

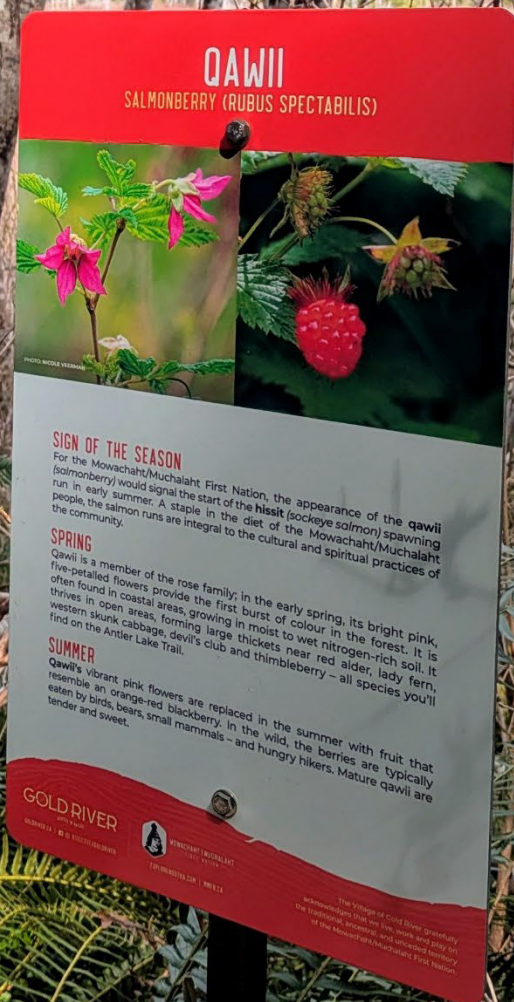
GOLD RIVER
MUNICIPAL HALL

2025
ANNUAL
REPORT

VILLAGE OF GOLD RIVER

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1. MESSAGE FROM THE MAYOR



As this Council moves into the sunset of its four-year term, as mayor, I feel moved to reflect on where this Council, employees and community started in 2022, where we are today and what our future holds.

I remember vividly the reality check that this Council experienced in the beginning, during our orientation workshops with staff, as they outlined the dire state of our municipal finances, the unsustainability of our deficit budgeting practices, the depletion of our municipal surpluses and reserve funds and the implications to our quality of life and services within the community of Gold River if we didn't change our ways.

Without transformational changes in how we managed the Village of Gold River we were looking at the real possibility of insolvency. Which would translate into significant increases in the annual tax rates, closure of facilities, termination of employees, inability to effect necessary maintenance and replacement of critical infrastructure and the replacement of worn-out equipment.

Fundamentally, we would have a failed community that none of us would recognize.

The Council, employees, contractors, and community took on the challenge of being financially responsible and making the difficult changes necessary to get our financial house in order.

Today, because of all those involved, the Village of Gold River has achieved a balanced budget in our five-year financial plan. We no longer must draw down our reserves and surpluses to finance our deficit budgets. We have been able to replenish our depleted reserve funds, and we enjoy healthy surplus accounts.

The Village of Gold River major capital projects, that we need to undertake, to keep the Village running, are being partially financed by grants that our staff have relentlessly pursued and been successful in acquiring. Without these millions and millions of dollars in grants, essential worn-out infrastructure and equipment would not be able to be replaced without borrowing crippling sums of money.

The Village of Gold River is now in a position where it has a real chance of future renewal and growth. Citizens have security in knowing that their Village is not going under, people can move into our community without the fear that everything we enjoy is not going to shut down and existing and prospective businesses can attract and maintain the people they need to operate their businesses.

The Village of Gold River is already seeing signs of renewed confidence in the future of our community with large investments by the Federal Government in a new state of the art

RCMP detachment complex, the purchase and upgrade of our local hotel by the Wyndham group and MMFN with the addition of new guest/employee suites and the MMFN Welcoming House which is cornerstone of their Destination Marketing Plan.

The Village of Gold River continues to stay up to date by updating critical documents, such as our Official Community Plan, Economic Development Plan and other important Bylaws and Policies.

