

**THE CORPORATION OF THE
VILLAGE OF SAYWARD
Financial Statements
December 31, 2022**

THE CORPORATION OF THE VILLAGE OF SAYWARD

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Year Ended December 31, 2022

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MANAGEMENT REPORT

December 31, 2022

The Mayor and Council of The Corporation of the Village of Sayward (the "Village") has delegated the responsibility for the integrity and objectivity of the financial information contained in the financial statements to the management of the Village. 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'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'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 as at December 31, 2022.



Lisa Clark, CPA, CGA
Chief Financial Officer

May 9, 2023



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, 2022, 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, 2022, 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

May 9, 2023

THE CORPORATION OF THE VILLAGE OF SAYWARD

Statement of Financial Position

December 31, 2022

2022

2021

FINANCIAL ASSETS

Cash	\$ 578,716	\$ 1,061,111
Portfolio Investments (Note 2)	42,914	42,550
Accounts Receivable (Note 3)	<u>417,401</u>	<u>411,196</u>
	<u>1,039,031</u>	<u>1,514,857</u>

LIABILITIES

Accounts Payable (Note 4)	208,704	208,352
Deferred Revenue (Note 5)	122,146	97,671
Long Term Debt (Note 6)	<u>60,243</u>	<u>83,579</u>
	<u>391,093</u>	<u>389,602</u>

NET FINANCIAL ASSETS

	<u>647,938</u>	<u>1,125,255</u>
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NON-FINANCIAL ASSETS

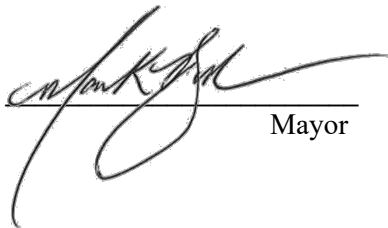
Prepaid Expenses	31,907	26,648
Tangible Capital Assets (Note 7)	<u>11,097,636</u>	<u>10,842,319</u>
	<u>11,129,543</u>	<u>10,868,967</u>

ACCUMULATED SURPLUS (Note 11)

	<u>\$ 11,777,481</u>	<u>\$ 11,994,222</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, 2022

	<u>2022</u>		<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	
	(Note 12)		
Revenues (Schedules 2 and 3)			
Taxation (Note 8)	\$ 391,200	\$ 395,163	\$ 362,837
User Fees	252,595	262,348	248,435
Government Grants and Transfers (Schedule 1)	976,609	646,619	1,014,728
Sales of Services	90,007	82,580	67,016
Contribution from Others	-	1,706	485
Investment and Other Income	18,550	45,767	32,648
	<u>1,728,961</u>	<u>1,434,183</u>	<u>1,726,149</u>
Expenditures (Schedules 2 and 3)			
General Government Services	627,659	556,525	491,614
Recreation and Parks Services	396,753	339,839	252,981
Protection Services	85,620	113,974	247,926
Transportation Services	72,261	76,819	44,172
Solid Waste Services	53,806	54,049	42,066
Public Works Services	105,827	100,841	100,398
Sewer Services	146,887	147,285	105,932
Water Services	269,166	261,592	284,982
	<u>1,757,979</u>	<u>1,650,924</u>	<u>1,570,071</u>
Annual Surplus (Deficit)	(29,018)	(216,741)	156,078
Accumulated Surplus - Beginning of Year	<u>11,994,222</u>	<u>11,994,222</u>	<u>11,838,144</u>
Accumulated Surplus - End of Year	<u>\$11,965,204</u>	<u>\$11,777,481</u>	<u>\$11,994,222</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Statement of Change in Net Financial Assets

