



GOLD RIVER

2021 Annual Report



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Mayor's Message

I am very pleased to once again have the opportunity to provide all residents of Gold River with an update on the Villages services and operations.

The Village continues to take steps to ensure the viability of its services and projects, which align with Council's strategic planning. Although 2021 was not as difficult as 2020 to maintain service levels due to Covid, there still were some challenges for us.

Council continues to pursue economic opportunities with the goal of reducing the financial burden on the taxpayers. Council has approved a zoning amendment on West Coast Terminals property for a potential business opportunity and continues to advocate for other businesses when requested.

Another strategic priority for Council is housing. We recently rezoned a 5 acre piece of property for multi residential and are currently working with a developer for possible development. After many years of discussions, Council has finally received a complete plan for a Seniors Supportive Housing project in Gold River.

The Economic Development Committee continues to work on the projects identified in the economic development strategy. They have completed the Kiosk project, and continue to work on the wayfinding project. The shop local program has been a huge success.

The Connected Coast high speed internet project through City West and the Strathcona Regional District is getting closer, and will provide huge benefits for all residents and businesses within Gold River and Tsxanna.

Council and Staff continue to work on our asset management plan. We all realize our infrastructure is beginning to age, but with our plan and 5 year capital project list, we are monitoring all situations and providing a sustainable plan for our community assets.

The Financial Sustainability of the Village remains our number one priority and we remain committed to evaluate all available options to get the Village into a financial sustainability position.

On behalf of Council, I would like to acknowledge our Staff and Employees for their continued dedication supporting Councils initiatives.

In closing, Council would like to thank all of our protective services for their professional service to all of our residents, every day.

Sincerely

Mayor Brad Unger



Mission and Vision

Vision

The Village of Gold River will continue to be an affordable, inclusive, sustainable community that supports spirit while fostering economic diversification and smart growth.

Mission

The Village of Gold River will strive to provide a livable, sustainable, and economically diverse community that recognizes the needs of current and future residents.





Objectives and Strategies

The 2021 Objectives and Strategies include:

Governance

Support strong, positive and open relationships with the public and community partners.

- Review of bylaws, both “housekeeping amendments” and fulsome reviews; And,
- Implement organizational recommendations (structure, levels, and positions).

Financial Sustainability

Ensure the smart and progressive management of Village finances to ensure sustainability.

- Consider new sources of revenue, maintain infrastructure;
- Develop the path forward using the Financial Sustainability Report and implement recommendations as appropriate and as directed by Council;
- Development of asset management strategies, identifying financial and operational implications for the Village as a whole; And,
- Wharf Strategy – long term economic strategy, maintenance plan.

Community Transparency

Develop more robust methods for the Village to communicate and access information from the Village.

- Review policies for public engagement.

Community Liveability

To support the overall betterment of the Village residents and our neighbors.

- Support Economic Development Committee's current and future projects as per the Economic Development Strategy;
- Engage Mowachaht-Muchalaht First Nations in regular, meaningful discussions;
- Implement recommendations developed within the Parks and Trails Master Plan where fiscally responsible;
- Muchalat Drive Bridge Sewer/ Water lines replacement;
- Review of Operations for both Public Works and Recreation; And,
- Support the provision of high speed internet access.

Economic Prosperity

To support a diverse and inclusive economic action plan.

- Regular review of grant projects put forward by the Economic Development Committee; And,
- Pursue Community Forest License Agreement.

The 2022 Objectives and Strategies include:

Governance

Support strong, positive and open relationships with the public and community partners.

- Implement an efficient, legally compliant, manageable records management system; And,
- Review of bylaws, both "housekeeping amendments" and fulsome reviews.

Financial Sustainability

Ensure the smart and progressive management of Village finances to ensure sustainability.

- Consider new sources of revenue, maintain infrastructure; And,
- Development of asset management strategies, identifying financial and operational implications for the Village as a whole.

Community Transparency

Develop more robust methods for the Village to communicate and access information from the Village.

- Implement a communications strategy using a multi-platform approach.

Community Liveability

To support the overall betterment of the Village residents and our neighbors.

- Engaging Mowachaht-Muchalaht First Nations in regular, meaningful discussions.

Economic Prosperity

To support a diverse and inclusive economic action plan.

- Regular review of grant projects put forward by the Economic Development Committee;
- Continue work on Conuma Park for future development; And,
- Work with Regional District to encourage development of fiber internet.



