

**Village of Pemberton**  
**Financial Statements**  
*December 31, 2020*

# Village of Pemberton Contents

*For the year ended December 31, 2020*

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## Management's Responsibility

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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.

May 11, 2021

 E-SIGNED by Nikki Gilmore

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Chief Administrative Officer

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, 2020, and the statements of operations and accumulated surplus, changes in net financial assets (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, 2020, and the results of its operations, changes in net financial assets (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

May 11, 2021

*MNP* LLP

Chartered Professional Accountants

**Village of Pemberton**  
**Statement of Financial Position**  
*As at December 31, 2020*

	<b>2020</b>	2019
<b>Financial assets</b>		
Cash and cash equivalents <i>(Note 2)</i>	8,171,229	5,163,819
Accounts receivable <i>(Note 3)</i>	2,362,751	2,686,733
Municipal Finance Authority debt reserve	99,625	97,617
	<b>10,633,605</b>	7,948,169
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities <i>(Note 4)</i>	1,874,725	1,432,719
Deferred revenue <i>(Note 5)</i>	2,634,160	1,948,942
Deposits and permits	1,768,794	1,312,806
Long-term debt <i>(Note 6)</i>	4,258,763	4,728,110
	<b>10,536,442</b>	9,422,577
<b>Net financial assets (debt)</b>	<b>97,163</b>	(1,474,408)
<b>Non-financial assets</b>		
Prepaid expenses	245,858	144,498
Tangible capital assets <i>(Note 7)</i>	30,654,595	31,077,193
	<b>30,900,453</b>	31,221,691
<b>Accumulated surplus <i>(Note 8)</i></b>	<b>30,997,616</b>	29,747,283

Commitments and contingencies *(Note 11)*  
Significant event *(Note 15)*

E-SIGNED by Mike Richman

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Mayor

*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, 2020*

	Budget (Note 13)	2020	2019
<b>Revenue</b>			
Government transfers (Note 9)			
Federal and provincial	4,737,836	<b>1,466,872</b>	5,790,712
Other local governments	1,788,214	<b>1,315,302</b>	1,450,320
Taxation (Note 10)	2,280,893	<b>2,185,141</b>	2,130,070
Water and sewer user rates	1,866,090	<b>2,091,516</b>	2,121,167
User charges	2,552,125	<b>576,785</b>	558,455
Other	742,549	<b>560,875</b>	423,945
Penalties and interest income	30,000	<b>103,802</b>	83,155
Investment income	23,860	<b>47,991</b>	32,944
Contributions	-	<b>24,440</b>	861,832
	<b>14,021,567</b>	<b>8,372,724</b>	13,452,600
<b>Expenses</b>			
General government	3,084,207	<b>1,730,971</b>	1,986,424
Sewer utility	1,148,630	<b>1,164,787</b>	903,196
Water utility	1,073,990	<b>1,050,948</b>	770,951
Recreation services	1,305,213	<b>1,023,748</b>	755,296
Public works and parks	1,163,646	<b>922,181</b>	917,933
Fire protection services	694,397	<b>711,743</b>	588,320
Development and planning services	667,633	<b>391,079</b>	328,623
Airport services	120,060	<b>126,934</b>	114,188
	<b>9,257,776</b>	<b>7,122,391</b>	6,364,931
Annual surplus	4,763,791	<b>1,250,333</b>	7,087,669
Accumulated surplus, beginning of year	29,747,283	<b>29,747,283</b>	22,659,614
<b>Accumulated surplus (Note 8)</b>	<b>34,511,074</b>	<b>30,997,616</b>	29,747,283

