

DISTRICT OF METCHOSIN



Statements of Financial Information

2022

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Consolidated Financial Statements of

THE DISTRICT OF METCHOSIN

Year ended December 31, 2022

THE DISTRICT OF METCHOSIN

Consolidated Financial Statements

Year ended December 31, 2022

Financial Statements

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of The District of Metchosin (the "District") are the responsibility of management and have been prepared in compliance with applicable legislation and in accordance with public sector accounting principles for local governments established by The Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The District's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Mayor and Council meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their acceptance of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the District. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the District's consolidated financial statements.



Chief Administrative Officer



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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councilors of The District of Metchosin

OPINION

We have audited the consolidated financial statements of the District of Metchosin (the "District"), which comprise:

- the consolidated statement of financial position as at end of December 31, 2022
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2022 and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BASIS FOR OPINION

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

We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 District's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the District or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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 District'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 District'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 District 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants

Victoria, Canada
April 24, 2023

THE DISTRICT OF METCHOSIN

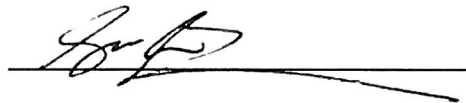
Consolidated Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
Financial assets:		
Cash and cash equivalents (note 2)	\$ 16,774,022	\$ 15,029,701
Accounts receivable	914,117	717,242
Taxes receivable	195,028	123,729
Other assets	38,888	29,410
	<u>17,922,055</u>	<u>15,900,082</u>
Liabilities:		
Accounts payable and accrued liabilities	2,212,427	1,400,967
Deposits payable	265,504	266,109
Prepaid property taxes	248,622	239,031
Wages and benefits payable (note 3)	283,659	242,448
Deferred revenue (note 4)	326,555	278,315
	<u>3,336,767</u>	<u>2,426,870</u>
Net financial assets	14,585,288	13,473,212
Non-financial assets:		
Tangible capital assets (note 5)	35,665,744	35,584,638
Prepaid expenses	266,255	84,479
	<u>35,931,999</u>	<u>35,669,117</u>
Commitments and contingencies (note 9)		
Subsequent event (note 12)		
Accumulated surplus (note 6)	\$ 50,517,287	\$ 49,142,329

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the District:



Chief Administrative Officer

THE DISTRICT OF METCHOSIN

Consolidated Statement of Operations

Year ended December 31, 2022, with comparative information for 2021

	Financial plan (note 10)	2022	2021
Revenue:			
Taxes levied for municipal purposes (note 7)	\$ 2,946,090	\$ 3,257,231	\$ 2,814,160
Net grants in lieu of taxes	1,311,504	1,490,913	1,250,602
Sales and user fees	1,158,600	726,816	553,111
Government transfers (note 8)	890,000	1,803,196	1,653,647
Investment income	120,000	331,127	101,995
Penalties and interest	-	34,941	33,329
Other	448,700	202,277	617,648
Total revenue	6,874,894	7,846,501	7,024,492
Expenses:			
General government	1,272,974	1,358,010	1,192,894
Protective services	1,734,350	2,061,447	1,559,852
Transportation services	1,953,569	1,779,999	1,701,861
Planning and environmental services	127,441	109,065	99,857
Recreation and cultural services	1,640,560	1,163,022	1,233,473
Total expenses	6,728,894	6,471,543	5,787,937
Annual surplus	146,000	1,374,958	1,236,555
Accumulated surplus, beginning of year	49,142,329	49,142,329	47,905,774
Accumulated surplus, end of year	\$ 49,288,329	\$ 50,517,287	\$ 49,142,329

The accompanying notes are an integral part of these consolidated financial statements.

