

**VILLAGE OF TELKWA**

**Financial Statements**

**December 31, 2021**

**VILLAGE OF TELKWA**

**Financial Statements**

**December 31, 2021**

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EDMISON MEHR  
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Councillors of  
Village of Telkwa  
Telkwa, BC

Opinion

We have audited the accompanying financial statements of the Village of Telkwa, which comprise the Consolidated Statement of Financial Position as at December 31, 2021, and the Consolidated Statements of Operations, Cash Flows, and Net Financial Assets for the year then ended, and 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 Municipality as at December 31, 2021, and its financial performance 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 of Telkwa 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 Matter

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information, including Schedules A to I has been presented for the purposes of additional analysis. The supplementary information presented in Schedules E to I has been subjected to the auditing procedures applied in the financial statements and, in our opinion, this supplementary information is presented fairly, in all material respects, in relation to the financial statements taken as a whole. We do not express an opinion on Schedules E to I because our examination did not extend to the detailed information therein.

Emphasis of Matter

Without modifying our conclusions, we draw attention to Note 16 to the financial statements, which describes the situation in the context of Covid-19 global pandemic declared by the World Health Organization.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements, management is responsible for assessing the Village of Telkwa'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 have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Village of Telkwa's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

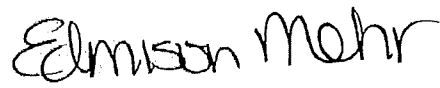
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not 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 errors 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 auditing standards, we exercise professional judgement and maintain professional skepticism through 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 controls.
- 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 purposes of expressing an opinion on the effectiveness of the Village of Telkwa'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 of Telkwa'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 of Telkwa to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


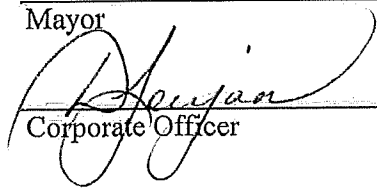
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Smithers, BC  
April 26, 2022

  
Edmison Mehr

**VILLAGE OF TELKWA**  
**Consolidated Statement of Financial Position**  
**December 31, 2021**

	<u>2021</u>	<u>2020</u>
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents, note 2	\$ 388,917	2,000,350
Investments, note 2	6,046,716	5,514,323
Taxes Receivable, note 3	104,542	36,826
Accounts Receivable, note 4	504,850	592,862
Due from Federal Government - GST	78,309	61,301
Investment in Wetzin'Kwa Management Services Ltd., note 13	1	1
	<u>7,123,335</u>	<u>8,205,663</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities, note 5	336,478	908,890
Deferred Revenue, note 6	891,785	842,304
MFA Short Term Borrowing, note 7	58,170	-
	<u>1,286,433</u>	<u>1,751,194</u>
Contingent Liabilities, note 11		
<b>NET FINANCIAL ASSETS</b>	<u>5,836,902</u>	<u>6,454,469</u>
<b>NON FINANCIAL ASSETS</b>		
Inventory, note 8	8,000	7,693
Prepaid expenses	27,275	25,037
Tangible Capital Assets (Schedule A), note 9	18,480,152	16,337,371
	<u>18,515,427</u>	<u>16,370,101</u>
<b>ACCUMULATED SURPLUS, note 10</b>	<u>\$ 24,352,329</u>	<u>22,824,570</u>