We continue to enjoy outstanding protective and health services in Gold River thanks to the RCMP, the VOGR Fire Department, the BCEHS Ambulance Service and our incomparable Health Care Clinic staffed by amazing employees, nurses and doctors that are always there for the community 24 hours a day.

The volunteers and not for profit groups in the community are second to none and without their selfless contributions to the Village of Gold River our quality of life would be so diminished, I cannot thank you all enough!

Our resilient business community faces huge challenges to stay in business, yet through all the head winds, they continue to fight the good fight to provide our community with the essential services that make it livable and continue to adapt to stay in business. Please support them whenever possible, they provide those goods and services that we need to move forward.

As a community, we are currently self-sustaining, however, we will never be complete until we re-establish ourselves as a light/heavy industrial town and realize our full potential.

Industry is in our DNA, our identity as a Village, the reason for our existence. For that to happen we need to figure out the power puzzle to the old mill site, without power there is no significant development, no renewal and growth for Gold River and Nootka Sound.

I thank the MMFN for continuing to work with the Village of Gold River towards the betterment of both of our communities and look forward to our journey together towards reconciliation.

In closing, it has been a humbling experience to be your mayor, thank you for the faith and trust that you put into this Council and organization. It has been my pleasure to serve you all to the best of my ability, it hasn't all been perfect and it's still a work in progress but collectively, all of us Gold River people pulling together were making a difference and this wonderful community and region we call home is destined for future growth and prosperity for us all.

I wish all the best to each one of you.

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.



(Left to right) Councillor Peter Wehmier, Councillor Alison Pringle, Mayor Michael Lott, Councillor Nikki Pichert, Councillor Henry Fossen

3. STRATEGIC PRIORITIES

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

2025: Inter-governmental Relations

- Have ongoing collaboration initiatives with Mowachaht / Muchalaht First Nation.
 - Nootka Economic Development Forum which consists of Gold River, Mowachaht / Muchalaht First Nation and Tahsis have continued to meet to discuss and share economic development and tourism initiatives.
 - Council continued to have a joint meeting with Mowachaht / Muchalaht First Nation and Tahsis.
- Work with the Strathcona Regional District to improve emergency preparedness.
 - With the support of the Strathcona Regional District, the Village was successful with several grants to support emergency response and preparedness.

Financial Sustainability

- Review service levels during annual financial planning discussions.
 - Council reviewed service levels for the year and service levels for municipal service areas remained the same as in previous years.
 - The 2026 Financial Plan discussions in the fourth quarter of 2025 was able to arrive at a balanced budget for the 2026 financial year.
- Conduct an assessment of recreation facilities within the Village.
- Review options regarding leasable spaces at the Public Safety Building

Community Livability

- Update the Official Community Plan and Zoning Bylaws
 - Both the OCP and Zoning Bylaws were updated in 2025
- Explore locations for the creation of a dog park.

Economic Growth

- Develop a plan for a tourism marketing partnership.
 - Establishment of the Nootka Economic Development Forum which will also encompass tourism marketing.
- Develop Economic Development plan for Gold River.
 - Economic development plan was completed in summer of 2025

Community Pride

- Develop a program for sponsorship for recreation programs.
- Develop/promote community events.
 - In 2025, the annual Gold River Days event continued. In addition, the village organized and coordinated the Village of Gold River's Community Clean-up Event on Earth Day.

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

2026: 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.

Community Livability

- Develop a plan for Nimpkish Park

Economic Growth

- Work with Mowachaht/Muchalaht First Nation and Tahsis to support and promote tourism in the region.
- Develop a Revitalization Tax Exemption Bylaw to support and promote investment in Gold River

Community Pride

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

4. PERMISSIVE TAX EXEMPTIONS

The following properties have received permissive tax exemption for the 2025 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	\$27,361
Lot 3, Block H, Plan 20172, Nootka Land District	405 Trumpeter Drive	Royal Canadian Legion	\$6,285
Lot 2, Block K, Plan 20004 District Lot 637, Nootka Land District	402 Cedar Crescent	St. Peter & St. Paul Church	\$710
Lot A, Plan 48112, District Lot 637, Nootka Land District	600 Nimpkish Drive	Christian Fellowship Church	\$1,652
Lot 2, Plan 32050, District Lot 637, Nootka Land District	396 Nimpkish Drive	Jack Christensen Centre	\$3,449

Management Report

December 31, 2025

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, 2025.