THE DISTRICT OF METCHOSIN

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

	Financial plan (note 10)	2022	2021
Annual surplus	\$ 146,000	\$ 1,374,958	\$ 1,236,555
Acquisition of tangible capital assets	(2,223,599)	(1,396,218)	(1,768,104)
Amortization of tangible capital assets	1,363,741	1,459,640	1,389,234
Change in proportionate share of West Shore	-	(144,528)	185,955
	(859,858)	(81,106)	(192,915)
Acquisition of prepaid expenses	-	(181,776)	(63,500)
Change in net financial assets	(713,858)	1,112,076	980,140
Net financial assets, beginning of year	13,473,212	13,473,212	12,493,072
Net financial assets, end of year	\$ 12,759,354	\$ 14,585,288	\$ 13,473,212

The accompanying notes are an integral part of these consolidated financial statements.

THE DISTRICT OF METCHOSIN

Consolidated Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 1,374,958	\$ 1,236,555
Items not involving cash:		
Amortization of tangible capital assets	1,459,640	1,389,234
Change in proportionate share of West Shore	(144,528)	185,955
Changes in non-cash operating assets and liabilities:		
Accounts receivable	(196,875)	(635,115)
Taxes receivable	(71,299)	24,204
Other assets	(9,478)	(6)
Accounts payable and accrued liabilities	811,460	(900,957)
Wages and benefits payable	41,211	17,764
Prepaid property taxes	9,591	(14,928)
Deposits payable	(605)	26,111
Deferred revenue	48,240	(125,139)
Prepaid expenses	(181,776)	(63,500)
	3,140,539	1,140,178
Capital activities:		
Acquisition of tangible capital assets	(1,396,218)	(1,768,104)
Increase (decrease) in and cash equivalents	1,744,321	(627,926)
Cash and cash equivalents, beginning of year	15,029,701	15,657,627
Cash and cash equivalents, end of year	\$ 16,774,022	\$ 15,029,701
Supplemental cash flow information:		
Cash paid for interest	\$ 4,553	\$ 1,512
Cash received from interest	331,127	101,995

The accompanying notes are an integral part of these consolidated financial statements.

THE DISTRICT OF METCHOSIN

Notes to Consolidated Financial Statements

Year ended December 31, 2022

The District of Metchosin (the "District") is a municipality in the Province of British Columbia and operates under the provisions of the Local Government Act and the Community Charter of British Columbia.

1. Significant accounting policies:

The consolidated financial statements of the District are prepared by management in accordance with Canadian public sector accounting principles for governments as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the District are as follows:

(a) Reporting entity:

The consolidated financial statements reflect the combination of all the assets, liabilities, revenues, expenses, and changes in net financial assets of the District. The consolidated financial statements of the District includes the District's proportionate interest in West Shore Parks and Recreation Society ("West Shore"), an organization jointly controlled by the District. The District does not administer any trust activities on behalf of external parties.

(b) Basis of accounting:

The District follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Government transfers:

Government transfers are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Government transfers with stipulations restricting their use are recognized in the financial statements as revenues in the period in which eligible expenses are incurred provided they are authorized and meet eligibility criteria.

THE DISTRICT OF METCHOSIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(d) Deferred revenue:

Deferred revenue includes contributions received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired thereby extinguishing the related liability.

Development cost charges are amounts which are restricted by government legislation or agreement with external parties. When qualifying expenses are incurred development cost charges are recognized as revenue in amounts which equal the associated expenses.

(e) Property tax revenue:

Property tax revenue is recognized on the accrual basis using the approved mill rates and the anticipated assessment related to the current year.

(f) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

(g) Cash and cash equivalents:

Cash and cash equivalents include investments in the Municipal Finance Authority of British Columbia ("MFA") Money Market Funds which are recorded at cost plus earnings reinvested in the funds.

THE DISTRICT OF METCHOSIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(h) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - Years
Land improvements	20 - 40
Buildings	20 - 50
Vehicles, machinery and equipment	4 - 25
Roads infrastructure	25 - 100

Amortization is charged annually, including in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the District's ability to provide goods and services, or when the value of future economic benefits associated with the asset are less than the book value of the asset.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(iv) Interest capitalization

The District does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

THE DISTRICT OF METCHOSIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(i) Non-financial assets (continued):

(v) Contaminated sites

The District records a liability in its financial statements when contamination on non-active property exceeds an accepted environmental standard and the District is directly responsible, or accepts responsibility for the damage. The liability is measured at the District's best estimate of the costs directly attributable to remediation of the contamination. No contaminated sites liabilities have been recorded in these financial statements.

