



Village of
Sayward

2021 Annual Report



The Village of Sayward
P.O. Box 29, 652 H'Kusam Way
Sayward B.C. V0P 1R0

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Message from Mayor Mark Baker:

2021 was another year that we navigated through the COVID -19 pandemic. Public Health Orders mandated closures of the Kelsey Centre, governed how and when we could meet in person and saw many community events cancelled. Negative effects for area business, tourism and entertainment were felt by all. Many planned in person meetings could not take place and several community groups did not meet for a second year. Volunteer organizations were impacted losing members and planned work was not able to proceed. We are a resilient community however and we got through it together as we always do.



Major projects were deferred in some cases, but Council supported by a small, dedicated staff at the Village office, all of whom work to serve the needs and interests of the residents of Sayward continued to do what was possible and I am proud of what we accomplished as a team despite facing several barriers to advancing work in a difficult year. Dedicated volunteers are also at the centre of our community, keeping us safe, keeping trail networks maintained and taking on work that would not be possible without their dedication.

This Annual Report is a summary of the financial reporting period of January 1, 2021, to December 31, 2021, including the 2021 audited financial statements, major initiatives, accomplishments, and other outcomes for the year. It also touches on strategic planning for 2022 and some of the milestones already reached. 2022 is planned to be a year of finishing projects like the New Castle Dam deconstruction and updating information needed for planning phased major infrastructure project in the short, medium, and long term. It is also a time to ensure our Village is ready for funding opportunities as they arise, taking advantage of every opportunity that makes sense for the community. From Drainage to water treatment and linear water and sewer lines, roads to building maintenance, we have much to address together.

As always, Council and staff can only do so much, and it is the wide and varied work of so many volunteers who make the Village of Sayward such a great place to live, work and raise a family. On behalf of all of Council, I wish to thank the many volunteers for all that you do. With that, I am pleased to present the 2021 Annual Report for the Village of Sayward on behalf of all members of Council.

Sincerely,

Mayor Mark Baker

Village of Sayward Elected Officials 2021



Back Row, left to right - Councillor Wes Cragg, Councillor Tom Tinsley
Front Row, left to right – Councillor Sue Poulsen, Mayor Mark Baker, Councillor Norm Kirschner

Statement of Municipal Services and Operations - 2021

Strategic Goals	Objectives	Measures/ Results
1. Community Relations	<p>Work on building a strong co-operative relationship with all residents of Sayward (Village and Valley):</p> <ul style="list-style-type: none"> a) Involve Area Director in service delivery issues for all valley residents. b) Update and enhance the village website. c) Mayor and Council to submit a monthly update to the Sayward News to help keep residents apprised of Village initiatives and goals. d) Work in improving our relationship with the K'omoks First Nation, regular communications, and ways and means to jointly promote Sayward. e) Work with SRD on funding for services jointly used by all valley residents. Recreation, Fire, Health. 	<p>Area Director Whalley copied in all matters relating to shared services. Director Whalley also contributes to content in the Sayward News and works with CAO on strategic initiatives like Connected Coast, Capital Projects, and other initiatives as a "regional approach."</p> <p>Website replacement completed July 2021. Continual updates are handled by Village Staff and there is now work being done to incorporate a Fire Department page and perhaps Tourism in time with links to third parties as appropriate.</p> <p>Monthly updates included in the Sayward News publication by CAO to reflect work of the Village. Director Whalley also has a spot reserved for Valley Updates. The development of an area for mayor and/or Council in the newsletter continues to be a goal.</p> <p>In early 2022 the Council met with K'omoks First Nation to discuss the Draft Official Community Plan (OCP) and project. Current CAO established a relationship with staff and dialogue continues towards joint interests, relationship building and development.</p> <p>Discussions with Strathcona Regional District on joint funding models ongoing. 2nd Fire Services report is expected in August of 2022 and work towards the Connected Community project, Recreational Service continues.</p>
2. Economic Development	<ul style="list-style-type: none"> a.) Assist and support prospective businesses interested in locating to the Sayward area. b.) Work with local organizations and the Tourism committee to promote tourism and attract 	<p>Village of Sayward is currently addressing zoning and bylaws aimed at development and is working with the SRD to streamline applications. Further, the Village is looking at new inquiries for short term accommodations and incorporation into bylaws.</p> <p>The Tourism Community did not meet in 2020 and 2021 owing to COVID -19. Currently the Village does not have a service agreement with any</p>

	business investment to the Sayward area.	organization for tourism but is working directly with Destination Campbell River and Tourism Vancouver Island.
3. Infrastructure upgrades & Asset Replacement	Be cognizant of Asset Management Plan and use it to identify projects for the Financial Plan.	Asset Management Plan (AMP) is under review and funding is being sought to redo the AMP, including assets that were not included in the 2016 and 2019 scopes. This will include risk assessment, and useful life calculations. No work took place in 2021 on this front. Grant application was June 2022.
a) Roads, Sewer, Water	<p>Reapply for road (Kelsey Way & H'Kusam) grant.</p> <p>Apply for grant for generators for Sewer lift stations, reapply if necessary.</p> <p>Design, construct, and complete dam decommissioning project. Grant funding has been secured for the project.</p>	<p>In 2021, this scope was deferred until after water and sewer upgrades made. Funding has been secured for a Master Water and Sewage Capacity study to be done in 2022.</p> <p>Grant application submitted for lift station generators early 2020. Work was completed in early 2022 and additional scope was added for remote monitoring and security.</p> <p>All funding and permitting approvals put in place; Dam project to restart in 2021; 2019, work delayed due to weather event. Work did not get completed in 2021 and in 2022, final schedule and financials were discussed with vendors and approved. This project will now be fully completed in 2022 and be on budget or below.</p>
b) Equipment, Vehicles	Identify issues from Asset Management Plan reports.	No progress made on Asset management policy towards planned reserve for replacement of aging equipment in 2021. This is now part of the approved Financial Plan 2022.
c) Recreation Centre/other buildings	Identify short and long-term projects for Kelsey Centre and include in budget discussions. Apply for grants.	2021 had mandatory closures of recreational facilities across the province on account of COVID – 19; in early 2022 the current CAO applied for a major grant in conjunction with Sayward Futures for some renovations for the Kelsey Centre. There are additional grants that are being explored as well for repairs and upgrades. The pool will re-open Fall of 2022. Other programming continues in the Centre. Community events are also being targeted for 2022.
d) Approve reserve policy and update bylaw and integrate into financial plan	Adopt a formal reserve policy and include in future Financial Plan. Update Reserve bylaw. Recognise the need to plan for capital asset replacements in accordance with the Asset Management Plan.	New policy and bylaw completion in 2021. This is now an active Bylaw for the Village of Sayward.

