



VILLAGE OF BELCARRA

STATEMENT OF FINANCIAL INFORMATION (SOFI) REPORT

FOR THE YEAR ENDED DECEMBER 31, 2021

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Published pursuant to the *Financial Information Regulation* under the
Financial Information Act of British Columbia

Section 1

VILLAGE OF BELCARRA

STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned hereby approve [as noted in *Financial Information Regulation*, Schedule 1, subsection 9(2)], all of the statements and schedules included in this Statement of Financial Information (SOFI) report, produced as required by the *Financial Information Act*.



Dennis Back
Acting Chief Administrative
Officer
June 6, 2022



Jamie Ross
Mayor
June 6, 2022

Prepared pursuant to Financial Information Regulation, Schedule 1, subsection 9 (2)



VILLAGE OF BELCARRA

"Between Forest and Sea"

4084 BEDWELL BAY ROAD, BELCARRA, B.C. V3H 4P8

TELEPHONE 604-937-4100 FAX 604-939-5034

belcarra@belcarra.ca • www.belcarra.ca



Section 2

VILLAGE OF BELCARRA MANAGEMENT REPORT

The consolidated financial statements contained in this Statement of Financial Information (SOFI) under the *Financial Information Act* have been prepared by management in accordance with Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. The integrity and objectivity of these statements are management's responsibility. Management is responsible for all the statements and schedules prepared for this Statement of Financial Information, and for ensuring that the information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal controls, which in part includes an external audit which is undertaken annually.

The Village's external auditors, KPMG LLP, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the consolidated financial statements. Their examination does not relate to the other schedules and statements required by the Financial Information Act. Their examination includes a review and evaluation of the Village's internal control systems and includes appropriate tests and procedures to provide a reasonable assurance that the financial statements are presented fairly.

On behalf of the Village of Belcarra,

Dennis Back

Acting Chief Administrative Officer

June 6, 2022

Section 3

VILLAGE OF BELCARRA

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

The Village of Belcarra has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation during the 2021 fiscal year.

Prepared pursuant to Financial Information Regulation, Schedule 1, subsections 5(3) and 5(4)

Section 4

VILLAGE OF BELCARRA

SCHEDULE OF REMUNERATION AND EXPENSES

Elected Officials

<u>Name</u>	<u>Position</u>	<u>Remuneration</u>	<u>Expenses</u>	<u>Total</u>
Clark, Carolina	Councillor	\$ 11,028.48	\$ 393.16	\$ 11,421.64
Drake, Bruce	Councillor	\$ 11,028.48	\$ 393.16	\$ 11,421.64
Ross, Jamie	Mayor	\$ 19,299.94	\$ 1,473.50	\$ 20,773.44
Snell, John	Councillor	\$ 9,649.92	\$ 393.16	\$ 10,043.08
Wilder, Liisa	Councillor	\$ 12,407.06	\$ 393.16	\$ 12,800.22
Total Elected Officials (Mayor and Council)		\$ 63,413.88	\$ 3,046.14	\$ 66,460.02

Employees

<u>Employee Name</u>	<u>Position</u>	<u>Remuneration</u> ¹	<u>Expenses</u>	<u>Total</u>
Dysart, Lorna	Chief Administrative Officer	\$ 143,139.84	\$ 1,674.60	\$ 144,814.44
Novak, Stewart	Public Works and Emergency Preparedness Coordinator	\$ 100,880.09	\$ 814.07	\$ 101,694.16
Richardson, Paula	Municipal Coordinator	\$ 75,443.05	\$ 125.75	\$ 75,568.80
Smith, Brad	Public Works Maintenance Worker	\$ 84,219.08	\$ 1,427.79	\$ 85,646.87
Total for Employees Over \$75,000		\$ 403,682.06	\$ 4,042.21	\$ 407,724.27
Total For Employees Under \$75,000		\$ 234,539.45	\$ 1,944.45	\$ 236,483.90
Total Remuneration & Expenses for Employees		\$ 638,221.51	\$ 5,986.66	\$ 644,208.17
Total Remuneration & Elected Officials & Employees		\$ 701,635.39	\$ 9,032.80	\$ 710,668.19

¹Includes taxable benefits

The variance between the remuneration schedules and the salaries, wages and benefit expenses reported in the consolidated Financial Statements of the Village of Belcarra are attributable to a number of factors, including that the remuneration schedule is based on actual payments made during the year, while the financial statements are prepared on an accrual basis. Also, wages and benefits in the financial statements include the employer's cost of benefits, which are not taxable to employees, and are thus not included in this schedule.