Michael Roy
Chief Administrative Officer



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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, 2025, 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 (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2025, 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 to liquidate the Village or 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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.

We 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.



Chartered Professional Accountants
Campbell River, BC

April 7, 2026

VILLAGE OF GOLD RIVER

Statement of Financial Position December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and Cash Equivalents (Note 2)	\$ 3,671,901	\$ 4,092,540
Temporary Investments (Note 3)	13,774,182	10,038,083
Accounts Receivable (Note 4)	420,075	499,566
	<u>17,866,158</u>	<u>14,630,189</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities (Note 5)	375,823	567,037
Asset Retirement Obligation (Note 6)	499,122	487,424
Unearned Revenue (Note 7)	5,393,142	2,234,437
Deferred Contributions (Note 8)	140,485	140,485
	<u>6,408,572</u>	<u>3,429,383</u>
NET FINANCIAL ASSETS	11,457,586	11,200,806
NON-FINANCIAL ASSETS		
Prepaid Expenses and Inventories	107,555	68,352
Tangible Capital Assets (Note 9)	13,626,854	13,672,648
	<u>13,734,409</u>	<u>13,741,000</u>
ACCUMULATED SURPLUS (Note 10)	\$ 25,191,995	\$ 24,941,806

Contingencies (Note 11)

Approved by:

Michael Lott

Mayor



Chief Administrative Officer

VILLAGE OF GOLD RIVER

Statement of Operations

For the Year Ended December 31, 2025

	Budget	2025	2024
Revenues (Schedules 2 and 3)			
Taxation (Note 12)	\$ 1,431,148	\$ 1,430,968	\$ 1,315,228
Utility Connection Fees and User Rates	723,025	769,673	690,861
Government Grants and Transfers (Schedule 1)	1,261,015	929,597	1,006,567
Sales of Services	679,227	808,935	814,405
Wharf Services	133,929	123,908	212,951
Investment Income	300,000	613,481	644,184
Other	53,500	109,777	100,966
	<u>4,581,844</u>	<u>4,786,339</u>	<u>4,785,162</u>
Expenditures (Schedules 2 and 3)			
Government Services	782,953	656,077	664,638
General Protective Services	330,433	240,935	268,894
Public Works & Transportation	732,057	532,550	532,749
Solid Waste and Recycling	435,779	399,026	395,463
Parks, Recreation and Culture	1,264,624	1,333,066	1,198,463
Community Development Services	487,164	353,438	303,540
Wharf Services	118,916	107,400	53,316
Water Utility	348,638	377,354	337,934
Sewer Utility	550,147	536,304	477,420
	<u>5,050,711</u>	<u>4,536,150</u>	<u>4,232,417</u>
Annual Surplus (Deficit)	(468,867)	250,189	552,745
Accumulated Surplus - Beginning of Year	-	24,941,806	24,389,061
Accumulated Surplus - End of Year	\$ (468,867)	\$ 25,191,995	\$ 24,941,806

VILLAGE OF GOLD RIVER

Statement of Change in Net Financial Assets For the Year Ended December 31, 2025

	Budget	2025	2024
Annual Surplus (Deficit)	<u>\$ -</u>	<u>\$ 250,189</u>	<u>\$ 552,745</u>
Use of Prepaid Expenses	-	68,352	28,257
Acquisition of Prepaid Expenses	-	(107,555)	(68,351)
Net Acquisition of Tangible Capital Assets	(1,083,500)	(492,168)	(255,043)
Amortization of Tangible Assets	555,250	549,660	535,454
Remeasurement of AROs	-	(11,698)	(11,424)
Loss on Disposal of Tangible Capital Assets	-	-	6,158
	<u>(528,250)</u>	<u>256,780</u>	<u>787,796</u>
Net Financial assets - Beginning of Year	<u>-</u>	<u>11,200,806</u>	<u>10,413,010</u>
Net Financial Assets - End of Year	<u>\$ (528,250)</u>	<u>\$ 11,457,586</u>	<u>\$ 11,200,806</u>