<p>4. Living Green</p>	<p>a.) Continue to pursue the goal of becoming a carbon neutral community.</p> <p>b.) Continue to work with the Provincial Government and K’omoks First Nation to secure a community forest.</p> <p>c.) Continue to develop the Village trail system.</p> <p>d.) Continue to expand the Community Garden and flower gardens throughout the Village.</p>	<p>While the Village continues looking for ways to reduce greenhouse gas emissions, carbon neutrality is not possible as a short- or medium-term goal. As an example, the Kelsey Centre and pool are all heated with propane and funding is required to get HVAC and heating systems onto hydro and solar offsets. A full carbon audit will need to be completed as a basis point and a study has not yet been done.</p> <p>No work towards a Community Forest initiative occurred in 2021 as meeting in person was not possible. This project is on hold until after 2022 elections and new Council can meet Chief and Council for relationship building and discussions on shared visions and values.</p> <p>There was some activity for trail maintenance in 2021 with private groups but no major projects started. Both the Bird Sanctuary and Kelly’s Trail will see work done in 2022 with Natures Trust in partnership with the K’omoks First Nation Guardians.</p> <p>While some activity occurred with community gardens in 2021, Council passed a resolution in 2022 to give stewardship of the gardens to the School District for the 2022 year.</p>
<p>5. Staff Professional Development</p>	<p>a.) Ensure staff and Village volunteers receive adequate emergency management training and the village has an emergency response plan in place.</p> <p>b.) Continue staff and volunteer professional development through various municipal and professional associations ensuring the Village continues to receive good value for the resources expended.</p>	<p>ESS and Emergency Program volunteers attended several training sessions but there was not opportunity to address larger projects in 2021. Training for officers with the fire department is now being addressed. There is a new Emergency Program Coordinator in 2022. Staff has identified need for an Emergency Preparedness Committee to be formed to address evacuation routes, communication, gaps in training and/or supplies.</p> <p>There was not a lot of opportunity for in person training in 2021. Staff did however benefit from online programs where possible. 2022 has opened and staff has benefited from Indigenous Training, LGMA courses, election training and have taken courses through Alchemy Communications on some key topics. Much of this training being free or funded.</p>

	c.) Institute a new employee performance evaluation system.	Employee Evaluation form was developed in 2021 and is used for staff evaluations and annual reviews.
6. Tourism Development	<p>a.) Continue the Village beautification program including upgrading signage, cleaning and painting Village buildings and structures, and enhancing the Village gardens.</p> <p>b.) Work with local organizations and the Regional District to enhance signage and way finding in Sayward.</p> <p>c.) Support and work with the Tourism Committee.</p> <p>d.) Explore possibility of Christmas lights for the large tree at MacMillan and H'Kusam Way.</p> <p>e.) Research funding sources to dredge, aerate and rehabilitate the Village Pond.</p>	<p>Maintenance programs were continued through 2021 but no major projects were started.</p> <p>Local organizations did not meet in 2021 so very little progress was made towards signage. Many businesses also closed so there is now the challenge into 2022 of signages for businesses no longer in operation that is being addressed.</p> <p>The Tourism Committee did not meet in 2021 and there is presently no working agreement with any tourism committee or group. There is no Tourism Committee formed by Council at this time. Village staff continue however to work directly with Tourism Vancouver Island and Destination British Columbia to promote the area, events, and activities. Council may wish to explore a committee or advisory group to further advance tourism regionally.</p> <p>Ultimately, this tree was not explored further past looking at funding for lights. 2021 saw WFP donate a tree and it was decorated.</p> <p>No work took place in 2021 but a drainage study was done in late 2021 and early 2022, with recommendations for short-, medium- and long-term solutions. Any work directly in the pond may require additional approvals. Additionally, climate change calculations and flow projections need to be addressed as part of this scope. The Village will receive notification about the success of the grant application in 2022 and any work is slated for a 2023 start.</p>
7. Village Operations	a.) Review and update Village internal policies and procedures. There are several policy and Bylaw updates that need to be completed. Policies include Personnel Benefits, Conflict of	<p>While there was a need to address policies, procedures, and bylaws in 2021, there was not the capacity to do so.</p> <p>2022 saw the development of Respectful Workplace Policy as well as a social media Policy.</p>

	<p>Interest, Criminal Record Search, Hiring, Annual Tax Sale, Permissive Tax Exemption, Respectful Workplace, Procurement. Bylaws include Building, Zoning (Cannabis), Reserves.</p> <p>b.) Review the Village fee structure to ensure it is up to date and equitable including water, sewer, recreation, other fees, and charges. New fees & charges bylaw to be brought forward to Council.</p>	<p>Immediate need is to address dated building bylaws, zoning bylaws, subdivision bylaws and the building permit package and this is ongoing with assistance for the SRD.</p> <p>Fees and Charges are addressed annually. For 2022, Kelsey Centre staff were directed to contact recreational facilities in communities a similar size to Sayward and look at rates, programming and navigation coming out of Covid-19 Public Health Orders. Usage rates are adjusted after Council sets tax rates. Other ideas are being explored for future years such as water metering and conservation, grant structures and grants for energy efficiency.</p>
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Photo Credit: Joyce Ellis

Declaration of Disqualification of Council Members

No disqualification of Council Members occurred in 2021

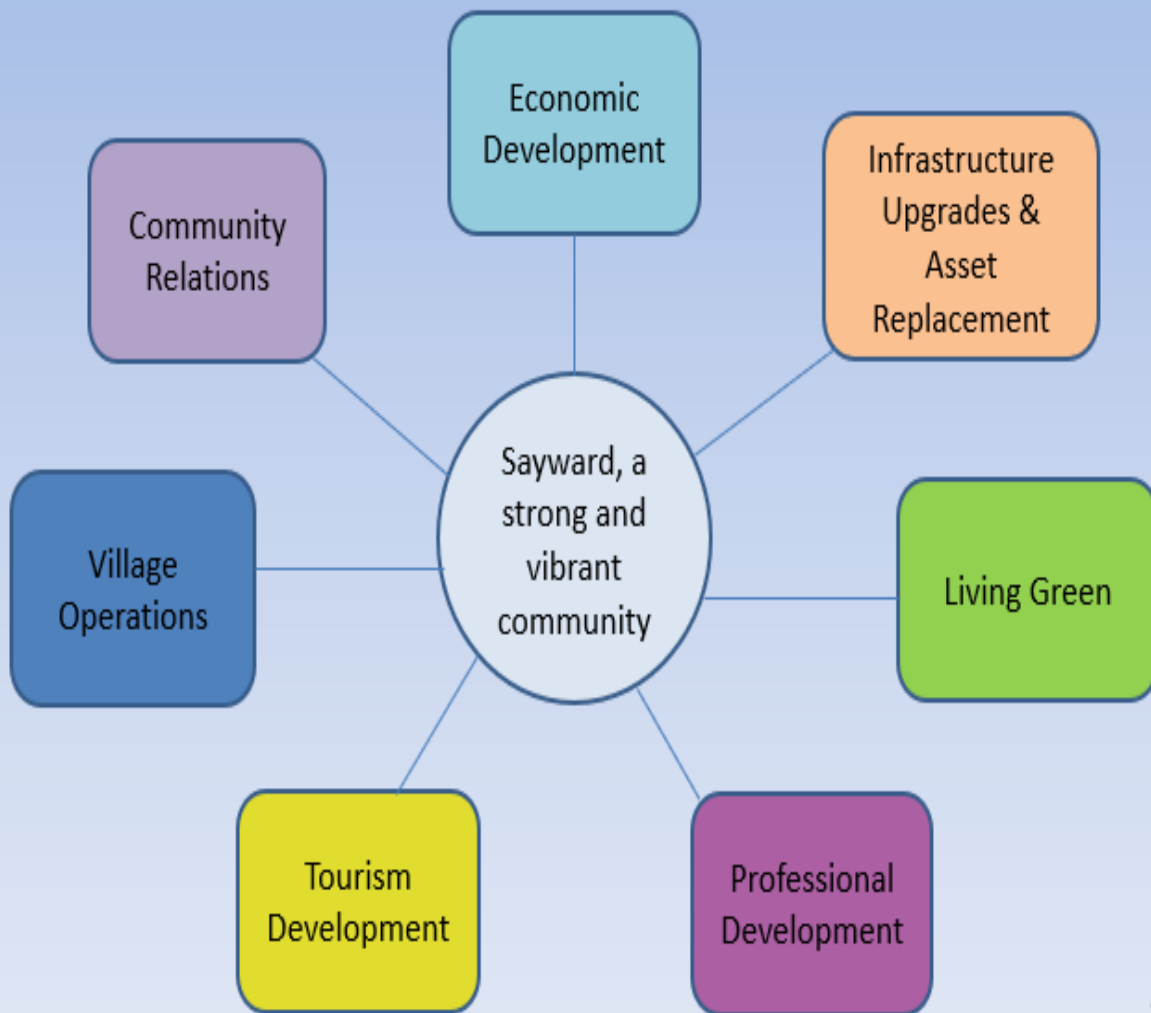
2022 Major Projects (Desk of CAO):