Year Ended December 31, 2022

	<u>2022</u>		<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	
	(Note 12)		
Annual Surplus (Deficit)	\$ (29,018)	\$ (216,741)	\$ 156,078
Use of Prepaid Expenses	-	26,648	23,279
Acquisition of Prepaid Expenses	-	(31,907)	(26,648)
Net Acquisition of Tangible Capital Assets	(506,000)	(482,740)	(585,156)
Amortization of Tangible Capital Assets	<u>206,535</u>	<u>227,423</u>	<u>203,496</u>
	<u>(328,483)</u>	<u>(477,317)</u>	<u>(228,951)</u>
Net Financial Assets - Beginning of Year	<u>1,125,255</u>	<u>1,125,255</u>	<u>1,354,206</u>
Net Financial Assets - End of Year	<u>\$ 796,772</u>	<u>\$ 647,938</u>	<u>\$ 1,125,255</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Statement of Cash Flows

Year Ended December 31, 2022

2022

2021

Cash Flows From Operating Activities:

Annual Surplus	\$ (216,741)	\$ 156,078
Items Not Involving Cash		
Amortization of Tangible Capital Assets	227,423	203,496
Disposal of Tangible Capital Asset	-	85,825
Actuarial Adjustment to Long Term Debt	<u>(3,596)</u>	<u>(3,299)</u>
	7,086	442,100
Changes in Non-Cash Operating Balances		
Accounts and Taxes Receivable	(6,205)	(251,165)
Account Payable	352	78,500
Deferred Revenue	24,475	(104,086)
Prepaid Expenses	<u>(5,259)</u>	<u>(3,369)</u>
	<u>20,449</u>	<u>161,980</u>

Cash Flows From Capital Activities:

Purchase of Tangible Capital Assets	<u>(482,740)</u>	<u>(670,981)</u>
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Cash Flows From Investing Activities:

Acquisition of Portfolio Investments	(364)	(31)
Repayments of Long Term Debt	<u>(19,740)</u>	<u>(20,049)</u>
	<u>(20,104)</u>	<u>(20,080)</u>

Decrease in Cash and Cash Equivalents (482,395) (529,081)

Cash and Cash Equivalents - Beginning of Year 1,061,111 1,590,192

Cash and Cash Equivalents - End of Year \$ 578,716 \$ 1,061,111

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2022

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 of 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, 2022

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, 2022 or December 31, 2021.

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2022

2. Portfolio Investments:

	<u>2022</u>	<u>2021</u>
MFA: Short Term Bonds	\$ 40	\$ 39
MFA: Ultra-Short Bonds	21,584	21,625
MFA: Money Market Fund	<u>21,290</u>	<u>20,886</u>
	<u>\$ 42,914</u>	<u>\$ 42,550</u>

3. Accounts Receivable:

	<u>2022</u>	<u>2021</u>
Property Taxes	\$ 64,318	\$ 53,499
Other Governments	215,574	161,972
Trade and Other	<u>137,509</u>	<u>195,725</u>
	<u>\$ 417,401</u>	<u>\$ 411,196</u>

4. Accounts Payable:

	<u>2022</u>	<u>2021</u>
Other Governments	\$ 28,442	\$ 26,223
Trade and Other	136,131	166,596
Payroll Liabilities	<u>44,131</u>	<u>15,533</u>
	<u>\$ 208,704</u>	<u>\$ 208,352</u>

5. Deferred Revenue:

	<u>2021</u>	<u>Collections</u>	<u>Transfers</u>	<u>2022</u>
Internet Maintenance	\$ 62,595	\$ -	\$ -	\$ 62,595
Kelsey Centre	5,921	-	(3,483)	2,438
Climate Action Program	-	41,082	-	41,082
Community Wellness	4,978	-	(4,978)	-
Taxes and Other	<u>24,177</u>	<u>12,140</u>	<u>(20,286)</u>	<u>16,031</u>
	<u>\$ 97,671</u>	<u>\$ 53,222</u>	<u>\$ (28,747)</u>	<u>\$ 122,146</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2022

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>2022</u>	<u>2021</u>
Total Outstanding Debt - Beginning of Year	\$ 83,579	\$ 106,927
Reduction of Long-Term Debt	<u>(23,336)</u>	<u>(23,348)</u>
Total Outstanding Debt - End of Year	<u>\$ 60,243</u>	<u>\$ 83,579</u>

The interest rate on water and sewer long-term debt is 0.91% per annum (2021 - 0.91%). The interest rate on the public works truck long-term debt is at the variable MFA rate, which was 3.82% at December 31, 2022 (2021 - 1.25%).