(j) Employee future benefits:

The District and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred.

Sick leave, vacation pay and other retirement benefits are also available to the District's employees. Sick leave entitlements are accrued based on the estimated liability based on past history and can only be used while employed by the District. They are not paid out upon retirement or termination of employment. Accrued vacation represents earned and unused vacation amounts at the reporting date. The costs of retirement benefits are determined based on service and best estimates calculated as 1.5 days per year of service greater than 5 years. The obligations under these benefit plans are accrued as the employees render services necessary to earn the future benefits. The benefit amounts are included in wages and benefits payable.

(k) 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 disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Estimates include assumptions used in estimating historical cost and useful lives of tangible capital assets and in estimating provisions for accrued liabilities including employee future benefits. Actual results could differ from these estimates.

(l) Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year..

THE DISTRICT OF METCHOSIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

2. Cash and cash equivalents:

	2022	2021
Municipal Finance Authority - Money Market Funds	\$ 15,301,465	\$ 13,719,487
Bank deposits	1,472,557	1,310,214
	\$ 16,774,022	\$ 15,029,701

3. Wages and benefits payable:

Included in wages and benefits payable are accrued benefits of \$69,386 (2021 - \$92,232). This includes accrued sick leave, accrued vacation and retirement benefit.

Municipal Pension Plan

The Municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2021, the plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local governments.

The most recent valuation for the Municipal Pension Plan as at December 31, 2021 indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2024, with results available later 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.

The District paid \$94,490 (2021 - \$91,485) for employer contributions and District employees paid \$85,151 (2021 - \$77,896) for employee contributions to the plan in fiscal 2022.

THE DISTRICT OF METCHOSIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

3. Wages and benefits payable (continued):

GVLRA – CUPE Long-Term Disability Trust

The Trust was established January 1, 1987 as a result of negotiations between the Greater Victoria Labour Relations Association representing a number of employers and the Canadian Union of Public Employees representing a number of CUPE locals. The Trust's sole purpose is to provide a long-term disability income benefit plan. The District and its employees each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was actuarially determined as of December 31, 2020. At December 31, 2021, the total plan provision for approved and unreported claims was \$24,715,800 (2020 - \$21,661,600) with a plan surplus of \$1,664,646 (2020 - \$4,450,361). The actuary does not attribute portions of the unfunded liability to individual employers. The District paid \$10,478 (2021 - \$10,212) for employer contributions and District employees paid \$10,478 (2021 - \$10,212) for employee contributions to the plan in fiscal 2022.

4. Deferred revenue:

	2022		2021	
Subdivision servicing	\$	165,220	\$	153,880
West Shore		161,335		124,435
Total deferred revenue	\$	326,555	\$	278,315

THE DISTRICT OF METCHOSIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

5. Tangible capital assets:

	Land	Land improvements	Land	Buildings	Vehicles, machinery and equipment	Roads infrastructure	Assets under construction	Total 2022	Total 2021
Cost:									
Balance, beginning of year	\$ 8,326,460	\$ 567,693	\$ 4,945,737	\$ 2,775,187	\$ 65,675,612	\$ 139,998	\$ 82,430,687	\$ 81,355,212	
Change in proportionate share of West Shore Additions	-	-	198,290	17,228	-	-	-	215,518	(280,883)
Disposals	-	-	423,197	298,350	732,171	82,498	1,536,216	1,768,104	
Balance, end of year	-	567,693	5,567,224	3,086,398	66,055,362	82,498	83,685,635	82,430,687	(411,746)
Accumulated amortization:									
Balance, beginning of year	-	212,717	2,980,698	1,749,407	41,903,226	-	46,846,048	45,963,488	
Change in proportionate share of West Shore Disposals	-	-	56,906	14,085	-	-	70,991	(94,927)	
Amortization	-	22,098	187,757	174,727	(352,421)	(352,421)	(356,788)	(411,746)	
Balance, end of year	-	234,815	3,225,361	1,933,852	42,625,863	-	48,019,891	46,846,049	
Net book value, end of year	\$ 8,326,460	\$ 332,878	\$ 2,341,863	\$ 1,152,546	\$ 23,429,499	\$ 82,498	\$ 35,665,744	\$ 35,584,638	

THE DISTRICT OF METCHOSIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

5. Tangible capital assets (continued):

(a) Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made, the tangible capital asset has been recognized at a nominal value. Land is the only category to which nominal values can be assigned.

