

THE CORPORATION OF THE VILLAGE OF NEW DENVER
FINANCIAL STATEMENTS
DECEMBER 31, 2021

THE CORPORATION OF THE VILLAGE OF NEW DENVER
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For the Year Ended December 31, 2021

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THE CORPORATION OF THE VILLAGE OF NEW DENVER

MANAGEMENT REPORT

For the Year Ended December 31, 2021

RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation of the accompanying financial statements. The financial statements have been prepared in accordance with the accounting principles disclosed in Note 1 to the financial statements and include amounts that are based on estimates and judgments. Management believes that the financial statements fairly present The Corporation of the Village of New Denver's financial position and results of operations. The integrity of the information presented in the financial statements, including estimates and judgments relating to matters not concluded by fiscal year-end, is the responsibility of management. The financial statements have been approved by Council.

Management has established and maintained appropriate systems of internal control including policies and procedures, which are designed to provide reasonable assurance that The Corporation of the Village of New Denver's assets are safeguarded and that reliable financial records are maintained to form a proper basis for preparation of the financial statements.

The independent external auditors, Grant Thornton LLP, Chartered Professional Accountants, have been appointed by Council to express an opinion as to whether the financial statements present fairly, in all material respects, The Corporation of the Village of New Denver's financial position, results of operations, and changes in financial position in conformity with the accounting principles disclosed in Note 1 to the financial statements. The report of Grant Thornton LLP, Chartered Professional Accountants, follows and outlines the scope of their examination and their opinion on the financial statements.



Colin McClure, CPA, CA
Chief Financial Officer

Independent Auditor's Report

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To the Mayor and Council of
The Corporation of the Village of New Denver

Opinion

We have audited the financial statements of The Corporation of the Village of New Denver (the "Village"), which comprise the statement of financial position as at December 31, 2021, and the statements of income and retained earnings and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

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 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 accounting standards for private enterprises, 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.

Independent Auditor's Report (continued)

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 these 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 the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nelson, Canada
June 2, 2022

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

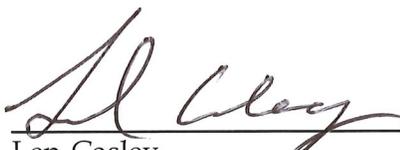
Chartered Professional Accountants

THE CORPORATION OF THE VILLAGE OF NEW DENVER
STATEMENT OF FINANCIAL POSITION

As at December 31, 2021

	<u>2021</u>	<u>2020</u>
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 2,028,964	\$ 1,601,437
Accounts receivable (Note 3)	<u>844,419</u>	<u>222,932</u>
	<u>2,873,383</u>	<u>1,824,369</u>
Financial Liabilities		
Accounts payable and accrued liabilities (Note 5)	573,565	203,107
Deferred revenue (Note 6)	586,521	46,478
Debt (Note 7)	<u>244,807</u>	<u>274,070</u>
	<u>1,404,893</u>	<u>523,655</u>
Net Financial Assets	1,468,490	1,300,714
Non-Financial Assets		
Tangible capital assets (Note 8)	4,943,420	4,263,384
Prepaid expenses	<u>9,910</u>	<u>18,997</u>
	<u>4,953,330</u>	<u>4,282,381</u>
Accumulated Surplus (Note 9)	<u>\$ 6,421,820</u>	<u>\$ 5,583,095</u>

Commitments and Contingencies (Note 13)



Len Casley
Mayor



Colin McClure, CPA, CA
Chief Financial Officer

THE CORPORATION OF THE VILLAGE OF NEW DENVER
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2021

	<u>2021 Budget</u> (Note 15)	<u>2021</u>	<u>2020</u>
Revenue			
Taxes	\$ 306,683	\$ 307,938	\$ 299,799
Sale of services	181,458	223,925	187,399
Other revenue from own sources	57,050	73,714	63,925
Investment income	3,500	12,716	16,372
Government transfers - unconditional	357,636	351,000	357,636
Government transfers - conditional	3,463,557	1,063,960	897,092
Water user fees	<u>157,700</u>	<u>158,166</u>	<u>157,660</u>
	<u>4,527,584</u>	<u>2,191,419</u>	<u>1,979,883</u>
Expenses			
General government	480,868	489,201	378,799
Protective services	193,545	123,759	94,397
Transportation services	345,424	172,608	235,376
Environmental health services	56,368	64,149	51,187
Public health and welfare services	19,052	13,645	15,708
Parks, recreation and cultural services	155,250	190,128	192,552
Interest and other debt charges	10,868	9,733	10,868
Water utility operations	149,000	126,114	122,161
Amortization	<u>155,724</u>	<u>163,357</u>	<u>147,306</u>
	<u>1,566,099</u>	<u>1,352,694</u>	<u>1,248,354</u>
Annual surplus	2,961,485	838,725	731,529
Accumulated surplus, beginning of the year	<u>5,583,095</u>	<u>5,583,095</u>	<u>4,851,566</u>
Accumulated surplus, end of the year	<u>\$ 8,544,580</u>	<u>\$ 6,421,820</u>	<u>\$ 5,583,095</u>

