



GOLD RIVER

2022

Annual Report



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1. MESSAGE FROM THE MAYOR



While this Council was elected near the end of 2022, it is still my pleasure to be able to speak to some of the priorities and accomplishments of the Village for the 2022 calendar year.

Over the past year, the Village has been implementing several initiatives to improve the way we do business. This includes switching to electronic agendas for Council meetings so that we no longer need to print them out. The Fire Department received a fire truck that arrived from upstate New York. Ground was broken for the new fibre optic network. We held a local general election that saw a complete turnover of Council. We also had Audio

Video equipment installed in Council Chambers to allow the public to watch Council meetings from home. And, Council also had the opportunity to support several local initiatives including the Community Garden, Gold River Days, and we continue to work with the Disk Golf organizers to help them find space to play.

After reviewing the Village's Strategic Priorities, this Council has placed a renewed focus on Inter-governmental Relations, Financial Sustainability, Community Livability, Economic Growth, and Community Pride. This will include more engagement with the Mowachaht / Muchalaht First Nation and our provincial government, reviewing our levels of service for financial sustainability, supporting the Healthy Families and Community Committee to bring about community improvements, pursuing opportunities to support local businesses, and increase recreation opportunities. Council continues to work with staff to bring these priorities to reality over the coming years.

If you are still feeling a little isolated after COVID, then now is the time to get involved. Whether you join the Fire Department, get involved in a community group, or attend events around town. There are so many ways to get involved and to become part of something great!

Sincerely,

Mayor Michael Lott

2. MISSION AND VISION

Vision Statement

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

Mission Statement

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.



3. STRATEGIC PRIORITIES

The Village of Gold River has set the following strategic priorities for 2022:

Governance

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

Financial 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

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

Community Livability

- Engage Mowachaht / Muchalaht First Nation in regular, meaningful discussions.

Economic Prosperity

- 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 fibre internet.

The Village of Gold River has set the following strategic priorities for 2023:

Inter-governmental Relations

- Have ongoing collaboration initiatives with Mowachaht / Muchalaht First Nation.
- Work with the Strathcona Regional District to improve emergency preparedness.

Financial Sustainability

- Review service levels during annual financial planning discussions.
- Conduct an assessment of recreation facilities within the Village.
- Review options regarding leasable spaces at the Public Safety Building and the Jack Christensen Centre.
- Conduct a structural review of the Jack Christensen Centre.

Community Livability

- Consideration of an Off-Road Vehicle Bylaw.
- Update the Official Community Plan and Zoning Bylaws, including consideration of secondary suites.
- Explore locations for the creation of a dog park.

Economic Growth

- Develop a plan for a tourism marketing partnership.

Community Pride

- Develop a program for sponsorship for recreation programs.
- Develop/promote community events.

4. PERMISSIVE TAX EXEMPTIONS

The following properties have received a permissive tax exemption for the 2022 calendar year:

Legal Description	Civic Address	Organization	Value of Exemption
Lot A, Plan VIP51943 District Lot 129 & 663, Nootka Land District	HWY #28	Gold River Golf Course	\$25,563.00
Lot 3, Block H, Plan 20172, Nootka Land District	405 Trumpeter Drive	Royal Canadian Legion	\$5,709.00
Lot 2, Block K, Plan 20004 District Lot 637, Nootka Land District	402 Cedar Crescent	St. Peter & St. Paul Church	\$2,255.00
Lot A, Plan 48112, District Lot 637, Nootka Land District	600 Nimpkish Drive	Christian Fellowship Church	\$752.00
Lot 2, Plan 32050, District Lot 637, Nootka Land District	396 Nimpkish Drive	Jack Christensen Centre	\$2,888.00

MANAGEMENT REPORT

December 31, 2022

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, 2022.



Michael Roy
Chief Administrative Officer

April 17, 2023



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, 2022, 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, 2022, 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.