(b) Works of art and historical treasures:

The District manages and controls various works of art and non-operational historical cultural assets including artifacts, paintings and sculptures located at District sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

(c) Write-down of tangible capital assets:

The write-down of tangible capital assets during the year was nil (2021 - nil).

6. Accumulated surplus:

Accumulated surplus consists of unappropriated operating funds, various appropriated operating funds and reserve funds.

	2022	2021
Reserve funds:		
Capital:		
General Capital Reserve	\$ 433,602	\$ 351,441
Parkland Acquisition Reserve	258,408	253,341
Gas Tax Reserve	557,179	678,520
	<u>1,249,189</u>	<u>1,283,302</u>
Capital replacement:		
Road Capital and Maintenance	2,993,746	2,476,260
Fire Equipment Replacement Reserve	598,046	444,095
Municipal Equipment Reserve	244,753	188,816
Building Replacement	2,682,376	2,341,744
School Building Reserve	195,403	169,421
Trails Replacement Reserve	84,377	71,266
	<u>6,798,701</u>	<u>5,691,602</u>
Balance forward	<u>\$ 8,047,890</u>	<u>\$ 6,974,904</u>

THE DISTRICT OF METCHOSIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

6. Accumulated surplus (continued):

	2022	2021
Balance forward	\$ 8,047,890	\$ 6,974,904
Appropriated operating funds:		
Operating:		
Safe Restart COVID-19 grant	703,624	803,602
Policing phase-in	1,140,818	1,265,115
Recreation taxation equalization reserve	1,671,554	1,509,934
Tax stabilization	78,266	78,266
Carbon neutral	53,505	47,505
Victoria library	34,777	27,039
	<u>3,682,544</u>	<u>3,731,461</u>
Surplus accounts:		
Snow and storm reserve	111,000	143,000
Legal, insurance, consulting	187,000	118,000
Revenue shortfall	290,000	256,000
Public works efficiency	50,500	134,887
Business development	54,000	44,000
Planning	43,000	46,000
Public works minor infrastructure	223,000	175,000
Environment reserve	51,000	45,000
Elections reserve	6,522	25,000
Fire equipment reserve	43,284	79,653
Admin computer reserve	17,000	33,000
	<u>1,076,306</u>	<u>1,099,540</u>
Total reserve and appropriated operating funds	12,806,740	11,805,905
Unappropriated operating funds	2,044,803	1,751,786
	<u>14,851,543</u>	<u>13,557,691</u>
Equity in tangible capital assets	35,665,744	35,584,638
	<u>\$ 50,517,287</u>	<u>\$ 49,142,329</u>

THE DISTRICT OF METCHOSIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

7. Taxes levied for municipal purposes:

	2022	2021
Taxes levied for municipal purposes:		
Property taxes	\$ 3,184,366	\$ 2,742,250
1% utility taxes	72,865	71,910
	3,257,231	2,814,160
Taxes levied for other authorities:		
School authorities	2,512,768	2,278,928
Capital Regional District	476,437	419,319
Capital Regional Hospital District	287,041	278,574
BC Transit	336,952	283,713
BC Assessment Authority	72,856	64,635
Municipal Finance Authority	407	307
Police tax	-	266,781
	3,686,461	3,592,257
Total property taxes collected	\$ 6,943,692	\$ 6,406,417