THE CORPORATION OF THE VILLAGE OF NEW DENVER
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2021

	<u>2021 Budget</u>	<u>2021</u>	<u>2020</u>
Annual surplus	\$ 2,961,485	\$ 838,725	\$ 731,529
Acquisition of tangible capital assets	(3,077,348)	(843,393)	(468,262)
Amortization of tangible capital assets	<u>155,724</u>	<u>163,357</u>	<u>147,306</u>
	39,861	158,689	410,573
Acquisition (consumption) of prepaid expenses	<u>-</u>	<u>9,087</u>	<u>(3,097)</u>
Increase in net financial assets	39,861	167,776	407,476
Net financial assets, beginning of year	<u>1,300,714</u>	<u>1,300,714</u>	<u>893,238</u>
Net financial assets, end of the year	\$ <u>1,340,575</u>	\$ <u>1,468,490</u>	\$ <u>1,300,714</u>

The accompanying summary of significant accounting policies and notes form an integral part of these consolidated financial statements

THE CORPORATION OF THE VILLAGE OF NEW DENVER
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
Cash Provided by (Used In)		
Operating Activities		
Annual surplus	\$ 838,725	\$ 731,529
Items not involving cash:		
Amortization of tangible capital assets	163,357	147,306
Actuarial adjustments	<u>(8,899)</u>	<u>(7,791)</u>
	993,183	871,044
Increase (decrease) in non-cash operating items:		
Accounts receivable	(621,487)	(182,083)
Accounts payable and accrued liabilities	370,458	127,381
Deferred revenue	540,043	(103,090)
Prepaid expenses	<u>9,087</u>	<u>(3,097)</u>
	<u>1,291,284</u>	<u>710,155</u>
Financing Activities		
Debt repayment	<u>(20,364)</u>	<u>(20,364)</u>
Capital Activities		
Acquisition of tangible capital assets	<u>(843,393)</u>	<u>(468,262)</u>
Net increase in cash and cash equivalents	427,527	221,529
Cash and cash equivalents, beginning of year	<u>1,601,437</u>	<u>1,379,908</u>
Cash and cash equivalents, end of year	<u>\$ 2,028,964</u>	<u>\$ 1,601,437</u>

THE CORPORATION OF THE VILLAGE OF NEW DENVER

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

1. Significant Accounting Policies

The Corporation of the Village of New Denver (the "Village") is a local government in the Province of British Columbia. The financial statements have been prepared in accordance with Canadian public sector accounting standards.

The following is a summary of the Village's significant accounting policies:

(a) Basis of Presentation

The Village's resources and operations are segregated into General, Water funds and Statutory and Non-statutory reserve funds and Reserves for future capital expenditures for accounting and financial reporting purposes. These financial statements include the accounts of all the funds of the Village. Inter-fund transactions and balances have been eliminated.

(b) Revenue Recognition

Sources of revenue are recorded on the accrual basis and include revenue in the period in which the transactions or events occurred that give rise to the revenues. Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service or product is rendered by the Village.

Grant revenues are recognized when the funding becomes receivable. Revenue unearned in the current period is recorded as deferred revenue.

(c) Deferred Revenue

Deferred revenue represents funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes as well as licenses, permits, other fees and grants which have been collected, but for which the related services have not been performed and or projects have not been constructed. These amounts will be recognized as revenues in the fiscal year in which it is used for the specified purpose, the services are performed and or the projects are constructed.

(d) Government Transfers

Government transfers are recognized in the financial statements as revenue 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 can be made.

(e) Financial Instruments

The Village's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, and debt. It is management's opinion that the Village is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

(f) Interest and Actuarial Gains on Long Term Debt

The Village records interest expense on long-term debt on an accrual basis and actuarial gains when realized as a reduction of the principal balance.

(g) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and highly liquid temporary money market instruments.