Chan Nawrood Boatis Inc

Chartered Professional Accountants
Campbell River, BC

April 17, 2023

VILLAGE OF GOLD RIVER

Statement of Financial Position

December 31, 2022

2022

2021

FINANCIAL ASSETS

Cash and Cash Equivalents (Note 2)	\$ 4,098,951	\$ 5,120,219
Temporary Investments (Note 3)	7,580,016	6,050,000
Accounts Receivable (Note 4)	<u>443,150</u>	<u>559,521</u>
	<u>12,122,117</u>	<u>11,729,740</u>

LIABILITIES

Accounts Payable and Accrued Liabilities (Note 5)	407,074	319,018
Unearned Revenue (Note 6)	1,538,811	1,588,727
Deferred Contributions (Note 7)	<u>140,485</u>	<u>140,485</u>
	<u>2,086,370</u>	<u>2,048,230</u>

NET FINANCIAL ASSETS

10,035,747 9,681,510

NON-FINANCIAL ASSETS


Prepaid Expenses and Inventories	17,925	12,274
Tangible Capital Assets (Note 8)	<u>14,202,795</u>	<u>14,308,563</u>
	<u>14,220,720</u>	<u>14,320,837</u>

ACCUMULATED SURPLUS (Note 9)

\$ 24,256,467 \$ 24,002,347

Contingencies (Note 10)

Approved by:



Mayor



Chief Administrative Officer

VILLAGE OF GOLD RIVER

Statement of Operations

Year Ended December 31, 2022

	2022		2021
	Budget	Actual	
	(Note 14)		
Revenues (Schedules 2 and 3)			
Taxation (Note 11)	\$ 1,135,114	\$ 1,133,162	\$ 1,071,783
Utility Connection Fees and User Rates	542,660	598,075	526,766
Government Grants and Transfers (Schedule 1)	1,176,229	1,021,984	703,008
Sales of Services	656,419	735,401	658,403
Wharf Services	291,500	336,185	86,873
Investment Income	96,000	194,245	116,011
Other	37,500	197,977	120,716
	<u>3,935,422</u>	<u>4,217,029</u>	<u>3,283,560</u>
Expenditures (Schedules 2 and 3)			
General Government	1,476,799	642,556	744,134
General Protective Services	190,125	145,245	127,093
Public Works and Transportation	453,795	478,887	489,734
Solid Waste and Recycling	342,689	375,004	333,768
Parks, Recreation and Culture	1,132,338	1,089,317	1,058,883
Community Development Services	204,708	277,443	137,856
Wharf Services	58,900	130,317	58,116
Water Utility	310,422	400,383	262,532
Sewer Utility	467,374	423,757	342,457
	<u>4,637,150</u>	<u>3,962,909</u>	<u>3,554,573</u>
Annual Surplus (Deficit)	(701,728)	254,120	(271,013)
Accumulated Surplus - Beginning of Year	<u>24,002,347</u>	<u>24,002,347</u>	<u>24,273,360</u>
Accumulated Surplus - End of Year	<u>\$ 23,300,619</u>	<u>\$ 24,256,467</u>	<u>\$ 24,002,347</u>

VILLAGE OF GOLD RIVER

Statement of Change in Net Financial Assets

Year Ended December 31, 2022

	2022		2021
	Budget	Actual	
	(Note 14)		
Annual Surplus (Deficit)	\$ (701,728)	\$ 254,120	\$ (271,013)
Use of Prepaid Expenses	-	12,274	15,560
Acquisition of Prepaid Expenses	-	(17,925)	(12,274)
Net Acquisition of Tangible Capital Assets	(946,879)	(399,955)	(465,692)
Amortization of Tangible Capital Assets	<u>478,402</u>	<u>505,723</u>	<u>485,866</u>
	<u>(1,170,205)</u>	<u>354,237</u>	<u>(247,553)</u>
Net Financial Assets - Beginning of Year	<u>9,681,510</u>	<u>9,681,510</u>	<u>9,929,063</u>
Net Financial Assets - End of Year	<u>\$ 8,511,305</u>	<u>\$ 10,035,747</u>	<u>\$ 9,681,510</u>

VILLAGE OF GOLD RIVER

Statement of Cash Flows

Year Ended December 31, 2022

2022

2021

Cash Flows From Operating Activities:

Annual Surplus (Deficit)	\$ 254,120	\$ (271,013)
Items Not Involving Cash		
Amortization of Tangible Capital Assets	<u>505,723</u>	<u>485,866</u>
	759,843	214,853
Changes in Non-Cash Operating Balances		
Accounts, Taxes and Rates Receivable	116,371	(124,788)
Account Payable and Accrued Liabilities	88,056	(184,865)
Deferred Revenue	(49,916)	97,168
Prepays and Inventories	<u>(5,651)</u>	<u>3,286</u>
	<u>908,703</u>	<u>5,654</u>

Cash Flows From Capital Activities:

Purchase of Tangible Capital Assets	<u>(399,955)</u>	<u>(465,692)</u>
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Cash Flows From Investing Activities:

Redemption (Purchase) of Temporary Investments	<u>(1,530,016)</u>	<u>21,804</u>
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Decrease in Cash and Cash Equivalents	(1,021,268)	(438,234)
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Cash and Cash Equivalents - Beginning of Year	<u>5,120,219</u>	<u>5,558,453</u>
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Cash and Cash Equivalents - End of Year	<u>\$ 4,098,951</u>	<u>\$ 5,120,219</u>
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VILLAGE OF GOLD RIVER

Notes to the Financial Statements

December 31, 2022

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 plus accrued interest.

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	25 to 80 years
Equipment and vehicles	5 to 40 years
Road and bridges	50 to 60 years
Other	20 to 43 years
Water engineering structures	10 to 80 years
Sewer engineering structures	10 to 80 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, 2022

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, temporary 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, 2022 or December 31, 2021.

VILLAGE OF GOLD RIVER

Notes to the Financial Statements

December 31, 2022

2. Cash and Cash Equivalents:

	<u>2022</u>	<u>2021</u>
Bank Deposits	\$ 2,498,236	\$ 3,558,754
High Interest Savings Account - CIBC	<u>1,600,715</u>	<u>1,561,465</u>
	<u>\$ 4,098,951</u>	<u>\$ 5,120,219</u>

3. Temporary Investments:

	<u>2022</u>	<u>2021</u>
Guaranteed Investment Certificates - RBC		
Maturities and interest range from February 2023 to November 2023, and 4.95% to 5.15% (2021 - 0.60% to 0.77%)	\$ 2,511,514	\$ 2,506,282
Guaranteed Investment Certificates - CWB		
Maturities and interest range from January 2023 to September 2023, and 1.19% to 2.22% (2021 - 1.19% to 1.35%)	1,520,108	1,520,265
Guaranteed Investment Certificates - Raymond James		
Maturities and interest range from January 2023 to November 2023, and 1.05% to 5.15% (2021 - 1.05% to 2.60%)	<u>3,548,394</u>	<u>2,023,453</u>
	<u>\$ 7,580,016</u>	<u>\$ 6,050,000</u>

4. Accounts Receivable:

	<u>2022</u>	<u>2021</u>
Taxes and Rates	\$ 231,602	\$ 147,576
Other Governments	68,770	272,148
Trade and Other	<u>142,778</u>	<u>139,797</u>
	<u>\$ 443,150</u>	<u>\$ 559,521</u>

5. Accounts Payable:

	<u>2022</u>	<u>2021</u>
Trade and Other	\$ 247,911	\$ 172,013
Wages Payable	100,350	116,857
Government Remittances	<u>58,813</u>	<u>30,148</u>
	<u>\$ 407,074</u>	<u>\$ 319,018</u>

VILLAGE OF GOLD RIVER

Notes to the Financial Statements

December 31, 2022

6. Unearned Revenue:

	<u>2022</u>	<u>2021</u>
Community Works (Gas Tax) Grant	\$ 1,375,017	\$ 1,476,634
Prepaid Taxes	40,857	36,745
Economic Development Grant	30,795	48,044
Government Grants	79,807	15,175
Other	<u>12,335</u>	<u>12,129</u>
	<u>\$ 1,538,811</u>	<u>\$ 1,588,727</u>

Below is the activity relating to gas tax agreement funds:

	<u>2022</u>	<u>2021</u>
Opening balance of unspent gas tax funds	\$ 1,476,634	\$ 1,334,693
Add:		
Amounts received in the year	111,222	217,387
Interest earned	37,340	11,406
Less:		
Project expenses	<u>(250,179)</u>	<u>(86,852)</u>
Closing balance of unspent gas tax funds	<u>\$ 1,375,017</u>	<u>\$ 1,476,634</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 \$250,179 (2021 - \$86,852) 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 at the end of the contract period must be repaid; this deadline was previously March 31, 2023 but an extension had been granted for an unspecified period of time. During fiscal 2022 and 2021, no expenditures were incurred. As of December 31, 2022, \$140,485 (2021 - \$140,485) of this contribution remains unused.

VILLAGE OF GOLD RIVER

Notes to the Financial Statements

December 31, 2022

8. Tangible Capital Assets:

	Land	Buildings	Equipment and Vehicles	Roads and Bridges	Other	Water Engineering Structures	Sewer Engineering Structures	2022	2021
Cost, Beginning of Year	\$ 2,072,062	\$ 8,902,321	\$ 4,497,573	\$ 4,901,743	\$ 882,023	\$ 1,660,627	\$ 4,231,098	\$27,147,447	\$26,681,755
Additions	-	-	194,482	-	27,079	89,197	89,197	399,955	465,692
Disposals	-	-	(217,782)	-	-	-	-	(217,782)	-
Cost, End of Year	<u>2,072,062</u>	<u>8,902,321</u>	<u>4,474,273</u>	<u>4,901,743</u>	<u>909,102</u>	<u>1,749,824</u>	<u>4,320,295</u>	<u>27,329,620</u>	<u>27,147,447</u>
Accumulated Amortization,									
Beginning of Year	-	3,915,463	2,806,340	3,156,399	455,827	864,362	1,640,493	12,838,884	12,353,018
Amortization	-	125,335	142,365	79,139	30,823	31,402	96,659	505,723	485,866
Disposals	-	-	(217,782)	-	-	-	-	(217,782)	-
Accumulated Amortization,									
End of Year	-	<u>4,040,798</u>	<u>2,730,923</u>	<u>3,235,538</u>	<u>486,650</u>	<u>895,764</u>	<u>1,737,152</u>	<u>13,126,825</u>	<u>12,838,884</u>
Net Book Value,									
End of Year	<u>\$ 2,072,062</u>	<u>\$ 4,861,523</u>	<u>\$ 1,743,350</u>	<u>\$ 1,666,205</u>	<u>\$ 422,452</u>	<u>\$ 854,060</u>	<u>\$ 2,583,143</u>	<u>\$14,202,795</u>	<u>\$14,308,563</u>

9. Accumulated Surplus

The Village segregates its accumulated surplus into the following categories:

	<u>2022</u>	<u>2021</u>
Unrestricted Funds	\$ 2,505,469	\$ 2,037,390
Internally Restricted Funds	4,051,604	4,084,366
Reserve Funds	3,478,674	3,559,754
Investment in Non-Financial Assets	<u>14,220,720</u>	<u>14,320,837</u>
	<u>\$ 24,256,467</u>	<u>\$ 24,002,347</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:

	<u>2022</u>	<u>2021</u>
Capital Works - (a)	\$ 1,049,178	\$ 1,178,312
Water Capital - (b)	805,509	787,226
Sewer Capital - (b)	227,782	222,612
Municipal Dock Maintenance - (c)	1,266,161	1,244,512
Fish Processing Plant - (d)	<u>130,044</u>	<u>127,092</u>
	<u>\$ 3,478,674</u>	<u>\$ 3,559,754</u>

VILLAGE OF GOLD RIVER

Notes to the Financial Statements

December 31, 2022

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 as unlikely at this time; therefore, no provision has been recorded at December 31, 2022 and 2021.
- 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, 2022 and 2021.