Expenses include travel expenses, memberships, tuition, vehicle reimbursements and registration fees paid directly to an employee or a third party on behalf of an elected official or employee.

Prepared pursuant to Financial Information Regulation, Schedule 1, subsections 6(2), (3), (4), (5) and (6)

Section 5

VILLAGE OF BELCARRA

STATEMENT OF SEVERANCE AGREEMENTS

There was one severance agreement representing one week (0.23 of one month) of compensation during the fiscal year 2021.

Prepared pursuant to Financial Information Regulation, Schedule 1, subsection 6(7)

Section 6

VILLAGE OF BELCARRA

SCHEDULE OF PAYMENTS TO PERSONS OR ENTITIES

PAYMENTS TO PERSONS OR ENTITIES	AMOUNT
NAME	
B.A. Blackwell & Associates Ltd.	\$ 25,743.90
Cubex Equipment	34,279.84
District of North Vancouver	87,704.48
K&E Business Services Inc.	106,212.75
Metro Vancouver Regional District (water debt repayment)	235,443.63
Metro Vancouver Regional District ¹	235,975.39
Municipal Pension Plan ²	38,179.19
Pooni Group Inc.	32,275.03
Province of British Columbia ¹	885,270.73
Revolution Resource Recovery	73,821.39
Richard White Planning Advisory Services Ltd.	34,878.46
Sandpiper Contracting LLP	36,933.75
Scottish Line Painting Ltd.	27,578.26
Sea to Sky Network Solutions	65,037.19
South Coast British Columbia Transportation ¹	155,999.38
Young, Anderson	70,895.36
Total Payments to Suppliers Over \$25,000	\$ 2,146,228.73
TOTAL PAYMENTS TO SUPPLIERS UNDER \$25,000	\$ 398,328.92
GRANTS & CONTRIBUTIONS	\$2,925.00
GRAND TOTAL	\$ 2,547,482.65

¹ Taxes or levies collected on behalf of taxing authorities and forwarded to authorities

² Employer and employee pension contributions

The Village prepares the schedules of payments based on actual disbursements processed through its accounts payable system.

This schedule of payments is a "cash basis" listing. The figures therefore will differ significantly from the expenditures in the consolidated financial statements which are reported on an accrual basis, resulting in timing differences. Furthermore, there are disbursements on this schedule which are not considered expenditures in the financial statements including payments made to other taxing authorities, employee payroll deductions, debt principal repayments and payments for the acquisition of tangible capital assets.

Prepared pursuant to Financial Information Regulation, Schedule 1, section 7 and the Financial Information Act, section 2

Section 7

**VILLAGE OF BELCARRA
STATEMENT OF INACTIVE CORPORATIONS**

The Village of Belcarra does not have any inactive corporations.

Prepared pursuant to Financial Information Regulation, Schedule 1, section 8

Section 8

**VILLAGE OF BELCARRA
FINANCIAL STATEMENTS**

Provided pursuant to Financial Information Regulation, Schedule 1, sections 2,3, 4 & 5

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Financial Statements of

VILLAGE OF BELCARRA

And Independent Auditors' Report thereon

Year ended December 31, 2021


MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of the Village of Belcarra ("Village") have been prepared by management in accordance with Canadian Public Sector Accounting Standards ("PSAS"). Preparation and fair presentation of the financial statements is the responsibility of the Village.

Village Council ensures management fulfills its responsibilities for financial reporting, budgeting and internal controls by approving bylaws and policies, reviewing variance reports and financial statements, and having discussions with the Village's auditors.

The audit firm of KPMG LLP, appointed by Council, has expressed its opinion that the financial statements prepared by management fairly present, in all material respects, the financial position of the Village as at December 31, 2021, and the results of 2021 operations in accordance with PSAS.

The Village maintains a system of internal and administrative controls designed to provide reliable and accurate financial information and to ensure assets of the Village are appropriately accounted for and adequately safeguarded. Expenditures and revenues are analyzed regularly by finance staff and updates are provided to Council at the end of the 2nd, 3rd and 4th quarters, and as required.


Mayor


Acting Chief Administrative Officer



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of Village of Belcarra

Opinion

We have audited the financial statements of Village of Belcarra (the "Village"), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of operations for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of cash flows for the year then ended
- and notes to the 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 financial position of the Village as at December 31, 2021, and its results of operations, its changes in net debt and its 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

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

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



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 either intends to liquidate the Village or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 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 Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause 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.