THE CORPORATION OF THE VILLAGE OF NEW DENVER

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

1. Significant Accounting Policies (continued)

(h) Tangible Capital Assets

Tangible capital assets, comprised of capital assets and capital assets under construction, are recorded at cost and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing the year the asset is put in to service. Donated tangible capital assets are reported at fair value at the time of donation. Estimated useful lives are as follows:

Land Improvements	15 to 20 years
Buildings	40 to 75 years
Fixtures, Furniture, Equipment and Vehicles	5 to 15 years
Roads and Paving	40 years
Bridges and Other Transportation Structures	10 to 100 years
Water Infrastructure	10 to 100 years

(i) 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.

(j) Statutory Reserves

Statutory reserves are funds that have been restricted by council. Formal establishing bylaws have been adopted pursuant to the Community Charter, which define how these reserves are to be used.

(k) Liability for 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. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Village is directly responsible, or accepts responsibility;
- it is expected that a future economic benefit will be given up; and
- 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.

There are no liabilities to be recorded as at December 31, 2021.

(l) Use of Estimates

The preparation of the financial statements in accordance with with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Significant areas requiring estimates include the useful lives of tangible capital assets for amortization, future employee benefits, allowance for doubtful accounts and provision for contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

THE CORPORATION OF THE VILLAGE OF NEW DENVER

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

1. Significant Accounting Policies (continued)

(m) Budget

Budget data presented in these financial statements is based on the Village's Five Year Financial Plan for the years 2021-2025, adopted by Council on May 11, 2021.

(n) Segments

The Village conducts its business through a number of reportable segments. These operating segments are established by senior management to facilitate the achievement of the Village's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

2. Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position are comprised of:

	<u>2021</u>	<u>2020</u>
Cash	\$ 2,000,405	\$ 1,572,922
MFA bond and money market funds	<u>28,559</u>	<u>28,515</u>
	<u>\$ 2,028,964</u>	<u>\$ 1,601,437</u>

Municipal Finance Authority (MFA) pooled investment funds are considered equivalent to cash because of their liquidity.

3. Accounts Receivable

	<u>2021</u>	<u>2020</u>
Property taxes	\$ 20,951	\$ 19,547
Utility billings	6,396	8,250
Other governments	545,014	60,688
Trade and other receivables	<u>272,058</u>	<u>134,447</u>
	<u>\$ 844,419</u>	<u>\$ 222,932</u>

THE CORPORATION OF THE VILLAGE OF NEW DENVER

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

4. Municipal Finance Authority Debt Reserve Fund

The Municipal Finance Authority of British Columbia (MFA) provides capital financing for regional districts and their member municipalities. The MFA is required to establish a Debt Reserve Fund. The MFA must then use this fund if at any time there are insufficient funds to meet payments on its obligations. If this occurs the regional districts may be called upon to restore the fund.

Each regional district, through its member municipalities who share in the proceeds of a debt issue, is required to pay into the Debt Reserve Fund certain amounts set out in the financing agreements. The interest earned on the Debt Reserve Fund, less administrative expenses, becomes an obligation of the MFA to the regional districts.

Upon maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the Municipality. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, 2021, the total of the Debt Reserve Fund was comprised of:

	2021 <u>Cash Deposit</u>	2021 <u>Demand Note</u>	2021 <u>Total</u>	2020 <u>Total</u>
General fund	\$ 6,001	\$ 18,586	\$ 24,587	\$ 24,487

5. Accounts Payable and Accrued Liabilities

	<u>2021</u>	<u>2020</u>
Trades payable	\$ 544,315	\$ 159,155
Accrued wages and benefits	24,495	39,197
Accrued interest	4,755	4,755
	<u>\$ 573,565</u>	<u>\$ 203,107</u>

6. Deferred Revenue

	<u>Opening Balance</u>	<u>Contributions Received</u>	<u>Revenue Recognized</u>	<u>Ending Balance</u>
Federal Gas Tax grant*	\$ -	\$ 153,742	\$ (153,742)	\$ -
Federal government grants	-	186,167	(86,167)	100,000
BC Provincial grants	-	70,000	(28,694)	41,306
Other grants and contributions	46,448	643,538	(244,771)	445,215
	<u>\$ 46,448</u>	<u>\$ 1,053,447</u>	<u>\$ (513,374)</u>	<u>\$ 586,521</u>

* The Federal Gas tax grant is recognized into revenue and immediately transferred into the Community Works fund reserve.