VILLAGE OF GOLD RIVER

Notes to the Financial Statements

December 31, 2022

11. Taxation - Net:

	Budget <u>2022</u>	Actual <u>2022</u>	Actual <u>2021</u>
General Municipal Purposes	\$ 1,111,609	\$ 1,109,845	\$ 1,048,688
Utilities 1% in Lieu Tax	23,505	23,505	23,020
Collections for Other Governments			
Province of British Columbia - School Tax	582,000	612,859	564,428
Strathcona Regional District	41,000	37,461	38,350
Comox Strathcona Regional Hospital District	68,000	64,242	64,009
Municipal Finance Authority	40	44	34
British Columbia Assessment Authority	8,000	8,251	7,210
Province of BC - Police Tax	65,000	63,258	61,054
Comox Valley Regional District	<u>27,000</u>	<u>25,411</u>	<u>25,267</u>
	<u>1,926,154</u>	<u>1,944,876</u>	<u>1,832,060</u>
Transfers			
Province of British Columbia - School Tax	582,000	612,825	564,359
Strathcona Regional District	41,000	37,475	38,350
Comox Strathcona Regional Hospital District	68,000	64,360	64,009
Municipal Finance Authority	40	44	34
British Columbia Assessment Authority	8,000	8,266	7,210
Province of BC - Police Tax	65,000	63,292	61,048
Comox Valley Regional District	<u>27,000</u>	<u>25,452</u>	<u>25,267</u>
	<u>791,040</u>	<u>811,714</u>	<u>760,277</u>
Available for General Municipal Purposes	\$ <u>1,135,114</u>	\$ <u>1,133,162</u>	\$ <u>1,071,783</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, 2021, the plan has about 227,000 active members and approximately 118,000 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, 2021 indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

VILLAGE OF GOLD RIVER

Notes to the Financial Statements

December 31, 2022

12. Pension Plan (Continued):

The Village paid \$95,819 (2021 - \$108,367) for employer contributions to the plan in fiscal 2022.

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

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

13. Funds Held in Trust:

At December 31, 2022, 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 administrates Ray Watkins Memorial Trust Scholarship Fund. During the year ended December 31, 2022, scholarships of \$Nil were awarded (2021 - \$250). The following trust funds and assets are excluded from the Village's financial statements:

	<u>2022</u>	<u>2021</u>
Ray Watkins Memorial Trust Scholarship Fund	\$ 1,661	\$ 1,661
Cemetery Trust Fund	<u>12,793</u>	<u>11,781</u>
	<u>\$ 14,454</u>	<u>\$ 13,442</u>

VILLAGE OF GOLD RIVER

Notes to the Financial Statements

December 31, 2022

14. Financial Plan:

The financial plan amounts represent the Financial Plan Bylaw adopted by Council on April 4, 2022.

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>2022</u>
Financial Plan Bylaw	\$ -
Add:	
Capital Expenditures	946,879
Deduct:	
Appropriation from Surplus	(578,176)
Transfers from Reserves	(592,029)
Amortization Adjustment	<u>(478,402)</u>
Annual Deficit Presented in Financial Statements	\$ <u>(701,728)</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 works 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, 2022

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 agreements for the years ending December 31 are as follows:

2023	\$ 449,409
2024	349,702
2025	338,498
2026	156,652
2027	<u>151,142</u>
	\$ <u>1,445,403</u>

VILLAGE OF GOLD RIVER

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

Year Ended December 31, 2022

	2022		2021
	Budget	Actual	
Federal Government			
General Operating			
Grants in Lieu of Taxes	\$ 10,870	\$ 11,119	\$ 10,446
Gas Tax	77,000	4,385	44,118
Gas Tax - Sewer	62,425	-	2,746
Gas Tax - Water	152,425	68,465	14,832
Other	<u>140,000</u>	<u>-</u>	<u>-</u>
	442,720	83,969	72,142
Capital			
Gas Tax - Sewer	-	90,857	12,578
Gas Tax - Water	<u>-</u>	<u>90,857</u>	<u>12,578</u>
	442,720	265,683	97,298
Province of BC and Federal/Provincial Programs			
General Operating			
Small Communities Grant	460,000	573,000	460,000
Miscellaneous Provincial	113,509	183,301	145,710
COVID Restart Grant	<u>160,000</u>	<u>-</u>	<u>-</u>
	733,509	756,301	605,710
	<u>\$ 1,176,229</u>	<u>\$ 1,021,984</u>	<u>\$ 703,008</u>

