

Financial Statements of

**DISTRICT OF BARRIERE**

And Independent Auditors' Report thereon

Year ended December 31, 2020

Final pending Council approval

# DISTRICT OF BARRIERE

## Financial Statements

Year ended December 31, 2020

### Financial Statements

Management's Responsibility for the Financial Statements	1
Independent Auditors' Report	2
Statement of Financial Position	5
Statement of Operations and Accumulated Surplus	6
Statement of Change in Net Financial Assets	7
Statement of Cash Flows	8
Notes to Financial Statements	9
Schedule 1 - COVID-19 Restart Grant	25

## **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

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

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

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

---

*Chief Administrative Officer*

---

*Finance Officer*



KPMG LLP  
560 Victoria Street  
Kamloops BC V2C 2B2  
Canada  
Tel (250) 372-5581  
Fax (250) 828-2928

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of District of Barriere

### Opinion

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

- the statement of financial position as at December 31, 2020
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2020, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

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

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

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



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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Kamloops, Canada

April 19, 2021

# DISTRICT OF BARRIERE

## Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
<b>Financial assets:</b>		
Cash and investments (note 2)	\$ 3,577,633	\$ 3,325,984
Accounts receivable (note 3)	501,613	479,109
Land held for resale	215,976	215,976
	4,295,222	4,021,069
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	393,306	609,064
Deferred revenue (note 4)	719,936	619,968
	1,113,242	1,229,032
Net financial assets	3,181,980	2,792,037
<b>Non-financial assets:</b>		
Inventory of supplies	24,183	22,672
Prepaid expenses and deposits	137,685	8,449
Tangible capital assets (note 5)	26,640,005	26,626,314
	26,801,873	26,657,435
Commitments (note 7)		
Trust funds (note 14)		
<b>Accumulated surplus (note 6)</b>	<b>\$ 29,983,853</b>	<b>\$ 29,449,472</b>

See accompanying notes to financial statements.

# DISTRICT OF BARRIERE

## Statement of Operations and Accumulated Surplus

Year ended December 31, 2020, with comparative information for 2019

	Budget (note 12)	2020	2019
Revenue:			
Tax requisition (note 8)	\$ 873,031	\$ 874,662	\$ 876,817
Service revenue	886,597	929,975	858,542
Government transfers (note 9)	455,893	1,256,795	473,603
Grants in lieu of taxes	39,500	37,984	39,532
Other income	28,000	319,036	421,597
Total revenue	2,283,021	3,418,452	2,670,091
Expenses:			
General government	630,692	663,374	689,538
Protective services	151,800	178,366	225,378
Transportation services	377,600	546,724	686,618
Environmental services	146,782	171,769	154,681
Development services	28,611	34,701	27,162
Parks and recreation	150,034	175,717	153,202
Water utility	382,914	741,792	821,988
Sewer utility	223,774	371,628	375,518
Total expenses	2,092,207	2,884,071	3,134,085
Annual surplus (deficiency)	190,814	534,381	(463,994)
Accumulated surplus, beginning of year	29,449,472	29,449,472	29,913,466
Accumulated surplus, end of year	\$ 29,640,286	\$ 29,983,853	\$ 29,449,472

See accompanying notes to financial statements.



# DISTRICT OF BARRIERE

## Statement of Change in Net Financial Assets

Year ended December 31, 2020, with comparative information for 2019

	Budget (note 12)	2020	2019
Annual surplus (deficit)	\$ 190,814	\$ 534,381	\$ (463,994)
Acquisition of tangible capital assets	(26,225)	(614,824)	(475,725)
Disposal of tangible capital assets	-	-	1,441
Amortization of tangible capital assets	-	601,133	710,599
	(26,225)	(13,691)	236,315
Acquisition of prepaid expenses	-	(137,685)	(8,449)
Acquisition of inventories	-	(24,183)	(22,672)
Use of prepaid expenses	-	8,449	8,104
Use of inventories	-	22,672	19,804
	-	(130,747)	(3,213)
Net change in net financial assets	164,589	389,943	(230,892)
Net financial assets, beginning of year	2,792,037	2,792,037	3,022,929
Net financial assets, end of year	\$ 2,956,626	\$ 3,181,980	\$ 2,792,037

See accompanying notes to financial statements.