  
 \_\_\_\_\_  
 Mayor  
  
 \_\_\_\_\_  
 Corporate Officer

**VILLAGE OF TELKWA**  
**Consolidated Statement of Operations**  
**For the Year Ended December 31, 2021**

	2021 <u>Actual</u>	2021 <u>Budget</u>	2020 <u>Actual</u>
<b>REVENUE</b>			
Taxation (Schedule C)	\$ 925,904	925,804	926,540
Service charges/user fees (Schedule C)	753,026	748,770	753,396
Unconditional transfers - Province of BC	466,000	466,137	466,137
Conditional transfers - Federal Government	-	-	-
Conditional transfers - Provincial Government	1,774,530	5,394,495	2,045,085
Conditional transfers - Regional District	154,974	136,560	190,862
Grants - other	36,562	52,973	89,293
Other income	5,000	5,000	5,000
Investment interest	38,639	-	92,853
Wetzin'Kwa Community Forest grant	50,000	20,000	40,000
Community Building Fund agreement, note 12	185,419	111,007	169,560
	<u>4,390,054</u>	<u>7,860,746</u>	<u>4,778,726</u>
<b>EXPENDITURES</b>			
General Government Services	844,943	913,204	696,669
Protective Services	322,712	374,013	330,292
Transportation Services	610,632	629,028	564,232
Environmental Health	39,024	65,445	40,065
Development	143,929	229,049	141,856
Recreation and Cultural Services	149,203	186,350	162,682
Utility Services (Water, Sewer)	751,852	845,305	761,175
	<u>2,862,295</u>	<u>3,242,394</u>	<u>2,696,971</u>
<b>ANNUAL SURPLUS</b>	<u>1,527,759</u>	<u>4,618,352</u>	<u>2,081,755</u>
Accumulated Surplus Balances, beginning of year	<u>22,824,570</u>	<u>22,824,570</u>	<u>20,742,815</u>
Accumulated Surplus Balances, end of year	<u>\$ 24,352,329</u>	<u>27,442,922</u>	<u>22,824,570</u>

**VILLAGE OF TELKWA**  
**Consolidated Statement of Cash Flows**  
**December 31, 2021**

	<u>2021</u>	<u>2020</u>
<b>Cash provided by (used for):</b>		
<b>OPERATIONS</b>		
Annual Surplus	\$ 1,527,759	2,081,755
Non Cash Items included in annual surplus		
Amortization	622,155	603,948
Changes in Non-Cash Operating Items		
(Increase) decrease in taxes receivable	(67,716)	23,570
Decrease (increase) in accounts receivable	88,012	327,437
(Increase) decrease in due from Federal Government - GST	(17,008)	48,041
(Decrease) increase in accounts payable	(572,412)	107,807
Increase in deferred revenue	49,481	230,414
(Increase) decrease in inventory	(307)	1,111
(Increase) in prepaid expenses	(2,238)	(1,863)
	<u>1,627,726</u>	<u>3,422,220</u>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	<u>(2,764,936)</u>	<u>(2,215,658)</u>
<b>INVESTING</b>	<u>-</u>	<u>-</u>
<b>FINANCING</b>		
Proceeds from MFA equipment loan	65,670	-
MFA equipment loan principle repayments	(7,500)	(38,762)
	<u>58,170</u>	<u>(38,762)</u>
Increase (decrease) in Cash and Investments	(1,079,040)	1,167,800
Cash and Investments, Beginning of Year	<u>7,514,673</u>	<u>6,346,873</u>
Cash and Investments, End of Year	<u>\$ 6,435,633</u>	<u>7,514,673</u>
Cash and Investments is composed of:		
Cash and cash equivalents	\$ 388,917	2,000,350
Investments	6,046,716	5,514,323
	<u>\$ 6,435,633</u>	<u>7,514,673</u>
Additional Information		
Debt Interest Payments	<u>\$ 344</u>	<u>2,722</u>

**VILLAGE OF TELKWA**  
**Consolidated Statement of Net Financial Assets**  
**For the Year Ended December 31, 2021**

	<u>2021</u>	<u>2021</u>	<u>2020</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<b>Annual Income (Deficit)</b>	\$ 1,527,759	4,618,352	2,081,755
Acquisition of tangible capital assets	(2,764,936)	(7,582,642)	(2,215,658)
Amortization of tangible capital assets	622,155	550,000	603,948
(Gain) loss on disposal of tangible capital assets	-	-	-
Proceeds on sale of tangible capital assets	-	-	-
	<u>(615,022)</u>	<u>(2,414,290)</u>	<u>470,045</u>
Net change in prepaid expenses	(2,238)	-	1,111
Net change in inventory of supplies	(307)	-	(1,863)
	<u>(2,545)</u>	<u>-</u>	<u>(752)</u>
<b>Change in Net Financial Assets (Net Debt)</b>	(617,567)	(2,414,290)	469,293
<b>Net Financial Assets, beginning of year</b>	<u>6,454,469</u>	<u>6,454,469</u>	<u>5,985,176</u>
<b>Net Financial Assets, end of year</b>	\$ <u>5,836,902</u>	<u>4,040,179</u>	<u>6,454,469</u>



