accumulated amortization and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing the year the asset is put into service. Donated tangible capital assets are reported at fair value at the time of donation. Estimated useful lives are as follows:

Land improvements	12-60 years
Buildings	25-60 years
Furniture, equipment and technology	5-25 years
Motor vehicles	5-35 years
Transportation infrastructure	30-65 years
Storm sewer	60 years
Dyke	80 years
Water infrastructure	50 years
Sanitary sewer infrastructure	50 years

**e) Deferred revenue:**

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired, thereby extinguishing the related liability.

**1. Significant Accounting Policies (continued):**

**f) Fund accounting**

The operating fund, consisting of the general, water, and sewer operating funds comprises the operating costs of the services provided by the District.

The reserves fund has been established to hold assets for specific future purposes as approved by the District Council. Allowable transfers to and from these funds are defined in reserve fund establishment bylaws.

**g) Segmented information**

The District of Stewart is a municipal government that provides a wide range of services to its residents and taxpayers. The District operations and activities are organized and reported by segments in Schedule 1. Property taxation revenue which funds many of the operations is not allocated to a specific segment and is reported as unallocated.

**Protective Services**

Protective services includes fire protection, first responders and emergency planning and management.

**Recreation and Cultural Services**

The District operates and maintains the arena, parks, trails, open spaces and leisure services. Support for the Raine Creek Municipal Campground, Stewart Public Library, and Stewart Museum are also reported under this segment.

**Transportation Services**

The public works department provides transportation services including street maintenance, snow removal, building maintenance, street lighting, fleet maintenance, airport maintenance, dyke maintenance, and storm sewers.

**Development Services**

Economic development activities including planning and land management, as well as revenues and related expenditures from commercial services are reported in this segment.

**General Government Services**

General government operations include legislative services, general administration, finance and information technology functions.

**1. Significant Accounting Policies (continued):**

**g) Segmented information continued:**

**Waste Management**

Waste management services are provided by the Public Works department and include the collection and treatment/disposal of solid waste, yard waste and recyclables.

**Water Operations**

This segment includes all operating activities related to pumping, testing and distributing water throughout the District and operates under the Public Works Department.

**Sewer Operations**

This segment includes all operating activities related to collection and treatment of wastewater throughout the District and operates under the Public Works Department.

**h) 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) Use of estimates**

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Circumstances may arise that cause actual results to differ from management estimates, however, management does not believe it is likely that such differences will materially affect the District's financial position. Adjustments, if any, will be reflected in operations in the period of settlement.

Significant areas requirement the use of management estimates relate to the determination of the landfill closure and post-closure liability, useful lives of tangible capital assets, sick pay liability, and allowance for doubtful accounts receivable including property tax receivable and tax sale receivable.

**j) Financial instruments**

The District's financial instruments consist of cash and short-term investments, accounts receivable, accounts payable and accrued liabilities and long term debt. Unless otherwise indicated, it is management's opinion that the District is not exposed to any significant interest, credit, or currency risks arising from these financial instruments.

**DISTRICT OF STEWART**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2017**

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**1. Significant Accounting Policies (continued):**

**k) Employee future benefits**

The District and its employees make contributions to the Municipal Pension Plan, and the employees accrue benefits under this plan based on service. The District's contributions are expensed as incurred.

**l) Contaminated sites**

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the District:
  - is directly responsible; or
  - accepts responsibility; and
- a reasonable estimate of the amount can be made

Management has not identified any contaminated sites at this time and therefore no liability is recognized in these financial statements.

**2. Cash and short-term investments**

Cash and short-term investments are comprised of cash on deposit and investments as follows:

	2017	2016
Municipal Finance Authority of B.C. Investments		
- Money market fund	\$ 65,192	\$ 64,571
- Short-term bond fund	506,127	504,868
	<b>571,319</b>	<b>569,439</b>
Cash	<b>2,301,439</b>	1,349,332
Term deposit	-	7,183
	<b>\$ 2,872,758</b>	<b>\$ 1,925,955</b>

The District has established an operating line of credit with its bank which carries a maximum credit limit of \$473,000 and bears interest at prime.