VILLAGE OF GOLD RIVER

Statement of Cash Flows For the Year Ended December 31, 2025

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Annual Surplus	\$ 250,189	\$ 552,745
Items Not Involving Cash		
Amortization of Tangible Capital Assets	549,660	535,454
Remeasurement of AROs	(11,698)	(11,424)
Loss on Disposal of Tangible Capital Assets	-	6,158
	<u>788,151</u>	<u>1,082,933</u>
Changes in Non-Cash Operating Balances		
Accounts Receivable	79,491	(74,554)
Account Payable and Accrued Liabilities	(191,214)	2,001
Asset Retirement Obligation	11,698	11,424
Unearned Revenue	3,158,705	428,666
Prepaid Expenses	(39,203)	(40,095)
	<u>3,807,628</u>	<u>1,410,375</u>
Cash Flows from Capital Activities:		
Purchase of Tangible Capital Assets	(492,168)	(255,043)
Cash Flows From Investing Activities:		
Purchase of Temporary Investments	(3,736,099)	24,406
Increase (Decrease) in Cash and Cash Equivalents	(420,639)	1,179,738
Cash and Cash Equivalents - Beginning of Year	4,092,540	2,912,802
Cash and Cash Equivalents - End of Year	\$ 3,671,901	\$ 4,092,540

VILLAGE OF GOLD RIVER

Notes to the Financial Statements December 31, 2025

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.

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.

VILLAGE OF GOLD RIVER

Notes to the Financial Statements December 31, 2025

1. Significant Accounting Policies: (Continued)

e. Revenue recognition: (Continued)

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.

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 contributions 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.

In addition, the Village's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs. Actual results could differ from these estimates.

VILLAGE OF GOLD RIVER

Notes to the Financial Statements December 31, 2025

1. Significant Accounting Policies: (Continued)

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, 2025 or December 31, 2024.

j. Asset Retirement Obligations:

The Village recognizes a liability for an asset retirement obligation when there is legal obligation to incur retirement costs in relation to a tangible capital asset; the past transaction or event giving rise to the liability has occurred; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. The liability is adjusted yearly for accretion expense.

2. Cash and Cash Equivalents:

	<u>2025</u>	<u>2024</u>
Bank Deposits	\$ 1,635,027	\$ 2,318,121
High Interest Savings Account - CIBC	<u>2,036,874</u>	<u>1,774,419</u>
	<u>\$ 3,671,901</u>	<u>\$ 4,092,540</u>

3. Temporary Investments:

	<u>2025</u>	<u>2024</u>
Guaranteed Investment Certificates - RBC	\$ -	\$ 505,218
Guaranteed Investment Certificates - CWB	506,462	506,462
Guaranteed Investment Certificates - Raymond James	<u>13,267,720</u>	<u>9,026,403</u>
	<u>\$ 13,774,182</u>	<u>\$ 10,038,083</u>

The Guaranteed Investment Certificates held at December 31, 2025 earn interest at rates of 3.28% - 5.7% (2024 - 4.0% - 5.7%) and maturity dates of January 23, 2026 to July 17, 2030.