Permissive Tax Exemptions

The Permissive Tax Exemptions for 2021 include:

Legal Description	Civic Address	Organization	Value of Exemption
Lot A, Plan VIP51943 District Lot 129 & 663 Nootka Land District	Hwy #28	Gold River Golf Club	\$23,893.23
Lot 2, Block K, Plan 20004 District Lot 637, Nootka Land District	402 Cedar Crescent	Anglican Church	\$576.44
Lot 3, Block H, Plan 20172, District Lot 637, Nootka Land District	405 Trumpeter Drive	Royal Canadian Legion	\$4,803.02
Lot A, Plan 48112, District Lot 637, Nootka Land District	600 Nimpkish Drive	Christian Fellowship Church	\$736.02
Lot 2, Plan 32050, District Lot 637, Nootka Land District	396 Nimpkish Drive	Jack Christiansen Centre: GR Child Care, GR Health Care Auxiliary, Community Justice Program, VI Regional Library, GR Museum & Archives, C.U.P.E, Food Bank, Lion's Club, JR Rangers	\$3,865.54

MANAGEMENT REPORT

December 31, 2021

The Mayor and Council of the Village of Gold River has delegated the responsibility for the integrity and objectivity of the financial information contained in the financial statements to management of the Village of Gold River. The financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are properly authorized and recorded in compliance with legislative and regulatory requirements and that financial records are reliable for preparation of the financial statements. These systems are monitored and evaluated by management.

The Village of Gold River's independent auditors, Chan Nowosad Boates Inc., Chartered Professional Accountants, are engaged to express an opinion as to whether these financial statements present fairly the Village of Gold River's financial position and operating results in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards. These statements present, in all significant respects the financial position of the Village of Gold River as at December 31, 2021.



Michael Roy
Chief Administrative Officer
April 19, 2022



INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the Village of Gold River,

Opinion

We have audited the financial statements of the Village of Gold River (the "Village"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAS).

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Village in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Village's financial reporting process.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

Other Matters

The financial statements for the year ended December 31, 2020 were audited by another firm of Chartered Professional Accountants who expressed an unqualified opinion on those statements on May 5, 2021.

Chan Newstead Boates Inc

Chartered Professional Accountants
Campbell River, BC

April 19, 2022

VILLAGE OF GOLD RIVER

Statement of Financial Position

December 31, 2021

2021

2020

FINANCIAL ASSETS

Cash and Cash Equivalents (Note 2)	\$ 5,120,219	\$ 5,558,453
Temporary Investments (Note 3)	6,050,000	6,071,804
Accounts Receivable (Note 4)	<u>559,521</u>	<u>434,733</u>
	<u>11,729,740</u>	<u>12,064,990</u>

LIABILITIES

Accounts Payable and Accrued Liabilities (Note 5)	319,018	503,883
Unearned Revenue (Note 6)	1,588,727	1,491,559
Deferred Contributions (Note 7)	<u>140,485</u>	<u>140,485</u>
	<u>2,048,230</u>	<u>2,135,927</u>

NET FINANCIAL ASSETS

9,681,510 9,929,063

NON-FINANCIAL ASSETS

Prepaid Expenses and Inventories	12,274	15,560
Tangible Capital Assets (Note 8)	<u>14,308,563</u>	<u>14,328,737</u>
	<u>14,320,837</u>	<u>14,344,297</u>

ACCUMULATED SURPLUS (Note 9)

\$ 24,002,347 \$ 24,273,360

Contingencies (Note 10)

Approved by:



Mayor



Chief Administrative Officer

VILLAGE OF GOLD RIVER

Statement of Operations

Year Ended December 31, 2021

	2021		
	Budget	Actual	2020
	(Note 14)		
Revenues (Schedules 2 and 3)			
Taxation (Note 11)	\$ 1,071,600	\$ 1,071,783	\$ 1,007,026
Utility Connection Fees and User Rates	512,000	526,766	479,603
Government Grants and Transfers (Schedule 1)	1,012,000	703,008	1,473,839
Sales of Services	630,200	658,403	605,203
Wharf Services	81,500	86,873	295,214
Investment Income	86,000	116,011	189,268
Gain on Disposal of Assets	-	-	12,126
Other	50,000	120,716	79,494
	<u>3,443,300</u>	<u>3,283,560</u>	<u>4,141,773</u>
Expenditures (Schedules 2 and 3)			
General Government	943,545	744,134	891,663
General Protective Services	223,510	127,093	159,631
Public Works and Transportation	567,338	489,734	418,828
Solid Waste and Recycling	333,769	333,768	319,134
Parks, Recreation and Culture	1,155,590	1,058,883	883,562
Community Development Services	216,500	137,856	114,456
Wharf Services	110,348	58,116	54,913
Water Utility	370,200	262,532	283,127
Sewer Utility	357,000	342,457	356,285
	<u>4,277,800</u>	<u>3,554,573</u>	<u>3,481,599</u>
Annual Surplus (Deficit)	(834,500)	(271,013)	660,174
Accumulated Surplus - Beginning of Year	<u>24,273,360</u>	<u>24,273,360</u>	<u>23,613,186</u>
Accumulated Surplus - End of Year	\$ 23,438,860	\$ 24,002,347	\$ 24,273,360