1. Finish the Dam Deconstruction Project with aimed completion September 2022 and on budget or underbudget.
2. Work towards Connected Coast program to bring hard-line high-speed internet to the Village of Sayward.
3. Ensure the Village completes a Master Water Study, Sewage Capacity Study, Housing Needs Assessment, Active Transportation Study and Development and Land Use Study to ensure it is “shelf ready” for available grants and funding.
4. Complete Official Community Plan. Start Zoning Bylaw work if feasible.
5. Grant Funding-Water Project (added Reservoir)
6. Grant Funding-Drainage Project (2023)
7. Grant Funding Asset Management Policy (AMP) for grant readiness, risk assessments and useful life planning
8. Grant Funding-Kelsey Centre repair/ replacement and programming
9. Secure an engineering firm through RFP process
10. Continue data collection for linear water, linear sewage, and roads
11. Review all building and zoning related policy and procedure as a priority over other needed reviews of policy, procedures, and bylaw.
12. Work towards shared service agreements with SRD Area A
13. Look at recycle area solutions for expansion
14. Equipment funding, training and staffing-Sayward Volunteer Fire Department.
15. Tourism-exploration of initiatives, advisory groups and working with DMOs



Village of Sayward 2022 Strategic Plan

Strategic Plan – Priorities 2022



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Community Relations

Council Priorities	Progress Measures	Timeline
<ul style="list-style-type: none"> Show progress toward reconciliation with K'omoks First Nation and other First Nations 	Continued learning and growth and in time, in-person opportunities to meet and build relationships. Only then do we move to establishing shared vision and projects.	No timeline
<ul style="list-style-type: none"> Continue to negotiate a Framework Agreement with Western Forest Products (WFP) regarding the operations at the log sort 	Meetings with WFP and discussion of key issues, shared priorities. Many key topics complicated, requiring a slow and methodical collaborative approach to solutions.	ONGOING
<ul style="list-style-type: none"> Continue to work with SRD to clarify Shared Fire Service 	New Shared Fire Services agreement with SRD or other terms, and clarification of assets. While an agreement that provides clarification is needed, the main goal remains a fully staffed, well trained and outfitted, and fully funded department. Staff participated in the early stages of a new SRD study out later in 2022.	2022
<ul style="list-style-type: none"> Develop stronger working relationship with The Nature Trust of BC 	Staff met with Natures Trust to talk about planned work in summer 2022 at the Estuary in collaboration with K'omoks First Nation Guardian Watchmen. Natures Trust will also brief the community and Council about this work later in the year.	2022
<ul style="list-style-type: none"> Finalize Fireworks Bylaw 	Household survey results out in 2021 summarized and presented to Council. 2022-Fireworks Bylaw is now in place.	2022
<ul style="list-style-type: none"> Build a collaborative relationship with Sayward residents by working together with Council and staff 	Goal is demonstrated collaborative leadership. Annual Town Hall meeting with citizens held, and issues of importance to citizens discussed. Open houses held on key projects like the Official Community Plan. Further studies working with VIU will take place for the balance of the year, so the Village has better data, input from residents and will use this data for planning and seeking grants.	2022
	Bi-monthly submissions from Village staff or	ONGOING

<ul style="list-style-type: none"> Village to submit bi-monthly update to Sayward residents for information and updates of Village initiatives and goals Work with SRD on funding for services jointly used by all valley residents - Recreation, Fire, Health, Comox Strathcona Waste Management and Comox Strathcona Regional Hospital Board Plan for community cooling centre for community safety during hot summer periods 	<p>Council included the Sayward News. Both the Village CAO and Area A Director both contribute monthly to updates in the Sayward Newsletter. Further, Council receives a monthly report from CAO regarding project updates that reviewed at regular council meetings. The Village also posts regular updates on social media.</p> <p>Data collected and presented to Council early 2022, new agreements in place, funding obtained from SRD for Recreation and Health Clinic. Collaborative conversations with all user groups about fair funding models for shared services and corresponding funding models.</p> <p>Measures for cooling center in place. HVAC replacement will be approximately \$90k. There is a grant application in progress. Also, the Kelsey Centre will need to address conversion from propane to hydro for operational costs reduction and commitment to reduction to carbon emissions.</p>	<p>ONGOING</p> <p>DEFERRED</p>
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Economic Development		
Council Priorities	Progress Measures	Timeline
<ul style="list-style-type: none"> Encourage and support new housing initiatives Finalize Official Community Plan (OCP) Revise and update Zoning Bylaw 	<p>Updated development framework including updated Zoning Bylaw and building permit calculation process: access to additional staff resources to administer new building and development applications. Updates are needed to bylaws, policies, and procedures as well as the building permit packages. A Housing Needs Assessment will also be completed in 2022</p> <p>OCP Bylaw adopted</p> <p>New Zoning Bylaw in place</p>	<p>2022/2023</p> <p>2022</p> <p>2023</p>

<ul style="list-style-type: none"> • Work with local organizations to attract business investment to the Sayward area • Support existing businesses 	<p>Tourism and Economic Development continue to be a focus for Council.</p> <p>Council to review bylaws, policies, and procedures, addressing any needed changes to encourage business growth and development. Council to have collaborative discussions with business leaders in the region to better understand challenges and opportunities.</p>	<p>2022</p> <p>2022</p>
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Infrastructure Upgrades & Asset Replacement