VILLAGE OF GOLD RIVER

Notes to the Financial Statements December 31, 2025

4. Accounts Receivable:

	<u>2025</u>	<u>2024</u>
Taxes and Rates	\$ 288,428	\$ 255,249
Other Governments	29,249	148,909
Trade and Other	102,398	95,408
	<u>\$ 420,075</u>	<u>\$ 499,566</u>

5. Accounts Payable and Accrued Liabilities:

	<u>2025</u>	<u>2024</u>
Trade and Other	\$ 179,066	\$ 388,497
Wages payable	132,772	143,908
Government Remittances	63,985	34,632
	<u>\$ 375,823</u>	<u>\$ 567,037</u>

6. Asset Retirement Obligation:

The Village has a number of buildings and wells that are still in use which have a legal remediation requirement associated with them. The Village obtained a third party report in early 2022 that estimated removal and remediation costs for these assets are estimated to total \$499,122 (2024 – \$487,424); the asset retirement costs are amortized using the straight-line method over the estimated remaining useful lives of the associated assets. The Village has an estimated period for replacement or retirement of 10-35 years from the date of the report.

	<u>2025</u>	<u>2024</u>
Balance - Beginning of Year	\$ 487,424	\$ 476,000
Remeasurement of AROs	11,698	11,424
Balance - End of Year	<u>\$ 499,122</u>	<u>\$ 487,424</u>

VILLAGE OF GOLD RIVER

Notes to the Financial Statements December 31, 2025

7. Unearned Revenue:

	<u>2025</u>	<u>2024</u>
Community Works (Gas Tax) Grant	\$ 1,917,287	\$ 1,739,626
Prepaid Taxes	24,239	32,091
Economic Development Grant	-	3,340
Government Grants	3,441,194	441,642
Other	10,422	17,737
	<u>\$ 5,393,142</u>	<u>\$ 2,234,437</u>

Below is the activity relating to gas tax agreement funds:

	<u>2025</u>	<u>2024</u>
Opening balance of unspent gas tax funds	\$ 1,739,626	\$ 1,539,517
Add:		
Amounts received in the year	120,147	120,147
Interest earned	57,514	79,963
Less:		
Project expenses	-	-
Closing balance of unspent gas tax funds	<u>\$ 1,917,287</u>	<u>\$ 1,739,626</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 \$0 (2024 - \$0) on eligible project expenses.

8. 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 is March 31, 2026. During fiscal 2025 and 2024, no expenditures were incurred. As of December 31, 2025, \$140,485 (2024 - \$140,485) of this contribution remains unused.

VILLAGE OF GOLD RIVER

Notes to the Financial Statements December 31, 2025

9. Tangible Capital Assets:

	Land	Buildings	Equipment and Vehicles	Roads and Bridges	Other	Water Engineering Structures	Sewer Engineering Structures	2025	2024
Cost, Beginning of Year	\$2,072,062	\$9,346,396	\$ 4,721,656	\$4,901,743	\$ 932,094	\$ 1,815,617	\$ 4,357,416	\$ 28,146,984	\$ 27,910,229
Additions	-	10,176	481,992	-	-	-	-	492,168	255,043
ARO Remeasurement	-	9,830	-	-	-	1,278	590	11,698	11,424
Disposals	-	-	-	-	-	-	-	-	-
Write-downs	-	-	-	-	-	-	-	-	(29,712)
Cost, End of Year	2,072,062	9,366,402	5,203,648	4,901,743	932,094	1,816,895	4,358,006	28,650,850	28,146,984
Accumulated Amortization, Beginning of Year	-	4,576,355	2,975,377	3,393,811	548,717	1,014,323	1,965,753	14,474,336	13,962,436
Amortization	-	132,498	153,343	79,137	32,492	43,726	108,464	549,660	535,454
Disposals	-	-	-	-	-	-	-	-	(23,554)
Accumulated Amortization, End of Year	-	4,708,853	3,128,720	3,472,948	581,209	1,058,049	2,074,217	15,023,996	14,474,336
Net Book Value, End of Year	<u>\$2,072,062</u>	<u>\$4,657,549</u>	<u>\$ 2,074,928</u>	<u>\$1,428,795</u>	<u>\$ 350,885</u>	<u>\$ 758,846</u>	<u>\$ 2,283,789</u>	<u>\$ 13,626,854</u>	<u>\$ 13,672,648</u>