The interest expense on all debt held by the Village in the year ended December 31, 2022 is \$2,237 (2021 - \$1,928).

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

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Public Works Truck</u>	<u>Total</u>
2023	7,835	2,696	13,887	24,418
2024	8,070	2,777	13,806	24,653
2025	<u>8,312</u>	<u>2,860</u>	<u>-</u>	<u>11,172</u>
	<u>\$ 24,217</u>	<u>\$ 8,333</u>	<u>\$ 27,693</u>	<u>\$ 60,243</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, 2022, the Village debt reserve fund was \$7,223 (2021 - \$7,163), 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, 2022

7. Tangible Capital Assets:

	Cost				Accumulated Amortization				Net Book Value	
	Opening	Additions	Disposals	Closing	Opening	Amort	Disposals	Closing	2022	2021
General Capital Assets										
Land	\$ 2,007,114	\$ 115,322	\$ -	\$ 2,122,436	\$ -	\$ -	\$ -	\$ -	\$ 2,122,436	\$ 2,007,114
Buildings	2,915,321	21,720	-	2,937,041	1,171,866	50,626	-	1,222,492	1,714,549	1,743,455
Equipment, Vehicles and Furniture	953,081	28,413	-	981,494	610,970	45,718	-	656,688	324,806	342,111
Engineered Structures										
Water	4,559,279	231,674	-	4,790,953	591,603	55,928	-	647,531	4,143,422	3,967,676
Sewer and Drainage	3,110,721	85,611	-	3,196,332	1,102,377	50,185	-	1,152,562	2,043,770	2,008,344
Roads	506,386	-	-	506,386	448,263	2,445	-	450,708	55,678	58,123
Park Infrastructure	789,531	-	-	789,531	74,035	22,521	-	96,556	692,975	715,496
	<u>\$14,841,433</u>	<u>\$ 482,740</u>	<u>\$ -</u>	<u>\$15,324,173</u>	<u>\$ 3,999,114</u>	<u>\$ 227,423</u>	<u>\$ -</u>	<u>\$ 4,226,537</u>	<u>\$11,097,636</u>	<u>\$10,842,319</u>

Included in Engineered Structures - Sewer and Drainage at December 31, 2022 is \$16,690 (2021 - \$16,690) 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.

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2022

8. Taxation:

	Budget <u>2022</u>	Actual <u>2022</u>	Actual <u>2021</u>
General Municipal Purposes	\$ 391,200	\$ 395,163	\$ 362,837
Collections for Other Governments			
Province of British Columbia - School Tax	95,000	98,401	91,417
Comox Strathcona Waste Management	8,500	8,061	8,106
Comox Strathcona Regional Hospital District	25,000	20,448	20,560
Strathcona Regional District	17,500	16,358	16,276
Vancouver Island Regional Library	13,479	13,756	13,968
Municipal Finance Authority	15	14	11
British Columbia Assessment Authority	2,300	2,553	2,259
Province of BC - Police Tax	<u>18,000</u>	<u>17,968</u>	<u>17,149</u>
	<u>570,994</u>	<u>572,722</u>	<u>532,583</u>
Transfers			
Province of British Columbia - School Tax	95,000	98,401	91,417
Comox Strathcona Waste Management	8,500	8,061	8,106
Comox Strathcona Regional Hospital District	25,000	20,448	20,560
Strathcona Regional District	17,500	16,358	16,276
Vancouver Island Regional Library	13,479	13,756	13,968
Municipal Finance Authority	15	14	11
British Columbia Assessment Authority	2,300	2,553	2,259
Province of BC - Police Tax	<u>18,000</u>	<u>17,968</u>	<u>17,149</u>
	<u>179,794</u>	<u>177,559</u>	<u>169,746</u>
Available for General Municipal Purposes	<u>\$ 391,200</u>	<u>\$ 395,163</u>	<u>\$ 362,837</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, 2022

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, 2022, the plan had about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local governments.