Council Priorities	Progress Measures	Timeline
<ul style="list-style-type: none"> • Complete Water Master Plan 	Water Master Plan completed	2022
<ul style="list-style-type: none"> • Complete Sewage Capacity Study 	Sewage Capacity Study completed	2022
<ul style="list-style-type: none"> • Use Asset Management Plan to identify projects for the Financial Plan 	Complete a new Asset Management Plan incorporating new and existing assets, risk assessments and useful life calculations to better plan repairs/ replacements	2022
<ul style="list-style-type: none"> • Plan for full replacement of water, sewer, drainage, and road infrastructure 	Use information from Water Master Study and Sewage Capacity Study to apply for grant funding and establish 8–10-year Infrastructure Replacement Strategy	2022-2032
<ul style="list-style-type: none"> • Continue to seek grant funding to implement the 2021 Drainage Plan 	Funding obtained and 2021 Drainage Plan- Short- and Medium-term strategies will be implemented with long term strategies to follow based on engineers' reports.	2022-2026
<ul style="list-style-type: none"> • Completion of removal of Newcastle Dam and construction of Newcastle Weir 	Newcastle Weir in place and dam removed in its entirety, by September 2022.	
<ul style="list-style-type: none"> • Identify short and long-term projects for the Kelsey Centre and 	Short-term and long-term investment recommendations presented to council. Begin	

include in budget discussions	process of grant application to fund upgrades.	Fall 2022
<ul style="list-style-type: none"> Continue to apply for infrastructure grants 	Update studies and data collection done to ensure that the Village is “shelf ready” for potential grants and complete suitable grant applications through grant writing services.	ONGOING

Living Green

Council Priorities	Progress Measures	Timeline
<ul style="list-style-type: none"> Continue to pursue the goal of carbon reduction. 	Investigate Solar panel solutions to offset power consumption, seek to conduct energy audits and carbon measures to seek grant funded solutions and building improvements.	2022
<ul style="list-style-type: none"> Install Electric Vehicle Charging station 	Electric-Vehicle Charging station installed (a quick charge station is going into the COOP 2022). Work with BC Hydro to address funding for charging station(s) in the future.	DEFERRED
<ul style="list-style-type: none"> Establish Water Meter Bylaw for all commercial and industrial development and all new development 	Water Meter Bylaw in place and Village For all new builds once Water Capacity study is completed.	DEFERRED
<ul style="list-style-type: none"> Continue to work with the Provincial Government and K’omoks First Nation to secure an economically viable community forest 	Community Forest secured with KFN and Provincial Government	DEFERRED
<ul style="list-style-type: none"> Continue to develop the Village trail system 	Improvements and additions to existing trail system completed	2022/2023
<ul style="list-style-type: none"> Continue to expand the Community Garden and flower gardens throughout the Village 	Community Garden will be under the stewardship the school district for 2022.	2022

Professional Development

Council Priorities	Progress Measures	Timeline
<ul style="list-style-type: none"> Ensure Village Council, staff and volunteers receive adequate emergency management training and the village has an emergency response plan in place Continue Village Council, staff and volunteer professional development. 	<p>Staff and EOC representative reports to Council regarding quarterly meetings with stakeholders. Emergency response plan in place. More training for Sayward Volunteer Fire Department members.</p> <p>Training for all Council, Staff, and volunteers, leveraging various municipal and professional associations ensuring the Village continues to receive good value for memberships but more importantly that training is kept current.</p>	<p>ONGOING</p> <p>2022</p>

Tourism Development

Council Priorities	Progress Measures	Timeline
<ul style="list-style-type: none"> Work with Destination Management Organizations (DMOs) to promote regional tourism. Explore all immediate opportunities to expand and build out tourism activity and identifying long term strategy. 	<p>Work with both Destination Vancouver Island and Destination BC on key initiatives. Council will also take inventory of advisory groups and industry leaders to help support tourism-based decision making and investment.</p> <p>Off Road Vehicle (ORV) tours/ routes, promotion of local trail networks. Investigation into Yorke Island Tours. Agritourism, fishing activities and events. Community events/ Entertainment Data base of short-term rentals Recreation site cleanup and promotion Exploration of Aquaculture, Wharf improvements and encourage development, Wildlife viewing/Tours Tourism Collaboration with KFN, Mosaic, Island Timberlands and Western Forest Products for new and existing trail networks. Farmers Market and collaboration with Valley Music festival(s), Expansion of Kusam Klimb working with committees and groups. Transportation hub activity (Blind Channel etc.)</p>	<p>2022</p> <p>ongoing</p>

Village Operations

Council Priorities	Progress Measures	Timeline
<ul style="list-style-type: none"> Review and update Village internal policies, procedures, and bylaws Create and staff Public Works on call back up position Establish Risk Management Strategy to address possible gaps in infrastructure funding Participate in food security initiatives and support the Strathcona Food Hub Determine the ownership and responsibility of breakwater ships and develop strategies to reduce risk 	Additional Policies and Bylaws approved by Council. Prioritize most urgent work and align with other municipalities where possible but particularly SRD for building/zoning/subdivision. Address new permits, permitting systems and research bylaw information system.	ONGOING
	Allocate financial resources to allow for a Public Works back position. Provide allowances for training for the role, planning for succession.	DEFERRED
	Risk Management Strategy in place. Start with revising and updating the Asset Management Plan (AMP), incorporating new assets with useful life calculations done.	DEFERRED
	Meetings attended and progress reported back to Council. Priorities established and action items determined by council. Data points collected by studies such as Age Friendly, Housing Needs Assessment and working with Sayward Primary Health to help set priorities. Funding sought for major projects that address homelessness, community connections, mental health, and socialization.	ONGOING
	Obtain background on the project and seek to understand liabilities and responsibilities. Work with established working group to conduct environmental audit, seek shareholder/ title holder feedback. Seek options for removal and identify breakwater options obtaining quotes. Seek funding options.	DEFERRED

Statement of Property Tax Exemptions

The following properties in the Village of Sayward were provided permissive property tax exemptions by Council in 2019, for 2020 to 2021:

Legal Description	Civic Address	Organization	Value of Permissive Exemption *
Lot 1, Section 31, Township 3, Plan 31878, District Lot 305, Land District 51 Roll No. 706.000	601 Kelsey Way	Sayward Community Health Society	\$1,219.27
District Lot 1439 Roll No. 27410.000	16 Sayward Rd	Sayward Futures Society	\$4,692.00

The following property in the Village of Sayward was provided a permissive property tax exemption by Council in 2019, for 2020 to 2023:

Legal Description	Civic Address	Organization	Value of Permissive Exemption *
Lot 2, Plan 14387 Sayward District Roll No. 704.022	699 Sayward Rd	Royal Canadian Legion Sayward Valley Branch 147	\$3,453.81

The following properties in the Village of Sayward were provided permissive property tax exemptions by Council in 2013, for 2014 to 2023:

Legal Description	Civic Address	Organization	Value of Permissive Exemption *
Lot 1, Section 31, Township 3, Plan 46435 Land District 51 Roll No. 706.100	Salmon River Main	Nature Trust of BC	\$848.73
Section 31, Township 3, Land District 51, FR S 1/2 of FR SE 1/4 Roll No. 600.000	806 Sayward Road	Nature Trust of BC	\$2,443.63

Legal Description	Civic Address	Organization	Value of Permissive Exemption *
Section 30, Township 3, Land District 51, Except Plan 280RW & EXC PL 149 E 20 CHNS of NE Roll No. 550.140	Salmon River Main	Nature Trust of BC	\$5,999.99
Section 30, Township 3, Land District 51, Except Plan 280RW, W20 CHNS OF NE / EXC E 10 Roll No. 550.125	Salmon River Main	Nature Trust of BC	\$1,996.36
Total Permissive Tax Exemptions			\$20,653.79

* These amounts do not include the amounts exempted relating to other agency collections such as the Regional District, Hospital District, Municipal Finance Authority, BC Assessment, library, school, and police taxes. The total tax exemption including these other agency collections was \$26,484.61.