KPMG LLP

Chartered Professional Accountants

Vancouver, Canada

April 25, 2022

VILLAGE OF BELCARRA

Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial assets:		
Cash	\$ 1,722,908	\$ 1,414,634
Investments (note 2)	1,026,138	1,005,422
Accounts receivable (note 3)	129,739	56,252
MFA debt reserve deposit (note 7)	56,371	55,429
	<u>2,935,156</u>	<u>2,531,737</u>
Liabilities:		
Accounts payable and accrued liabilities (note 4)	134,275	96,810
Performance bonds and refundable deposits (note 5)	215,180	212,295
Deferred revenue (note 6)	234,500	189,800
Debt (note 7)	3,301,843	3,449,202
Employee future benefit (note 12)	13,700	14,000
	<u>3,899,498</u>	<u>3,962,107</u>
Net debt	(964,342)	(1,430,370)
Non-financial assets:		
Tangible capital assets (note 8)	10,561,205	10,804,292
Prepaid expenses	13,645	13,922
Inventories held-for-consumption	5,873	13,349
	<u>10,580,723</u>	<u>10,831,563</u>
Accumulated surplus (note 9)	<u>\$ 9,616,381</u>	<u>\$ 9,401,193</u>

Commitments and contingencies (note 10)

Contractual rights (note 15)

See accompanying notes to financial statements.



Dennis Back
Acting Chief Administrative Officer

VILLAGE OF BELCARRA

Statement of Operations

Year ended December 31, 2021, with comparative information for 2020

	2021 Budget (notes 1(i) and 16)	2021	2020
Revenue:			
Taxation (including grants in lieu)	\$ 1,168,732	\$ 1,172,197	\$ 1,097,018
Sales of services and regulatory fees	575,803	544,199	581,639
Government transfers	688,926	556,342	782,959
Investment income	35,038	31,018	34,634
Actuarial income	39,306	40,714	35,068
Other revenues	14,223	9,808	6,991
	2,522,028	2,354,278	2,538,309
Expenses:			
General government and fiscal services	313,397	284,290	363,925
Administration and human resources	290,327	298,380	326,955
Information technology	38,394	63,540	69,381
Support services (engineering, finance and planning)	287,301	190,123	231,614
Building inspection and bylaw enforcement	79,089	95,866	85,894
Public works and transportation	326,592	332,697	370,175
Major road network (MRN)	132,127	86,740	78,190
Fire and emergency services	32,186	41,263	10,394
Waste and recycle depot (WARD)	155,551	154,322	124,746
Water system	586,892	591,869	471,643
	2,241,856	2,139,090	2,132,917
Annual surplus	280,172	215,188	405,392
Accumulated surplus, beginning of year	9,401,193	9,401,193	8,995,801
Accumulated surplus, end of year	\$ 9,681,365	\$ 9,616,381	\$ 9,401,193

See accompanying notes to financial statements.

VILLAGE OF BELCARRA

Statement of Changes in Net Debt

Year ended December 31, 2021, with comparative information for 2020

	2021 Budget (notes 1(i) and 16)	2021	2020
Annual surplus	\$ 280,172	\$ 215,188	\$ 405,392
Acquisition of tangible capital assets	(613,933)	(98,590)	(47,439)
Amortization of tangible capital assets	321,600	304,665	312,035
Loss on disposal of tangible capital assets	-	3,000	-
Write-off of capital work-in-progress	-	34,012	-
	(292,333)	243,087	264,596
Prepaid expenses consumed (acquired)	-	277	16,584
Inventories held-for-consumption consumed	-	7,476	-
	-	7,753	16,584
Change in net debt	(12,161)	466,028	686,572
Net debt, beginning of year	(1,430,370)	(1,430,370)	(2,116,942)
Net debt, end of year	\$ (1,442,531)	\$ (964,342)	\$ (1,430,370)

See accompanying notes to financial statements.

VILLAGE OF BELCARRA

Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 215,188	\$ 405,392
Items not involving cash:		
Amortization of tangible capital assets	304,665	312,035
Loss on disposal of tangible capital assets	3,000	-
Write-off of capital work-in-progress	34,012	-
Actuarial income on debt	(40,714)	(35,068)
	516,151	682,359
Changes in non-cash operating working capital:		
Accounts receivable	(73,487)	39,970
MFA debt reserve deposit	(942)	(1,118)
Accounts payable and accrued liabilities	37,465	(3,082)
Performance bonds and refundable deposits	2,885	(24,360)
Deferred revenue	44,700	(48,847)
Employee future benefit	(300)	500
Prepaid expenses	277	16,584
Inventories held-for-consumption	7,476	-
	534,225	662,006
Financing activity:		
Principal payments on debt	(106,645)	(106,645)
Investing activity:		
Purchase of investments	(20,716)	(21,769)
Capital activity:		
Acquisition of tangible capital assets	(98,590)	(47,439)
Increase in cash	308,274	486,153
Cash, beginning of year	1,414,634	928,481
Cash, end of year	\$ 1,722,908	\$ 1,414,634

See accompanying notes to financial statements.