8. Government transfers:

	2022	2021
Operating transfers:		
Provincial	\$ 1,343,652	\$ 738,598
Other	170,854	50,983
West Shore	23,602	345,589
	1,538,108	1,135,170
Capital transfers:		
Gas Tax	265,088	518,477
Total revenue	\$ 1,803,196	\$ 1,653,647

THE DISTRICT OF METCHOSIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

9. Commitments and contingencies:

- (a) The Capital Regional District (the "CRD") debt, under provisions of the Local Government Act, is a direct, joint and several liability of the CRD and each member municipality within the CRD, including the District.
- (b) The District is a shareholder and member of the Capital Region Emergency Service Telecommunications (CREST) Incorporated which provides centralized emergency communications, and related public safety information services to municipalities, regional districts, the provincial and federal governments and their agencies, and emergency service organizations throughout the Greater Victoria region and the Gulf Islands. Members' obligations to share in funding ongoing operations and any additional costs relating to capital assets are to be contributed pursuant to a Members' Agreement.
- (c) The District is a defendant in various lawsuits for which no liability is reasonably determinable at this time. Should the claims be successful as a result of litigation, amounts will be recorded when a liability is likely and determinable. The District is self-insured through membership in the Municipal Insurance Association of British Columbia. Under this program, member municipalities are to share jointly for general liability claims against any member in excess of \$10,000. Should the Association pay out claims in excess of premiums received, it is possible that the District, along with the other participants, would be required to contribute towards the deficit.
- (d) The District has entered into a Municipal Police Unit Agreement with the Province of BC and the Royal Canadian Mounted Police for the provision of police services effective April 1, 2022. Under the terms of this contract, the District is responsible for 70% of policing costs. The estimated cost of the contract is \$825,000 in 2023 and \$1,030,000 in 2024.

10. Financial plan data:

The financial plan data presented in these consolidated financial statements is based upon the 2022 financial plan adopted by Council on May 9, 2022.

THE DISTRICT OF METCHOSIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

11. West Shore Parks and Recreation Society:

(a) Capital asset transfer:

The CRD transferred the lands and facilities comprising the Juan de Fuca Recreation Centre to the following municipal partners (the "Municipalities") in 2002: City of Langford, City of Colwood, District of Highlands, District of Metchosin and Town of View Royal.

The lands and facilities were transferred to the Municipalities in their proportionate share, as specified in the Co-Owners' Agreement. Future improvements are allocated among the partners as per the cost sharing formula in effect each year for each service or facility, as outlined in a Members' Agreement. For 2022, the District's share of improvements purchased by the Society on its behalf is \$47,026 (2021 - \$396,992).

Because the cost sharing formula in the Members' Agreement produces different cost shares for the members from year-to-year, there is an adjustment to increase or decrease the opening fund balances. In 2022, the District recorded an increase of \$144,528 (2021 - decrease of \$185,955).

The Municipalities have each become members in the Society, which was incorporated to provide parks, recreation and community services to the Municipalities under contract. Under terms of an Operating, Maintenance and Management Agreement, the Society is responsible to equip, maintain, manage and operate the facilities located at the recreation centre.

THE DISTRICT OF METCHOSIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

11. West Shore Parks and Recreation Society (continued):

(b) Consolidation:

Financial results and financial plan for the Society are consolidated into the District's financial statements proportionately, based on the cost sharing formula outlined in the Members' Agreement. In 2022, the District's proportion for consolidation purposes was 7.522% (2021 - 7.646%). Condensed financial information for the Society is as follows:

	2022	2021
Financial assets	\$ 5,425,729	\$ 4,128,433
Financial liabilities	3,297,678	2,755,185
Net financial assets	2,128,051	1,373,248
Non-financial assets	1,153,172	1,112,757
Accumulated surplus	\$ 3,281,223	\$ 2,486,005
Revenues	\$ 7,316,425	\$ 10,098,436
Requisition from members	5,879,262	6,331,273
	13,195,687	16,429,709
Expenses	12,400,469	15,542,693
Annual deficit	\$ 795,218	\$ 887,016

12. Subsequent event:

In March 2023, the District received a Provincial grant under the Growing Communities Fund of \$2,438,000. The grant will be placed in a reserve and spent on eligible expenses in accordance with the requirements provided by the Province.

