



Statement of Financial Information – SOFI

Approved by Council

For the Fiscal Year Ended December 31, 2019

Pursuant to the *Financial Information Act*

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## TABLE OF CONTENTS

	Page #
1)	
a) Schedule of Guarantee and Indemnity Agreements	1
b) Schedule of Remuneration and Expenses	2
c) Statement of Severance Agreements	3
d) Schedule of Payments to Suppliers of Goods and Services	4
e) Statement of Financial Information Approval	5
2) Management Report	6
3) 2019 Audited Financial Statements	

**Village of Pemberton**

**SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS**

"This organization has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation."

Prepared under the Financial Information Regulation, Schedule 1, subsection 5 (4)

Schedule Showing the Remuneration  
Paid to or on Behalf of Each Employee  
2019

**1 Elected Officials, Employees appointed by Cabinet and Members of the Board Of Directors**

Name	Position	Remuneration Expenses	
Richman, Michael	Mayor	29,741	5,387
Antonelli, Amica	Councillor	14,711	841
Noble, Leah	Councillor	14,711	3,322
Zant, Ryan	Councillor	14,711	3,536
Craddock, Ted	Councillor	14,711	1,474
<b>Total</b>		<b>88,584</b>	<b>14,559</b>

**2 Other Employees > 75,000**

Name		Remuneration Expenses	
Gilmore, Nikki	CAO	131,868	3,161
Adams, Cameron	Skilled Worker/ Firefighter	101,710	164
Fraser, Sheena	Mngr of Corporate Services	101,454	3,186
Martin, Lena	Mngr of Finance/ Administration	97,693	3,583
Grossman, Robert E	Fire Chief	93,934	0
Pedrini, Lisa	Mngr, Development Services	90,421	1,299
Einarson, Jeanette	Senior Accountant/Supervisor	89,934	1,419
Kluftinger, Martin	Waster Water Treatment Operator	88,206	285
Faruq Patel	Building Inspector	87,614	1,248
Westlake, Jeff	Water Operator	84,429	1,347
Ward, David	Asst. Mngr. Operations	79,407	2,284
<b>3 Total &gt; 75,000</b>		<b>1,046,669</b>	<b>17,977</b>
<b>Consolidated Total of other Employees with remuneration and expenses of &lt;75,000</b>		<b>1,212,891</b>	<b>31,401</b>
<b>Total Employees</b>		<b>2,259,560</b>	<b>49,378</b>

**Reconciliation**

Total remuneration - elected officials	103,143
Total remuneration - other employees	2,308,938
<b>Subtotal</b>	<b>2,412,081</b>
Reconciling Items	518,045
<b>Total per Statement of Revenue and Expenditure (Segmented)</b>	<b>2,930,126</b>
<b>Variance</b>	<b>0</b>

Reconciling Items:

Item	Amount	Comments
Benefits (Municipal Pension, Extended Health)	346,556	
WCB, EI, CPP	149,077	
Other	22,413	

Prepared under the Financial Information Regulation, Schedule 1, section 6 (2), (3), (4), (5) and (6).

**Village of Pemberton**

**STATEMENT OF SEVERANCE AGREEMENTS**

There was 0 severance agreement made between the Village of Pemberton and its non-unionized employees during the fiscal year 2019.

\* "Compensation" agreements were based on salary and benefits.

Prepared under the Financial Information Regulation, Schedule 1, subsection 6 (7)