# DISTRICT OF BARRIERE

## Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
<b>Operating activities:</b>		
Annual surplus (deficit)	\$ 534,381	\$ (463,994)
Items not involving cash:		
Amortization of tangible capital assets	601,133	710,599
Gain on disposal of tangible capital assets	-	(3,753)
Change in non-cash operating assets and liabilities:		
Accounts receivable	(22,504)	(58,877)
Inventory	(1,511)	(2,868)
Prepaid expenses	(129,236)	(345)
Accounts payable and accrued liabilities	(215,758)	253,999
Deferred revenue	99,968	269,699
Land held for resale	-	220,297
	866,473	924,757
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(614,824)	(475,725)
Proceeds on disposal of tangible capital assets	-	5,193
	(614,824)	(470,532)
<b>Investing activities:</b>		
Increase in investments	(448,145)	(1,001,896)
	-	-
Decrease in cash	(196,496)	(547,671)
Cash, beginning of year	245,828	793,499
Cash, end of year	\$ 49,332	\$ 245,828
Supplemental cash flow information:		
Cash received from interest	\$ 2,911	\$ 12,121

See accompanying notes to financial statements.

# DISTRICT OF BARRIERE

Notes to Financial Statements

Year ended December 31, 2020

---

District of Barriere (the "District") is incorporated and operates under the provisions of the Local Government Act and the Community Charter of British Columbia.

The District provides municipal services to residents of the incorporated area. These include protective services, transportation services, environmental services, development services, water utilities, sewer utilities, parks and recreation, and general government services.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on operations are not known at this time; however they could be material.

The District continues to manage liquidity risk by forecasting and assessing cash requirements on an ongoing basis. As at April 19, 2021, the District continues to meet its contractual obligations within normal payment terms.

## 1. Significant accounting policies:

The financial statements of District of Barriere (the "District") are prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the District are as follows:

### (a) Basis of accounting:

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

### (b) Revenue recognition:

Property taxes, parcel taxes, frontage taxes, special assessments and grants in lieu of taxes are recognized as revenue in the year in which they are assessable.

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

Investment income is reported as revenue in the period earned.

# DISTRICT OF BARRIERE

## Notes to Financial Statements (continued)

Year ended December 31, 2020

### 1. Significant accounting policies (continued):

#### (c) Government transfers:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made unless the transfer contains stipulations that create a liability in which case the transfers are recognized as revenue in the period that the liability is extinguished.

#### (d) Investments:

Investments are comprised of term deposits with maturity dates greater than 90 days after acquisition as well as savings accounts. Investments are recorded at cost.

#### (e) Statutory reserves:

The statutory reserves include various funded reserves to be used to fund specified expenditures, as authorized by Council. These statutory reserves are set up by bylaw under the authority of the Community Charter. Each year Council evaluates the statutory reserve funds, reallocating balances between reserves, from accumulated surplus, and from reserve accounts.

#### (f) 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	Rate
Equipment	5-12 years
Vehicles	10-15 years
Roads and bridges	50-80 years
Wastewater infrastructure	20-60 years
Waterworks infrastructure	20-100 years
Buildings	50 years

# DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2020

---

## 1. Significant accounting policies (continued):

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.

### (f) Non-financial assets (continued):

#### (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 District capitalizes interest costs associated with the acquisition or construction of a tangible capital asset when they are directly attributable to the asset.

#### (vi) Inventory of supplies:

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

#### (vii) Land held for resale:

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.

# DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2020

---

## 1. Significant accounting policies (continued):

### (g) Use of estimates:

The preparation of financial statements in accordance with PSAB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates. Management reviews these estimates on a periodic basis and, where necessary, makes adjustments prospectively.

### (h) Taxes collected on behalf of other agencies:

The District collects taxes on behalf of the Regional District, the Regional Hospital District, British Columbia Assessment Authority, Municipal Finance Authority ("MFA"), and School and Police taxes on behalf of the Province. The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the Regional District and School Board are not reflected in these financial statements.

### (i) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of chemical, organic, or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- a) an environmental standard exists
- b) contamination exceeds the environmental standard
- c) the organization is directly responsible or accepts responsibility for the liability
- d) future economic benefits will be given up, and
- e) a reasonable estimate of the liability can be made.

# DISTRICT OF BARRIERE

## Notes to Financial Statements (continued)

Year ended December 31, 2020

### 2. Cash and investments:

Cash and investments reported on the statement of financial position have costs that approximates market value. Cash and investments consist of the following:

	2020	2019
Cash	\$ 49,332	\$ 245,829
Investments	3,528,301	3,080,155
	<u>\$ 3,577,633</u>	<u>\$ 3,325,984</u>

Investments include term deposits and savings accounts bearing interest at rates between 0.70% to 3.15%.