THE DISTRICT OF METCHOSIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

13. Segmented information:

The District is a diversified municipal organization that provides a wide range of services to its citizens. District services are provided by departments and their activities reported separately. Certain functions that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

General Government

The general government operations provide the functions of corporate administration and legislative services and any other functions categorized as non-departmental.

Protective Services

Protective services is comprised of three different functions, including the District's emergency management agency, fire and regulatory services. The emergency management agency prepares the District to be more prepared and able to respond to, recover from, and be aware of, the devastating effects of a disaster or major catastrophic event that will impact the community. The fire department is responsible for providing critical, life-saving services in preventing or minimizing the loss of life and property from fire and natural or man-made emergencies. The mandate of the regulatory services is to promote, facilitate and enforce general compliance with the provisions of bylaws that pertain to the health, safety and welfare of the community and provide a full range of planning services related to zoning, development permits, variance permits and current regulatory issues.

Transportation Services

Transportation services is responsible for transportation functions including roads and streets. As well, services are provided around infrastructure, transportation planning, pedestrian and cycling issues and on-street parking regulations, including street signs and painting.

Planning and Environmental Services

Planning works to achieve the District's community planning goals through the official community plan and other policy initiatives.

Recreation and Cultural Services

Parks is responsible for the maintenance and development of all park facilities. Recreation services facilitate the provision of recreation and wellness programs and services through West Shore.

The accounting policies used in these segments is consistent with those followed in the preparation of the financial statements as disclosed in Note 1. The following table provides additional financial information for the foregoing segments.

THE DISTRICT OF METCHOSIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

13. Segmented information (continued):

2022	General Government	Protective Services	Transportation Services	Planning and Environmental Services	Recreation and Cultural Services	Total
Revenue:						
Taxation	\$ 3,406,408	\$ 453,342	\$ -	\$ -	\$ 888,394	\$ 4,748,144
Sale of service	174,702	32,051	15,642	17,453	486,968	726,816
Government transfers	1,257,452	522,142	-	-	23,602	1,803,196
Other	398,619	128,954	1,000	-	39,772	568,345
Total revenue	5,237,181	1,136,489	16,642	17,453	1,438,736	7,846,501
Expenses:						
Salaries and wages	721,814	478,150	278,255	31,707	-	1,509,926
Contracted services	374,842	1,161,130	255,235	75,774	1,174,204	3,041,185
Materials and supplies	190,565	303,961	103,405	1,584	5,516	605,031
Interest and other	4,553	-	-	-	-	4,553
Amortization	66,236	118,206	1,143,104	-	132,094	1,459,640
Change in proportionate share of West Shore	-	-	-	-	(148,792)	(148,792)
Total expenses	1,358,010	2,061,447	1,779,999	109,065	1,163,022	6,471,543
Annual surplus (deficit)	\$ 3,879,171	\$ (924,958)	\$ (1,763,357)	\$ (91,612)	\$ 275,714	\$ 1,374,958

THE DISTRICT OF METCHOSIN

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

13. Segmented information (continued):

2021	General Government	Protective Services	Transportation Services	Planning and Environmental Services	Recreation and Cultural Services	Total
Revenue:						
Taxation	\$ 3,183,260	\$ -	\$ -	\$ -	\$ 881,502	\$ 4,064,762
Sale of services	135,653	31,448	22,206	8,597	355,207	553,111
Government transfers	1,141,932	166,126	-	-	345,589	1,653,647
Other	161,853	539,052	13,000	-	39,067	752,972
Total revenue	4,622,698	736,626	35,206	8,597	1,621,365	7,024,492
Expenses:						
Salaries and wages	614,513	450,986	280,792	29,190	-	1,375,481
Contracted services	324,948	721,678	191,518	68,815	930,290	2,237,249
Materials and supplies	188,530	297,028	102,923	1,852	5,586	595,919
Interest and other	1,512	-	-	-	-	1,512
Amortization	63,391	90,160	1,126,628	-	109,055	1,389,234
Change in proportionate share of West Shore	-	-	-	-	188,542	188,542
Total expenses	1,192,894	1,559,852	1,701,861	99,857	1,233,473	5,787,937
Annual surplus (deficit)	\$ 3,429,804	\$ (823,226)	\$ (1,666,655)	\$ (91,260)	\$ 387,892	\$ 1,236,555