**DISTRICT OF STEWART**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2017**

**3. Taxes receivable**

	2017	2016
Current	\$ 174,415	\$ 187,379
Arrears	121,068	81,344
Tax sales receivable	2,745	14,498
	<b>\$ 298,228</b>	<b>\$ 283,221</b>

**4. Accounts receivable**

	2017	2016
Government grants/reimbursements receivable		
- Provincial	\$ -	\$ 5,379
- Northern Development Initiative Trust	61,144	4,185
Independent power producer school tax rebate	-	289,481
School tax receivable	-	81,059
Rock quarry reclamation bond	4,000	4,000
Bonilee site security deposit	-	5,000
GST receivable (payable)	52,797	14,117
Log throughput receivable	57,819	24,492
Other receivables	13,325	67,215
	<b>\$ 189,085</b>	<b>\$ 494,929</b>

**5. Accounts payable and accrued liabilities**

	2017	2016
Trade accounts payable	\$ 322,951	\$ 312,839
Other government agencies	43,742	2,904
Accrued salary, wages and employee benefits	57,112	44,203
Tax sale proceeds held for redemption	3,249	7,761
	<b>\$ 427,055</b>	<b>\$ 367,707</b>

**6. Deferred revenue**

	2017	2016
Federal Gas Tax - Community Works Fund	\$ 220,483	\$ 146,854
Grant funds	134,401	50,000
Rent received in advance	4,045	12,452
Carbon Action Plan fund	4,432	-
Emergency Services fund	10,000	-
A.H. Burton Memorial Fund	-	7,183
	<b>\$ 373,361</b>	<b>\$ 216,489</b>

**DISTRICT OF STEWART**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2017**

**7. Landfill closure liability**

	<b>2017</b>	<b>2016</b>
Landfill closure (estimated)	\$ 1,938,153	\$ 1,938,153
Current year expenditures	(8,013)	-
Post-closure costs (estimated at \$24,863 yr for 25 years)	621,575	621,575
<b>Landfill closure liability</b>	<b>\$ 2,551,715</b>	<b>\$ 2,559,728</b>
Less: funded from operations	1,239,613	1,247,626
<b>Landfill closure deficit - funded from grant</b>	<b>\$ 1,312,102</b>	<b>\$ 1,312,102</b>

In 2013, District management commenced negotiations with the Regional District of Kitimat-Stikine for the construction of a new waste transfer station and closure of the existing landfill and related post-closure care. This process led to a report being prepared by Sperling Hansen Associates for a conceptual design of the landfill closure and waste transfer station plan and related cost estimate. The Sperling report estimated a 25 year period for post-closure activity. The cost estimates from this report were used as a basis for the recording of the closure and post-closure cost liability in the prior year financial statements.

In 2015, the District received approval for funding of 2/3 of the cost of the landfill closure to a maximum of \$1,312,000 under the New Building Canada Fund - Small Communities Fund of the Ministry of Community, Sport and Cultural Development. This funding covers the landfill closure deficit with the balance of the closure costs and the estimated \$620,000 in post-closure costs (approximately \$25,000 per year over the 25 year estimated post-closure activity period) having already been funded through operations.

In 2017 the District received approval to extend the deadline for completion of the project to March 31, 2019.

**DISTRICT OF STEWART**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2017**

**8. Long term debt**

	2017	2016
Capital lease obligations - Municipal Finance Authority		
Repaid in full during the year	\$ -	\$ 2,123
Capital demand loan obligations - Municipal Finance Authority		
Payable at \$2,492 per month including interest at a current rate of 1.92% and maturing May 2020, secured by equipment with a net book value of \$101,396.	73,052	101,648
Capital demand loan obligations - Municipal Finance Authority		
Payable at \$4,412 per month including interest at a current rate of 1.92% and maturing Nov 2022, secured by equipment with a net book value of \$228,476.	253,000	-
	<b>\$ 326,052</b>	<b>\$ 103,771</b>

Minimum demand loan payments net of estimated interest required to end of loan terms are as follows:

2018	\$ 77,574
2019	78,922
2020	64,952
2021	51,392
2022	53,213
	<u>\$ 326,052</u>

**9. Equity in tangible capital assets**

Equity in tangible capital assets represents the net book value of total capital assets less long term debt assumed to acquire those assets. The change in equity in tangible capital assets is as follows:

	2017	2016
Increases:		
Capital acquisitions	\$ 624,012	\$ 348,640
Retirement of debt - principal repayment	90,009	56,065
Decreases:		
Amortization	(377,585)	(330,341)
Proceeds from issue of long-term debt	(253,000)	
Dispositions, at net book value	(1,492)	(82,307)
Change in equity in tangible capital assets	81,944	(7,943)
Equity in tangible capital assets - beginning of year	7,928,033	7,935,976
Equity in tangible capital assets - end of year	<b>\$ 8,009,977</b>	<b>\$ 7,928,033</b>