VILLAGE OF BELCARRA

Notes to Financial Statements

Year ended December 31, 2021

The Village of Belcarra (the "Village") is incorporated under the Local Government Act of British Columbia. The Village's principal activities include the provision of local government services to residents, businesses and visitors of the incorporated area.

1. Significant accounting policies:

The Village prepares its financial statements in accordance with Canadian Public Sector Accounting Standards as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada, including the following significant policies:

(a) Basis of presentation:

The financial statements present the resources and operations including all accounts and funds of the Village. All inter-fund transactions have been eliminated.

(b) Investments:

Investments are recorded at cost. When there has been a loss in value of the investment that is other than a temporary decline, the investment is written down and recognized as a loss in the statement of operations. Accrued interest is included in accounts receivable. Discounts and premiums arising on purchase of investments are amortized on a straight-line basis over the period to maturity.

(c) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of goods and 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 initially 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 tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful life - years
Buildings and facilities	7 to 50
Vehicles, machinery and equipment	7 to 20
Office furniture and equipment	4 to 15
Recycling depot	7 to 30
Roads and sidewalks	5 to 75
Storm sewer infrastructure	15 to 45
Water system infrastructure	7 to 100

Annual amortization is charged commencing when the asset is available for use. Assets under construction are not amortized until the asset is put into productive use.

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(c) Non-financial assets (continued):

(i) Tangible capital assets (continued):

When events or circumstances indicate that a tangible capital asset no longer has any long term service potential, the net carrying amount is written down to the residual value of the asset.

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

(ii) Works of art and heritage assets:

Works of art and heritage assets are not recorded as assets in these financial statements as stipulated by PSAB standards.

(iii) Interest capitalization:

The Village does not capitalize interest costs associated with the acquisition or construction of tangible capital assets.

(iv) Leased tangible capital assets:

Leases that transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(v) Inventories held for consumption:

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

(d) Debt:

Debt is recorded net of related sinking fund balances held by the Municipal Finance Authority of BC ("MFA").

(e) Employee future benefits:

The Village and its employees make contributions to the Municipal Pension Plan. The Municipal Pension Plan is a multi-employer contributory defined benefit pension plan. These contributions are expensed as incurred.

The Village also accrues sick leave. The liability relating to these benefits is actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The liability under this benefit plan is accrued based on projected benefits as the employees render services necessary to earn the future benefits.

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(f) Revenue recognition:

Revenue is recognized when it is earned and measurable. Unearned amounts are reported on the statement of financial position as deferred revenue, performance bonds, or deposits.

Annual taxation revenues are recognized in the year they are levied, calculated using the approved tax rates in the annual tax rates bylaw.

Property taxes imposed by other taxing authorities are not included as taxes for municipal purposes.

(g) Expense recognition:

Expenses are recorded on the accrual basis and are recognized upon the receipt of goods or services. Interest expense on debt is recorded on an accrual basis in accounts payable and accrued liabilities.

(h) Government transfers:

Restricted transfers from government are deferred and recognized as revenue as the related expenditures are incurred or the stipulations in the related agreement are met. Unrestricted transfers are recognized as revenue when received or receivable, provided the amount to be received can be reasonably estimated and collection is reasonably assured.

(i) Budget reporting:

The budget figures reported in the statement of operations and statement of changes in net debt represent the 2021 component of Financial Plan 2021 - 2025 Bylaw No. 583, 2021, adopted by the Village Council on May 10, 2021.

(j) Use of accounting estimates:

The preparation of financial statements 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 revenue and expenses during the reporting period. Actual results could differ from those estimates. Areas requiring the use of management estimates relate to the determination of the useful lives of tangible capital assets for amortization, valuation of receivables, accrued sick and other post-employment benefits and provision for contingencies. Adjustments, if any, will be reflected in the financial statements in the period of settlement or change in the amount of the estimate.

(k) Segment disclosures:

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The Village has provided definitions of segments as well as presented financial information in segmented format (note 18).