**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2021**

**GENERAL**

The Village of Telkwa was incorporated as a municipality in 1952 under the Municipal Act, a Statute of the Province of British Columbia. The principal activities of the Village include the provision of local government services to the residents of the incorporated area. These services include administrative, protective, transportation, recreation, economic development, water, sewer, and fiscal services.

**1. SIGNIFICANT ACCOUNTING POLICIES:**

The consolidated financial statements of the Village of Telkwa are prepared in accordance with the Canadian generally accepted accounting principles as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants.

**(a) Principals of consolidation:**

The consolidated financial statements reflect the combined results and activities of the Village of Telkwa. The statements exclude trust assets that are administered by the Village for the benefit of external parties. Interfund transactions have been eliminated on consolidation.

**(b) Fund accounting:**

The resources and operations of the Village have been segregated for accounting and financial reporting purposes into the following funds.

Operating Funds: Operating funds report the General, Water, and Sewer operations

Capital Funds: Capital funds report the acquisition and disposal of property and equipment and their related financing.

Statutory Reserve Funds: Statutory Reserve funds report the assets held for specific future requirements, which are subject to special restrictions.

**(c) Cash and Cash Equivalents**

Cash consists of cash and cash equivalents that are defined as highly liquid investments of three months or less at the acquisition date.

**(d) Investments**

Investments are held at the Municipal Finance Authority of British Columbia in a money market fund. Cost approximates fair market for this investment.

**(e) Inventory**

Inventory is composed of supply inventories. Inventory is valued using the average cost method and is valued at the lower of average cost and net realizable value.

**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2021**

**1. SIGNIFICANT ACCOUNTING POLICIES (CON'T)**

**(f) Tangible Capital assets:**

Tangible Capital Assets, comprised of capital assets and capital work in progress, are recorded at cost, net of capital asset disposals, write-downs and accumulated amortization. Tangible capital assets are classified according to their function use. Amortization is recorded on a straight line basis over the estimated useful life of the asset commencing the year the asset is put into service. Donated tangible capital assets are reported at fair market value at the time of donation. Estimated useful lives are as follows:

<b>Major Asset Category</b>	<b>Useful Life Range</b>
Land	Unlimited
Buildings	15 to 50 years
Machinery & Equipment, Vehicles	5 to 20 years
Office Equipment and Computers	5 to 10 years
Engineering Structures (Roads, Streets, Parks)	10 to 75 years
Utility Systems (Water, Sewer, Storm)	20 to 100 years
Work in progress	Not amortized until complete

**(g) Financial Instruments**

**Measurement of financial instruments**

The Village initially measures its financial assets and financial liabilities at fair value.

The Village subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents, taxes receivable, accounts receivable, GST receivable, and investment in Community Forest.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, deferred revenue, and MFA equipment loan.

**Impairment**

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

**Transaction costs**

The Village recognizes its transaction costs in net income in the period incurred. However, the carrying amount of the financial instruments that will not be subsequently measured at fair value is reflected in the transaction costs that are directly attributable to their origination, issuance, or assumption.

**VILLAGE OF TELKWA**

**Notes to Consolidated Financial Statements  
For the Year Ended December 31, 2021**

**1. SIGNIFICANT ACCOUNTING POLICIES . . . (CON'T):**

**(h) Accounts Payable and accrued liabilities**

Accrued payroll benefits include an estimated value for accrued sick pay that could be paid out over the next few years to employees, in accordance with the provisions of the CUPE Union agreement.

**(i) Revenue Recognition:**

The Village of Telkwa follows the restricted contribution method for recording revenues. Restricted contributions related to general operations are recognized as revenue in the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Taxation revenue is recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service or product is rendered by the Village.