Photo Credit: Lisa Clark

Appendix A:

Audited Financial Statements 2021

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**THE CORPORATION OF THE
VILLAGE OF SAYWARD
Financial Statements
December 31, 2021**

THE CORPORATION OF THE VILLAGE OF SAYWARD

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Year Ended December 31, 2021

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MANAGEMENT REPORT

December 31, 2021

The Mayor and Council of The Corporation of the Village of Sayward has delegated the responsibility for the integrity and objectivity of the financial information contained in the financial statements to the management of The Corporation of the Village of Sayward. 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 Corporation of the Village of Sayward'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 Corporation of the Village of Sayward'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 Corporation of the Village of Sayward as at December 31, 2021.



Lisa Clark, CPA, CGA
Chief Financial Officer
April 26, 2022



INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of The Corporation of the Village of Sayward

Opinion

We have audited the accompanying financial statements of The Corporation of the Village of Sayward (the "Village"), which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion, the Village's financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2021, and of its financial performance and its cash flows for the year then ended. The financial statements have been prepared by management in accordance with Canadian public sector accounting standards.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our 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 of our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the 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 intends for the Village to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for over-seeing 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 the 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 Boates Inc

Chartered Professional Accountants
Campbell River, BC

April 26, 2022

THE CORPORATION OF THE VILLAGE OF SAYWARD

Statement of Financial Position

December 31, 2021

2021

2020

FINANCIAL ASSETS

Cash	\$ 1,061,111	\$ 1,590,192
Portfolio Investments (Note 2)	42,550	42,519
Accounts Receivable (Note 3)	411,196	160,031
	<u>1,514,857</u>	<u>1,792,742</u>

LIABILITIES

Accounts Payable (Note 4)	208,352	129,852
Deferred Revenue (Note 5)	97,671	201,757
Long Term Debt (Note 6)	83,579	106,927
	<u>389,602</u>	<u>438,536</u>

NET FINANCIAL ASSETS

<u>1,125,255</u>	<u>1,354,206</u>
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NON-FINANCIAL ASSETS

Prepaid Expenses	26,648	23,279
Tangible Capital Assets (Note 7)	10,842,319	10,460,659
	<u>10,868,967</u>	<u>10,483,938</u>

ACCUMULATED SURPLUS (Note 11)

\$ <u>11,994,222</u>	\$ <u>11,838,144</u>
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Contingencies (Note 9)

Approved by:



Mayor



Chief Financial Officer

THE CORPORATION OF THE VILLAGE OF SAYWARD

Statement of Operations

Year Ended December 31, 2021

	2021		
	Budget	Actual	2020
	(Note 12)		
Revenues (Schedules 2 and 3)			
Taxation (Note 8)	\$ 358,811	\$ 362,837	\$ 356,545
User Fees	238,643	248,435	225,506
Government Grants and Transfers (Schedule 1)	1,104,512	1,014,728	829,289
Sales of Services	85,146	67,016	65,218
Contribution from Others	-	485	320
Investment and Other Income	13,250	32,648	20,027
	<u>1,800,362</u>	<u>1,726,149</u>	<u>1,496,905</u>
Expenditures (Schedules 2 and 3)			
General Government Services	638,844	491,614	312,618
Recreation and Parks Services	297,782	252,981	237,340
Protection Services	239,963	247,926	117,353
Transportation Services	66,218	44,172	34,221
Solid Waste Services	43,000	42,066	39,986
Public Works Services	85,747	100,398	67,361
Sewer Services	120,797	105,932	101,094
Water Services	218,604	284,982	193,722
	<u>1,710,955</u>	<u>1,570,071</u>	<u>1,103,695</u>
Annual Surplus	89,407	156,078	393,210
Accumulated Surplus - Beginning of Year	<u>11,838,144</u>	<u>11,838,144</u>	<u>11,444,934</u>
Accumulated Surplus - End of Year	<u>\$11,927,551</u>	<u>\$11,994,222</u>	<u>\$11,838,144</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Statement of Change in Net Financial Assets

Year Ended December 31, 2021

	2021		2020
	Budget	Actual	
	(Note 12)		
Annual Surplus	\$ 89,407	\$ 156,078	\$ 393,210
Use of Prepaid Expenses	-	23,279	19,131
Acquisition of Prepaid Expenses	-	(26,648)	(23,279)
Net Acquisition of Tangible Capital Assets	(876,594)	(585,156)	(119,701)
Amortization of Tangible Capital Assets	<u>195,803</u>	<u>203,496</u>	<u>195,798</u>
	<u>(591,384)</u>	<u>(228,951)</u>	<u>465,159</u>
Net Financial Assets - Beginning of Year	<u>1,354,206</u>	<u>1,354,206</u>	<u>889,047</u>
Net Financial Assets - End of Year	<u>\$ 762,822</u>	<u>\$ 1,125,255</u>	<u>\$ 1,354,206</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Statement of Cash Flows

Year Ended December 31, 2021

2021

2020

Cash Flows From Operating Activities:

Annual Surplus	\$ 156,078	\$ 393,210
Items Not Involving Cash		
Amortization of Tangible Capital Assets	203,496	195,798
Disposal of Tangible Capital Asset	85,825	-
Actuarial Adjustment to Long Term Debt	(3,299)	(3,516)
	442,100	585,492
Changes in Non-Cash Operating Balances		
Accounts and Taxes Receivable	(251,165)	704,715
Account Payable	78,500	(61,517)
Deferred Revenue	(104,086)	33,691
Prepaid Expenses	(3,369)	(4,148)
	161,980	1,258,233

Cash Flows From Capital Activities:

Purchase of Tangible Capital Assets	(670,981)	(119,701)
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Cash Flows From Investing Activities:

Redemption (Acquisition) of Portfolio Investments	(31)	199,179
Proceeds from (Repayments of) Long Term Debt	(20,049)	48,248
	(20,080)	199,179

Increase (Decrease) in Cash and Cash Equivalents (529,081) 1,385,959

Cash and Cash Equivalents - Beginning of Year 1,590,192 204,233

Cash and Cash Equivalents - End of Year \$ 1,061,111 \$ 1,590,192

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2021

The Corporation of the Village of Sayward (the "Village") was incorporated as a municipality in 1968 under the provisions of the British Columbia Municipal Act. Its principal activities are the provision of local government services to residents of the Village. These services include fire protection, public works, planning, parks and recreation, water distribution and sewer collection, and other general government services, as governed by the Community Charter and Local Government Act.