### 3. Accounts receivable:

Accounts receivable consists of amounts receivables for the following sources:

	2020	2019
Government transfers	\$ 7,088	\$ 22,478
Property taxes	226,790	214,010
Goods and services tax	100,900	97,665
Other	166,835	144,956
	<u>\$ 501,613</u>	<u>\$ 479,109</u>

# DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 4. Deferred revenue:

Deferred gas tax revenue consists of Community Works Funding, which is a portion of Gas Tax funding provided by the Government of Canada. Community Works Funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding arrangements.

	2020	2019
Deferred gas tax:		
Opening balance	\$ 505,540	\$ 252,025
Funding received	127,263	260,697
Revenues recognized	(62,037)	(8,078)
Interest earned	1,372	896
	572,138	505,540
Prepaid property taxes	31,900	33,415
Other prepaid deposits	35,560	10,920
Restricted funds	46,524	36,279
Development cost charges	33,814	33,814
	\$ 719,936	\$ 619,968



# DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 5. Tangible capital assets:

	Land	Roads and bridges	Buildings	Equipment	Vehicles	Wastewater infrastructure	Waterworks infrastructure*	Total
2020								2020
<b>Cost:</b>								
Balance, beginning of year	\$ 4,945,629	\$ 7,050,748	\$ 1,280,376	\$ 975,389	\$ 951,109	\$ 8,746,379	\$ 8,986,131	\$ 32,935,761
Additions	-	-	-	29,723	4,417	-	580,684	614,824
Balance, end of year	\$ 4,945,629	\$ 7,050,748	\$ 1,280,376	\$ 1,005,112	\$ 955,526	\$ 8,746,379	\$ 9,566,815	\$ 33,550,585
<b>Accumulated amortization:</b>								
Balance, beginning of year	\$ -	\$ 2,850,328	\$ 341,766	\$ 671,017	\$ 657,691	\$ 434,271	1,354,374	\$ 6,309,447
Amortization	-	186,475	28,820	8,713	71,266	138,410	167,449	601,133
Balance, end of year	-	3,036,803	370,586	679,730	728,957	572,681	1,521,823	6,910,580
Net book value, end of year	\$ 4,945,629	\$ 4,013,945	\$ 909,790	\$ 325,382	\$ 226,569	\$ 8,173,698	\$ 8,044,992	\$ 26,640,005

\*Contains assets under construction - see note (a)

# DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 5. Tangible capital assets (continued):

		Land	Roads and bridges	Buildings	Equipment	Vehicles	Wastewater infrastructure*	Waterworks infrastructure*	Total
2019									2019
<b>Cost:</b>									
Balance, beginning of year	\$	4,945,629	\$ 7,050,748	\$ 1,280,376	\$ 967,303	\$ 923,469	\$ 8,746,379	\$ 8,550,932	\$ 32,464,836
Additions		-	-	-	8,086	32,440	-	435,199	475,725
Disposals		-	-	-	-	(4,800)	-	-	(4,800)
Balance, end of year	\$	4,945,629	\$ 7,050,748	\$ 1,280,376	\$ 975,389	\$ 951,109	\$ 8,746,379	\$ 8,986,131	\$ 32,935,761
<b>Accumulated amortization:</b>									
Balance, beginning of year	\$	-	\$ 2,598,132	\$ 303,202	\$ 615,644	\$ 602,379	\$ 295,862	\$ 1,186,989	\$ 5,602,208
Disposals		-	-	-	-	(3,360)	-	-	(3,360)
Amortization expense		-	252,196	38,564	55,373	58,672	138,409	167,385	710,599
Balance, end of year		-	2,850,328	341,766	671,017	657,691	434,271	1,354,374	6,309,447
Net book value, end of year	\$	4,945,629	\$ 4,200,420	\$ 938,610	\$ 304,372	\$ 293,418	\$ 8,312,108	\$ 7,631,757	\$ 26,626,314

\*Contains assets under construction - see note (a)

# DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 5. Tangible capital assets (continued):

### (a) Assets under construction:

Assets under construction, consisting of waterworks infrastructure having a cost of \$580,684 (2019 - \$435,199) have not been amortized. Amortization of these assets will commence when the assets are put into service.