10. Accumulated Surplus:

	2025	2024
Unappropriated surplus		
General	\$ 1,402,598	\$ 2,578,180
Sewer	357,828	638,999
Water	172,918	466,998
	<u>1,933,344</u>	<u>3,684,177</u>
Reserves		
General	1,668,034	1,087,937
Sewer	653,350	254,907
Water	1,252,015	901,433
Municipal Dock	1,060,116	814,373
Growing Communities Fund	1,034,653	982,587
	<u>5,668,168</u>	<u>4,041,237</u>
Internally Restricted Funds	4,355,196	3,962,816
Investment in Non-Financial Assets	13,235,287	13,253,576
	<u>\$25,191,995</u>	<u>\$24,941,806</u>

VILLAGE OF GOLD RIVER

Notes to the Financial Statements December 31, 2025

10. Accumulated Surplus: (Continued)

Unappropriated surplus is available to temporarily finance operations until planned revenues including property taxes are received, or for other operating or capital purposes as determined by Council.

The reserves have been set aside by bylaw for a specified purpose. In the normal course of operations, these funds will be used to finance the future services or capital works for which they have been appropriated.

The internal restricted funds have been set aside by decision of Council for a specified purpose. In the normal course of operations, these funds will be used to finance future services or capital works for which they have been appropriated.

11. 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, 2025 and 2024.
- 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, 2025 and 2024.

VILLAGE OF GOLD RIVER

Notes to the Financial Statements December 31, 2025

12. Taxation - Net:

	<u>Budget</u>	<u>2025</u>	<u>2024</u>
General Municipal Purposes	\$ 1,409,312	\$ 1,409,326	\$ 1,294,136
Utilities 1% in Lieu Tax	21,836	21,837	21,086
Collections for Other Governments			
Province of British Columbia - School Tax	724,941	703,563	703,826
Strathcona Regional District	48,062	42,499	44,194
Comox Strathcona Regional Hospital District	69,846	67,131	67,284
Municipal Finance Authority	55	53	53
British Columbia Assessment Authority	10,116	9,752	9,449
Province of British Columbia - Police Tax	85,011	84,574	82,535
Comox Valley Regional District	27,663	29,254	26,645
	<u>2,396,842</u>	<u>2,367,989</u>	<u>2,249,208</u>
Transfers			
Province of British Columbia - School Tax	724,941	703,563	703,826
Strathcona Regional District	48,062	42,499	44,194
Comox Strathcona Regional Hospital District	69,846	67,131	67,284
Municipal Finance Authority	55	57	53
British Columbia Assessment Authority	10,116	9,943	9,443
Province of British Columbia - Police Tax	85,011	84,574	82,535
Comox Valley Regional District	27,663	29,254	26,645
	<u>965,694</u>	<u>937,021</u>	<u>933,980</u>
Available for General Municipal Purposes	<u>\$ 1,431,148</u>	<u>\$ 1,430,968</u>	<u>\$ 1,315,228</u>

VILLAGE OF GOLD RIVER

Notes to the Financial Statements December 31, 2025

13. 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, 2024, the plan has about 273,000 active members and approximately 133,000 retired members. Active members include approximately 47,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2027.

The Village paid \$104,031 (2024 - \$101,904) for employer contributions to the plan in fiscal 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.

14. Funds Held in Trust:

At December 31, 2025, 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, 2025, scholarships of \$250 were awarded (2024 - \$Nil). The following trust funds and assets are excluded from the Village's financial statements:

	<u>2025</u>	<u>2024</u>
Ray Watkins Memorial Trust Scholarship Fund	\$ 1,684	\$ 1,878
Cemetery Trust Fund	16,135	15,330
	<u>\$ 17,819</u>	<u>\$ 17,208</u>

VILLAGE OF GOLD RIVER

Notes to the Financial Statements December 31, 2025

15. Financial Plan:

The financial plan amounts represent the Financial Plan Bylaw adopted by Council on January 6, 2025.

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>2025</u>
Financial Plan Bylaw	\$ -
Add:	
Capital Expenditures	1,083,500
Deduct:	
Appropriation from Surplus	(255,438)
Transfers from Reserves	(741,679)
Amortization Adjustment	<u>(555,250)</u>
Annual Deficit Presented in Financial Statements	<u>\$ (468,867)</u>

16. 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.