**2019 SCHEDULE SHOWING PAYMENT MADE FOR THE PROVISION OF GOODS OR SERVICES**

**1. Alphabetical list of suppliers who received aggregate payments exceeding \$25,000**

<b>Supplier name</b>	<b>Aggregate amount paid to supplier</b>
580049 BC. LTD	710,428
AC Petroleum	36,860
Alpine Paving (1978) Ltd.	28,810
Avenue Machinery	29,410
Bandit Farms Property Services Ltd.	34,650
BC Assessment Authority	51,511
BC Hydro	190,821
BC Transit	339,094
BFL Canada Insurance Services Inc.	74,229
Cameron Chalmers Consulting Inc	66,922
City Spaces	25,346
Clartech Industries Inc.	42,296
Canadian National Non Freight Management	32,976
Corona Excavations Ltd.	31,084
GFL Environmental Inc.	100,885
Guillevin International Co.	48,076
Hazelwood Construction Services Inc.	5,575,162
Insurance Corporation of British Columbia	39,585
ISL Engineering & Land Services Ltd.	525,171
JT Heavy Equipment Repair Ltd.	70,282
Lidstone & Company	121,829
Metro Testing Laboratories Ltd	30,949
MNP LLP	28,825
Minister of Finance - School Taxes	1,105,594
Municipal Finance Authority of BC	131,318
Municipal Insurance Association	29,894
Municipal Pension Plan	179,590
Pacific Blue Cross	112,715
Pemberton BMX	25,750
Pemberton & District Chamber of Commerce	108,267
Pemberton Valley Dyking District	82,995
Provincial Health Services Authority in BC	40,943
Receiver General for Canada	612,073
Sabre Rentals Ltd	27,729
Scotiabank	64,687
Sea to Sky Network Solutions	109,458
Siu Donna	148,062
SQUAMISH-LILLOOET (REGIONAL DISTRICT)	1,536,457
Summit Earthworks	48,245
SUNSTONE RIDGE DEVELOPMENTS LTD	2,759,037
Surespan Construction Ltd.	154,045
Suttle Recreation Inc	55,302
Tervita Corporation	30,534
Three Star Amil Cleaning Services	55,036
Wekan Holdings Ltd. DBA Burnaby Repo.com	28,190
WorkSafeBC	34,988
<b>Total aggregate amount paid to suppliers</b>	<b>15,716,110</b>


<b>2. Consolidated paid to suppliers who received aggregate pmts of &lt; or = \$25,000</b>	<b>1,358,086</b>
Consolidated total of grants paid exceeding \$25,000	0
Consolidated total of contributions paid exceeding \$25,000	0
Consolidated total of all grants and contributions exceeding \$25,000	0
<b>3. Total payments to suppliers for grants and contributions exceeding \$25,000</b>	<b>0</b>
Total aggregate payments exceeding \$25,000 paid to suppliers	15,716,110
Consolidated total of payments of \$25,000 or less paid to suppliers	1,358,086
Consolidated total of all grants and contributions exceeding \$25,000	0
<b>Subtotal</b>	<b>17,074,196</b>
<b>Total Expenses per Consolidated Statement of Operations and Accumulated Surplus</b>	<b>6,364,931</b>
Difference	10,709,265
<b>4. Reconciliation</b>	
Employee and Council Wages expensed not included in payments to suppliers	(2,327,475)
Deposits/Holdbacks returned to suppliers and not expensed	3,790,439
Employee and Council portion of Tax, CPP And EI paid to supplier and not expensed	507,412
Employee portion of Benefits paid to supplier and not expensed	26,357
Transfers to Other Governments included in payments to suppliers and not expensed	2,971,629
Less HOG and credits claimed	(585,212)
BC Transit paid to supplier for other governments share, not expensed	226,341
New Capital Additions	6,557,501
WIP included in payments to suppliers and not expensed	339,819
Add Capital Additions donated in kind	0
Less: Capital Disposals and WIP Transfers	(282,114)
Less: Amortization - not a Cash transaction	(1,099,280)
Less: Year end Accruals - not a Cash transaction	(140,491)
Debt Principal Payments Paid and not expensed	359,343
Accounts Payable Expensed 2018 paid in 2019	663,682
Accounts Payable Expensed 2019 paid in 2020	(455,296)
Tax Sale Proceeds refunded not expensed	148,062
**Timing variances included in summary	8,547
<b>Variance</b>	<b>0</b>
Variance occurs due to the Financial Statements prepared on an accrual basis and this report on a cash basis	

Prepared under the Financial Information Regulation, Schedule 1, section 7 and the *Financial Information Act*, section 2.

Village of Pemberton

**STATEMENT OF FINANCIAL INFORMATION APPROVAL**

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

  
\_\_\_\_\_  
Mike Richman, Mayor

\_\_\_\_\_  
Lena Martin, Chief Financial Officer

Date: September 3, 2020

Date: \_\_\_\_\_

Prepared under the Financial Information Regulation, Schedule 1, subsection 9





## Management Report

To the Mayor and Council of the Village of Pemberton,

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Mayor and Council are composed entirely of individuals who are neither management nor employees of the Village. The Mayor and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. The Mayor and Council fulfill these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Mayor and Council are also responsible for appointing the Village's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Mayor and Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with, both the Council and management to discuss their audit findings.

In accordance with the *Community Charter*, the 2019 Audited Consolidated Financial Statements were presented and approved by Council on July 28, 2020; the Statement of Financial Information (SOFI) was presented to Council for approval on September 1, 2020.