**DISTRICT OF STEWART**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2017**

**10. Taxes for municipal purposes**

	<b>2017</b>	<b>2016</b>
<b>Taxes collected:</b>		
Property taxes	\$ 2,543,753	\$ 2,748,593
Frontage assessments	377,883	375,185
Grants in lieu of taxes	38,662	39,543
	<b>2,960,298</b>	<b>3,163,320</b>
<b>Less transfers to other governments:</b>		
School District	397,972	803,429
Regional District of Kitimat-Stikine	222,584	213,756
Regional Hospital District	192,035	115,838
Police Tax	75,379	77,712
BC Assessment Authority	33,393	31,829
Other	56	52
	921,419	1,242,616
<b>Net taxes available for municipal purposes</b>	<b>\$ 2,038,879</b>	<b>\$ 1,920,704</b>

**11. Government grants and transfers**

	<b>2017</b>	<b>2016</b>
<b>Provincial:</b>		
Conditional transfers	<b>341,855</b>	72,400
Unconditional transfers	<b>248,331</b>	253,497
	<b>590,185</b>	<b>325,897</b>
<b>Regional Other</b>		
Conditional transfers	<b>79,079</b>	29,642
Unconditional transfers	<b>12,000</b>	12,000
	<b>91,079</b>	<b>41,642</b>
	<b>\$ 681,265</b>	<b>\$ 367,540</b>

## **12. Commitments and contingencies**

### Capital requirements

District Council has approved a 2017 - 2021 capital expenditure financial plan which includes expenditures of \$4,996,298 for 2017 - 2021. The 2017 requirement of \$850,814 is to be funded through government grants and transfers of \$479,180, reserves of \$332,334, and the balance of \$39,300 from operating funds.

### Third party claims

The District is involved in certain legal actions the outcome of which is uncertain at this time. It is the opinion of management that final determination of these claims will not materially affect the financial position of the District. Accordingly, no provision has been made in the accounts for these actions. Any ultimate settlements will be recorded in the year the settlements occur.

### Pension Plan

The municipality and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The board of trustees, representing plan members and employers, are responsible for administering the plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2016, the Plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 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 valuation of the Municipal Pension Plan as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The District of Stewart paid \$ 60,335 (2016 - \$45,874) for employer contributions to the Plan in fiscal 2017.

The next valuation will be as at December 31, 2018, with results available in 2019.

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

**DISTRICT OF STEWART**  
**Schedule of Segmented Revenue and Expenses**  
**For the Year Ended December 31, 2017**

	General Government Services	Public Works and Transportation	Protective Services	Waste Management	Development Services	Recreation and Cultural Services	Water Operations	Sewer Operations	Unallocated	2017	2017 Unaudited Budget	2016
<b>Revenue</b>												
Net taxes available for municipal purposes									2,038,879	2,038,879	2,039,404	1,920,704
User fees and sale of goods and services	2,922	-		13,288	59,437	11,561	3,778	4,131		95,117	39,836	201,653
Government grants and transfers	257,892	17,119	22,797		112,678	6,000		264,779		681,265	743,180	367,540
Investment income	4,708								3,265	7,974	-	6,388
Log handling and port royalty revenues					353,559					353,559	260,000	250,438
Rental revenues					276,956					276,956	232,516	233,641
Other revenue					161,635					161,635	136,920	333,821
Gain (loss) on disposal of tangible capital assets		15,409								15,409	-	7,633
	265,522	32,528	22,797	13,288	964,265	17,561	3,778	268,910	2,042,144	3,630,793	3,451,856	3,321,818
<b>Expenses</b>												
Salaries, wages and benefits	292,327	439,923	987	128,098	27,947	65,367	54,650	40,209		1,049,509	1,077,023	902,403
Goods and services	367,980	420,588	42,952	43,544	127,825	300,139	109,900	287,671		1,700,599	2,324,386	1,111,350
Interest and bank charges	3,786	1,473	-	-	-	-	-	-		5,259	41,888	8,653
Amortization	16,970	184,857	22,417	1,829	1,375	62,782	21,089	66,265		377,585	-	330,341
	681,064	1,046,842	66,355	173,471	157,147	428,288	185,640	394,146	-	3,132,952	3,443,297	2,352,747
<b>Excess (deficiency) of revenue over expenses</b>	<b>(415,541)</b>	<b>(1,014,314)</b>	<b>(43,558)</b>	<b>(160,183)</b>	<b>807,118</b>	<b>(410,727)</b>	<b>(181,862)</b>	<b>(125,236)</b>	<b>2,042,144</b>	<b>497,841</b>	<b>8,559</b>	<b>969,071</b>

The accompanying notes are an integral part of these financial statements.