### (b) Works of art and historical treasures:

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

### (c) Write-down of tangible capital assets:

No write-down of tangible capital assets occurred during the year.

## 6. Accumulated surplus:

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

	2020	2019
Unrestricted surplus	\$ 1,866,869	\$ 1,219,131
Equity in tangible capital assets	26,640,005	26,626,314
<b>Reserve funds:</b>		
Roads	507,369	484,957
Fire protection	85,514	67,642
Water	147,291	210,071
Louis Creek Industrial Site	-	456,330
Municipal hall	252,259	206,851
Environmental	99,904	44,416
Land sales	44,379	43,402
Highway signs	26,516	26,227
Community hall	10,354	7,327
First responders	192	192
Highway rescue	3,357	1,653
Wildfires	55,344	54,959
Parks	244,500	-
Total reserve funds	1,476,979	1,604,027
	<b>\$ 29,983,853</b>	<b>\$ 29,449,472</b>

# DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 7. Commitments:

The District has entered into contracts for premises and snow removal with annual minimum payments for the next 2 years as follows:

2021	\$	121,475
2022		21,737
	\$	143,212

## 8. Taxation and grants in lieu:

General fund taxation revenues comprises the following amounts raised less transfers:

	2020	2019
Municipal and school property taxes levied	\$ 1,848,868	\$ 1,846,016
	1,848,868	1,846,016
Less: Collections on behalf of other governments:		
Province of B.C. - School taxes	475,839	480,690
Thompson-Nicola Regional District ("TNRD")	274,881	277,215
Thompson Regional Hospital District	117,744	114,148
Police taxes	91,036	82,482
B.C. Assessment Authority	13,331	11,481
Payment in lieu of taxes	1,320	3,133
Municipal Finance Authority	55	50
	974,206	969,199
	\$ 874,662	\$ 876,817

# DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 9. Government transfers:

The District recognizes the transfer of government funds as expenses or revenues in the period that the events giving rise to the transfer occurred. The government transfers reported on the statement of operations are:

	2020	2019
Small community grant	\$ 452,154	\$ 442,186
Housing needs report	8,003	8,500
Gas tax funding	62,037	7,373
Rural dividend grant	572	7,000
COVID-19 restart grant	730,000	-
Other grants and transfers	4,029	8,544
	\$ 1,256,795	\$ 473,603

## 10. Contingent liabilities:

Under the Local Government Act, all monies borrowed by a Regional District shall be upon its credit at large and shall, in the event of any default, constitute an indebtedness of the member municipalities for which they are jointly and severally liable. Therefore, the District is responsible for its share of any operating deficits or capital debt related to functions in which it participates.

From time to time, the District is brought forth as a defendant in various lawsuits. The District reviews its exposure to any potential litigation for which it would not be covered by insurance and assesses whether a successful claim would materially affect the financial statements of the District. The District is currently not aware of any claims brought against it that if not defended successfully would result in a material change to the financial statements.

# DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2020

---

## 11. Pension liability:

The District of Barriere and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2020, the plan has about 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 actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent 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 District of Barriere paid \$44,741 (2019 - \$42,255) for employer contributions while employees contributed \$38,996 (2019 - \$36,913) to the plan in fiscal 2020.

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

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

# DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 12. Budget:

The Financial Plan (Budget) bylaw adopted by Council on May 4, 2020 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget figures anticipated using surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. In addition, the budget expensed all tangible capital asset additions rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Financial Plan adopted by Council on May 4, 2020 with adjustments as follows:

	2020
Annual surplus - statement of operations	\$ 190,814
Adjust for budgeted cash items not included in statement of operations:	
Acquisition of tangible capital assets	(26,225)
Transfer to reserves	(164,589)
Total adjustments	(190,814)
Financial plan balance	\$ -

## 13. Segmented information:

Segmented information has been identified based upon lines of service provided by the District. District 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:

### (a) General government:

The General Government operations provide the functions of Building Services and Maintenance, Corporate Administration, Finance, Human Resources, Legislative Services, Bylaw enforcement services and any other functions categorized as non-departmental.

### (b) Protective services:

Protective Services is comprised of fire protection, emergency services and building inspection services.

# DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2020

---

## 13. Segmented information (continued):

(c) Transportation services:

Transportation Services is responsible for roads and snow removal within the District boundaries.

