

Financial Statements of

DISTRICT OF BARRIERE

And Independent Auditor's Report thereon

Year ended December 31, 2022

DISTRICT OF BARRIERE

Financial Statements

Year ended December 31, 2022

Financial Statements

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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 Auditor's 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
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Kamloops BC V2C 2B2
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INDEPENDENT AUDITOR'S 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, 2022
- 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, 2022, 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 "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's 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.



Emphasis of Matter – Comparative Information

We draw attention to Note 16 to the financial statements (“Note 16”), which explains that certain comparative information presented for the year ended December 31, 2021 has been recast.

Note 16 explains the reason for the recast and also explains the adjustments that were applied to recast certain comparative information.

Our opinion is not modified in respect of this matter.

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.

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 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 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 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.

Can't Show national KPMG LLP sig

Chartered Professional Accountants

Kamloops, Canada

Month DD, YYYY

Final Pending Council Approval

DISTRICT OF BARRIERE

Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021 (Recasted - note 16)
Financial assets:		
Cash and investments (note 3)	\$ 4,163,928	\$ 3,775,238
Accounts receivable (note 4)	697,442	581,687
	4,861,370	4,356,925
Liabilities:		
Accounts payable and accrued liabilities	511,738	428,108
Deferred revenue (note 5)	1,172,227	485,018
	1,683,965	913,126
Net financial assets	3,177,405	3,443,799
Non-financial assets:		
Inventory of supplies	48,307	33,833
Prepaid expenses and deposits	536	2,260
Tangible capital assets (note 6)	27,392,655	27,189,105
	27,441,498	27,225,198
Commitments (note 8)		
Trust funds (note 15)		
Accumulated surplus (note 7)	\$ 30,618,903	\$ 30,668,997

See accompanying notes to financial statements.

DISTRICT OF BARRIERE

Statement of Operations and Accumulated Surplus

Year ended December 31, 2022, with comparative information for 2021

	Budget	2022	2021 (Recasted - note 16)
	(note 13)		
Revenue:			
Tax requisition (note 9)	\$ 962,647	\$ 987,967	\$ 920,847
Service revenue	1,217,450	1,031,341	1,411,070
Government transfers (note 10)	459,570	1,046,850	1,120,385
Grants in lieu of taxes	42,331	55,530	40,230
Other income	28,400	335,541	752,950
Total revenue	2,710,398	3,457,229	4,245,482
Expenses:			
General government	847,874	1,130,742	861,104
Protective services	170,942	193,692	339,847
Transportation services	423,960	568,522	569,154
Environmental services	174,788	189,072	193,243
Development services	49,072	46,339	59,230
Parks and recreation	136,674	380,241	347,683
Water utility	371,187	608,087	833,654
Sewer utility	279,738	390,628	435,671
Total expenses	2,454,235	3,507,323	3,639,586
Annual surplus (deficiency)	256,163	(50,094)	605,896
Accumulated surplus, beginning of year	30,668,997	30,668,997	30,063,101
Accumulated surplus, end of year	\$ 30,925,160	\$ 30,618,903	\$ 30,668,997

See accompanying notes to financial statements.

DISTRICT OF BARRIERE

Statement of Change in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

	Budget	2022	2021 (Recasted - note 16)
	(note 13)		
Annual surplus (deficiency)	\$ 256,163	\$ (50,094)	\$ 605,896
Acquisition of tangible capital assets	(174,700)	(851,412)	(1,066,274)
Amortization of tangible capital assets	-	647,862	596,422
	(174,700)	(203,550)	(469,852)
Acquisition of prepaid expenses	-	(536)	(2,260)
Acquisition of inventories	-	(48,307)	(33,833)
Use of prepaid expenses	-	2,260	137,685
Use of inventories	-	33,833	24,183
	-	(12,750)	125,775
Net change in net financial assets	81,463	(266,394)	261,819
Net financial assets, beginning of year	3,443,799	3,443,799	3,181,980
Net financial assets, end of year	\$ 3,525,262	\$ 3,177,405	\$ 3,443,799

See accompanying notes to financial statements.

DISTRICT OF BARRIERE

Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021 (Recasted - note 16)
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficiency)	\$ (50,094)	\$ 605,896
Items not involving cash:		
Amortization of tangible capital assets	647,862	596,422
Change in non-cash operating assets and liabilities:		
Accounts receivable	(115,755)	(80,074)
Inventory of supplies	(14,474)	(9,650)
Land held for resale	-	215,976
Prepaid expenses	1,724	135,425
Accounts payable and accrued liabilities	83,330	34,802
Deferred revenue	687,209	(234,918)
	1,239,802	1,263,879
Capital activities:		
Acquisition of tangible capital assets	(851,412)	(1,066,274)
Investing activities:		
Net investment in term deposits	(310,769)	20,022
Increase in cash during the year	77,621	217,627
Cash, beginning of year	266,959	49,332
Cash, end of year	\$ 344,580	\$ 266,959
Supplemental cash flow information:		
Cash received from interest	\$ 13,076	\$ 1,413

See accompanying notes to financial statements.