DISTRICT OF STEWART  
 Schedule of Tangible Capital Assets  
 For the Year Ended December 31, 2017

Cost	Land	Land Improvements	Buildings	Motor Vehicles	Furniture, Equipment and Technology	Transportation Infrastructure	Water Infrastructure	Sewer Infrastructure	Storm Sewer	2016	
										Total	Total
Opening Balance	1,197,368	2,197,837	4,428,686	1,634,096	488,669	4,087,872	372,674	303,057	602,404	15,312,664	14,898,941
Additions	12,450	0	182,894	253,862	174,806					624,012	510,034
Disposals	-1,492	0	0	-17,136						-18,628	-96,311
Write downs											
Closing balance	1,208,326	2,197,837	4,611,580	1,870,822	663,475	4,087,872	372,674	303,057	602,404	15,918,047	15,312,664
<b>Accumulated Amortization</b>											
Opening Balance	0	981,144	2,277,482	1,084,747	347,144	1,645,934	365,086	288,243	129,686	7,119,466	6,803,130
Amortization		44,387	92,157	101,637	51,691	70,387	843	2,114	14,369	377,585	330,341
Effects of disposals and write downs			0	-17,136					0	-17,136	-14,005
Closing balance	0	1,025,531	2,369,640	1,169,248	398,834	1,716,321	365,929	290,357	144,055	7,479,915	7,119,466
<b>Net book value, December 31, 2017</b>	<b>1,208,326</b>	<b>1,172,306</b>	<b>2,241,940</b>	<b>701,574</b>	<b>264,640</b>	<b>2,371,551</b>	<b>6,745</b>	<b>12,701</b>	<b>458,349</b>	<b>8,438,132</b>	
<b>Net book value, December 31, 2016</b>	<b>1,197,368</b>	<b>1,216,694</b>	<b>2,151,204</b>	<b>549,349</b>	<b>141,525</b>	<b>2,441,938</b>	<b>7,588</b>	<b>14,814</b>	<b>472,718</b>	<b>8,193,198</b>	

The accompanying notes are an integral part of these financial statements.

**DISTRICT OF STEWART**  
**Schedule of Reserve Fund Activities**  
**For the Year Ended December 31, 2017**

Schedule 3

	Land and Building	Capital Works	Conservancy	2017 Total	2016 Total
Balance, beginning of the year	\$ 67,979	\$ 755,119	\$ 21,646	\$ 844,743	\$ 440,619
Transfers in		330,000	8,190	338,190	518,100
Investment income	224	2,970	71	3,265	6,024
Transfers out	-	(232,334)		(232,334)	(120,000)
<b>Balance, end of the year</b>	<b>\$ 68,203</b>	<b>\$ 855,755</b>	<b>\$ 29,907</b>	<b>\$ 953,865</b>	<b>\$ 844,743</b>

*The accompanying notes are an integral part of these financial statements.*

**DISTRICT OF STEWART**  
**Schedule of Expenses**  
**For the Year Ended December 31, 2017**

**Schedule 4**

	2017	2016
<b>General Government Services</b>		
Administration	\$ 562,185	\$ 550,325
Legislative services	98,122	87,264
	<b>\$ 660,307</b>	<b>\$ 637,589</b>
<b>Public Works and Transportation Services</b>		
Roads and streets	\$ 606,477	\$ 399,857
Shop and general	174,115	101,677
Street lighting	40,583	46,220
Dyke and gravel extraction	17,493	4,993
Other	21,844	14,158
	<b>\$ 860,512</b>	<b>\$ 566,906</b>
<b>Protective Services</b>		
Fire department	\$ 28,854	\$ 23,699
First responders / rescue truck	2,901	2,413
Emergency management	12,184	2,378
Bylaw enforcement	-	81
	<b>\$ 43,938</b>	<b>\$ 28,571</b>
<b>Development Services</b>		
Planning and zoning	\$ 54,907	\$ 69,379
Economic and community development	5,183	15,628
Leased buildings	42,910	40,730
Log handling facilities	49,078	23,311
Other	3,694	2,880
	<b>\$ 155,772</b>	<b>\$ 151,929</b>
<b>Recreation and Cultural Services</b>		
Arena	\$ 121,743	\$ 97,689
Library	65,334	45,372
Parks and boardwalk	129,553	58,051
Museum	12,851	13,697
Other	36,025	28,774
	<b>\$ 365,506</b>	<b>\$ 243,584</b>
Waste Management	\$ 171,642	\$ 197,185
Sewer Operations	327,880	63,801
Water Operations	164,551	124,187
Amortization and interest	382,844	338,994
	<b>\$ 1,046,917</b>	<b>\$ 724,168</b>
	<b>\$ 3,132,952</b>	<b>\$ 2,352,747</b>

*The accompanying notes are an integral part of these financial statements.*