Nikki Gilmore  
Chief Administrative Officer

September 4, 2020

Date

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British Columbia

CANADA

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**Village of Pemberton**  
**Financial Statements**  
*December 31, 2019*

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**Village of Pemberton**  
**Contents**

*For the year ended December 31, 2019*

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	<b>Page</b>
<b>Management's Responsibility</b>	
<b>Independent Auditor's Report</b>	
<b>Financial Statements</b>	
Statement of Financial Position .....	1
Statement of Operations and Accumulated Surplus .....	2
Statement of Changes in Net Debt .....	3
Statement of Cash Flows .....	4
<b>Notes to the Financial Statements</b> .....	5

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## Management's Responsibility

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To the Mayor and Council of the Village of Pemberton,

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MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Mayor and Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with, both the Council and management to discuss their audit findings.

July 28, 2020



Chief Administrative Officer

## Independent Auditor's Report

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To the Mayor and Council of the Village of Pemberton,

### Opinion

We have audited the financial statements of the Village of Pemberton (the "Village"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2019, and the results of its operations, 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 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.

### Other Information

Management is responsible for the other information. The other information comprises the annual report. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### 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.

## Independent Auditor's Report

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### 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.

Kelowna, British Columbia

July 28, 2020

*MNP LLP*

Chartered Professional Accountants

**Village of Pemberton**  
**Statement of Financial Position**  
*As at December 31, 2019*

	2019	2018
<b>Financial assets</b>		
Cash and cash equivalents (Note 2)	5,163,819	6,585,114
Accounts receivable (Note 3)	2,686,733	2,811,382
Municipal Finance Authority debt reserve	97,617	93,849
	7,948,169	9,490,345
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	1,432,719	952,368
Deferred revenue (Note 5)	1,948,942	1,971,653
Deposits and permits	1,312,806	4,101,153
Long-term debt (Note 6)	4,728,110	5,117,183
	9,422,577	12,142,357
<b>Net debt</b>	<b>(1,474,408)</b>	<b>(2,652,012)</b>
<b>Non-financial assets</b>		
Prepaid expenses	144,498	32,473
Tangible capital assets (Note 7)	31,077,193	25,279,153
	31,221,691	25,311,626
<b>Accumulated surplus (Note 8)</b>	<b>29,747,283</b>	<b>22,659,614</b>

Commitments and contingencies (Note 11)  
Subsequent event (Note 14)



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Mayor

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*The accompanying notes are an integral part of these financial statements*

**Village of Pemberton**  
**Statement of Operations and Accumulated Surplus**  
*For the year ended December 31, 2019*

	Budget (Note 13)	2019	2018
<b>Revenue</b>			
Government transfers (Note 9)			
Federal and provincial	5,489,400	5,790,712	1,761,890
Other local governments	1,177,186	1,450,320	924,504
Taxation (Note 10)	2,220,877	2,130,070	1,946,489
Water and sewer user rates	1,776,090	2,121,167	1,853,538
Contributions	-	861,832	1,804,534
User charges	2,026,485	558,455	459,400
Other	325,502	423,945	267,783
Penalties and interest income	24,354	83,155	103,046
Investment income	23,033	32,944	44,680
Gain on disposal of tangible capital assets	-	-	4,464
	<b>13,062,927</b>	<b>13,452,600</b>	<b>9,170,328</b>
<b>Expenses</b>			
General government	3,045,483	1,986,424	1,588,001
Fire protection services	680,366	588,320	587,482
Development and planning services	604,913	328,623	383,807
Public works and parks	1,140,171	917,933	812,203
Recreation services	790,653	755,296	-
Water utility	987,302	770,951	743,733
Sewer utility	1,062,331	903,196	907,444
Airport services	113,225	114,188	111,437
	<b>8,424,444</b>	<b>6,364,931</b>	<b>5,134,107</b>
Annual surplus	4,638,483	7,087,669	4,036,221
Accumulated surplus, beginning of year	22,659,614	22,659,614	18,623,393
<b>Accumulated surplus (Note 8)</b>	<b>27,298,097</b>	<b>29,747,283</b>	<b>22,659,614</b>

*The accompanying notes are an integral part of these financial statements*



**Village of Pemberton**  
**Statement of Changes in Net Debt**  
*For the year ended December 31, 2019*

	Budget (Note 13)	2019	2018
Annual surplus	4,638,483	<b>7,087,669</b>	4,036,221
Acquisition of tangible capital assets	(6,038,812)	<b>(6,897,320)</b>	(4,390,524)
Gain on disposal of tangible capital assets	-	-	(4,464)
Proceeds on disposition of tangible capital assets	-	-	4,464
Amortization of tangible capital assets	1,065,874	<b>1,099,280</b>	938,093
	<b>(4,972,938)</b>	<b>(5,798,040)</b>	<b>(3,452,431)</b>
Change in prepaid expenses	-	<b>(112,025)</b>	65,819
Decrease in net debt	(334,455)	<b>1,177,604</b>	649,609
Net debt, beginning of year	(2,652,012)	<b>(2,652,012)</b>	(3,301,621)
<b>Net debt, end of year</b>	<b>(2,986,467)</b>	<b>(1,474,408)</b>	<b>(2,652,012)</b>