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The Village paid \$22,161 (2021 - \$19,816) of employer contributions while employees contributed \$20,495 (2021 - \$17,727) to the plan in fiscal 2022.

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

11. Accumulated Surplus:

The Village segregates its accumulated surplus in the following categories:

	<u>2022</u>	<u>2021</u>
Unappropriated Surplus		
General	\$ 250,634	\$ 336,564
Sewer	123,365	219,480
Water	<u>83,309</u>	<u>167,840</u>
	<u>457,308</u>	<u>723,884</u>
Reserves (Schedule 4)	<u>282,780</u>	<u>511,598</u>
Equity in Tangible Capital Assets		
General	3,413,160	3,355,902
Sewer	2,002,996	1,959,963
Water	<u>5,621,237</u>	<u>5,442,875</u>
	<u>11,037,393</u>	<u>10,758,740</u>
Accumulated Surplus	<u>\$ 11,777,481</u>	<u>\$ 11,994,222</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Notes to the Financial Statements

December 31, 2022

12. Fiscal Plan:

The Fiscal Plan amounts represent the Financial Plan Bylaw adopted by Council on May 3, 2022.

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>2022</u>
Financial Plan (Budget) Bylaw	\$ -
Add:	
Debt Principal Repayments	20,050
Capital Expenditures	506,000
Budgeted Transfers to Reserves	65,058
Less:	
Amortization Adjustment	(206,535)
Budgeted Transfers from Reserves	<u>(413,591)</u>
Annual Deficit Presented in Financial Statements	\$ <u>(29,018)</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

Schedule 1 - Government Grants and Transfers to the Village and Ratepayers Year Ended December 31, 2022

	<u>2022</u>		<u>2021</u>
	<u>Budget</u>	<u>Actual</u>	
	(Note 12)		
Federal Government			
Grants in Lieu of Taxes	\$ 5,900	\$ 7,680	\$ 5,887
Gas Tax Community Works Fund	<u>71,562</u>	<u>71,568</u>	<u>139,790</u>
	<u>77,462</u>	<u>79,248</u>	<u>145,677</u>
Province of BC and Federal/Provincial Programs			
General Fund			
Small Communities Grant	463,000	463,000	377,000
Other	<u>387,815</u>	<u>45,623</u>	<u>259,405</u>
	<u>850,815</u>	<u>508,623</u>	<u>636,405</u>
General Capital			
Infrastructure (Provincial)	-	-	195,361
Other	<u>48,332</u>	<u>58,748</u>	<u>37,285</u>
	<u>48,332</u>	<u>58,748</u>	<u>232,646</u>
	<u>\$ 976,609</u>	<u>\$ 646,619</u>	<u>\$ 1,014,728</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Schedule 2 - Combined Statement of Operations by Segment

Year Ended December 31, 2022

	General Government	Recreation and Parks	Protective	Transportation	Solid Waste	Public Works	Sewer	Water	2022 Actual	2022 Budget (Note 12)
Revenues										
Taxation	\$ 387,056	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,032	\$ 2,075	\$ 395,163	\$ 391,200
User Fees	-	-	-	-	39,858	-	78,733	143,757	262,348	252,595
Government Grants and Transfers	582,321	-	60,653	-	-	-	3,645	-	646,619	976,609
Sales of Services	50,129	30,451	-	-	-	-	600	1,400	82,580	90,007
Contribution from Others	-	1,030	676	-	-	-	-	-	1,706	-
Investment and Other Income	34,137	6,641	-	-	-	1,159	2,909	921	45,767	18,550
	<u>1,053,643</u>	<u>38,122</u>	<u>61,329</u>	<u>-</u>	<u>39,858</u>	<u>1,159</u>	<u>91,919</u>	<u>148,153</u>	<u>1,434,183</u>	<u>1,728,961</u>
Expenses										
Amortization	9,953	35,876	14,960	2,446	-	20,112	50,185	93,892	227,424	206,535
Debt Charges	-	-	-	-	-	-	1,101	379	1,480	1,480
Minor Capital	-	7,099	-	-	-	-	-	-	7,099	27,000
Operating	269,112	144,089	81,928	59,346	54,049	34,244	42,572	97,117	782,457	895,608
Wages and Benefits	277,460	152,775	17,086	15,027	-	46,485	53,427	70,204	632,464	627,356
	<u>556,525</u>	<u>339,839</u>	<u>113,974</u>	<u>76,819</u>	<u>54,049</u>	<u>100,841</u>	<u>147,285</u>	<u>261,592</u>	<u>1,650,924</u>	<u>1,757,979</u>
Excess (Deficiency) of Revenues over Expenses	\$ <u>497,118</u>	\$ <u>(301,717)</u>	\$ <u>(52,645)</u>	\$ <u>(76,819)</u>	\$ <u>(14,191)</u>	\$ <u>(99,682)</u>	\$ <u>(55,366)</u>	\$ <u>(113,439)</u>	\$ <u>(216,741)</u>	\$ <u>(29,018)</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Schedule 3 - 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
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 4 - Reserve Fund Transactions