1. Significant Accounting Policies:

a) Basis of Presentation:

The Village prepares its financial statements in accordance with Canadian public sector accounting standards using guidelines developed by the Public Sector Accounting Board ("PSAS") for the Chartered Professional Accountants of Canada.

b) Cash:

Cash balances comprise cash on hand and demand deposits.

c) Portfolio Investments:

Portfolio investments are recorded at cost. Portfolio investments in Municipal Finance Authority of British Columbia (MFA) Bond and Money Market Funds are recorded at cost plus earnings that are reinvested in the funds.

d) Tangible Capital Assets:

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Amortization is recorded on a straight-line basis over the estimated useful life of the tangible capital asset commencing once the asset is in 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:

Land Improvements	10 to 40 years
Buildings	20 to 70 years
Equipment, Vehicles & Furniture	10 to 40 years
Water Infrastructure	100 years
Sewer and Drainage Infrastructure	100 years
Roads and Bridges	25 to 75 years

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

The Village collects taxation on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of these other entities are not reflected in these financial statements. Levies imposed by other taxation authorities are not included as taxes for municipal purposes.

f) Deferred Revenue:

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specific purpose.

f) Revenue Recognition:

Revenues are recorded on the accrual basis of accounting and include revenue in the period in which the transaction or events occurred.

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2021

1. Significant Accounting Policies (Continued):

f) Revenue Recognition (continued):

Taxes 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 affects of these adjustments on taxes are recognized at the time they are awarded.

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

Government grants and transfers, which include legislative grants, are recognized in the financial statements when received or when the funding becomes receivable 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 a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Sale of service and other revenue is recognized when performance of services is complete, amounts are measurable and collectibility is reasonably assured.

g) Financial Instruments:

Financial instruments consist of cash, portfolio investments, accounts receivable, accounts payable and long term debt. 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 conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period.

Significant areas requiring the use of management estimates relates to the collectibility of accounts receivable, valuation of investments, estimates of contingent liabilities, the provision of amortization and the estimation of potential environmental liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

i) Contaminated Sites:

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

Management has assessed its potential liabilities under the new standard including sites that are no longer in productive use and sites 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 was recognized as at December 31, 2021 or December 31, 2020.

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2021

2. Portfolio Investments:

	<u>2021</u>	<u>2020</u>
MFA: Short Term Bonds	\$ 39	\$ 38
MFA: Ultra-Short Bonds	21,625	21,627
MFA: Money Market Fund	<u>20,886</u>	<u>20,854</u>
	<u>\$ 42,550</u>	<u>\$ 42,519</u>

3. Accounts Receivable:

	<u>2021</u>	<u>2020</u>
Property Taxes	\$ 53,499	\$ 59,311
Other Governments	161,972	84,909
Island Coastal Economic Trust	-	13,489
Trade and Other	<u>195,725</u>	<u>2,322</u>
	<u>\$ 411,196</u>	<u>\$ 160,031</u>

4. Accounts Payable:

	<u>2021</u>	<u>2020</u>
Other Governments	\$ 26,223	\$ 14,703
Trade and Other	166,596	87,472
Payroll Liabilities	<u>15,533</u>	<u>27,677</u>
	<u>\$ 208,352</u>	<u>\$ 129,852</u>

5. Deferred Revenue:

	<u>2020</u>	<u>Collections</u>	<u>Transfers</u>	<u>2021</u>
Newcastle Dam Grant	\$ 25,402	\$ -	\$ (25,402)	\$ -
Internet Maintenance	50,029	-	12,566	62,595
Kelsey Centre	7,565	-	(1,644)	5,921
Emergency Program	75,000	-	(75,000)	-
BC Rural Dividends	10,000	-	(10,000)	-
Community Wellness	4,978	-	-	4,978
Taxes and Other	<u>28,783</u>	<u>9,000</u>	<u>(13,606)</u>	<u>24,177</u>
	<u>\$ 201,757</u>	<u>\$ 9,000</u>	<u>\$ (113,086)</u>	<u>\$ 97,671</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2021

6. Long Term Debt:

The Village has debt instruments through the MFA obtained for the purposes of Water and Sewer. The Village also has financing from MFA for a Public Works Truck. The gross amount borrowed for Sewer and Water in 2005 was \$121,015 and \$41,635, respectively. The gross amount borrowed for the Public Works Truck was \$65,000 in 2020. The current balance of water, sewer and public works long-term debt is as follows:

	<u>2021</u>	<u>2020</u>
Total Outstanding Debt - Beginning of Year	\$ 106,927	\$ 62,195
Additions to Long-Term Debt	-	65,000
Reduction of Long-Term Debt	(23,348)	(20,268)
Total Outstanding Debt - End of Year	<u>\$ 83,579</u>	<u>\$ 106,927</u>

The interest rate on water and sewer long-term debt is 0.91% per annum (2020 - 1.80%). The interest rate on the public works truck long-term debt is at the variable MFA rate, which was 1.25% at December 31, 2021 (2020 - 0.91%).

The interest expense on all debt held by the Village in the year ended December 31, 2021 is \$1,928 (2020 - \$3,471).

Future payments on net outstanding debt over the next four years are:

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Public Works Truck</u>	<u>Total</u>
2022	\$ 7,607	\$ 2,617	\$ 13,541	\$ 23,765
2023	7,835	2,695	13,671	24,201
2024	8,070	2,777	13,594	24,441
2025	<u>8,312</u>	<u>2,860</u>	<u>-</u>	<u>11,172</u>
	<u>\$ 31,824</u>	<u>\$ 10,949</u>	<u>\$ 40,806</u>	<u>\$ 83,579</u>

The MFA provides capital financing for regional districts and their member municipalities. The MFA is required to establish a debt reserve fund. Each regional district, through its member municipalities who are in the proceeds of the debt issue, is required to pay into the debt reserve fund certain amounts set out in the debt agreements. The MFA pays into the debt reserve fund these monies from which interest earned thereon less administrative expenses becomes an obligation to the regional districts. It must then use this fund if at any time there are insufficient funds to meet payments on its obligations. When this occurs, the regional district or municipality may be called upon to restore the fund.

Upon maturity of a debt issue, the unused portion of the debt reserve fund established for the issue will be discharged to the Village. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, 2021, the Village debt reserve fund was \$7,163 (2020 - \$7,119), which was not recorded as the Village does not consider it to be material.

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2021

7. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2021	2020
General Capital Assets										
Land	\$ 1,959,114	\$ 48,000	\$ -	\$ 2,007,114	\$ -	\$ -	\$ -	\$ -	\$ 2,007,114	\$ 1,959,114
Buildings	2,837,659	77,662	-	2,915,321	1,094,918	76,948	-	1,171,866	1,743,455	1,742,741
Equipment, Vehicles and Furniture	921,486	46,120	14,525	953,081	582,177	39,660	10,867	610,970	342,111	339,309
Engineered Structures										
Water	4,515,564	372,386	328,671	4,559,279	813,237	24,870	246,504	591,603	3,967,676	3,702,327
Sewer and Drainage	2,983,908	126,813	-	3,110,721	1,065,325	37,052	-	1,102,377	2,008,344	1,918,583
Roads	506,386	-	-	506,386	445,818	2,445	-	448,263	58,123	60,568
Park Infrastructure	789,531	-	-	789,531	51,514	22,521	-	74,035	715,496	738,017
	<u>\$ 14,513,648</u>	<u>\$ 670,981</u>	<u>\$ 343,196</u>	<u>\$ 14,841,433</u>	<u>\$ 4,052,989</u>	<u>\$ 203,496</u>	<u>\$ 257,371</u>	<u>\$ 3,999,114</u>	<u>\$ 10,842,319</u>	<u>\$ 10,460,659</u>

Included in Engineered Structures - Water as at December 31, 2021 is \$946,210 (2020 - \$557,133) of capitalized costs for the Newcastle Dam Upgrade that are not presently being amortized as the project is not complete as at the financial statement date. The asset is expected to be completed and placed into use during the year ending December 31, 2022, at which time amortization will begin to be recorded on the asset.