VILLAGE OF GOLD RIVER

Statement of Change in Net Financial Assets

Year Ended December 31, 2021

	<u>2021</u>		<u>2020</u>
	<u>Budget</u>	<u>Actual</u>	
	(Note 14)		
Annual Surplus (Deficit)	\$ (834,500)	\$ (271,013)	\$ 660,174
Use of Prepaid Expenses	-	15,560	13,913
Acquisition of Prepaid Expenses	-	(12,274)	(15,560)
Net Acquisition of Tangible Capital Assets	-	(465,692)	(501,897)
Amortization of Tangible Capital Assets	-	485,866	479,156
	<u>(834,500)</u>	<u>(247,553)</u>	<u>635,786</u>
Net Financial Assets - Beginning of Year	<u>9,929,063</u>	<u>9,929,063</u>	<u>9,293,277</u>
Net Financial Assets - End of Year	<u>\$ 9,094,563</u>	<u>\$ 9,681,510</u>	<u>\$ 9,929,063</u>

VILLAGE OF GOLD RIVER

Statement of Cash Flows

Year Ended December 31, 2021

2021

2020

Cash Flows From Operating Activities:

Annual Surplus (Deficit)	\$ (271,013)	\$ 660,174
Items Not Involving Cash		
Amortization of Tangible Capital Assets	<u>485,866</u>	<u>479,156</u>
	214,853	1,139,330
Changes in Non-Cash Operating Balances		
Accounts, Taxes and Rates Receivable	(124,788)	(166,812)
Account Payable and Accrued Liabilities	(184,865)	219,293
Deferred Revenue	97,168	46,410
Prepays and Inventories	3,286	(1,647)
Other Assets	<u>-</u>	<u>4,000</u>
	<u>5,654</u>	<u>1,240,574</u>

Cash Flows From Capital Activities:

Purchase of Tangible Capital Assets	<u>(465,692)</u>	<u>(505,897)</u>
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Cash Flows From Investing Activities:

Redemption of Temporary Investments	<u>21,804</u>	<u>543,642</u>
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Increase (Decrease) in Cash and Cash Equivalents	(438,234)	1,278,319
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Cash and Cash Equivalents - Beginning of Year	<u>5,558,453</u>	<u>4,280,134</u>
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Cash and Cash Equivalents - End of Year	<u>\$ 5,120,219</u>	<u>\$ 5,558,453</u>
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VILLAGE OF GOLD RIVER

Notes to the Financial Statements

December 31, 2021

1. Significant Accounting Policies:

The Village of Gold River (the "Village") is a municipality in the Province of British Columbia and operates under the provisions of the Community Charter. The Village provides municipal services such as fire, public works, planning, parks, recreation and other general government services. The Village prepares its financial statements in accordance with Canadian public sector accounting standards ("PSAS").

a) Temporary Investments:

Temporary investments are comprised of guaranteed investment certificates ("GICs"). The investments are carried at cost.

b) Tangible Capital Assets:

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

Estimated useful lives of tangible capital assets are as follows:

Buildings	50 to 80 years
Equipment and vehicles	5 to 35 years
Road and bridges	50 to 60 years
Other	20 to 80 years
Water infrastructure	50 to 100 years
Sewer infrastructure	50 to 100 years

c) Collection of Taxes on Behalf of Other Taxation Authorities:

The Village collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of other entities are not reflected in these financial statements.

d) Trust Funds:

Funds held in trust by the Village, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately (**Note 13**).

e) Revenue Recognition:

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

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

Charges for sewer and water usage are recorded as user fees when services are delivered. Connection fee revenues are recognized when the connection has been established.

VILLAGE OF GOLD RIVER

Notes to the Financial Statements

December 31, 2021

1. Significant Accounting Policies (Continued):

e) Revenue Recognition (Continued):

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

Sales of services and other revenue is recognized on an accrual basis as the related service or other obligations are performed.

f) Unearned Revenue:

Revenues from the sale of business licenses, dog tags, recreation time, and rental revenues pertaining to the subsequent year have been deferred. These amounts will be recognized as revenue in the next fiscal year.

g) Financial Instruments:

Financial instruments consist of cash, portfolio investments, accounts receivable, and accounts payable. Unless otherwise noted, it is management's opinion that the Village is not exposed to significant interest rate, currency or credit risk arising from these financial instruments.

h) Use of Estimates:

The preparation of financial statements in accordance with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's estimates as additional information becomes available in the future. Areas requiring the greatest degree of estimation include useful lives of tangible capital assets, collectability of accounts receivable, and valuation of contingencies.

i) Contaminated Sites:

The Village is required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standard, the government has a responsibility for remediation, future economic benefits will be given up, and a reasonable estimate can be made.