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

**Village of Pemberton**  
**Statement of Changes in Net Financial Assets (Debt)**

*For the year ended December 31, 2020*

	Budget (Note 13)	2020	2019
Annual surplus	4,763,791	<b>1,250,333</b>	7,087,669
Acquisition of tangible capital assets	(6,382,320)	<b>(713,863)</b>	(6,897,320)
Amortization of tangible capital assets	1,253,220	<b>1,136,461</b>	1,099,280
	(5,129,100)	<b>422,598</b>	(5,798,040)
Change in prepaid expenses	-	<b>(101,360)</b>	(112,025)
Decrease (increase) in net debt	(365,309)	<b>1,571,571</b>	1,177,604
Net debt, beginning of year	(1,474,408)	<b>(1,474,408)</b>	(2,652,012)
<b>Net financial assets (debt), end of year</b>	<b>(1,839,717)</b>	<b>97,163</b>	<b>(1,474,408)</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, 2020*

	<b>2020</b>	<b>2019</b>
<b>Cash provided by (used for) the following activities</b>		
<b>Operating Activities</b>		
Annual surplus	1,250,333	7,087,669
Items not involving cash included in annual surplus:		
Amortization of tangible capital assets	1,136,461	1,099,280
Gain on disposal of tangible capital assets	-	-
Actuarial reduction of debt	(105,953)	(94,480)
Developer and other contributions of tangible capital assets		(4,000)
Change in financial assets and liabilities:		
Accounts receivable	323,982	124,649
Municipal Finance Authority debt reserve	(2,008)	(3,767)
Accounts payable and accrued liabilities	442,006	480,351
Deferred revenue	685,218	(22,711)
Deposits and permits	455,988	(2,788,347)
Change in non-financial assets:		
Prepaid expenses	(101,360)	(112,025)
	<b>4,084,667</b>	<b>5,766,618</b>
<b>Capital Activities</b>		
Acquisition of tangible capital assets	(713,863)	(6,893,320)
<b>Financing Activities</b>		
Principal repayments of long-term debt	(383,910)	(359,343)
Advances of long-term debt	20,516	64,750
	<b>(363,394)</b>	<b>(294,593)</b>
Increase (decrease) in cash and cash equivalents	3,007,410	(1,421,295)
Cash and cash equivalents, beginning of year	5,163,819	6,585,114
Cash and cash equivalents, end of year	<b>8,171,229</b>	<b>5,163,819</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, 2020*

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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.

**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, 2020. No liability has been recorded at December 31, 2020 as no contaminated sites existed.

**Village of Pemberton**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2020*

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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	5 - 50
Engineering structures	10 - 40
Machinery, equipment and vehicles	5 - 25
Water systems	5 - 50
Sewer systems	10 - 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, 2020*

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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>2020</b>	<b>2019</b>
Restricted cash and cash equivalents		
Development cost charges	<b>1,253,569</b>	1,108,477
Unrestricted cash and cash equivalents	<b>6,917,660</b>	4,055,342
	<b>8,171,229</b>	5,163,819

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, 2020*

**3. Accounts receivable**

	2020	2019
Trade receivables	1,718,587	2,008,969
Taxes receivable	437,312	266,271
Goods and Services Tax receivable	117,329	337,684
Utilities receivable	89,523	73,809
	<b>2,362,751</b>	<b>2,686,733</b>

**4. Accounts payable and accrued liabilities**

	2020	2019
Trade payables and accrued liabilities	1,557,717	1,201,023
Wages payable	309,176	231,151
Government remittances	7,832	545
	<b>1,874,725</b>	<b>1,432,719</b>

**5. Deferred revenue**

	December 31, 2019	Collections	Transfers	December 31, 2020
Development cost charges				
General	576,851	34,390	(19,149)	<b>592,093</b>
Water utility	10,426	63,826	-	<b>74,252</b>
Sewer utility	521,200	66,024	-	<b>587,224</b>
	1,108,477	164,240	(19,149)	<b>1,253,569</b>
Deferred revenue				
Unspent gas tax funding	532,795	167,252	(17,954)	<b>682,093</b>
Deferred grants	132,069	93,326	(122,532)	<b>102,863</b>
Future local improvements	114,928	375,482	(2,229)	<b>488,181</b>
Prepaid utilities and taxes	60,673	107,454	(60,673)	<b>107,454</b>
	840,465	743,514	(203,388)	<b>1,380,591</b>
	1,948,942	907,754	(221,221)	<b>2,634,160</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, 2020*