VILLAGE OF GOLD RIVER

Notes to the Financial Statements December 31, 2025

16. Segmented Information: (Continued)

Solid Waste and Recycling

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

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, the tourist information centre, the 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.

VILLAGE OF GOLD RIVER

Notes to the Financial Statements December 31, 2025

17. 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:

2026	\$ 90,320
2027	85,990
2028	56,749
2029	-
2030	-
	<hr/>
	<u>\$ 233,059</u>

VILLAGE OF GOLD RIVER

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

Year Ended December 31, 2025

	Budget	2025	2024
Federal Government			
Operating			
Grants in Lieu of Taxes	\$ 67,160	\$ 70,422	\$ 63,965
Community Works Fund - General	110,000	-	-
Other - Federal	140,485	-	-
	<u>317,645</u>	<u>70,422</u>	<u>63,965</u>
Capital			
Community Works Fund - Sewer	140,000	-	-
	<u>457,645</u>	<u>70,422</u>	<u>63,965</u>
Province of BC and Federal/Provincial Programs			
Operating			
Small Communities Grant	428,000	410,000	459,900
Miscellaneous Provincial	375,370	449,175	482,702
	<u>803,370</u>	<u>859,175</u>	<u>942,602</u>
	<u>\$ 1,261,015</u>	<u>\$ 929,597</u>	<u>\$ 1,006,567</u>

VILLAGE OF GOLD RIVER

Schedule 2 - Combined Statement of Operations by Segment Year Ended December 31, 2025

	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 2025 Actual	Total 2025 Budget
Revenues											
General Taxes, Net	\$ 1,430,968	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,430,968	\$ 1,431,148
Utility Charges	-	-	-	-	-	-	-	297,353	472,320	769,673	723,025
Government Grants and Transfers											
-- Federal	70,422	-	-	-	-	-	-	-	-	70,422	457,645
-- Provincial	493,874	40,174	44,104	-	22,130	217,627	-	20,633	20,633	859,175	803,370
Sales of Services	7,319	12,375	9,817	626,393	106,945	46,086	123,908	-	-	932,843	813,156
Investment and Other Income	625,991	27,527	2,807	(537)	2,535	19,658	-	16,561	28,716	723,258	353,500
	<u>2,628,574</u>	<u>80,076</u>	<u>56,728</u>	<u>625,856</u>	<u>131,610</u>	<u>283,371</u>	<u>123,908</u>	<u>334,547</u>	<u>521,669</u>	<u>4,786,339</u>	<u>4,581,844</u>
Expenses											
Amortization of Tangible Assets	19,858	40,053	120,864	27,257	145,699	11,247	32,492	43,726	108,464	549,660	555,250
Salaries and wages	395,093	87,562	184,587	215,004	649,857	85,982	-	178,809	191,373	1,988,267	2,320,131
Goods and Services	241,126	113,320	227,099	156,765	537,510	256,209	74,908	154,819	236,467	1,998,223	2,175,330
	<u>(656,077)</u>	<u>(240,935)</u>	<u>(532,550)</u>	<u>(399,026)</u>	<u>(1,333,066)</u>	<u>(353,438)</u>	<u>(107,400)</u>	<u>(377,354)</u>	<u>(536,304)</u>	<u>(4,536,150)</u>	<u>(5,050,711)</u>
Annual Surplus (Deficit)	<u>\$ 1,972,497</u>	<u>\$ (160,859)</u>	<u>\$ (475,822)</u>	<u>\$ 226,830</u>	<u>\$ (1,201,456)</u>	<u>\$ (70,067)</u>	<u>\$ 16,508</u>	<u>\$ (42,807)</u>	<u>\$ (14,635)</u>	<u>\$ 250,189</u>	<u>\$ (468,867)</u>

VILLAGE OF GOLD RIVER

Schedule 3 - Combined Statement of Operations by Segment Year Ended December 31, 2024