**(j) Expenditure Recognition:**

Operating and capital expenditures are recognized on the accrual basis in the period when goods or services have been received. Interest expense is accrued on long-term debt to year-end.

**(k) Government Transfers:**

Government transfers are recognized as revenues or expenditures in the period that the events giving rise to the transfer occur. Transfers to other agencies are granted only in return for services provided to the community.

Entitlement transfers are received from the provincial and federal governments according to prescribed legislation and/or regulations. These include the provincial equalization grant and provincial utility debt-sharing payments.

**(l) Use of Estimates:**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and the reported revenue and expenditures during the reporting period. Significant areas requiring the use of management estimates relate to the determination of employee benefit plans, allowance for doubtful accounts receivable, provision for contingencies and prior years tangible capital asset historical costs and related amortization. Actual results could differ from management's best estimates as additional information becomes available. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2021**

**1. SIGNIFICANT ACCOUNTING POLICIES . . . (CON'T):**

**(m) Budget Presentation:**

Budget amounts are from the Village's Five Year Financial Plan for the years 2021 - 2025, adopted by Council in May 2021 with minor subsequent reallocations and reclassifications to conform to financial statement presentation (see Note 15)

**(n) Segmented Information**

The Village of Telkwa is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed. The nature of the segments and the activities they encompass are as follows, and quantitative data on these segments can be found in Schedule B.

*General Government:* This segment includes the revenue and expenses associated with Legislative (Council), Administration, Finance, Information Technology and the Municipal Building services. It also included the Election costs (in an election year).

*Protective Services:* This segment includes the revenue and expenses associated with the fire department, bylaw enforcement/animal control and building inspection services.

*Transportation:* This segment includes the revenue and expenses associated with Works Yard costs, vandalism, and all operating costs associated with all Roads and Streets (snow removal, sanding, street lighting, dust control, line marking, sidewalk maintenance, boulevard work, street sweeping and drainage ditches).

*Solid Waste Management/Recycling:* This segment includes the revenue and expenses associated with garbage (solid waste).

*Economic Development:* This segment includes the revenue and expenses associated with Engineering, Planning, Economic Development and Tourism services.

*Recreation and Culture:* This segment includes the revenue and expenses associated with Arenas, Parks, and Playgrounds, Recreation programs and cultural facilities services.

*Utilities:* This segment includes the revenue and expenses associated with providing water, sewer and storm sewer services.

**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2021**

**1. SIGNIFICANT ACCOUNTING POLICIES . . . (CON'T):**

**(o) Comparative Figures:**

Certain comparative figures have been reclassified to conform to the presentation adopted for the current year.

**(p) Financial Assets and Liabilities**

The municipality is not subject to significant risk from market, foreign currency, or price rate risk. The significant financial risks to which the Municipality is exposed include the following:

**Credit Risk**

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Municipality to a concentration of credit risk consist primarily of cash, investments and accounts receivable. The Municipality limits its exposure to credit loss by placing its cash with major Canadian financial institutions. The Municipality's maximum exposure to credit risk for cash, investments and accounts receivable are the amounts disclosed in the statement of financial position. Management believes that the credit risk concentration with respect to financial instruments included in cash, investments, and receivables is minimal.

**Fair value**

The Municipality estimates the fair value of its financial instruments based on current interest rates, market value and pricing of financial instruments with comparable terms. Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value because of the near maturity of those instruments.

**Liquidity Risk**

Liquidity risk is the risk that the Municipality will not be able to meet its financial obligations as they fall due. The Municipality's approach to managing liquidity is to evaluate current and expected liquidity requirements under both normal and stressed conditions to ensure that it maintains sufficient reserves of cash or have an available credit facility to meet its liquidity requirements in the short and long term.

As at December 31, 2021, the Municipality has unrestricted cash of \$388,917 and unrestricted investments of 2,089,943 (December 31, 2020 - \$1,439,220) (December 31, 2020 - \$1,502,551) to settle current liabilities of \$1,286,433 (December 31, 2020 - \$1,751,194). The Municipality would cover any possible shortfall with receivables and investments.