Management has assessed its potential liabilities, including sites that are no longer in productive use and sites for which the Village accepts responsibility. There were no such sites that had contamination in excess of an environmental standard which required remediation, therefore no liability has been recorded at December 31, 2021 or December 31, 2020.

VILLAGE OF GOLD RIVER

Notes to the Financial Statements

December 31, 2021

2. Cash:

	<u>2021</u>	<u>2020</u>
Bank Deposits	\$ 3,558,754	\$ 4,009,557
High Interest Savings Account - CIBC - 0.80% (2020 - 0.90%)	<u>1,561,465</u>	<u>1,548,896</u>
	<u>\$ 5,120,219</u>	<u>\$ 5,558,453</u>

3. Temporary Investments:

	<u>2021</u>	<u>2020</u>
Guaranteed Investment Certificates - RBC Maturities and interest range from April 2022 to November 2022, and 0.60% to 0.77% (2020 - 0.70% to 2.42%)	\$ 2,506,282	\$ 2,517,069
Guaranteed Investment Certificates - CWB Maturities and interest range from March 2022 to January 2023, and 1.19% to 1.35% (2020 - 1.35% to 2.54%)	1,520,265	1,522,522
Guaranteed Investment Certificates - Raymond James Maturities and interest range from January 2022 to January 2023, and 1.05% to 2.60% (2020 - 1.05% to 2.79%)	<u>2,023,453</u>	<u>2,032,213</u>
	<u>\$ 6,050,000</u>	<u>\$ 6,071,804</u>

4. Accounts Receivable:

	<u>2021</u>	<u>2020</u>
Taxes and Rates	\$ 147,576	\$ 102,693
Other Governments	272,148	273,929
Trade and Other	<u>139,797</u>	<u>58,111</u>
	<u>\$ 559,521</u>	<u>\$ 434,733</u>

5. Accounts Payable:

	<u>2021</u>	<u>2020</u>
Trade and Other	\$ 172,013	\$ 369,671
Wages Payable	116,857	107,415
Government Remittances	<u>30,148</u>	<u>26,797</u>
	<u>\$ 319,018</u>	<u>\$ 503,883</u>

VILLAGE OF GOLD RIVER

Notes to the Financial Statements

December 31, 2021

6. Unearned Revenue:

	<u>2021</u>	<u>2020</u>
Community Works (Gas Tax) Grant	\$ 1,476,634	\$ 1,334,693
Prepaid Taxes	36,745	27,900
Economic Development Grant	48,044	76,206
Government Grants	15,175	43,654
Other	12,129	9,106
	<u>\$ 1,588,727</u>	<u>\$ 1,491,559</u>

Below is the activity relating to gas tax agreement funds:

	<u>2021</u>	<u>2020</u>
Opening balance of unspent gas tax funds	\$ 1,334,693	\$ 1,253,516
Add:		
Amounts received in the year	217,387	106,165
Interest earned	11,406	11,760
Less:		
Project expenses	(86,852)	(36,748)
Closing balance of unspent gas tax funds	<u>\$ 1,476,634</u>	<u>\$ 1,334,693</u>

Gas tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Village and the Union of British Columbia Municipalities. Gas tax funding may be used towards designated disaster mitigation, energy, water, wastewater, solid waste, sustainability, transportation, and infrastructure building projects as specified in the funding agreements. Any amounts that have not yet been spent on eligible projects are recorded as unearned revenue. During the year, the Village incurred \$86,852 (2020 - \$36,748) on eligible project expenses.

7. Deferred Contributions

The Village entered into an agreement with the Government of Canada to take over operations of the wharf.

In conjunction with the above described arrangement, the Village has received \$529,925 for costs relating to dredging work to be performed. Any unused portion of this contribution that remains as of March 30, 2023 must be repaid. During fiscal 2021 and 2020, no expenditures were incurred. As of December 31, 2021, \$140,485 (2020 - \$140,485) of this contribution remains unused.