THE CORPORATION OF THE VILLAGE OF NEW DENVER
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

7. Debt

Debt Bylaw #	Purpose of Bylaw	Interest rate %	Year of Maturity	Original Issue	2021 Balance	2020 Balance
General Purposes:						
577	Paving	5%	2025	\$ 220,000	\$ 62,598	\$ 76,430
696	Fire truck	5%	2031	255,000	182,209	197,640
Total Debt				\$ 475,000	\$ 244,807	\$ 274,070

Principal payments, including actuarial additions, for the next 5 years and thereafter are as follows:

	Total
2022	\$ 30,417
2023	31,621
2024	32,874
2025	34,181
2026	17,889
Thereafter	97,825
	<u>\$ 244,807</u>

8. Tangible Capital Assets

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Land	\$ 1,221,201	\$ -	\$ 1,221,201	\$ 1,221,201
Buildings	1,663,335	560,842	1,102,493	1,011,014
Vehicles, equipment & furniture	1,600,766	790,063	810,703	784,038
Engineering structures	293,752	140,013	153,739	140,352
Transportation infrastructure	722,139	321,635	400,504	418,557
Water machinery & equipment	55,459	50,605	4,854	5,721
Water infrastructure	2,051,658	801,732	1,249,926	682,501
	<u>\$ 7,608,310</u>	<u>\$ 2,664,890</u>	<u>\$ 4,943,420</u>	<u>\$ 4,263,384</u>

See Schedule A - Schedule of tangible capital assets for more information.

9. Accumulated Surplus

	2021	2020
Reserves		
Community works fund	\$ 477,533	\$ 392,580
Fire department equipment	95,193	109,984
Heritage preservation, maintenance & restoration	104,284	103,887
Machinery & equipment	100,889	100,509
Water capital	358,162	358,084
	<u>1,136,061</u>	<u>1,065,044</u>
General	332,393	274,457
Capital	7,340	7,340
Water	247,414	246,940
Operating surplus	<u>587,147</u>	<u>528,737</u>
Invested in tangible capital assets	<u>4,698,612</u>	<u>3,989,314</u>
Total Accumulated Surplus	<u>\$ 6,421,820</u>	<u>\$ 5,583,095</u>

THE CORPORATION OF THE VILLAGE OF NEW DENVER

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

10. Trust Funds

The Cemetery Care Trust Fund is not reported in these financial statements. The following is a summary of Trust Fund transactions for the year:

	<u>2021</u>	<u>2020</u>
Balances, beginning of year	\$ 12,470	\$ 12,084
Contributions received	108	245
Interest earned	<u>15</u>	<u>141</u>
Balances, end of year	<u>\$ 12,593</u>	<u>\$ 12,470</u>

11. Taxes Levied For Other Paid Authorities

In addition to taxes levied for municipal purposes, the Village is legally obligated to collect and remit taxes levied for the following authorities. These collections and remittances are not recorded as revenue and expenses.

	<u>2021</u>	<u>2020</u>
Provincial Government - School taxes	\$ 222,524	\$ 198,520
Provincial Government - Police taxes	27,257	26,366
Regional District of Central Kootenay	107,701	100,046
West Kootenay Boundary Hospital District	21,828	22,438
British Columbia Assessment Authority	4,212	3,962
Municipal Finance Authority	<u>20</u>	<u>18</u>
	<u>\$ 383,542</u>	<u>\$ 351,350</u>

12. Pension Plan

The Village of New Denver 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 provided 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 unfunded actuarial liability.

The most recent valuation of the Municipal Pension Plan 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.

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 Village of New Denver paid \$24,564 (2020 - \$22,954) for employer contributions to the plan in fiscal 2021.

THE CORPORATION OF THE VILLAGE OF NEW DENVER

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

13. Commitments and Contingencies

Regional District Debt

Regional District debt is under the provisions of the Community Charter of BC a direct, joint and several liability of the District and each member municipality within the District including the Village of New Denver.

Claims for Damages

In the normal course of a year the Village is faced with lawsuits and claims for damages of a diverse nature. The outcome of these claims cannot be reasonably determined at this time.

Reciprocal Insurance Exchange Agreement

The Village is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by Section 3.02 of the Insurance Act of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange agreement, the Municipality is assessed a premium and specific deductible based on population and claims experience. The obligation of the Municipality with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its subscribers in connection with the Exchange are in every case several and not joint and several. The Village irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other Subscriber may suffer.