**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2021**

**1. SIGNIFICANT ACCOUNTING POLICIES . . . (CON'T):**

**(g) Financial Assets and Liabilities**

Interest Rate Risk

The Municipality is exposed to interest rate risk to the extent that the cash and term deposits maintained at the financial institutions is subject to a floating rate of interest. The interest rate risk on cash and term deposits is not considered significant. Fixed-interest instruments subject the municipality to a fair value risk while the floating rate instruments subject it to a cash flow risk.

**2. CASH AND INVESTMENTS**

	<u>2021</u>	<u>2020</u>
Unrestricted cash	\$ 388,917	1,502,551
Restricted cash, Schedule G	-	497,799
	<u>388,917</u>	<u>2,000,350</u>
 Investments		
Money Market Fund within the Municipal Finance Authority		
Pooled Investment program 79168 units @\$10/unit (2020, 79283)	791,685	792,836
BVCU term deposit, interest .15%(2020 -.85%), matures June 15/22	1,538	1,525
BVCU term deposit, interest .15% (2020 -.55%), matures August 9/22	1,548	1,540
BVCU term deposit, interest 1.15%, matures July 22, 2024	2,039,167	-
Cannacord Genuity - RBC GIC .89% (matures July 2, 2021)		
Book value \$1,030,000, accrued interest \$4.571	-	1,034,571
CIBC cash savings account - CUBC - PHISA .8% (2020- .9%) interest	3,212,778	3,683,851
	<u>6,046,716</u>	<u>5,514,323</u>
 Composed of:		
Restricted investments backing reserves	3,956,773	4,075,103
Unrestricted investments	2,089,943	1,439,220
	<u>6,046,716</u>	<u>5,514,323</u>
 Total cash and investments	<u>\$ 6,435,633</u>	<u>7,514,673</u>

**3. TAXES RECEIVABLE**

	<u>2021</u>	<u>2020</u>
Property taxes receivable - current	\$ 89,634	33,424
Property taxes receivable - arrears	14,908	2,131
Property taxes receivable - delinquent	-	1,271
	<u>104,542</u>	<u>36,826</u>

**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2021**

**4. ACCOUNTS RECEIVABLE**

	<u>2021</u>	<u>2020</u>
Trade and accrued receivables	\$ 504,080	212,692
Home owner grant receivable	770	380,170
	<u>\$ 504,850</u>	<u>592,862</u>

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2021</u>	<u>2020</u>
Trade payables and accrued liabilities	\$ 33,687	251,752
Holdbacks payable	131,873	10,001
Payroll payable and accrued payroll benefits	156,095	146,413
Deposit - election	300	-
Deposits - rentals	4,240	4,740
Due to other governments	10,283	495,497
	<u>336,478</u>	<u>908,403</u>
Due to statutory trusts	-	487
	<u>\$ 336,478</u>	<u>908,890</u>

**6. DEFERRED REVENUE**

	<u>2021</u>	<u>2020</u>
BC Alliance for Healthy Living Society (trail)	\$ 3,629	3,629
Community Economic Recovery Infrastructure Program Grant	6,674	-
Flood Mitigation Funding Grant	-	310,260
Gas tax Community Works Grant	541,502	495,664
Parks Plan	-	1,918
Real Estate Foundation Grant	-	9,908
Round Lake 2021 fees	4,068	5,424
Rural Northern Community Grant	297,533	-
Prepaid property taxes	38,379	15,501
	<u>\$ 891,785</u>	<u>842,304</u>

**7. MFA SCBA SHORT TERM BORROWING**

	<u>2021</u>	<u>2020</u>
MFA equipment loan, repayable in payments of \$1,121 per month including interest at .94%, due May 31, 2026 and secured by equipment with NBV \$131,562 (SCBA fire equipment)	\$ 58,170	-