**6. Long-term debt**

	2020	2019
Outstanding debt, beginning of year	4,728,110	5,117,183
Issues of debt	20,516	64,750
Repayment of debt	(383,910)	(359,343)
Actuarial reduction of debt	(105,953)	(94,480)
	<b>4,258,763</b>	4,728,110

Bylaw	Year Maturing	% Rate	Cash Payments		Balance Outstanding	
			Interest	Principal	2020	2019
427	2022	3.05	11,375	19,636	96,983	142,039
515	2025	1.80	37,800	77,200	680,417	803,011
580	2036	3.00	35,273	35,939	1,358,229	1,418,069
756	2024	3.00	8,100	22,487	120,834	148,195
776	2040	2.75	33,000	30,809	1,034,789	1,070,143
795	2036	2.10	11,204	19,856	450,466	472,163
1433	2020	Variable	1,039	47,380	23,690	71,070
N/A	2021	Variable	394	19,935	10,783	30,718
N/A	2022	Variable	4,513	33,236	243,282	276,518
N/A	2021	Variable	335	6,025	15,893	21,918
N/A	2021	Variable	335	6,025	15,893	21,918
N/A	2021	Variable	134	2,410	6,357	8,767
N/A	2021	Variable	197	3,434	9,407	12,842
N/A	2021	Variable	671	12,050	31,787	43,837
N/A	2021	Variable	1,900	34,143	90,061	124,181
N/A	2024	Variable	531	6,862	26,800	33,661
N/A	2024	Variable	458	5,924	23,136	29,060
N/A	2023	Variable	34	559	19,956	-
			147,293	383,910	<b>4,258,763</b>	4,728,110

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

2021	370,916
2022	338,132
2023	287,854
2024	242,256
2025	210,271

**Village of Pemberton**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2020*

**7. Tangible capital assets**

<b>2020</b>	<b>Land</b>	<b>Buildings</b>	<b>Engineering Structures</b>	<b>Machinery, Equipment and Vehicles</b>	<b>Water Systems</b>	<b>Sewer Systems</b>	<b>Assets Under Construction</b>	<b>Total</b>
<b>Cost</b>								
Balance, beginning of year	1,996,062	2,202,488	15,596,845	4,631,595	6,938,116	13,401,023	650,422	<b>45,416,551</b>
Disposals and transfers	-	-	213,188	-	-	-	(213,188)	-
Additions	-	18,672	87,266	25,880	136,036	446,009	-	<b>713,863</b>
Balance, end of year	1,996,062	2,221,160	15,897,299	4,657,475	7,074,152	13,847,032	437,234	<b>46,130,414</b>
<b>Accumulated amortization</b>								
Balance, beginning of year	-	663,660	3,877,868	3,217,525	1,738,089	4,842,216	-	<b>14,339,358</b>
Amortization expense	-	65,588	373,303	254,737	152,759	290,074	-	<b>1,136,461</b>
Balance, end of year	-	729,248	4,251,171	3,472,262	1,890,848	5,132,290	-	<b>15,475,819</b>
<b>Net book value, end of year</b>	<b>1,996,062</b>	<b>1,491,912</b>	<b>11,646,128</b>	<b>1,185,213</b>	<b>5,183,304</b>	<b>8,714,742</b>	<b>437,234</b>	<b>30,654,595</b>

Included in tangible capital assets are fully depreciated assets with cost and accumulated amortization of \$3,396,676.



**Village of Pemberton**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2020*

**Tangible capital assets (continued)**

<b>2019</b>	<b>Land</b>	<b>Buildings</b>	<b>Engineering Structures</b>	<b>Machinery, Equipment and Vehicles</b>	<b>Water Systems</b>	<b>Sewer Systems</b>	<b>Assets Under Construction</b>	<b>Total</b>
<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
Balance, end of year	1,996,062	2,202,488	15,596,845	4,631,595	6,938,116	13,401,023	650,422	45,416,551
<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 expense	-	63,720	366,392	257,552	144,789	266,827	-	1,099,280
Balance, end of year	-	663,660	3,877,868	3,217,525	1,738,089	4,842,216	-	14,339,358
Net book value, end of year	1,996,062	1,538,828	11,718,976	1,414,070	5,200,028	8,558,807	650,422	31,077,193