DISTRICT OF BARRIERE

Notes to Financial Statements

Year ended December 31, 2022

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.

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.

(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.

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(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	30-80 years
Wastewater infrastructure	15-80 years
Waterworks infrastructure	20-100 years
Buildings	50 years

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.

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(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.

(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.

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(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, 2022

2. Future accounting standards:

(a) PS 3280, Asset Retirement Obligations:

PS 3280, Asset Retirement Obligations, establishes guidance on the accounting and reporting of legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. Specifically, it defines which activities would be included in a liability for retirement of a tangible capital asset, establishes when to recognize and how to measure a liability for an asset retirement obligation and provides the related financial statement presentation and disclosure requirements. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. This standard is effective for fiscal years beginning on or after April 1, 2022. At the date of these financial statements, the full impact of this new standard is not yet known.

(b) PS 3450, Financial Instruments:

PS 3450, Financial Instruments, establishes recognition, measurement, and disclosure requirements for derivative and non-derivative financial instruments. The standard requires fair value measurement of derivatives and equity instruments; all other financial instruments can be measured at cost/amortized cost or fair value at the election of the government. Unrealized gains and losses are presented in a new statement of re-measurement gains and losses. There is the requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities. This standard is applicable for fiscal years beginning on or after April 1, 2022. At the date of these financial statements, the full impact of this new standard is not yet known.

3. 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:

	2022	2021
Cash	\$ 344,580	\$ 266,959
Investments	3,819,348	3,508,279
	<u>\$ 4,163,928</u>	<u>\$ 3,775,238</u>

Investments include term deposits and savings accounts bearing interest at rates between 1.40% to 5.15%.

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2022

4. Accounts receivable:

Accounts receivable consists of amounts receivables for the following sources:

	2022	2021
Government transfers	\$ -	\$ 39,416
Property taxes	306,358	241,763
Goods and services tax	119,909	119,609
Other	271,175	180,899
	<u>\$ 697,442</u>	<u>\$ 581,687</u>

5. 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.

	2022	2021
Deferred gas tax:		
Opening balance	\$ 256,285	\$ 566,987
Net change in the year	(198,407)	(310,702)
	<u>57,878</u>	<u>256,285</u>
LCIP water upgrade grant	-	-
Opening balance	-	-
Net change in the year	<u>928,888</u>	<u>-</u>
	<u>928,888</u>	<u>-</u>
Prepaid property taxes	50,296	40,080
Other prepaid deposits	7,677	9,222
Restricted funds	61,174	113,117
Development cost charges	66,314	66,314
	<u>\$ 1,172,227</u>	<u>\$ 485,018</u>

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2022

6. Tangible capital assets:

2022	Land	Roads and bridges	Buildings	Equipment	Vehicles	Wastewater infrastructure	Waterworks infrastructure	Total 2022
Cost:								
Balance, beginning of year	\$ 4,945,629	\$ 7,050,748	\$ 1,280,376	\$ 1,158,825	\$ 1,371,900	\$ 8,746,379	\$ 10,063,002	\$ 34,616,859
Additions	-	259,252	148,705	65,546	84,543	102,873	190,493	851,412
Balance, end of year	\$ 4,945,629	\$ 7,310,000	\$ 1,429,081	\$ 1,224,371	\$ 1,456,443	\$ 8,849,252	\$ 10,253,495	\$ 35,468,271
Accumulated amortization:								
Balance, beginning of year	\$ -	\$ 3,221,879	\$ 399,406	\$ 665,957	\$ 732,014	\$ 711,091	1,697,407	\$ 7,427,754
Amortization	-	191,453	31,794	39,639	66,735	139,696	178,545	647,862
Balance, end of year	-	3,413,332	431,200	705,596	798,749	850,787	1,875,952	8,075,616
Net book value, end of year	\$ 4,945,629	\$ 3,896,668	\$ 997,881	\$ 518,775	\$ 657,694	\$ 7,998,465	\$ 8,377,543	\$ 27,392,655