Year Ended December 31, 2022

	Transportation Infrastructure	Capital	Sewer Capital	Community Works Gas Tax	Climate Action	Election	COVID-19	2022 Total (Note 11)	2021 Total (Note 11)
Revenue									
Government Grants	\$ -	\$ -	\$ -	\$ 71,568	\$ -	\$ -	\$ -	\$ 71,568	\$ 173,589
Other Income	<u>188</u>	<u>14</u>	<u>38</u>	<u>2,297</u>	<u>406</u>	<u>82</u>	<u>1,674</u>	<u>4,699</u>	<u>29,382</u>
	<u>188</u>	<u>14</u>	<u>38</u>	<u>73,865</u>	<u>406</u>	<u>82</u>	<u>1,674</u>	<u>76,267</u>	<u>202,971</u>
Expenses									
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>82,075</u>	<u>82,075</u>	<u>130,508</u>
Net Surplus (Deficit)	188	14	38	73,865	406	82	(80,401)	(5,808)	72,463
Transfers									
From (to) Operating Fund	(17,000)	-	-	(35,000)	-	(7,600)	-	(59,600)	2,342
Acquisition of Capital Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>(141,690)</u>	<u>(21,720)</u>	<u>-</u>	<u>-</u>	<u>(163,410)</u>	<u>(198,558)</u>
Change in Reserve Fund Balances	(16,812)	14	38	(102,825)	(21,314)	(7,518)	(80,401)	(228,818)	(123,753)
Opening Fund Surplus Balance	<u>17,478</u>	<u>1,907</u>	<u>5,353</u>	<u>264,842</u>	<u>23,888</u>	<u>7,614</u>	<u>190,516</u>	<u>511,598</u>	<u>635,351</u>
Ending Fund Surplus Balance	\$ <u>666</u>	\$ <u>1,921</u>	\$ <u>5,391</u>	\$ <u>162,017</u>	\$ <u>2,574</u>	\$ <u>96</u>	\$ <u>110,115</u>	\$ <u>282,780</u>	\$ <u>511,598</u>

THE CORPORATION OF THE VILLAGE OF SAYWARD

Schedule 5 - COVID-19 Safe Restart Grant Unaudited

Year Ended December 31, 2022

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>2022</u>
COVID-19 Safe Restart Funds Carried Forward	\$ 190,516
Interest Allocated	<u>1,674</u>
	192,190
Eligible Costs	
Council Chamber Electrical and Camera	3,346
Grant Writing Costs	25,000
Reports for Official Community Plan	10,000
Lost Revenues from Recreational Programming and Cleaning Supplies	8,250
Lifesaving Courses	4,000
Extended Kelsey Centre Programming	4,000
Security Camera Upgrades for Municipal Office and Kelsey Centre	11,600
Gazebo Upgrades	8,475
Share Shed Renovations	<u>7,404</u>
	<u>82,075</u>
Balance, December 31, 2022	\$ <u>110,115</u>