VILLAGE OF GOLD RIVER

Notes to the Financial Statements

December 31, 2021

8. Tangible Capital Assets:

	Land	Buildings	Equipment and Vehicles	Roads and Bridges	Other	Water Engineering Structure	Sewer Engineering Structure	2021	2020
Cost, Beginning of Year	\$ 2,072,062	\$ 8,902,321	\$ 4,302,610	\$ 4,901,743	\$ 882,023	\$ 1,648,049	\$ 3,972,947	\$26,681,755	\$26,269,144
Additions	-	-	194,963	-	-	12,578	258,151	465,692	505,897
Disposals	-	-	-	-	-	-	-	-	(89,286)
Write-downs	-	-	-	-	-	-	-	-	(4,000)
Cost, End of Year	<u>2,072,062</u>	<u>8,902,321</u>	<u>4,497,573</u>	<u>4,901,743</u>	<u>882,023</u>	<u>1,660,627</u>	<u>4,231,098</u>	<u>27,147,447</u>	<u>26,681,755</u>
Accumulated Amortization,									
Beginning of Year	-	3,790,000	2,665,674	3,077,262	425,004	832,960	1,562,118	12,353,018	11,963,148
Amortization	-	125,463	140,666	79,137	30,823	31,402	78,375	485,866	479,156
Disposals	-	-	-	-	-	-	-	-	(89,286)
Accumulated Amortization,									
End of Year	-	<u>3,915,463</u>	<u>2,806,340</u>	<u>3,156,399</u>	<u>455,827</u>	<u>864,362</u>	<u>1,640,493</u>	<u>12,838,884</u>	<u>12,353,018</u>
Net Book Value,									
End of Year	\$ <u>2,072,062</u>	\$ <u>4,986,858</u>	\$ <u>1,691,233</u>	\$ <u>1,745,344</u>	\$ <u>426,196</u>	\$ <u>796,265</u>	\$ <u>2,590,605</u>	\$ <u>14,308,563</u>	\$ <u>14,328,737</u>

9. Accumulated Surplus

The Village segregates its accumulated surplus into the following categories:

	2021	2020
Unrestricted Funds	\$ 2,037,390	\$ 1,878,062
Internally Restricted Funds	4,084,366	4,112,755
Reserve Funds	3,559,754	3,938,246
Investment in Non-Financial Assets	<u>14,320,837</u>	<u>14,344,297</u>
	\$ <u>24,002,347</u>	\$ <u>24,273,360</u>

The investment in non-financial assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Reserve funds represent funds set aside by bylaw for specific purposes. Details of reserve funds are shown below:

	2021	2020
Capital Works - (a)	\$ 1,178,312	\$ 1,358,166
Water Capital - (b)	787,226	777,901
Sewer Capital - (b)	222,612	464,093
Municipal Dock Maintenance - (c)	1,244,512	1,212,499
Fish Processing Plant - (d)	<u>127,092</u>	<u>125,587</u>
	\$ <u>3,559,754</u>	\$ <u>3,938,246</u>

VILLAGE OF GOLD RIVER

Notes to the Financial Statements

December 31, 2021

9. Accumulated Surplus (Continued):

a) Capital Works Reserve:

The Capital Works Reserve was established by Bylaw 109 to provide for new capital works, extensions or renewals of existing works and to provide for machinery and equipment necessary for capital projects, for the maintenance of municipal property or for the protection of persons and property. Money from the sale of land, current revenue or general operating fund surpluses may be transferred into the Capital Works Reserve Fund. Bylaw 109 was repealed in 2005 and re-established within consolidated reserve Bylaw 644.

b) Water and Sewer Capital Reserves:

The Water and Sewer Capital Reserves were established by Bylaws 296 and 297, respectively. As utility reserves, they may receive transfers from current revenues, surplus from the general operating fund as available, and surpluses from operation of the utilities. Expenditures are restricted to utility capital expenditures or redemption of debentures issued for the utility. Bylaws 296 and 297 were repealed in 2005 and re-established within consolidated reserve Bylaw 644.

c) Municipal Dock Maintenance Reserve:

The Municipal Dock Maintenance Reserve was established by Bylaw 644 for the purpose of providing for costs related to the ongoing maintenance, capital expenditures, improvements and machinery and equipment for the Municipal Port Facility.

d) Fish Processing Plant Reserve:

The Fish Processing Plant Reserve was established by Bylaw 644 for the purpose of providing costs related to the purchase or investment in a fish processing plant in the Village of Gold River, and the ongoing maintenance, capital expenditures, improvements and machinery and equipment for the fish processing plant.