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2022

6. Tangible capital assets (continued):

2021	Land	Roads and bridges	Buildings	Equipment	Vehicles	Wastewater infrastructure	Waterworks infrastructure	Total 2021 (Recasted - note 16)
Cost:								
Balance, beginning 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
Additions	-	-	-	153,713	416,374	-	496,187	1,066,274
Balance, end of year	\$ 4,945,629	\$ 7,050,748	\$ 1,280,376	\$ 1,158,825	\$ 1,371,900	\$ 8,746,379	\$ 10,063,002	\$ 34,616,859
Accumulated amortization:								
Balance, beginning of year	\$ -	\$ 3,036,803	\$ 370,586	\$ 657,244	\$ 672,195	\$ 572,681	\$ 1,521,823	\$ 6,831,332
Amortization expense	-	185,076	28,820	8,713	59,819	138,410	175,584	596,422
Balance, end of year	-	3,221,879	399,406	665,957	732,014	711,091	1,697,407	7,427,754
Net book value, end of year	\$ 4,945,629	\$ 3,828,869	\$ 880,970	\$ 492,868	\$ 639,886	\$ 8,035,288	\$ 8,365,595	\$ 27,189,105

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2022

6. Tangible capital assets (continued):

(a) 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.

(b) Write-down of tangible capital assets:

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

7. Accumulated surplus:

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

	2022	2021 (Recasted - note 16)
Unrestricted surplus	\$ 1,103,675	\$ 1,270,709
Equity in tangible capital assets	27,392,655	27,189,105
Reserve funds:		
Roads	173,617	378,237
Fire protection	85,044	19,641
Water	172,101	103,732
Louis Creek Industrial Site	584,630	460,912
Municipal hall	307,130	277,890
Environmental	174,028	123,126
Land sales	45,113	44,490
Highway signs	8,500	8,383
Community hall	16,617	13,388
First responders	192	192
Highway rescue	10,612	9,112
Wildfires	188,119	-
Parks	135,675	143,037
COVID Relief Funds	155,605	561,453
Parkland Reserve	65,590	65,590
Total reserve funds	2,122,573	2,209,183
	\$ 30,618,903	\$ 30,668,997

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2022

8. Commitments:

The District has entered into contracts for premises and snow removal with annual minimum payments for the next year for \$173,183.

9. Taxation and grants in lieu:

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

	2022	2021
Municipal and school property taxes levied	\$ 2,138,878	\$ 1,974,905
Less collections on behalf of other government entities:		
Province of B.C. - School taxes	603,579	557,434
Thompson-Nicola Regional District ("TNRD")	312,266	280,751
Thompson Regional Hospital District	133,669	124,502
Police taxes	84,710	76,060
B.C. Assessment Authority	15,530	13,988
Payment in lieu of taxes	1,157	1,263
Municipal Finance Authority	-	60
	1,150,911	1,054,058
	\$ 987,967	\$ 920,847

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2022

10. 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:

	2022	2021
Small community grant	\$ 566,000	\$ 452,000
Wildfire monument relocation grant	-	24,950
20 year master plan grant	-	10,000
Highway 5 & BTR re-greening grant	-	10,000
Rural dividend grant	-	7,521
LNTCS rescue grant	-	7,000
North EV network grant	-	5,000
Risk management grant	-	3,143
Gas tax funding	331,678	571,238
Climate action grant	55,082	-
L.C.I.P water upgrade grant	71,112	-
Asset management planning grant	14,903	-
Other grants and transfers	8,075	29,533
	\$ 1,046,850	\$ 1,120,385

11. 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, 2022

12. 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, 2021, the plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The District of Barriere paid \$46,231 (2021 - \$55,221) for employer contributions while employees contributed \$42,750 (2021 - \$48,864) to the plan in fiscal 2022.

The next valuation will be as at December 31, 2024, with results available in 2025.

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, 2022

13. Budget:

The Financial Plan (Budget) bylaw adopted by Council on May 9, 2022 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 9, 2022 with adjustments as follows:

	2022
Annual surplus - statement of operations	\$ 256,163
Adjust for budgeted cash items not included in statement of operations:	
Acquisition of tangible capital assets	(174,700)
Transfer to reserves	(81,463)
Total adjustments	(256,163)
Financial plan balance	\$ -