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(l) Contaminated sites:

Contaminated sites are a result of contamination being introduced into air, soil, water, or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. A liability for contaminated sites is recognized net of any expected recoveries when a site is not in productive use and the following criteria are met:

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standard;
- (iii) The Village is directly responsible or accepts responsibility;
- (iv) It is expected that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site. The Village has no liability for contaminated sites as at year-end.

2. Investments:

	2021	2020
MFA short-term bond fund	\$ 1,026,138	\$ 1,005,422

The market value of investments as at December 31, 2021 is \$1,020,195 (2020 - \$1,028,634).

3. Accounts receivable:

	2021	2020
Municipal property taxes and user fees	\$ 16,899	\$ 15,058
Trade accounts receivable	10,349	5,740
Grants receivable	77,863	-
Goods and services tax	24,628	35,454
	\$ 129,739	\$ 56,252

4. Accounts payable and accrued liabilities:

	2021	2020
Trade accounts payables and accruals	\$ 68,964	\$ 36,655
MFA debt interest expense accrual	31,053	31,053
Payroll accrual	34,258	29,102
	\$ 134,275	\$ 96,810

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2021

5. Performance bonds and refundable deposits:

	2021	2020
Performance bonds	\$ 209,856	\$ 206,971
Refundable deposits	5,324	5,324
	<u>\$ 215,180</u>	<u>\$ 212,295</u>

6. Deferred revenue:

	Balance, beginning of year	Contributions received	Restricted interest income	Revenue recognized	Balance, end of year
Municipal Insurance Association	\$ 328	\$ -	\$ -	\$ -	\$ 328
Major road network grant (a)	62,576	125,094	1,241	(86,740)	102,171
Property taxes paid in advance (b)	126,896	255,007	131	(250,033)	132,001
	<u>\$ 189,800</u>	<u>\$ 380,101</u>	<u>\$ 1,372</u>	<u>\$ (336,773)</u>	<u>\$ 234,500</u>

(a) Major road network ("MRN") grant:

Annually, the Village receives a grant from the South Coast British Columbia Transportation Authority ("TransLink") intended to cover the operating and maintenance costs of Bedwell Bay Road as it is designated as part of the MRN. Grants received in excess of actual costs incurred are carried forward for use in future years.

(b) Property taxes paid in advance:

Property tax overpayments and advance payments by property owners who choose to participate in the Village's Tax Prepayment Plan are carried forward for use in future years.

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2021

7. Debt:

The Village obtained a debt instrument through the MFA pursuant to a security issuing bylaw under authority of the Community Charter to finance capital expenditures for the installation of a potable water system serving most of the Village. Principal payments and actuarial adjustments included in sinking fund assets managed by MFA are netted against the related debt. Details are as follows:

Bylaw number	Maturity date	Interest rate	Authorized	Principal payments and actuarial adjustments	2021	2020
413	2037	2.90%	\$ 4,441,330	\$1,139,487	\$ 3,301,843	\$ 3,449,202

Total interest expense on the debt for the year was \$128,799 (2020 - \$128,799).

As a condition of these borrowings, a portion of the debt proceeds is withheld by the MFA in a debt reserve deposit. The Village has also executed a demand note in connection with the debt. The demand note is contingent in nature and as it is not likely to be paid, the demand note is not reflected in the financial statements. The details of the debt reserve deposit and contingent demand note at December 31 are as follows:

	2021	2020
Debt reserve deposit	\$ 56,371	\$ 55,429
Demand note	73,309	73,309

Future principal payments and actuarial adjustments on the outstanding debt over the next five years and thereafter are as follows:

2022	\$ 151,789
2023	157,861
2024	164,175
2025	170,742
2026	177,572
Future years	2,479,704
	<u>\$ 3,301,843</u>

The Village has a revolving credit facility of \$230,000, payable on demand, bearing interest at the lender's prime rate of interest per annum and is not collateralized. The revolving credit facility was unused as at December 31, 2021 and 2020.