*The accompanying notes are an integral part of these financial statements*

**Village of Pemberton**  
**Statement of Cash Flows**  
For the year ended December 31, 2019

	2019	2018
<b>Cash provided by (used for) the following activities</b>		
<b>Operating Activities</b>		
Annual surplus	7,087,669	4,036,221
Items not involving cash included in annual surplus:		
Amortization of tangible capital assets	1,099,280	938,093
Gain on disposal of tangible capital assets	-	(4,464)
Actuarial reduction of debt	(94,480)	(83,438)
Developer and other contributions of tangible capital assets	(4,000)	(863,534)
Change in financial assets and liabilities:		
Accounts receivable	124,649	(1,595,499)
Municipal Finance Authority debt reserve	(3,767)	(525)
Accounts payable and accrued liabilities	480,351	354,524
Deferred revenues	(22,711)	391,728
Deposits	(2,788,347)	2,514,304
Change in non-financial assets:		
Prepays	(112,025)	65,819
	<b>5,766,618</b>	<b>5,753,229</b>
<b>Capital Activities</b>		
Acquisition of tangible capital assets	(6,893,320)	(3,526,990)
Proceeds on disposition of tangible capital assets	-	4,464
	<b>(6,893,320)</b>	<b>(3,522,526)</b>
<b>Financing Activities</b>		
Principal repayments of long-term debt	(359,343)	(349,095)
Advances of long-term debt	64,750	319,030
	<b>(294,593)</b>	<b>(30,065)</b>
Increase (decrease) in cash and cash equivalents	(1,421,295)	2,200,638
Cash and cash equivalents, beginning of year	6,585,114	4,384,476
Cash and cash equivalents, end of year	<b>5,163,819</b>	<b>6,585,114</b>

The accompanying notes are an integral part of these financial statements

**Village of Pemberton**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2019*

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The Village of Pemberton (the "Village") was incorporated as a Village in 1956 under statute of the Province of British Columbia. Its principal activities include the provision of local government services to residents of the incorporated area. These include general government, fire protection, planning and development, recreation, public works, parks and cultural services, water utility, sewer utility, and airport services.

The Village is committed to building and maintaining a village which preserves and enhances the natural environment, heritage and uniqueness of the community. The Village's objectives are to provide open, fair, and responsive government, recognizing the impact of decisions on the residents of the community; to provide opportunities for commerce and industry; and to deliver municipal services in an effective manner at a cost acceptable to the taxpayers.

**1. Significant accounting policies**

The financial statements of the Village are prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of CPA Canada. Significant accounting policies adopted by the Village are as follows:

(a) Basis of accounting

The Village 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 the creation of a legal obligation to pay.

(b) Property tax revenue

Property tax revenue is recognized at the date property tax notices are issued, based on property assessment values issued by BC Assessment for the current year and tax rates established annually by bylaw. Assessments are subject to appeal and tax adjustments are recorded when the results of appeals are known.

Water and sewer user rates, connection fees, sale of services, interest and penalties are recognized as revenue in the year the related service is provided.

(c) Government transfers

Government transfers are recognized as revenue in the period the transfers are authorized and any eligibility criteria have been met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability and recognized in the statement of operations as revenue as the stipulation liabilities are settled.

**Village of Pemberton**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2019*

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**1. Significant accounting policies (continued)**

(d) Deferred revenue

Deferred revenue represents development cost charges (DCCs), licenses and other fees which have been collected, but for which the related services or expense have yet to be performed or incurred. These amounts will be recognized as revenues in the fiscal year the services are performed or expenditures incurred.

(e) 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.

(f) Reserves

Reserves for operating and capital purposes represent amounts reserved either internally or by statute for specific future purposes.

(g) Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments with a term to maturity of 90 days or less at acquisition and readily convertible to cash.

(h) Long-term debt

Long-term debt is recorded net of principal repayments and actuarial adjustments.

(i) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Village is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2019. No Liability has been recorded at December 31, 2019 as no contaminated sites existed.

**Village of Pemberton**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2019*

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**1. Significant accounting policies (continued)**

(j) 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
Buildings and building improvements	50
Engineering structures	20-40
Machinery, equipment and vehicles	5-15
Water systems	50
Sewer systems	50

Annual amortization is charged in the year of acquisition. Amortization is charged to the date the asset is sold in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(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) Natural resources

Natural resources that have not been purchased are not recognized as assets in the financial statements.

(iv) 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.