14. 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, 2022

14. 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, 2022

14. Segmented information (continued):

2022	Protective services	Transportation services	Environmental services	Development services	Parks and recreation	Water utility	Sewer utility	General government	Total
Revenue:									
Tax requisition	\$ 93,659	\$ 232,271	\$ 95,734	\$ 26,873	\$ 74,888	\$ -	\$ -	\$ 464,542	\$ 987,967
Grants in lieu	-	-	-	-	-	-	-	55,530	55,530
Sales of services	72,755	64,886	200,734	53,428	8,025	482,043	127,094	22,376	1,031,341
Government transfers	-	-	-	-	-	71,112	111,329	864,409	1,046,850
Other	-	-	-	127,500	171,486	-	-	36,555	335,541
Total revenue	166,414	297,157	296,468	207,801	254,399	553,155	238,423	1,443,412	3,457,229
Expenses:									
Operating	115,013	320,818	81,052	18,094	254,369	263,081	171,133	462,025	1,685,585
Salaries and benefits	43,632	46,328	94,770	28,245	78,114	166,461	79,799	636,527	1,173,876
Amortization	35,047	201,376	13,250	-	47,758	178,545	139,696	32,190	647,862
Total expenses	193,692	568,522	189,072	46,339	380,241	608,087	390,628	1,130,742	3,507,323
Annual surplus (deficit)	\$ (27,278)	\$ (271,365)	\$ 107,396	\$ 161,462	\$ (125,842)	\$ (54,932)	\$ (152,205)	\$ 312,670	\$ (50,094)

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2022

14. Segmented information (continued):

2021	Protective services	Transportation services	Environmental services	Development services	Parks and recreation	Water utility	Sewer utility	General government	Total (Recasted - note 16)
Revenue:									
Tax requisition	\$ 92,168	\$ 244,969	\$ 81,436	\$ 19,994	\$ 85,086	\$ -	\$ -	\$ 397,194	\$ 920,847
Grants in lieu	-	-	-	-	-	-	-	40,230	40,230
Sales of services	454,219	49,814	183,652	57,383	14,546	430,135	109,259	112,062	1,411,070
Government transfers	-	-	-	-	-	-	72,385	1,048,000	1,120,385
Other	-	-	-	717,582	4,093	-	-	31,275	752,950
Total revenue	546,387	294,783	265,088	794,959	103,725	430,135	181,644	1,628,761	4,245,482
Expenses:									
Operating	251,340	340,048	88,767	33,620	224,128	457,795	195,554	314,420	1,905,672
Salaries and benefits	32,524	75,861	90,255	25,610	96,016	197,654	101,708	517,864	1,137,492
Amortization	55,983	153,245	14,221	-	27,539	178,205	138,409	28,820	596,422
Total expenses	339,847	569,154	193,243	59,230	347,683	833,654	435,671	861,104	3,639,586
Annual surplus (deficit)	\$ 206,540	\$ (274,371)	\$ 71,845	\$ 735,729	\$ (243,958)	\$ (403,519)	\$ (254,027)	\$ 767,657	\$ 605,896

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2022

15. 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, 2022 the District held \$19,313 (2021- \$18,223) in trust.

16. Comparative figures:

These financial statements have been recasted to reflect immaterial adjustments to the comparative figures with respect to a reduction in amortization and accumulated amortization related to equipment and wastewater infrastructure. The following adjustments were required for the 2021 comparative figures to account for this recast.

	As previously stated	As recasted
Statement of Financial Position:		
Tangible capital assets	27,071,797	27,189,105
Accumulated surplus	30,551,689	30,668,997
Statement of Operations and Accumulated Surplus:		
Transportation services	606,658	569,154
Water utility	834,210	833,654
Annual surplus	567,836	605,896
Accumulated surplus, beginning of year	29,983,853	30,063,101
Accumulated surplus, end of year	30,551,689	30,668,997
Statement of Changes In Net Financial Assets:		
Annual surplus	567,836	605,896
Amortization of tangible capital assets	634,482	596,422
Statement of Cash Flows:		
Annual surplus	567,836	605,896
Amortization of tangible capital assets	634,482	596,422

DISTRICT OF BARRIERE

Schedule 1 - unaudited
COVID-19 Safe Restart Grant

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Balance, beginning of year	\$ 561,453	\$ 627,796
Multipurpose court	-	(37,008)
Audiovisual system	-	(10,664)
Playground crusher chips	-	(6,255)
Park lighting	-	(4,247)
Pickleball court netting	-	(4,229)
North Thompson Activity Centre funding	-	(2,000)
Pickleball lines	-	(1,940)
Storage Shelter	(124,779)	-
Warming hut	(56,389)	-
Backhoe machinery	(45,000)	-
2016 FORD Explorer	(24,288)	-
Dog Park Fence	(19,840)	-
Solar Lights for Bridge	(17,254)	-
Reception Desk	(10,087)	-
Council AV	(9,707)	-
LED Crosswalk Signals	(8,658)	-
Storm Covers	(8,391)	-
Electrical work	(6,223)	-
Various	(75,232)	-
Balance, end of year	\$ 155,605	\$ 561,453