THE DISTRICT OF METCHOSIN

Statement of BC Safe Restart Grant

Year ended December 31, 2022
(Unaudited)

Covid Restart Grant Accounting for 2022

Restart Grant Amount Brought forward from 2021			803,602
Addressing revenues shortfalls:			
	Casino Revenue	4,586	
	School Rental Revenue	68,797	
Expenses:			
Administration Department	Direct covid supplies etc	1,595	
Administration Department	IT and remote access work and equipment	16,974	
Fire Department	Personal protective equipment	5,705	
Operating Transfer		<u>97,657</u>	
Reserves Transfer	Interest Income Reserves	<u>2,321</u>	99,978
Restart Grant Amount carried over to 2023			<u>703,624</u>

THE DISTRICT OF METCHOSIN

Schedule of Guarantee and Indemnity Agreements

Year ended December 31, 2022

The District of Metchosin has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

THE DISTRICT OF METCHOSIN

Schedule of Remuneration and Expenses Paid

Year ended December 31, 2022

<u>Mayor & Council</u>		<u>Remuneration</u>	<u>Taxable Benefits</u>	<u>Expenses</u>
Ranns, J.	Mayor	\$23,446.40		2,476.65
MacKinnon J.	Councillor	13,854.60		
Kahakauwila, K.	Councillor	13,854.60		2,847.70
Epp, S.	Councillor	16,625.52		3,198.49
Little, M.T.	Councillor/Mayor	18,543.88		3,787.88
Gray, S	Councillor	2,770.92		420.00
Shukin, J	Councillor	2,770.92		420.00
Donaldson, S	Councillor	2,770.92		420.00
		<u>94,637.76</u>		<u>13,570.71</u>
<u>Employees Over \$75,000</u>				
Urlacher L.	CAO	*75,731.60	367.52	674.00
Dunlop, S.	Fire Chief	*112,991.92	443.21	658.12
Grivel, G.	Pub Works	*95,309.90	438.61	35.00
Swanson, A.	Finance	89,517.22	443.16	
Hansen, T.	Corporate	84,067.77	436.36	1,081.05
Whitmore, L.	Finance	79,492.12	432.01	1,937.01
Lamb, J.	Fire Maintenance	*77,496.31	429.76	575.00
		<u>614,606.84</u>	<u>2,990.63</u>	<u>4,960.18</u>
<u>Other Employees</u>		<u>488,092.30</u>		<u>n/a</u>
		<u>\$1,197,336.90</u>	<u>1,754.30</u>	<u>18,530.90</u>

* These amounts include regular remuneration as well as amounts paid through Metchosin Volunteer Fire Department in respect of BC Wildfire deployment (see separate schedule)

THE DISTRICT OF METCHOSIN

Schedule of Severance Agreements

Year ended December 31, 2022

There were no severance agreements made between the District of Metchosin and its non-unionized employees during fiscal year 2022.