(v) Interest capitalization

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

**Village of Pemberton**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2019*

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**1. Significant accounting policies (continued)**

(j) Use of 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 revenues and expenses during the period.

Significant estimates include assumptions used in estimating provisions for accrued liabilities, estimated useful lives of tangible capital assets, and valuation of accounts receivable.

Liabilities for contaminated sites are estimated based on the best information available regarding potential contamination where the Village is responsible.

(k) Employee future benefits

The Village and its employees make contributions to the Municipal Pension Plan. As this plan is a multi-employer defined benefit pension plan, the Village's contributions are expensed as incurred.

(l) Expenses

Expenses are recognized as they are incurred and measurable based on receipt of goods or services and/or the creation of a legal obligation to pay.

(m) Prepaid expenses

Various items are included in prepaid expenses including insurance and deposits. These items are intended to be included in expenses in the next financial reporting period and as such are not considered financial instruments.

**2. Cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
Restricted cash and cash equivalents		
Development cost charges	<b>1,108,477</b>	1,353,118
Other	-	25,000
	<b>1,108,477</b>	1,378,118
Unrestricted cash and cash equivalents	<b>4,055,342</b>	5,206,996
	<b>5,163,819</b>	6,585,114

Cash equivalents include investments in Municipal Finance Authority Money Market Fund and term deposits.

**Village of Pemberton**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2019*

**3. Accounts receivable**

	2019	2018
Taxes receivable	266,271	371,129
Goods and Services Tax receivable	337,684	154,105
Utilities receivable	73,809	21,026
Trade receivables	2,008,969	2,265,122
	<b>2,686,733</b>	<b>2,811,382</b>

**4. Accounts payable and accrued liabilities**

	2019	2018
Trade payables and accrued liabilities	1,201,023	834,597
Wages payable	231,151	98,826
Government remittances	545	18,945
	<b>1,432,719</b>	<b>952,368</b>

**5. Deferred revenue**

	December 31, 2018	Collections	Transfers	December 31, 2019
<b>Development cost charges</b>				
General	528,739	48,112	-	576,851
Water utility	353,780	26,025	(369,379)	10,426
Sewer utility	470,599	50,600	-	521,200
	<b>1,353,118</b>	<b>709,439</b>	<b>(369,379)</b>	<b>1,108,477</b>
<b>Deferred revenue</b>				
Unspent gas tax funding	223,584	334,211	(25,000)	532,795
Deferred grants	17,558	118,261	(3,750)	132,069
Future local improvements	122,157	-	(7,229)	114,928
Prepaid utilities and taxes	64,367	60,673	(64,367)	60,673
Other	190,869	-	(190,869)	-
	<b>618,535</b>	<b>513,145</b>	<b>(291,215)</b>	<b>840,465</b>
	<b>1,971,653</b>	<b>637,883</b>	<b>(660,594)</b>	<b>1,948,942</b>

Gas tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Village and the Union of British Columbia Municipalities. Gas tax funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

**Village of Pemberton**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2019*

**6. Long-term debt**

	2019	2018
Outstanding debt, beginning of year	5,117,183	5,230,686
Issues of debt	64,750	319,030
Repayment of debt	(359,343)	(349,095)
Actuarial reduction of debt	(94,480)	(83,438)
	<b>4,728,110</b>	<b>5,117,183</b>

Bylaw	Year Maturing	% Rate	Cash Payments		Balance Outstanding	
			Interest	Principal	2019	2018
427	2022	3.05	11,375	19,658	142,038	184,949
515	2025	1.80	37,800	77,200	803,011	921,459
580	2036	3.00	35,273	35,939	1,418,069	1,475,609
756	2024	3.00	8,100	22,489	148,195	174,503
776	2040	2.75	33,000	30,809	1,070,143	1,104,301
795	2036	2.10	11,204	19,856	472,163	493,228
747	2019	variable	-	40,000	-	40,000
1433	2020	variable	152	-	71,070	71,070
N/A	2021	variable	1,032	19,298	30,718	50,016
N/A	2021	variable	7,330	30,419	276,518	306,937
N/A	2021	variable	627	5,734	21,918	27,652
N/A	2021	variable	627	5,734	21,918	27,652
N/A	2021	variable	251	2,294	8,767	11,061
N/A	2021	variable	371	3,925	12,842	16,767
N/A	2021	variable	1,253	11,468	43,837	55,305
N/A	2021	variable	3,550	32,493	124,181	156,674
N/A	2024	variable	208	1,088	33,661	-
N/A	2024	variable	180	939	29,060	-
			152,333	359,343	4,728,110	5,117,183

The estimated aggregate repayments on long-term debt over the next five years are as follows:

2020	382,263
2021	352,500
2022	302,693
2023	237,953
2024	196,628



**Village of Pemberton**  
**Notes to the Financial Statements**  
For the year ended December 31, 2019

**7. Tangible capital assets**

2019	Land	Buildings	Engineering Structures	Machinery, Equipment and Vehicles	Water Systems	Sewer Systems	Assets Under Construction	Total
<b>Cost</b>								
Balance, beginning of year	1,996,062	2,191,199	8,963,298	4,466,421	6,908,512	13,401,023	592,717	38,519,231
Disposals and transfers	-	-	282,114	-	-	-	(282,114)	-
Additions	-	11,289	6,351,434	165,174	29,604	-	339,819	6,897,320
<b>Balance, end of year</b>	<b>1,996,062</b>	<b>2,202,488</b>	<b>15,596,845</b>	<b>4,631,595</b>	<b>6,938,116</b>	<b>13,401,023</b>	<b>650,422</b>	<b>45,416,551</b>
<b>Accumulated amortization</b>								
Balance, beginning of year	-	599,940	3,511,476	2,959,973	1,593,300	4,575,389	-	13,240,078
Amortization reversal on disposal	-	-	-	-	-	-	-	-
Amortization expense	-	63,720	366,392	257,552	144,789	266,827	-	1,099,280
<b>Balance, end of year</b>	<b>-</b>	<b>663,660</b>	<b>3,877,868</b>	<b>3,217,525</b>	<b>1,738,089</b>	<b>4,842,216</b>	<b>-</b>	<b>14,339,358</b>
<b>Net book value, end of year</b>	<b>1,996,062</b>	<b>1,538,828</b>	<b>11,718,976</b>	<b>1,414,070</b>	<b>5,200,028</b>	<b>8,558,807</b>	<b>650,422</b>	<b>31,077,193</b>

Included in tangible capital assets are fully depreciated assets with cost and accumulated amortization of \$3,332,724.

**Village of Pemberton**  
**Notes to the Financial Statements**  
For the year ended December 31, 2019

**7. Tangible capital assets (continued)**

2018	Land	Buildings	Engineering Structures	Machinery, Equipment and Vehicles	Water Systems	Sewer Systems	Assets Under Construction	Total
<b>Cost</b>								
Balance, beginning of year	1,681,701	2,093,380	5,847,277	4,088,789	6,816,126	13,401,023	221,359	34,149,655
Disposals and transfers	-	-	-	221,359	-	-	(221,359)	-
Additions	314,361	97,819	3,116,020	156,273	92,386	-	592,717	4,369,576
Balance, end of year	<b>1,996,062</b>	<b>2,191,199</b>	<b>8,963,298</b>	<b>4,466,421</b>	<b>6,908,512</b>	<b>13,401,023</b>	<b>592,717</b>	<b>38,519,231</b>
<b>Accumulated amortization</b>								
Balance, beginning of year	-	537,342	3,310,923	2,714,635	1,451,471	4,308,562	-	12,322,933
Amortization reversal on disposal	-	-	-	(20,948)	-	-	-	(20,948)
Amortization expense	-	62,598	200,553	266,286	141,829	266,827	-	938,093
Balance, end of year	-	599,940	3,511,476	2,959,973	1,593,300	4,575,389	-	13,240,078
<b>Net book value, end of year</b>	<b>1,996,062</b>	<b>1,591,259</b>	<b>5,451,822</b>	<b>1,506,448</b>	<b>5,315,212</b>	<b>8,825,634</b>	<b>592,717</b>	<b>25,279,153</b>

Included in tangible capital assets are fully depreciated assets with cost and accumulated amortization of \$3,266,174.

**Village of Pemberton**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2019*

**8. Accumulated surplus**

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2019	2018
<b>Surplus</b>		
Invested in tangible capital assets	26,349,083	20,161,971
Unrestricted	1,213,354	894,783
	<b>27,562,437</b>	<b>21,056,754</b>
<b>Non-statutory reserves</b>		
General reserve	102,300	52,150
<b>Reserves set aside by Council</b>		
Centennial building	7,161	7,161
Capital	82,002	410,296
Recreation	720,465	352,287
Fire department	393,832	289,281
Water – general	753,753	429,753
Sewer – general	120,000	40,000
Transit	5,333	21,932
	<b>2,082,546</b>	<b>1,550,710</b>
	<b>29,747,283</b>	<b>22,659,614</b>

**9. Government transfers**

The government transfers reported on the statement of operations are:

	2019	2018
<b>Federal and provincial grants</b>		
Capital improvements	5,329,552	1,041,825
Social assistance and community development	398,687	390,304
Miscellaneous	37,473	23,297
Gas tax	25,000	306,464
	<b>5,790,712</b>	<b>1,761,890</b>
<b>Other municipalities and regional districts</b>		
Recreation services	913,414	-
Fire protection	321,045	301,090
Other	128,000	557,853
Rescue services	87,861	65,561
	<b>1,450,320</b>	<b>924,504</b>
<b>Total government transfer revenues</b>	<b>7,241,032</b>	<b>2,686,394</b>

**Village of Pemberton**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2019*

**10. Taxation**

Taxation revenue, reported on the statement of operations, is made up of the following:

	2019	2018
Municipal and school property taxes levied	5,021,834	4,332,187
Payments in-lieu of taxes	79,865	95,822
	<b>5,101,699</b>	<b>4,428,009</b>
Less transfers to other governments		
Province of B.C. – School taxes	1,511,416	1,254,595
Squamish-Lillooet Regional District	1,127,825	947,233
Policing costs	246,171	205,533
B.C. Assessment Authority	51,097	42,948
Sea to Sky Regional Hospital District	34,893	31,037
Municipal Finance Authority	227	173
	<b>2,971,629</b>	<b>2,481,520</b>
Net taxation revenue available for municipal purposes	<b>2,130,070</b>	<b>1,946,489</b>

**11. Commitments and contingencies**

- (a) The Village of Pemberton debt is, under the provisions of the Local Government Act, a direct, joint and several liability of the Squamish-Lillooet Regional District and each member municipality within the Regional District, including the Village of Pemberton. The loan agreements with the Regional District and the Municipal Finance Authority provide that if any time the scheduled payments provided for in the agreements are not sufficient to meet the Authority's obligations in respect to such borrowings, the resulting deficiency becomes a liability of the Village.
- (b) The Village 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 the 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, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 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 actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Village of Pemberton paid \$180,032 (2018 - \$145,054) for employer contributions to the plan in fiscal 2019.

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

**11. Commitments and contingencies (continued)**

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.

- (d) From time to time, the Village is brought forth as defendant in various lawsuits. The Village reviews its exposure to any potential litigation, for which it would not be covered by insurance, and assesses whether a successful claim against the Village would significantly affect the financial statements of the Village. Management has determined that potential liabilities, if any, arising from these claims will not be significant to the financial statements.
- (e) 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 the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact on any subscriber. Under the Reciprocal Insurance Exchange Agreement the Village is assessed a premium and specific deductible for its claims based on population. The obligation of the Village 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.

**12. Segmented information**

Segmented information has been identified based upon lines of service provided by the Village. Village services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(i) General government

General government operations provide the functions of corporate administration, finance, human resources, legislative services, building services and maintenance, and any other functions not categorized to a specific department.

(ii) Fire protection services

The Fire department is responsible to provide fire suppression services, fire prevention programs, training and education related to prevention, and detection or extinguishment of fires.

(iii) Development and planning services

Development and planning services work to achieve the Village's goals to maintain and enhance community spirit and vitality and use of public space. It does so through official community plans, urban design, zoning and other policy initiatives.

**12. Segmented information (continued)**

(iv) Recreation services

Recreation services include various recreational programs, the gym and the parks operations.

(v) Public works and parks

The public works and parks department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, the maintenance of parks and open space, and street lighting.

(vi) Water and sewer utilities

The Village is responsible for environmental programs including the engineering and operation of the potable drinking water and wastewater systems.

(vii) Airport services

The Village operates the Pemberton Regional Airport, collecting landing and lease fees and maintaining the grounds and facilities.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments-in-lieu of taxes are allocated to the segments based on the segment's budgeted net expenditure. User charges and other revenue have been allocated to the segments based upon the segment that generated the revenue.

Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges earned and developer contributions received were allocated to the segment for which the charge was collected.