10. Contingencies:

a) The Village is responsible as a member of the Strathcona Regional District for its share of any operating deficits or long-term debt related to functions in which it participates. Management has assessed the risk that the Village will need to pay any such amounts is unlikely at this time; therefore, no provision has been recorded at December 31, 2021 and 2020.

b) The Village is partially insured through the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible that the Village, along with the other participants, would be required to contribute towards the deficit. Management has assessed this as unlikely at this time; therefore, no provision has been recorded at December 31, 2021 and 2020.

VILLAGE OF GOLD RIVER

Notes to the Financial Statements

December 31, 2021

11. Taxation - Net:

	Budget 2021	Actual 2021	Actual 2020
General Municipal Purposes	\$ 1,048,600	\$ 1,048,688	\$ 980,000
Utilities 1% in Lieu Tax	23,000	23,020	27,102
Collections for Other Governments			
Province of British Columbia - School Tax	-	564,428	501,855
Strathcona Regional District	-	38,350	33,304
Comox Strathcona Regional Hospital District	-	64,009	79,850
Municipal Finance Authority	-	34	29
British Columbia Assessment Authority	-	7,210	6,469
Province of BC - Police Tax	-	61,054	58,187
Comox Valley Regional District	-	25,267	28,021
	<u>1,071,600</u>	<u>1,832,060</u>	<u>1,714,817</u>
Transfers			
Province of British Columbia - School Tax	-	564,359	501,924
Strathcona Regional District	-	38,350	33,304
Comox Strathcona Regional Hospital District	-	64,009	79,850
Municipal Finance Authority	-	34	30
British Columbia Assessment Authority	-	7,210	6,469
Province of BC - Police Tax	-	61,048	58,193
Comox Valley Regional District	-	25,267	28,021
	<u>-</u>	<u>760,277</u>	<u>707,791</u>
Available for General Municipal Purposes	\$ <u>1,071,600</u>	\$ <u>1,071,783</u>	\$ <u>1,007,026</u>

12. Pension Plan:

The Village and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2020, the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 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 valuation for the Municipal Pension Plan as at December 31, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

VILLAGE OF GOLD RIVER

Notes to the Financial Statements

December 31, 2021

12. Pension Plan (Continued):

The Village paid \$108,367 (2020 - \$102,131) for employer contributions to the plan in fiscal 2021.

The next valuation will be as at December 31, 2021, with results available in later 2022.

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

13. Funds Held in Trust:

At December 31, 2021, the Village held certain funds in trust which are not included in these financial statements. Certain assets have been conveyed or assigned to the Village to be administered as directed by agreement or statute.

The Cemetery Trust Fund is established pursuant to the provisions of the Community Charter. Monies in the trust can be used for cemetery purposes only. The Village holds the assets for the benefit of the beneficiaries and acts in a fiduciary relationship for the beneficiaries.

The Village administers Ray Watkins Memorial Trust Scholarship Fund. During the year ended December 31, 2021, scholarships of \$250 were awarded (2020 - nil). The following trust funds and assets are excluded from the Village's financial statements:

	<u>2021</u>	<u>2020</u>
Ray Watkins Memorial Trust Scholarship Fund	\$ 1,661	\$ 1,898
Cemetery Trust Fund	<u>11,781</u>	<u>10,711</u>
	<u>\$ 13,442</u>	<u>\$ 12,609</u>

VILLAGE OF GOLD RIVER

Notes to the Financial Statements

December 31, 2021

14. Financial Plan:

The financial plan amounts represent the Financial Plan Bylaw adopted by Council on April 6, 2021.

The financial plan anticipates use of surpluses accumulated in previous years to balance against current expenditures in excess of current year revenues. In addition, it anticipates capital expenditures, amortization and transfers from reserves. The following schedule reconciles the approved financial plan to the amounts presented in the financial statements:

	<u>2021</u>
Financial Plan Bylaw	\$ -
Add:	
Capital Expenditures	954,000
Deduct:	
Appropriation from Surplus	(593,700)
Transfers from Reserves	(714,000)
Amortization Adjustment	<u>(480,800)</u>
Annual Deficit Presented in Financial Statements	\$ <u>(834,500)</u>

15. Segmented Information:

The Village is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in Schedules 2 and 3. The nature of the segments and the activities they encompass are as follows:

General Government

This is comprised of revenues and expenses of the operations of the Village public safety building and other costs that cannot be directly attributed to a specific segment including general administrative, legislative, and fiscal services shown separately on Schedule 2.

General Protective Services

This is comprised of fire protection services, building inspection, bylaw enforcement and emergency services. The fire department is responsible for providing fire suppression service, fire prevention programs, training, and education. The members of the fire department consist of volunteers.

Public Works and Transportation

Public works and transportation is responsible for the maintenance of roads, sidewalks, cemetery maintenance, outdoor lighting, storm drains, and mechanical services and public work buildings and yard.