Included in Engineered Structures - Sewer and Drainage at December 31, 2021 is \$16,690 (2020 - \$NIL) of capitalized costs for a drainage project as part of drainage assets that is not presently being amortized as the project is in the planning stages and no physical asset has been put into use at the financial statement date. The asset is expected to be placed in use during the year ending December 31, 2023, at which time amortization will begin to be recorded on the asset.

Also included in Engineered Structures - Sewer and Drainage as at December 31, 2021 is \$100,000 (2020 - \$NIL) of capitalized costs for lift station generators that are not presently being amortized as the generators have not been put into use as at the financial statement date. The assets are expected to be placed into use during the year ending December 31, 2022, at which time amortization will begin to be recorded on the assets.

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2021

8. Taxation:

	Budget <u>2021</u>	Actual <u>2021</u>	Actual <u>2020</u>
General Municipal Purposes	\$ 358,811	\$ 362,837	\$ 356,545
Collections for Other Governments			
Province of British Columbia - School Tax	83,000	91,417	79,045
Comox Strathcona Waste Management	9,500	8,106	9,839
Comox Strathcona Regional Hospital District	27,000	20,560	28,091
Strathcona Regional District	14,500	16,276	13,634
Vancouver Island Regional Library	12,813	13,968	13,038
Municipal Finance Authority	7	11	11
British Columbia Assessment Authority	1,800	2,259	2,225
Province of BC - Police Tax	<u>15,000</u>	<u>17,149</u>	<u>17,019</u>
	<u>522,431</u>	<u>532,583</u>	<u>519,447</u>
Transfers			
Province of British Columbia - School Tax	83,000	91,417	79,045
Comox Strathcona Waste Management	9,500	8,106	9,839
Comox Strathcona Regional Hospital District	27,000	20,560	28,091
Strathcona Regional District	14,500	16,276	13,634
Vancouver Island Regional Library	12,813	13,968	13,038
Municipal Finance Authority	7	11	11
British Columbia Assessment Authority	1,800	2,259	2,225
Province of BC - Police Tax	<u>15,000</u>	<u>17,149</u>	<u>17,019</u>
	<u>163,620</u>	<u>169,746</u>	<u>162,902</u>
Available for General Municipal Purposes	\$ <u>358,811</u>	\$ <u>362,837</u>	\$ <u>356,545</u>

9. Contingencies:

- (a) The Village is responsible as a member of the Strathcona Regional District and a member of the Comox Strathcona Waste Management Function for its share of any operating deficits or long-term debt related to functions in which it participates. Management of the Village has assessed the risks of any contingent liabilities as unlikely at this time therefore no provision has been recorded in the financial statements.
- (b) The Village is partially self-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.

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2021

10. 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 had about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 contributors from local governments.

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Village paid \$19,816 (2020 - \$15,812) of employer contributions while employees contributed \$17,727 (2020 - \$13,764) to the plan in fiscal 2021.

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

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

11. Accumulated Surplus:

The Village segregates its accumulated surplus in the following categories:

	<u>2021</u>	<u>2020</u>
Unappropriated Surplus		
General	\$ 336,564	\$ 273,736
Sewer	219,480	306,309
Water	<u>167,840</u>	<u>269,016</u>
	<u>723,884</u>	<u>849,061</u>
Reserves (Schedule 4)	<u>511,598</u>	<u>635,351</u>
Equity in Tangible Capital Assets		
General	3,355,902	3,302,676
Sewer	1,959,963	1,879,374
Water	<u>5,442,875</u>	<u>5,171,682</u>
	<u>10,758,740</u>	<u>10,353,732</u>
Accumulated Surplus	\$ <u>11,994,222</u>	\$ <u>11,838,144</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2021

12. Fiscal Plan:

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

The budget anticipated use of surpluses accumulated in previous years to balance against current expenditures in excess of current year revenues. In addition, the budget anticipated capital expenditures rather than amortization expense. The following schedule reconciles the approved bylaw to the amounts presented in the financial statements.

	<u>2021</u>
Financial Plan (Budget) Bylaw	\$ -
Add:	
Debt Principal Repayments	17,400
Capital Expenditures	876,594
Budgeted Transfers to Reserves	140,368
Less:	
Amortization Adjustment	(195,803)
Budgeted Transfers from Reserves	<u>(749,152)</u>
Annual Surplus Presented in Financial Statements	\$ <u>89,407</u>

13. Segmented Information:

The Village provides various services within various departments. The segmented information as disclosed in Schedules 2 and 3 reflects those functions offered by the Village as summarized below:

General government – activities related to the administration of the Village as a whole including central administration, finance, human resources, information systems and legislative and election operations.

Recreation and parks – activities related to all recreational and parks services including the maintenance of parks and facilities for recreational activities.

Protective – activities related to providing for the security of the property and citizens of the Village including policing, fire protection, health and emergency planning.

Transportation – activities related to transportation including maintenance of roads, sidewalks, street lighting and drainage.

Solid waste – activities related to solid waste management.

Public works – activities related to overall maintenance of the Village including green initiatives, building maintenance and insurance, animal control and recycling.

Sewer – activities related to gathering, treating, transporting, storing and discharging sewage or reclaimed water.

Water – activities related to supplying, storing, treating and transporting 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.

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2021

14. COVID-19:

The global outbreak of the coronavirus pandemic (COVID-19) continues to cause economic uncertainties that are likely to have a material impact on the annual surplus and financial results of the Village. The extent, if any, of the continued impact of COVID-19 on the Village and its operations for the year ending December 31, 2022 cannot be determined at this time.

THE CORPORATION OF THE VILLAGE OF SAYWARD

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

Year Ended December 31, 2021

	2021		2020
	Budget	Actual	
	(Note 12)		
Federal Government			
Grants in Lieu of Taxes	\$ 5,914	\$ 5,887	\$ 5,918
Gas Tax Community Works Fund	<u>71,562</u>	<u>139,790</u>	<u>69,758</u>
	<u>77,476</u>	<u>145,677</u>	<u>75,676</u>
Province of BC and Federal/Provincial Programs			
General Fund			
Small Communities Grant	407,837	377,000	391,413
Other	<u>575,516</u>	<u>259,405</u>	<u>323,753</u>
	<u>983,353</u>	<u>636,405</u>	<u>715,166</u>
General Capital			
Infrastructure (Provincial)	-	195,361	4,858
Other	<u>43,683</u>	<u>37,285</u>	<u>33,589</u>
	<u>43,683</u>	<u>232,646</u>	<u>38,447</u>
	<u>\$ 1,104,512</u>	<u>\$ 1,014,728</u>	<u>\$ 829,289</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Schedule 2 - Combined Statement of Operations by Segment