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, 2020*

**8. Accumulated surplus**

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

	2020	2019
Surplus		
Invested in tangible capital assets	26,395,831	26,349,083
Unrestricted	727,085	1,213,354
	<b>27,122,916</b>	<b>27,562,437</b>
Non-statutory reserves		
General reserve	102,300	102,300
Reserves set aside by Council		
Centennial building	7,161	7,161
Capital	288,983	82,002
Recreation	839,905	720,465
Fire department	495,791	393,832
Water – general	1,077,753	753,753
Sewer – general	94,438	120,000
Transit	84,829	5,333
COVID Restart	883,540	-
	<b>3,772,400</b>	<b>2,082,546</b>
	<b>30,997,616</b>	<b>29,747,283</b>

**9. Government transfers**

The government transfers reported on the statement of operations are:

	2020	2019
Federal and provincial grants		
COVID Restart	987,000	-
Social assistance and community development	396,964	398,687
Miscellaneous	36,286	37,473
Capital improvements	24,395	5,329,552
Gas tax	22,227	25,000
	<b>1,466,872</b>	<b>5,790,712</b>
Other municipalities and regional districts		
Recreation services	921,935	913,414
Fire protection	304,847	321,045
Rescue services	80,799	87,861
Other	7,721	128,000
	<b>1,315,302</b>	<b>1,450,320</b>
<b>Total government transfer revenues</b>	<b>2,782,174</b>	<b>7,241,032</b>

**Village of Pemberton**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2020*

**10. Taxation**

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

	2020	2019
Municipal and school property taxes levied	4,874,275	5,021,834
Payments in-lieu of taxes	81,461	79,865
	<b>4,955,736</b>	<b>5,101,699</b>
Less transfers to other governments		
Province of B.C. – School taxes	1,218,843	1,511,416
Squamish-Lillooet Regional District	1,197,857	1,127,825
Policing costs	262,424	246,171
B.C. Assessment Authority	56,289	51,097
Sea to Sky Regional Hospital District	34,944	34,893
Municipal Finance Authority	238	227
	<b>2,770,595</b>	<b>2,971,629</b>
Net taxation revenue available for municipal purposes	<b>2,185,141</b>	<b>2,130,070</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 trusteesd 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, 2019, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 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 \$217,405 (2019 - \$180,032) for employer contributions to the plan in fiscal 2020.

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, 2020

**12. Segmented information (continued)**

<b>2020</b>	<b>General Government</b>	<b>Fire Protection Services</b>	<b>Development and Planning Service</b>	<b>Public Works and Parks</b>	<b>Recreation</b>	<b>Water Utility</b>	<b>Sewer Utility</b>	<b>Airport Services</b>	<b>Total</b>
<b>Revenues</b>									
Taxation	784,864	475,651	177,325	417,961	-	99,994	200,309	29,037	<b>2,185,141</b>
Water and sewer user rates	-	-	-	-	-	1,162,428	929,088	-	<b>2,091,516</b>
User charges	192,528	-	331,652	-	-	-	-	52,605	<b>576,785</b>
Penalties and interest	79,424	-	-	-	-	12,840	11,538	-	<b>103,802</b>
Government transfers	1,440,759	385,646	-	32,694	923,075	-	-	-	<b>2,782,174</b>
Investment income	44,680	-	-	-	1,420	648	1,243	-	<b>47,991</b>
Contributions	-	-	24,440	-	-	-	-	-	<b>24,440</b>
Other	111,289	19,274	74,144	2,578	244,324	34,796	69,316	5,154	<b>560,875</b>
	<b>2,653,544</b>	<b>880,571</b>	<b>607,561</b>	<b>453,233</b>	<b>1,168,819</b>	<b>1,310,706</b>	<b>1,211,494</b>	<b>86,796</b>	<b>8,372,724</b>
<b>Expenses</b>									
Wages, salaries and benefits	638,810	360,191	232,986	544,196	479,766	483,028	516,861	41,471	<b>3,297,309</b>
Materials, supplies and contracted services	445,308	339,676	158,093	374,193	543,418	364,027	283,840	32,773	<b>2,541,328</b>
Debt servicing	5,513	11,876	-	3,792	564	51,536	74,012	-	<b>147,293</b>
Amortization	641,340	-	-	-	-	152,357	290,074	52,690	<b>1,136,461</b>
	<b>1,730,971</b>	<b>711,743</b>	<b>391,079</b>	<b>922,181</b>	<b>1,023,748</b>	<b>1,050,948</b>	<b>1,164,787</b>	<b>126,934</b>	<b>7,122,391</b>
<b>Annual surplus (deficit)</b>	<b>922,573</b>	<b>168,828</b>	<b>216,482</b>	<b>(468,948)</b>	<b>145,071</b>	<b>259,758</b>	<b>46,707</b>	<b>(40,138)</b>	<b>1,250,333</b>