14. Segments

The Village provides a range of services to its citizens. For each reported segment, the revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

Refer to Schedule B - Schedule of Segmented Information

15. Budget Data

The reconciliation of the approved budget for the current year to the budget figures reported in these financial statement is as follows:

	<u>2021</u>
Budget deficit per Statement of Operations	\$ 2,961,485
Less: Tangible capital expenditures	3,077,348
Debt principal repayments	20,364
Budgeted transfers to surplus and reserves	119,497
Add: Budgeted transfers from reserves	100,000
Amortization	<u>155,724</u>
Net annual budget	<u>\$ -</u>

16. Comparative Figures

Certain comparative figures from the prior year have been reclassified to conform with the presentation format adopted for the current year.

THE CORPORATION OF THE VILLAGE OF NEW DENVER
SCHEDULE A - SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2021

	Additions & reallocation of assets under construction		Disposals	Closing Balance	Accumulated Amortization Opening balance	Amortization Expense	Reduction on Disposals	Accumulated Amortization Closing Balance	Net Carrying Amount End of year
	Opening Balance	Construction							
Land	\$ 1,221,201	\$ -	\$ -	\$ 1,221,201	\$ -	\$ -	\$ -	\$ -	\$ 1,221,201
Buildings	1,531,478	131,857	-	1,663,335	520,464	40,378	-	560,842	1,102,493
Vehicles, equipment & furniture	1,506,421	94,345	-	1,600,766	722,383	67,680	-	790,063	810,703
Engineering structures	268,647	25,105	-	293,752	128,295	11,718	-	140,013	153,739
Transportation infrastructure	722,139	-	-	722,139	303,582	18,053	-	321,635	400,504
Water machinery & equipment	55,459	-	-	55,459	49,738	867	-	50,605	4,854
Water infrastructure	1,459,572	592,086	-	2,051,658	777,071	24,661	-	801,732	1,249,926
Total	\$ 6,764,917	\$ 843,393	\$ -	\$ 7,608,310	\$ 2,501,533	\$ 163,357	\$ -	\$ 2,664,890	\$ 4,943,420

Tangible Capital Assets

THE CORPORATION OF THE VILLAGE OF NEW DENVER
SCHEDULE B - SCHEDULE OF SEGMENTED INFORMATION

For the Year Ended December 31, 2021

	General Government	Protective Services	Transportation Services	Environmental Health Services	Public Health Services	Parks & Recreation	Water Utility	2021 Total
Revenues								
Taxes	\$ 307,938	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 307,938
Sales of Service	-	-	-	74,971	1,172	137,860	9,922	223,925
Other revenue from own services	33,698	-	-	-	-	40,016	-	73,714
Investment income	12,716	-	-	-	-	-	-	12,716
Government transfers - unconditional	351,000	-	-	-	-	-	-	351,000
Government transfers - conditional	227,247	125,104	2,051	-	17,852	141,119	550,587	1,063,960
Water user fees	-	-	-	-	-	-	158,166	158,166
	<u>932,599</u>	<u>125,104</u>	<u>2,051</u>	<u>74,971</u>	<u>19,024</u>	<u>318,995</u>	<u>718,675</u>	<u>2,191,419</u>
Expenditures								
Wages and benefits	274,322	27,551	102,728	23,898	13,536	88,997	66,406	597,438
Supplies and services	214,879	96,208	69,880	40,251	109	101,131	59,708	582,166
Interest and other debt charges	-	4,378	5,355	-	-	-	-	9,733
Amortization	18,157	40,758	39,367	9,136	-	30,411	25,528	163,357
	<u>507,358</u>	<u>168,895</u>	<u>217,330</u>	<u>73,285</u>	<u>13,645</u>	<u>220,539</u>	<u>151,642</u>	<u>1,352,694</u>
Annual Surplus (Deficit)	<u>\$ 425,241</u>	<u>\$ (43,791)</u>	<u>\$ (215,279)</u>	<u>\$ 1,686</u>	<u>\$ 5,379</u>	<u>\$ 98,456</u>	<u>\$ 567,033</u>	<u>\$ 838,725</u>

THE CORPORATION OF THE VILLAGE OF NEW DENVER
EXHIBIT 1 - COVID-19 PROVINCE OF BC RESTART GRANT (UNAUDITED)
December 31, 2021

Province of BC Restart Grant reconciliation

	<u>2021</u>
COVID-19 Restart Grant - Opening balance	\$ 253,172
Less grant recognition:	
Revenue shortfalls	23,675
Facility reopening & operating costs	13,276
Emergency planning & response costs	25,105
Computer & other electronic technology costs	65,500
Other related costs	<u>10,000</u>
Remaining grant	<u>\$ 115,616</u>