VILLAGE OF BELCARRA

Notes to Financial Statements

Year ended December 31, 2021

8. Tangible capital assets:

	Land	Buildings and facilities	Vehicle machinery and equipment	Office furniture and equipment	Recycling depot	Road and sidewalks	Storm sewer infrastructure	Water system infrastructure	Assets under construction	2021 Total	2020 Total
Cost:											
Opening balance	\$ 329,318	\$ 514,043	\$ 394,367	\$ 135,741	\$ 157,190	\$ 2,698,445	\$ 352,146	\$ 9,697,165	\$ 34,012	\$ 14,312,427	\$ 14,264,988
Add: Additions, net of transfers	-	6,862	32,963	32,500	-	26,265	-	-	-	98,590	47,439
Less: Disposals	-	-	(25,359)	-	-	-	-	-	-	(25,359)	-
Less: Write-off of work-in-progress	-	-	-	-	-	-	-	-	(34,012)	(34,012)	-
	329,318	520,905	401,971	168,241	157,190	2,724,710	352,146	9,697,165	-	14,351,646	14,312,427
Accumulated amortization:											
Opening balance	-	235,533	24,8957	99,305	85,384	1,028,536	307,385	1,503,035	-	3,508,135	3,196,100
Add: Amortization	-	21,308	18,253	18,268	7,285	77,063	2,515	159,973	-	304,665	312,035
Less: Accumulated amortization on disposals	-	-	(22,359)	-	-	-	-	-	-	(22,359)	-
	-	256,841	244,851	117,573	92,669	1,105,599	309,900	1,663,008	-	3,790,441	3,508,135
Net book value, end of year	\$ 329,318	\$ 264,064	\$ 157,120	\$ 50,668	\$ 64,521	\$ 1,619,111	\$ 42,246	\$ 8,034,157	\$ -	\$ 10,561,205	\$ 10,804,292

VILLAGE OF BELCARRA

Notes to Financial Statements

Year ended December 31, 2021

9. Accumulated surplus:

	2021	2020	Increase (decrease)
Unrestricted operating surplus:			
General operating surplus	\$ 260,735	\$ 230,026	\$ 30,709
Waste and recycle depot (WARD) operating surplus	34,987	45,232	(10,245)
Water operating surplus	76,234	73,612	2,622
Total unrestricted operating surplus (a)	371,956	348,870	23,086
Restricted operating surplus:			
General operating surplus			
(Unutilized COVID-19 Safe Restart Grant) (b)	31,276	181,540	(150,264)
Statutory reserve funds:			
General capital	704,610	480,421	224,189
Financial stabilization	78,025	84,041	(6,016)
Transportation infrastructure	244,182	180,979	63,203
Vehicles and equipment	73,370	62,348	11,022
Water capital	203,664	151,974	51,690
Community works gas tax	566,940	464,454	102,486
MFA cash deposit	56,371	55,429	942
Water debt repayment	20,752	22,698	(1,946)
Total statutory reserve funds (c)	1,947,914	1,502,344	445,570
Investment in tangible capital assets:			
Tangible capital assets	10,561,205	10,804,292	(243,087)
Less debt	(3,301,843)	(3,449,202)	147,359
Total investment in tangible capital assets (d)	7,259,362	7,355,090	(95,728)
Inventories held-for-consumption (d)	5,873	13,349	(7,476)
Total accumulated surplus	\$ 9,616,381	\$ 9,401,193	\$ 215,188

(a) Unrestricted surplus:

Unrestricted surplus is available to temporarily finance operations until planned revenues (i.e. property taxes, fees, grants etc.) are received, or for other operating or capital purposes as determined by Council, to the extent that it is available.

(b) Restricted surplus:

Restricted surplus is the amount unutilized COVID Restart Grant funds that will be used to subsequent years to fund allowable COVID related expenses.

(c) Statutory reserves:

The Village establishes reserve funds by bylaw in accordance with the Community Charter and their use is restricted by the related bylaw and legislation. In the normal course of operations, these funds will be used to finance the future services or capital works for which they have been appropriated.

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2021

9. Accumulated surplus (continued):

- (d) Investment in tangible capital assets and inventories held for consumption:

Investment in tangible capital assets is equal to the book value of the tangible capital assets less related debt. In the normal course of operations, the tangible capital assets and inventories held for consumption will not be available to finance operations, but will be consumed to provide services, and the debt will be repaid by future revenues.

10. Commitments and contingencies:

- (a) Contingent liability:

The loan agreements with the Metro Vancouver Regional District, Greater Vancouver Water District, Greater Vancouver Sewerage and Drainage District, and the MFA provide that, if at any time the scheduled payments provided for in the agreements are not sufficient to meet the MFA's obligations in respect of such borrowing, the resulting deficiency becomes a joint and several liability of the Village and the other parties. Management does not consider payment under this contingency to be likely and therefore no liability has been recorded.

- (b) Third party claims:

There is a lawsuit and claim pending by and against the Village. The outcome of this claim is undeterminable and it is the opinion of management that final determination of this claim will not materially affect the financial statements of the Village.

11. 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, 2020, the plan has 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 next valuation will be as at December 31, 2021, with results available in 2022.