**Village of Pemberton**  
**Notes to the Financial Statements**  
For the year ended December 31, 2020

**12. Segmented information (continued)**

2019	General Government	Fire Protection Services	Development and 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 charges	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
	1,695,441	863,151	552,225	6,214,481	1,225,926	1,708,673	1,121,968	70,735	13,452,600
<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
	1,986,424	588,320	328,623	917,933	755,296	770,951	903,196	114,188	6,364,931
Annual surplus (deficit)	(290,983)	274,831	223,602	5,296,548	470,630	937,722	218,772	(43,453)	7,087,669

**Village of Pemberton**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2020*

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**13. Budget data**

The budget data presented in these financial statements is based upon the 2020 operating and capital budgets adopted by Council on November 17, 2020. The following table reconciles the approved budget to the budget figures reported in these financial statements.

	<b>Budget amount</b>
Surplus – Statement of Operations	4,763,791
Adjust for budgeted cash items not included in statement of operations	
Capital expenditures	(6,382,320)
Loan proceeds	320,516
Amortization	1,253,220
Reduction in long-term debt	(217,923)
Capital equipment loans repayments	(167,410)
Transfers from Statutory Reserves	532,540
Transfers to Statutory Reserves	(987,000)
Transfers from Non-Statutory Reserves	577,526
Transfers to Non-Statutory Reserves	(845,207)
Transfers from Unrestricted Surplus	1,152,267
Total adjustments	(4,763,791)
Financial plan balance	-



**Village of Pemberton**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2020*

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**14. Schedule of COVID Restart Fund Revenues and Disbursements**

COVID-19 Safe Restart funding is provided by the Province of British Columbia. COVID-19 Safe Restart funding may be used towards designated categories that address the impacts of COVID-19. Eligible costs will include:

- addressing revenues shortfalls;
- facility reopening and operating costs;
- emergency planning and response costs;
- bylaw enforcement and protective services like fire protection and police;
- computer and other electronic technology costs (to improve interconnectivity and virtual communications);
- services for vulnerable persons (e.g. persons living with disabilities, mental illness or addictions, persons experiencing homelessness or other vulnerabilities); and
- other related costs.

Revenues under the COVID-19 Safe Restart program have been recognized when allocated to the Municipality. The Municipality continues to track the unspent amounts in the General Financial Stabilization Reserve. The continuity of this fund is presented in the table below:

	<b>2020</b>
COVID Restart Fund Revenues	987,000
Eligible expenses incurred:	
Additional cleaning/ contractors	6,667
Advertising expenses	1,619
Bylaw expenses	226
Cleaning supplies	15,690
Revenue losses	28,512
Signage	5,084
Technology and communication expenses	45,662
Total eligible expenses incurred	103,460
<b>COVID Restart Fund, end of year</b>	<b>883,540</b>

**15. Significant event**

During the year there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on organizations through the restrictions put in place by the Canadian, provincial, and municipal governments regarding travel, municipality 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, office 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.