Year Ended December 31, 2021

	General Government	Recreation and Parks	Protective	Transportation	Solid Waste	Public Works	Sewer	Water	2021 Actual	2021 Budget (Note 12)
Revenues										
Taxation	\$ 354,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,032	\$ 2,075	\$ 362,837	\$ 358,811
User Fees	-	-	-	-	40,371	-	72,512	135,552	248,435	238,643
Government Grants and Transfers	614,604	-	201,277	-	-	-	3,486	195,361	1,014,728	1,104,512
Sales of Services	45,890	17,876	250	-	-	-	900	2,100	67,016	85,146
Contribution from Others	-	-	485	-	-	-	-	-	485	-
Investment and Other Income	25,695	3,168	-	-	-	487	2,454	844	32,648	13,250
	<u>1,040,919</u>	<u>21,044</u>	<u>202,012</u>	<u>-</u>	<u>40,371</u>	<u>487</u>	<u>85,384</u>	<u>335,932</u>	<u>1,726,149</u>	<u>1,800,362</u>
Expenses										
Amortization	2,976	34,921	16,879	2,446	-	19,051	37,052	90,171	203,496	195,803
Debt Charges	-	-	-	-	-	-	1,101	379	1,480	2,930
Loss on Disposal of Assets	-	-	-	-	-	-	-	82,168	82,168	-
Minor Capital	-	6,406	-	-	-	-	-	-	6,406	6,000
Operating	225,862	108,247	217,811	31,728	42,066	31,262	18,102	47,659	722,737	930,083
Wages and Benefits	262,776	103,407	13,236	9,998	-	50,085	49,677	64,605	553,784	576,139
	<u>491,614</u>	<u>252,981</u>	<u>247,926</u>	<u>44,172</u>	<u>42,066</u>	<u>100,398</u>	<u>105,932</u>	<u>284,982</u>	<u>1,570,071</u>	<u>1,710,955</u>
Excess (Deficiency) of Revenues over Expenses	\$ <u>549,305</u>	\$ <u>(231,937)</u>	\$ <u>(45,914)</u>	\$ <u>(44,172)</u>	\$ <u>(1,695)</u>	\$ <u>(99,911)</u>	\$ <u>(20,548)</u>	\$ <u>50,950</u>	\$ <u>156,078</u>	\$ <u>89,407</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Schedule 3 - Combined Statement of Operations by Segment

Year Ended December 31, 2020

	General Government	Recreation and Parks	Protective	Transportation	Solid Waste	Public Works	Sewer	Water	2020 Actual	2020 Budget
Revenues										
Taxation	\$ 347,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,627	\$ 2,280	\$ 356,545	\$ 353,271
User Fees	-	-	-	-	36,613	-	68,136	120,757	225,506	222,113
Government Grants and Transfers	752,588	-	68,439	-	-	-	3,404	4,858	829,289	1,084,906
Sales of Services	46,878	15,640	700	-	-	-	600	1,400	65,218	89,188
Contribution from Others	-	55	265	-	-	-	-	-	320	-
Investment and Other Income	13,067	3,222	-	-	-	222	2,616	900	20,027	18,652
	<u>1,160,171</u>	<u>18,917</u>	<u>69,404</u>	<u>-</u>	<u>36,613</u>	<u>222</u>	<u>81,383</u>	<u>130,195</u>	<u>1,496,905</u>	<u>1,768,130</u>
Expenses										
Amortization	529	34,921	16,879	2,446	-	15,054	36,799	89,170	195,798	112,532
Debt Charges	-	-	-	-	-	-	1,945	670	2,615	2,930
Minor Capital	-	1,740	5,423	-	-	-	-	-	7,163	19,500
Operating	121,363	98,464	81,428	24,781	39,986	27,712	23,449	51,716	468,899	708,274
Wages and benefits	190,726	102,215	13,623	6,994	-	24,595	38,901	52,166	429,220	537,409
	<u>312,618</u>	<u>237,340</u>	<u>117,353</u>	<u>34,221</u>	<u>39,986</u>	<u>67,361</u>	<u>101,094</u>	<u>193,722</u>	<u>1,103,695</u>	<u>1,380,645</u>
Excess (Deficiency) of Revenues over Expenses	\$ <u>847,553</u>	\$ <u>(218,423)</u>	\$ <u>(47,949)</u>	\$ <u>(34,221)</u>	\$ <u>(3,373)</u>	\$ <u>(67,139)</u>	\$ <u>(19,711)</u>	\$ <u>(63,527)</u>	\$ <u>393,210</u>	\$ <u>387,485</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Schedule 4 - Reserve Fund Transactions

Year Ended December 31, 2021

	Roads	Fire Protection	Rec. Centre Equipment	Rec Comm. Fundraising	Capital	Sewer	Land Sale	Federal Works Fund	Climate Action	Election	COVID-19	2021 Total (Note 11 & 14)	2020 Total (Note 11 & 14)
Revenue													
Government Grants	\$ -	\$ 33,799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,790	\$ -	\$ -	\$ -	\$ 173,589	\$ 298,185
Other Income	108	23,017	-	-	6	33	-	4,163	148	39	1,868	29,382	20,387
	108	56,816	-	-	6	33	-	143,953	148	39	1,868	202,971	318,572
Expenses													
Other	-	56,816	-	-	-	-	-	-	-	-	73,692	130,508	56,232
Net Surplus	108	-	-	-	6	33	-	143,953	148	39	(71,824)	72,463	262,340
Transfers													
From (to) Operating Fund	-	-	-	-	-	-	-	(183)	-	2,525	-	2,342	62,744
From (to) Other Funds	-	-	(1,593)	(308)	1,901	-	-	-	-	-	-	-	62,744
Acquisition of Capital Assets	-	-	-	-	-	-	(42,382)	(156,176)	-	-	-	(198,558)	(995)
Change in Reserve Fund Balances	108	-	(1,593)	(308)	1,907	33	(42,382)	(12,406)	148	2,564	(71,824)	(123,753)	324,089
Opening Fund Surplus Balance	17,370	-	1,593	308	-	5,320	42,382	277,248	23,740	5,050	262,340	635,351	311,262
Ending Fund Surplus Balance	\$ 17,478	\$ -	\$ -	\$ -	\$ 1,907	\$ 5,353	\$ -	\$ 264,842	\$ 23,888	\$ 7,614	\$ 190,516	\$ 511,598	\$ 635,351

THE CORPORATION OF THE VILLAGE OF SAYWARD

Schedule 5 - COVID-19 Safe Restart Grant Unaudited

Year Ended December 31, 2021

The Village of Sayward received a grant of \$268,000 under the COVID-19 Safe Restart Grant for Local Governments in the year ending December 31, 2020. The details surrounding these funds are shown in the schedule below:

	<u>2021</u>
COVID-19 Safe Restart Funds Carried Forward	\$ <u>262,340</u>
Eligible Costs	
Laptop for remote Council meetings	5,733
Public address sound system for Mayor and Council and public use	15,915
Upgrades to access, windowed doors, disabled opener for Kelsey Centre	13,592
Hazmat suits and dock for sewage lagoon	10,276
Keyless entry system for Village office and Kelsey Centre doors	5,846
Duct cleaning in Kelsey Centre and Village office	2,600
Miscellaneous supplies (masks, signage, cleaning supplies, iPad, filter)	3,341
Lost revenues from recreational programming	<u>16,389</u>
	<u>73,692</u>
Balance, December 31, 2021	\$ <u>188,648</u>