Solid Waste and Recycling

This is comprised of environmental services providing solid waste and recycling services to citizens.

VILLAGE OF GOLD RIVER

Notes to the Financial Statements

December 31, 2021

15 Segmented Information (continued):

Parks, Recreation and Culture

This is comprised of services meant to improve the health and development of the Village's citizens. Recreational programs like swimming and skating are provided at the arena and aquatic centre, along with outdoor activities in the parks and events at the community centre.

Community Development Services

This is comprised of a number of services including Village planning, economic development, tourist information centre, Jack Christensen Centre, the municipal campground, and library services.

Wharf Services

The Village operates the dock as a commercial enterprise, leasing moorage and warehousing space and charging fees for offloading activities serving Nootka Sound, such as farmed fish and fuel deliveries. There is also a section of floats for boats that pay daily, monthly, or yearly moorage.

Water Utility

This is comprised of activities related to supplying, storing, treating and transporting water.

Sewer Utility

This is comprised of activities related to gathering, treating, transporting, storing and discharging sewage or reclaimed water.

For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment, in addition to amounts that are allocated to each segment on a reasonable basis.

16. Contractual Rights:

The Village has entered into various agreements with parties in relation to the use of the wharf and other municipal properties. The estimated contractual rights under these contracts for the years ending December 31 are as follows:

2022	\$	288,608
2023		200,373
2024		194,693
2025		198,523
2026		15,296
	\$	<u>897,493</u>

17. Comparative Figures:

Certain comparative figures for the year ending December 31, 2020 have been reclassified, where necessary, to conform with the presentation adopted in the current year.

VILLAGE OF GOLD RIVER

Schedule 1 - Government Grants and Transfers to the Village and Ratepayers

Year Ended December 31, 2021

	2021		2020
	Budget	Actual	
Federal Government			
General Operating			
Grants in Lieu of Taxes	\$ 10,000	\$ 10,446	\$ 9,701
Gas Tax	75,000	44,118	11,816
Gas Tax - Sewer	3,000	2,746	8,905
Gas Tax - Water	65,000	14,832	16,027
Other	<u>6,000</u>	<u>-</u>	<u>-</u>
	159,000	72,142	46,449
Capital			
Gas Tax - Sewer	75,000	12,578	-
Gas Tax - Water	<u>165,000</u>	<u>12,578</u>	<u>-</u>
	399,000	97,298	46,449
Province of BC and Federal/Provincial Programs			
General Operating			
Small Communities Protection	464,000	460,000	463,093
Miscellaneous Provincial	149,000	145,710	44,762
COVID Restart Grant	<u>-</u>	<u>-</u>	<u>557,000</u>
	613,000	605,710	1,064,855
Sewer Operating			
Infrastructure Planning	-	-	27,116
Capital			
Sewer - Biosolids Project	<u>-</u>	<u>-</u>	<u>335,419</u>
	613,000	605,710	1,427,390
	<u>\$ 1,012,000</u>	<u>\$ 703,008</u>	<u>\$ 1,473,839</u>

VILLAGE OF GOLD RIVER

Schedule 2 - Combined Statement of Operations by Segment

Year Ended December 31, 2021

	General Government	General Protective Services	Public Works and Transportation	Solid Waste and Recycling	Parks, Recreation and Culture	Community Development Services	Wharf Services	Water Utility	Sewer Utility	Total 2021 Actual	Total 2021 Budget
Revenues											(Note 14)
General taxes, net	\$ 1,071,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,071,783	\$ 1,071,600
Utility charges	-	-	-	-	-	-	-	206,527	320,239	526,766	512,000
Government Grants and transfers											
-- Federal	35,601	-	44,119	-	-	-	-	14,832	2,746	97,298	399,000
-- Provincial	605,710	-	-	-	-	-	-	-	-	605,710	613,000
Sales of Services	-	21,394	2,358	476,920	58,184	99,547	86,873	-	-	745,276	711,700
Investment and Other Income	160,969	5,386	6,398	-	3,001	1,530	-	5,392	54,051	236,727	136,000
	<u>1,874,063</u>	<u>26,780</u>	<u>52,875</u>	<u>476,920</u>	<u>61,185</u>	<u>101,077</u>	<u>86,873</u>	<u>226,751</u>	<u>377,036</u>	<u>3,283,560</u>	<u>3,443,300</u>
Expenses											
Amortization	7,786	9,204	159,047	6,067	163,162	-	30,823	31,402	78,375	485,866	480,800
Labour	563,452	16,538	176,762	179,663	535,176	10,107	-	131,307	146,689	1,759,694	2,043,000
Goods and services	172,896	101,351	153,925	148,038	360,545	127,749	27,293	99,823	117,393	1,309,013	1,754,000
	<u>744,134</u>	<u>127,093</u>	<u>489,734</u>	<u>333,768</u>	<u>1,038,883</u>	<u>137,856</u>	<u>58,116</u>	<u>262,532</u>	<u>342,457</u>	<u>3,554,573</u>	<u>4,277,800</u>
Excess (Deficiency) of Revenues over Expenses	\$ 1,129,929	\$ (100,313)	\$ (436,859)	\$ 143,152	\$ (997,698)	\$ (36,779)	\$ 28,757	\$ (35,781)	\$ 34,579	\$ (271,013)	\$ (834,500)