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2021

11. Pension plan (continued):

The Village paid \$20,507 (2020 - \$25,811) for employer contributions to the plan in fiscal 2021. 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.

12. Employee future benefits:

The Village provides certain post-employment benefits, compensated absences, and termination benefits to its employees. These benefits include accumulated non-vested sick leave.

	2021	2020
Accrued benefit obligation, beginning of year	\$ 14,000	\$ 13,500
Current service cost	2,600	2,500
Interest cost	400	400
Benefits paid	(1,700)	(2,400)
Accrued benefit obligation, end of year	15,300	14,000
Unamortized actuarial loss	(1,600)	-
Accrued benefit liability, end of year	\$ 13,700	\$ 14,000

Actuarial gains and losses are amortized over the expected average remaining service period of the related employee group commencing the year after the gain or loss arises. A full update to the actuarial valuation was performed to determine the Village's accrued benefit obligation as at December 31, 2021.

Actuarial assumptions used to determine the Village's accrued benefit obligation are as follows:

	2021	2020
Discount rate	2.4%	2.8%
Expected wage and salary range increases	2.5%	2.0%
Expected average remaining service period	10 years	11 years

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2021

13. Collections for other governments:

The Village collects certain taxation revenue on behalf of other government bodies. These funds are excluded from the Village's financial statements as they are not revenue of the Village. Such taxes collected and remitted to other government bodies during the year are as follows:

	2021	2020
Province of British Columbia - school tax	\$ 886,227	\$ 896,227
TransLink	155,999	151,248
Metro Vancouver Regional District	233,875	141,586
Police tax	88,585	90,308
BC Assessment and MFA	25,111	25,903
	<u>\$ 1,389,797</u>	<u>\$ 1,305,272</u>

14. Water parcel taxes:

Water parcel taxes are collected each year to pay the annual interest and principal debt payments on debt incurred by the Village for the potable water system construction project. The water parcel tax commenced with the first debt payment requirement in 2013, and will continue for the twenty-five year term of the related debt (note 7), provided the debt is not otherwise repaid.

The water parcel charge is charged to all taxable parcels that benefit from the construction of the potable water system, with the exception of those parcels that have paid the water parcel charge in full, as defined in the Village of Belcarra Water Supply and Distribution Local Area Service No. 1 Establishment and Loan Authorization Bylaw No. 413, 2008.

15. Contractual rights:

The Village's contractual rights arise from rights to receive payments under grant and other agreements. However, the revenue from these agreements is difficult to quantify and has not been recorded.

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2021

16. Budget:

Legislatively, the budget must balance planned revenue sources with planned expenditures or use of funds (referred to as the balanced budget requirement). The table below demonstrates how the legislative requirement for a balanced budget has been met.

	2021 Budget	2021	2020
Annual surplus, statement of operations	\$ 280,172	\$ 215,188	\$ 405,392
Adjustments for non-cash items:			
Add back: Amortization of tangible capital asset	321,600	304,665	312,035
Add: Loss on disposal of tangible capital assets	-	3,000	-
Add: Changes in Inventory	-	7,475	-
Deduct: MFA actuarial interest	(39,306)	(40,714)	(35,068)
Adjustments for cash items that are not revenues or expenses, but are sources or uses of funds:			
Less: capital expenditures	(613,933)	(98,590)	(47,439)
Less: debt principal repayment	(106,645)	(106,645)	(106,645)
Net transfers for operating or capital purposes:			
To reserves	173,089	(411,556)	(337,626)
From surplus	11,161	161,196	1,330
To surplus (annual surplus)	(26,138)	(34,019)	(191,979)
	\$ -	\$ -	\$ -

17. Comparative information:

Certain comparative information have been reclassified to conform to the financial statement presentation adopted in the current year. There was no impact to annual surplus for 2020.

18. Segment reporting:

The Village provides a wide range of municipal services. These services have been grouped into related departmental functions or service areas for segment reporting purposes. The following schedule shows the associated revenues and expenses for each segment. The various segments and the associated departmental functions or service are as follows:

General Government and Fiscal Services

This segment is comprised of services that relate to Council's legislative function including grants and elections. Functions that apply to the Village as a whole such as municipal hall upkeep, insurance, audit, banking and legal are included in this segment.

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2021

18. Segment reporting (continued):

Administration and Human Resources

This segment includes Council support services, management of legal issues, records management, various human resources functions and oversight of departmental areas.

Information Technology

This segment is comprised of services related to the Village's information systems technology and infrastructure including its website.