(d) Environmental services:

The Environmental Health Department consists of landfill maintenance and garbage collection and processing.

(e) Parks and recreation:

Parks and recreation is responsible for parks and playgrounds, recreation programming, cemetery services, and cultural buildings and programs.

(f) Water utility:

The District is responsible for environmental programs including the engineering and operation of the potable water system.

(g) Sewer utility:

The District is responsible for environmental programs including the engineering and operation of the wastewater system.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the presentation of segmented financial information. The accounting policies used in these statements are consistent with those followed in the preparation of the financial statements.



# DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 13. Segmented information (continued):

2020	Protective services	Transportation services	Environmental services	Development services	Parks and recreation	Water utility	Sewer utility	General government	Total
<b>Revenue:</b>									
Tax requisition	\$ 89,390	\$ 222,339	\$ 86,417	\$ 16,881	\$ 88,341	\$ -	\$ -	\$ 371,294	\$ 874,662
Grants in lieu	-	-	-	-	-	-	-	37,984	37,984
Sales of services	81,949	50,082	191,733	53,826	7,308	394,359	101,075	49,643	929,975
Government transfers	-	-	-	-	-	53,713	8,897	1,194,185	1,256,795
Other	-	-	-	-	290,914	-	-	28,122	319,036
Total revenue	171,339	272,421	278,150	70,707	386,563	448,072	109,972	1,681,228	3,418,452
<b>Expenses:</b>									
Operating	102,406	293,234	84,010	8,624	65,562	384,030	150,484	173,616	1,261,966
Salaries and benefits	40,796	65,821	74,313	26,077	82,616	187,676	82,735	460,938	1,020,972
Amortization	35,164	187,669	13,446	-	27,539	170,086	138,409	28,820	601,133
Total expenses	178,366	546,724	171,769	34,701	175,717	741,792	371,628	663,374	2,884,071
Annual surplus (deficit)	\$ (7,027)	\$ (274,303)	\$ 106,381	\$ 36,006	\$ 210,846	\$ (293,720)	\$ (261,656)	\$ 1,017,854	\$ 534,381

# DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2020

## 13. Segmented information (continued):

2019	Protective services	Transportation services	Environmental services	Development services	Parks and recreation	Water utility	Sewer utility	General government	Total
<b>Revenue:</b>									
Tax requisition	\$ 83,911	\$ 247,701	\$ 74,968	\$ 17,010	\$ 65,849	\$ -	\$ -	\$ 387,378	\$ 876,817
Grants in lieu	-	-	-	-	-	-	-	39,532	39,532
Sales of services	56,632	50,053	147,812	36,630	12,667	367,193	98,986	88,569	858,542
Government transfers	-	-	-	-	-	4,050	15,078	454,475	473,603
Other	-	-	-	358,784	14,027	3,754	-	45,032	421,597
Total revenue	140,543	297,754	222,780	412,424	92,543	374,997	114,064	1,014,986	2,670,091
<b>Expenses:</b>									
Operating	144,585	379,417	69,004	13,660	63,405	489,010	151,377	230,369	1,540,827
Salaries and benefits	38,812	53,812	62,345	13,502	55,638	162,422	85,732	410,396	882,659
Amortization	41,981	253,389	23,332	-	34,159	170,556	138,409	48,773	710,599
Total expenses	225,378	686,618	154,681	27,162	153,202	821,988	375,518	689,538	3,134,085
Annual surplus (deficit)	\$ (84,835)	\$ (388,864)	\$ 68,099	\$ 385,262	\$ (60,659)	\$ (446,991)	\$ (261,454)	\$ 325,448	\$ (463,994)

# DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2020

---

## 14. Trust funds:

The District operates the Barriere Cemetery and maintains a cemetery perpetual care fund in accordance with the Cemetery and Funeral Services Act. Trust fund assets and related reserve balance have been excluded from the financial statements, as the assets are only held beneficially in trust for unrelated third parties. At December 31, 2020, the District held \$17,345 (2019 - \$16,956) in trust.

Final pending Council approval

# DISTRICT OF BARRIERE

Schedule 1 - unaudited

COVID-19 Safe Restart Grant

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Balance, beginning of year	\$ -	\$ -
Provincial COVID-19 Safe Restart Grant	730,000	-
Revenue shortfall	(102,204)	-
Balance, end of year	\$ 627,796	\$ -

Final pending Council approval