VILLAGE OF GOLD RIVER

Schedule 2 - Combined Statement of Operations by Segment

Year Ended December 31, 2022

	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 2022 Actual	Total 2022 Budget
Revenues											(Note 14)
General Taxes, Net	\$ 1,133,162	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,133,162	\$ 1,135,114
Utility Charges	-	-	-	-	-	-	-	233,239	364,836	598,075	542,660
Government Grants											
and Transfers											
-- Federal	192,834	-	4,385	-	-	-	-	68,464	-	265,683	442,720
-- Provincial	756,301	-	-	-	-	-	-	-	-	756,301	733,509
Asset Disposals	6,000	-	-	-	-	-	-	-	-	6,000	-
Sales of Services	-	20,744	633	489,956	80,338	143,730	336,185	-	-	1,071,586	947,919
Investment and Other Income	346,560	2,476	5,759	271	3,880	3,735	-	9,672	13,869	386,222	133,500
	<u>2,434,857</u>	<u>23,220</u>	<u>10,777</u>	<u>490,227</u>	<u>84,218</u>	<u>147,465</u>	<u>336,185</u>	<u>311,375</u>	<u>378,705</u>	<u>4,217,029</u>	<u>3,935,422</u>
Expenses											
Amortization	7,787	9,204	160,175	6,067	163,606	-	30,823	31,402	96,659	505,723	478,402
Labour	463,463	21,773	185,862	205,403	554,855	22,447	-	162,915	160,535	1,777,253	-
Goods and Services	171,306	114,268	132,850	163,534	370,856	254,996	99,494	206,066	166,563	1,679,933	4,158,748
	<u>642,556</u>	<u>145,245</u>	<u>478,887</u>	<u>375,004</u>	<u>1,089,317</u>	<u>277,443</u>	<u>130,317</u>	<u>400,383</u>	<u>423,757</u>	<u>3,962,909</u>	<u>4,637,150</u>
Annual Surplus (Deficit)	\$ 1,792,301	\$ (122,025)	\$ (468,110)	\$ 115,223	\$ (1,005,099)	\$ (129,978)	\$ 205,868	\$ (89,008)	\$ (45,052)	\$ 254,120	\$ (701,728)

VILLAGE OF GOLD RIVER

Schedule 3 - Combined Statement of Operations by Segment

Year Ended December 30, 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											
General Taxes, Net	\$ 1,071,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,071,783	\$ 1,071,600
Utility Charges											
Government Grants	-	-	-	-	-	-	-	206,527	320,239	526,766	512,000
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>1,058,883</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>
Annual Surplus (Deficit)	\$ 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 4 - Reserve Fund Transactions

Year Ended December 31, 2022

	Capital Works	Water Capital	Sewer Capital	Municipal Dock Maintenance	Fish Processing Plant	2022	2021
Balance, Beginning of Year	\$ 1,178,312	\$ 787,226	\$ 222,612	\$ 1,244,512	\$ 127,092	\$ 3,559,754	\$ 3,938,246
Interest Received	25,570	18,283	5,170	28,914	2,952	80,889	44,670
Expenditures	(154,704)	-	-	(74,502)	-	(229,206)	(440,537)
Transfers from Operating Fund	-	-	-	67,237	-	67,237	17,375
Balance, End of Year	<u>\$ 1,049,178</u>	<u>\$ 805,509</u>	<u>\$ 227,782</u>	<u>\$ 1,266,161</u>	<u>\$ 130,044</u>	<u>\$ 3,478,674</u>	<u>\$ 3,559,754</u>

VILLAGE OF GOLD RIVER

Schedule 5 - COVID-19 Safe Restart Grant Unaudited

Year Ended December 31, 2022

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>2022</u>
COVID-19 Safe Restart Funds Carried Forward	\$ 443,829
Eligible Costs	
Computer and other electronic technology costs	<u>33,750</u>
Balance, December 31, 2022	<u>\$ 410,079</u>