Support Services (engineering, finance and planning)

This segment includes the Village's contracted support services for engineering, finance and planning. These services are provided on an as needed basis.

Building Inspection & Bylaw Enforcement

This segment provides for part-time building inspection and bylaw enforcement services which includes enforcement of various regulatory bylaws such as parking.

Public Works & Transportation

This segment includes the provision of services that relate to the Village's roads, bridges and drainage systems as well as for the maintenance of pedestrian walkways and trails.

Major Road Network (MRN)

This segment involves the maintenance and upkeep of the regional Bedwell Bay Road, the costs of which are funded by TransLink.

Fire & Emergency Services

This segment includes emergency planning and response services and minor expenditures related to fire protective, as the Sasamat Fire Department and its related services are shared regional services requisitioned and funded through the Metro Vancouver Regional District.

Waste & Recycle Depot (WARD)

This segment provides for refuse and recycling collection at the drop-off center and pick-up and disposal of these same materials.

Water System

This segment provides for the distribution and treatment of the water supply which is used for domestic and firefighting purposes.

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2021

18. Segment reporting (continued):

	General government and fiscal services	Administration and human resources	Information technology	Support services (engineering finance and planning)	Building inspection and bylaw enforcement	Public works and transportation
Revenue:						
Taxation (including grants in lieu)	\$ 938,699	\$ -	\$ -	\$ -	\$ -	\$ -
Sales of services and regulatory fees	8,850	-	-	-	85,918	1,200
Government transfers	469,602	-	-	-	-	-
Investment income	25,593	-	-	-	-	-
Actuarial income	-	-	-	-	-	-
Other revenues	9,808	-	-	-	-	-
	1,452,552	-	-	-	85,918	1,200
Expenses:						
Indemnities, salaries, and benefits	65,717	333,580	-	-	99,552	180,192
Contracted services	110,217	-	51,873	209,518	5,371	11,011
Supplies and materials	103,328	8,305	-	-	4,921	67,724
Grants	2,925	-	-	-	-	-
Interest and other	14,697	-	-	-	-	-
Amortization	21,308	-	18,268	-	-	-
Cost recoveries	(33,902)	(43,505)	(6,601)	(19,395)	(13,978)	97,831
	284,290	298,380	63,540	190,123	95,866	(24,061)
Annual surplus (deficit)	\$ 1,168,262	\$ (298,380)	\$ (63,540)	\$ (190,123)	\$ (9,948)	\$ (331,497)

VILLAGE OF BELCARRA

Notes to Financial Statements (continued)

Year ended December 31, 2021

18. Segment reporting (continued):

	Major road network (MRN)	Fire and emergency services	Waste and recycle depot (WARD)	Water system	2021	2020
Revenue:						
Taxation (including grants in lieu)	\$ -	\$ -	\$ -	\$ 233,498	\$ 1,172,197	\$ 1,097,018
Sales of services and regulatory fees	-	-	-	312,126	544,199	581,639
Government transfers	86,740	-	136,105	-	556,342	782,959
Investment income	-	-	687	4,738	31,018	34,634
Actuarial income	-	-	-	40,714	40,714	35,068
Other revenues	-	-	-	-	9,808	6,991
	86,740	-	136,792	591,076	2,354,278	2,538,309
Expenses:						
Indemnities, salaries, and benefits	38,101	-	28,446	42,825	788,413	780,584
Contracted services	-	24,518	71,016	91,397	574,921	602,476
Supplies and materials	21,163	19,187	8,679	57,351	290,658	254,194
Grants	-	-	-	-	2,925	2,331
Interest and other	-	-	-	162,811	177,508	181,297
Amortization	-	-	7,285	159,973	304,665	312,035
Cost recoveries	27,476	(2,442)	38,896	77,512	-	-
	86,740	41,263	154,322	591,869	2,139,090	2,132,917
Annual surplus (deficit)	\$ -	\$ (41,263)	\$ (17,530)	\$ (793)	\$ 215,188	\$ 405,392

VILLAGE OF BELCARRA

Schedule to Financial Statements (unaudited)

Year ended December 31, 2021

COVID-19 Safe Restart Grant:

	Emergency planning and response costs	Computer and other electronics technology costs	Addressing revenue shortfalls	Total
Utilized as of December 31, 2020	\$ 62,340	\$ 3,087	\$ 133,033	
Balance, December 31, 2020				\$ 181,540
Utilized during 2021	73,567	36,567	40,130	150,264
Utilized as of December 31, 2021	\$ 135,907	\$ 39,654	\$ 173,163	
Balance, December 31, 2021				\$ 31,276