VILLAGE OF GOLD RIVER

Schedule 3 - Combined Statement of Operations by Segment

Year Ended December 30, 2020

	General Government	General Protective Services	Public Works and Transportation	Solid Waste and Recycling	Parks, Recreation and Culture	Community Development Services	Wharf Services	Water Utility	Sewer Utility	Total 2020 Actual	Total 2020 Budget
Revenues											
General taxes, net	\$ 1,007,026	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,007,026	\$ 1,007,000
Utility charges											
Government Grants											
and Transfers											
-- Federal	9,701	-	11,816	-	-	-	-	16,027	8,905	46,449	259,200
-- Provincial	1,031,438	9,028	-	-	-	24,389	-	-	362,535	1,427,390	918,900
Asset disposals	12,126	-	-	-	-	-	-	-	-	12,126	-
Sales of Services	57,646	16,570	1,232	441,258	58,467	30,030	295,214	-	-	900,417	875,200
Investment and Other Income	189,822	52,295	3,202	-	1,941	2,826	-	9,329	9,347	268,762	293,455
	<u>2,307,759</u>	<u>77,893</u>	<u>16,250</u>	<u>441,258</u>	<u>60,408</u>	<u>57,245</u>	<u>295,214</u>	<u>210,438</u>	<u>675,308</u>	<u>4,141,773</u>	<u>3,831,255</u>
Expenses											
Amortization	11,411	31,533	128,589	20,397	156,677	8,234	30,823	31,402	60,090	479,156	480,800
Labour	735,056	11,605	160,074	160,412	428,601	7,751	-	122,502	122,783	1,748,784	1,930,500
Goods and services	145,196	116,493	130,165	138,325	298,284	98,471	24,090	129,223	173,412	1,253,659	1,931,300
	<u>891,663</u>	<u>159,631</u>	<u>418,828</u>	<u>319,134</u>	<u>883,562</u>	<u>114,456</u>	<u>54,913</u>	<u>283,127</u>	<u>356,285</u>	<u>3,481,599</u>	<u>4,342,600</u>
Excess (Deficiency) of Revenues over Expenses	\$ 1,416,096	\$ (81,738)	\$ (402,578)	\$ 122,124	\$ (823,154)	\$ (57,211)	\$ 240,301	\$ (72,689)	\$ 319,023	\$ 660,174	\$ (511,345)

VILLAGE OF GOLD RIVER

Schedule 4 - Reserve Fund Transactions

Year Ended December 31, 2021

	Capital Works	Water Capital	Sewer Capital	Municipal Dock Maintenance	Fish Processing Plant	2021	2020
Balance, beginning of year	\$ 1,358,166	\$ 777,901	\$ 464,093	\$ 1,212,499	\$ 125,587	\$ 3,938,246	\$ 3,948,930
Interest received	15,110	9,325	4,092	14,638	1,505	44,670	77,677
Expenditures	(194,964)	-	(245,573)	-	-	(440,537)	(159,530)
Transfers from current funds Operating Fund	-	-	-	17,375	-	17,375	71,169
Balance, end of year	\$ 1,178,312	\$ 787,226	\$ 222,612	\$ 1,244,512	\$ 127,092	\$ 3,559,754	\$ 3,938,246

VILLAGE OF GOLD RIVER

Schedule 5 - COVID-19 Safe Restart Grant Unaudited

(Unaudited)

Year Ended December 31, 2021

The Village received a grant of \$557,000 under the COVID-19 Safe Restart Grant for Local Governments in the year ending December 31, 2020. The details surrounding these funds are shown in the schedule below:

	<u>2021</u>
COVID-19 Safe Restart Funds Carried Forward	\$ 472,218
Eligible Costs	
Computer and other electronic technology costs	6,170
Budgeted revenues that have not been collected	<u>22,219</u>
Balance, December 31, 2021	\$ <u>443,829</u>