	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 2024 Actual	Total 2024 Budget
Revenues											
General Taxes, Net	\$ 1,315,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,315,228	\$ 1,315,220
Utility Charges	-	-	-	-	-	-	-	264,041	426,820	690,861	680,183
Government Grants and Transfers											
-- Federal	63,965	-	-	-	-	-	-	-	-	63,965	796,151
-- Provincial	569,930	48,415	87,665	-	1,000	178,402	-	28,595	28,595	942,602	1,219,503
Sales of Services	46,575	12,375	10,365	596,792	107,832	40,466	212,951	-	-	1,027,356	737,603
Investment and Other Income	630,419	20,025	8,923	1,087	1,781	26,473	-	23,878	32,564	745,150	437,000
	<u>2,626,117</u>	<u>80,815</u>	<u>106,953</u>	<u>597,879</u>	<u>110,613</u>	<u>245,341</u>	<u>212,951</u>	<u>316,514</u>	<u>487,979</u>	<u>4,785,162</u>	<u>5,185,660</u>
Expenses											
Amortization of Tangible Assets	17,324	39,415	123,872	16,895	144,026	10,621	31,244	43,627	108,430	535,454	555,250
Salaries and wages	419,107	74,356	185,239	211,972	615,338	95,481	-	158,303	169,998	1,929,794	2,269,465
Goods and Services	222,049	155,123	223,638	166,596	439,099	197,438	22,072	136,004	198,992	1,761,011	2,976,087
Loss on Disposal of Tangible Capital Assets	6,158	-	-	-	-	-	-	-	-	6,158	-
	<u>(664,638)</u>	<u>(268,894)</u>	<u>(532,749)</u>	<u>(395,463)</u>	<u>(1,198,463)</u>	<u>(303,540)</u>	<u>(53,316)</u>	<u>(337,934)</u>	<u>(477,420)</u>	<u>(4,232,417)</u>	<u>(5,800,802)</u>
	<u>\$ 1,961,479</u>	<u>\$ (188,079)</u>	<u>\$ (425,796)</u>	<u>\$ 202,416</u>	<u>\$ (1,087,850)</u>	<u>\$ (58,199)</u>	<u>\$ 159,635</u>	<u>\$ (21,420)</u>	<u>\$ 10,559</u>	<u>\$ 552,745</u>	<u>\$ (615,142)</u>

VILLAGE OF GOLD RIVER

Schedule 4 - Reserve Fund Transactions Year Ended December 31, 2025

	General Capital	Water Capital	Sewer Capital	Municipal Dock Maintenance	Growing Communities Fund	2025	2024
Balance, Beginning of Year	\$ 1,087,937	\$ 901,433	\$ 254,907	\$ 814,373	\$ 982,587	\$ 4,041,237	\$ 3,958,372
Interest Received	71,133	55,582	23,443	48,381	52,066	250,605	237,003
Expenditures	(376,036)	-	-	-	-	(376,036)	(196,575)
Transfers to/from Operating Fund	885,000	295,000	375,000	197,362	-	1,752,362	42,437
	<u>\$ 1,668,034</u>	<u>\$ 1,252,015</u>	<u>\$ 653,350</u>	<u>\$ 1,060,116</u>	<u>\$ 1,034,653</u>	<u>\$ 5,668,168</u>	<u>\$ 4,041,237</u>

VILLAGE OF GOLD RIVER

Schedule 5 - COVID-19 Safe Restart Grant Unaudited Year Ended December 31, 2025

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>2025</u>
COVID-19 Safe Restart Funds Carried Forward	\$ 271,291
Eligible Costs	
Emergency Planning & Response Costs	20,750
Computer and other Electronic technology costs	<u>9,443</u>
Balance, December 31, 2025	<u>\$ 241,098</u>

VILLAGE OF GOLD RIVER

Schedule 6 - Growing Communities Fund Year Ended December 31, 2025

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

The Village of Gold River received \$969,000 of GCF funding in March 2023.

	<u>2025</u>
Balance, beginning of year	\$ 982,587
Interest earned	52,066
Eligible Costs	
None	-
Balance, end of year	<u>\$ 1,034,653</u>