**Village of Pemberton**  
**Notes to the Financial Statements**  
For the year ended December 31, 2019

**12. Segmented information (continued)**

2019	General Government	Fire Protection Services	Development & Planning Service	Public Works and Parks	Recreation	Water Utility	Sewer Utility	Airport Services	Total
<b>Revenues</b>									
Taxation	836,380	439,722	138,366	386,494	-	99,985	200,381	28,742	2,130,070
Water and sewer user rates	-	-	-	-	-	1,218,236	902,931	-	2,121,167
User fees	182,666	-	350,573	-	-	-	-	25,216	558,455
Penalties and interest	47,609	-	-	-	-	19,221	16,325	-	83,155
Government transfers	582,578	408,906	-	5,335,534	914,014	-	-	-	7,241,032
Investment income	25,594	-	-	-	3,787	1,232	2,331	-	32,944
Contributions	-	-	-	492,453	-	369,379	-	-	861,832
Other	20,614	14,523	63,286	-	308,125	620	-	16,777	423,945
Gain on disposal	-	-	-	-	-	-	-	-	-
	<b>1,695,441</b>	<b>863,151</b>	<b>552,225</b>	<b>6,214,481</b>	<b>1,225,926</b>	<b>1,708,673</b>	<b>1,121,968</b>	<b>70,735</b>	<b>13,452,600</b>
<b>Expenses</b>									
Wages, salaries and benefits	648,150	308,569	193,088	552,374	330,713	430,511	420,256	46,465	2,930,126
Materials, supplies and contracted services	695,490	268,503	135,535	359,020	424,374	175,101	204,386	13,301	2,275,710
Debt servicing	9,543	11,248	-	6,539	208	20,550	11,727	-	59,815
Amortization	633,241	-	-	-	-	144,789	266,827	54,423	1,099,280
	<b>1,986,424</b>	<b>588,320</b>	<b>328,623</b>	<b>917,933</b>	<b>755,296</b>	<b>770,951</b>	<b>903,196</b>	<b>114,188</b>	<b>6,364,931</b>
<b>Annual surplus (deficit)</b>	<b>(290,983)</b>	<b>274,831</b>	<b>223,602</b>	<b>5,296,548</b>	<b>470,630</b>	<b>937,722</b>	<b>218,772</b>	<b>(43,453)</b>	<b>7,087,669</b>

**Village of Pemberton**  
**Notes to the Financial Statements**  
For the year ended December 31, 2019

**12. Segmented information (continued)**

2018	General Government	Fire Protection Services	Development & Planning Service	Public Works and Parks	Water Utility	Sewer Utility	Airport Services	Total
<b>Revenues</b>								
Taxation	721,422	348,364	174,362	368,981	99,985	200,381	32,994	1,946,489
Water and sewer user rates	-	-	-	-	1,028,326	825,212	-	1,853,538
User fees	165,490	-	268,610	-	-	-	25,300	459,400
Penalties and interest income	71,822	-	-	-	19,538	11,686	-	103,046
Government transfers	719,471	366,651	-	1,554,000	48,447	-	(2,175)	2,686,394
Investment income	44,185	-	-	-	164	331	-	44,680
Contributions	25,000	39,000	-	1,740,534	-	-	-	1,804,534
Other	26,032	95,571	125,542	1,470	150	914	18,104	267,783
Gain on disposal	-	4,464	-	-	-	-	-	4,464
	<b>1,773,422</b>	<b>854,050</b>	<b>568,514</b>	<b>3,664,985</b>	<b>1,196,610</b>	<b>1,038,524</b>	<b>74,223</b>	<b>9,170,328</b>
<b>Expenses</b>								
Wages, salaries and benefits	583,988	276,585	169,970	420,344	403,021	401,401	40,965	2,296,273
Materials, supplies and contracted services	519,573	299,653	213,837	386,539	174,686	220,707	16,049	1,831,044
Debt servicing	9,426	11,244	-	5,320	24,197	18,509	-	68,696
Amortization	475,014	-	-	-	141,829	266,827	54,423	938,093
	<b>1,588,001</b>	<b>587,482</b>	<b>383,807</b>	<b>812,203</b>	<b>743,733</b>	<b>907,444</b>	<b>111,437</b>	<b>5,134,107</b>
<b>Annual surplus (deficit)</b>	<b>185,421</b>	<b>266,568</b>	<b>184,707</b>	<b>2,852,782</b>	<b>452,877</b>	<b>131,080</b>	<b>(37,214)</b>	<b>4,036,221</b>



**Village of Pemberton**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2019*

**13. Budget data**

The budget data presented in these financial statements is based upon the 2019 operating and capital budgets adopted by Council on May 10, 2019. The following table reconciles the approved budget to the budget figures reported in these financial statements.

	<b>Budget amount</b>
Surplus – Statement of Operations	4,638,483
Adjust for budgeted cash items not included in statement of operations	
Capital expenditures	(6,038,812)
Loan proceeds	44,442
Amortization	1,065,874
Reduction in long-term debt	(217,263)
Repayment of obligations under capital lease	(257,039)
Transfers from Statutory Reserves	50,000
Transfers from Non-Statutory Reserves	745,880
Transfers to Non-Statutory Reserves	(812,690)
Transfers from Unrestricted Surplus	781,125
<b>Total adjustments</b>	<b>(4,638,483)</b>
<b>Financial plan balance</b>	<b>-</b>

**14. Subsequent event**

Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus) and was declared a pandemic on March 12, 2020 by the World Health Organization, which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Village of Pemberton as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.