THE DISTRICT OF METCHOSIN

Schedule of Payments Made to Suppliers for the Provision of Goods or Services

Year ended December 31, 2022

	<u>Supplier Name</u>	<u>Amount</u>
A0110	AON REED STENHOUSE INC	29,235.00
B0002	BC HYDRO	43,022.33
B0057	BROGAN FIRE & SAFETY	175,358.52
B0138	BICC PROFESSIONALS INC.	36,198.60
B0258	BUILDING PERMIT REFUNDS	37,265.02
B0295	BROADWELL SERVICES INC.	37,931.25
C0111	COLUMBIA FUELS	31,484.55
C0184	CREST	79,755.29
F0371	FRENCH ENTERPRISES LTD.	26,371.52
I0084	INSTINCT TRAINING INC	204,897.75
I0093	ISLAND ASPHALT LTD	821,926.51
I0122	INTELLISTAGE STAGING DIRECT CANADA	30,626.40
I0238	ISLAND PRO HOMES LTD	222,003.67
K0131	KATHERINE LESYSHEN CONSULTING	30,678.38
L0267	LOCKE, MIKE	49,982.13 *
M0030	MUNICIPAL INSURANCE ASSOC OF B C	44,929.00
M0054	MARTIGNAGO CONSULTING LTD.	36,225.00
M0074	MINISTER OF FINANCE: FORESTS, WATER MGMT	73,692.10
M0240	MUNICIPAL PENSION PLAN	179,640.83
M0330	MYRA SYSTEMS CORP.	54,918.17
P0019	PACIFIC BLUE CROSS	36,875.71
P0058	PIVOTAL INTEGRATED RESOURCE MGMNT INC.	48,494.15
R0001	RECEIVER GENERAL	58,107.79
R0002	RECEIVER GENERAL	256,550.47
R0043	ROCKY MOUNTAIN PHOENIX	195,009.22
S0096	SCHO'S LINE PAINTING LTD.	53,120.61
T0105	TD VISA	90,672.34
T0313	TREL DEVELOPMENTS LTD	52,353.91
	Payments Made (Vendors Over \$25000)	<u>3,037,326.22</u>
	Miscellaneous Payments (\$25000 and Under)	1,192,297.83
	Payments Made as Grants	<u>90,934.29</u>
	TOTAL Payments	<u><u>4,229,624.05</u></u>

* Included in BC Wildfire Deployment schedule - see attached

Paid to Metchosin Volunteer Firefighters Society in 2022

Payments for 2022 OFC Engine Boss & BC Wildfire Deployments

S. Dunlop*	OFC Engine Boss/TFL	4,066	
S. Dunlop*	Engine Boss Expenses	<u>2,921</u>	6,987
G. Grivel*	Fire Crew		7,306
J. Lamb*	Fire Crew		7,163
	Other Fire Crew - MVFFS		12,600
	M. Locke - Mechanic & Truck/Tools	<u>49,982</u>	84,038
Grants and Contributions			14,508
Total Payments			<u><u>98,546</u></u>

* Also included in Remuneration report

THE DISTRICT OF METCHOSIN

Schedule of Grants & Contributions

Year ended December 31, 2022

<u>Recipient Name</u>	<u>Amount</u>
HABITAT ACQUISITION TRUST	1,500.00
INTERMUNICIPAL ADVISORY COMMITTEE ON DISABILITY	500.00
METCHOSIN/BEECHER BAY STANDSTILL AGREEMENT	3,523.55
METCHOSIN CRICKET CLUB	750.00
METCHOSIN MUSEUM SOCIETY	53.00
METCHOSIN HALL SOCIETY	5,000.00
METCHOSIN HALLOWEEN CELEBRATION	296.34
METCHOSIN PRESCHOOL SOCIETY	1,500.00
METCHOSIN BREAKFAST W/ SANTA	1,253.14
METCHOSIN SEARCH AND RESCUE	360.26
METCHOSIN SENIORS ASSOCIATION	15,000.00
METCHOSIN VOLUNTEER FIREFIGHTERS SOCIETY	14,508.00
PANCAKE BREAKFAST - MARIE-TERESE LITTLE	20.00
REMEMBRANCE DAY CELEBRATIONS	1,126.00
RCMP - WESTSHORE DETACHMENT	2,914.00
UNIVERSITY OF VICTORIA	5,000.00
VANCOUVER ISLAND SOUTH FILM & MEDIA	1,500.00
WEST SHORE PARKS & RECREATION SOCIETY - SKATEPARK	36,130.00
	<u>90,934.29</u>

THE DISTRICT OF METCHOSIN

Statement of Financial Information Approval

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approve all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.



Sue-Lin Tarnowski
Chief Financial Officer

June 28, 2023
Date



Marie-Térèse Little
Mayor

30 June, 2023
Date