Repayment schedule	Principle	Interest	Total
2022	\$ 12,956	491	13,447
2023	13,079	368	13,447
2024	13,201	246	13,447
2025	13,326	121	13,447
2026	5,608	13	5,621
	<u>\$ 58,170</u>	<u>1,239</u>	<u>59,409</u>

**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2021**

**8. INVENTORY**

	<u>2021</u>	<u>2020</u>
Garbage bins	\$ 8,000	7,629
Gravel	-	64
	<u>\$ 8,000</u>	<u>7,693</u>

**9. TANGIBLE CAPITAL ASSETS (Schedule A)**

	<u>2021</u>	<u>2020</u>
Land	\$ 259,687	259,687
Buildings	1,400,163	1,415,346
Machinery and equipment, vehicles	631,604	534,074
Office equipment and computers	12,266	14,938
Engineered structures	1,654,075	1,677,697
Utilities	12,383,044	12,395,755
Operations - Work in progress	701,147	-
Utilities - Work in progress	1,438,166	39,874
	<u>\$ 18,480,152</u>	<u>16,337,371</u>

Tangible capital assets are recorded net of accumulated amortization at net book value.

**10. ACCUMULATED SURPLUS**

	<u>2021</u>	<u>2020</u>
Operating Funds (Schedule D)	\$ 1,973,574	1,914,297
Capital Funds		
Capital Reserves (Schedule G)	3,956,773	4,572,902
Equity in tangible capital assets (Schedule F)	18,421,982	16,337,371
	<u>\$ 24,352,329</u>	<u>22,824,570</u>

Equity in Tangible Capital Assets represents the net book value of total Tangible Capital Assets less any long-term debt obligations required to obtain those assets.



**VILLAGE OF TELKWA**

**Notes to Consolidated Financial Statements**

**For the Year Ended December 31, 2021**

**11. CONTINGENT LIABILITIES:**

**(a) Bulkley Nechako Regional District:**

The Village, as a member of the Bulkley Nechako Regional District, is jointly and severally liable for the net capital liabilities of the Regional District.

**(b) Reciprocal Insurance Exchange Agreement:**

The Village is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by Section 3.02 of the Insurance Act of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any Subscriber. Under the Reciprocal Insurance Exchange Agreements, 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. The Village irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other Subscribers against liability losses and costs which the other Subscriber may suffer.

**(c) Contaminated Sites Accounting**

Effective April 1, 2014, Canadian municipalities are required under PSAB 3260 to account for contaminated site liabilities that exist on municipal owned lands. The District has not identified any significant contaminated site liability on its lands.

**VILLAGE OF TELKWA**

**Notes to Consolidated Financial Statements  
For the Year Ended December 31, 2021**

**11. CONTINGENT LIABILITIES CONTINUED:**

**(d) Pension liability:**

The municipality 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 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, 2020, the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 contributors from local government.

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 actuarial valuation for the Municipal Pension Plan as of December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Village of Telkwa paid \$63,056 for employer contributions to the Plan in fiscal 2021 (2020 - \$55,706), while employees contributed \$56,104 for employee contributions to the Plan in fiscal 2021 (2020 - \$48,938).

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.

**(e) Municipal Finance Authority:**

The loan agreements with the Municipal Finance Authority provide that if the Authority does not have sufficient funds to meet payments on its obligations, it shall make payments from the Debt Reserve Fund which is established by a similar Debt Reserve Fund in the Municipality and all other borrowing participants. If the Debt reserve fund is deficient, the Authority's obligations become a liability of the Regional District and may become a liability of the participating municipalities.

**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2021**

**12. COMMUNITY BUILDING FUND (PREVIOUSLY GAS TAX AGREEMENT)**

The Government of Canada provides the Community Building Fund grant. The use of funding is established by a funding agreement between the local government and the Union of British Columbia Municipalities. The funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreement.

	<u>2021</u>	<u>2020</u>
Balance carried forward	\$ 495,664	551,995
Funding received	227,292	111,008
Interest earned	3,965	2,221
	<u>231,257</u>	<u>113,229</u>
Gas Tax Spent:		
Morris Reservoir work in progress	(121,901)	-
Roads	(63,518)	-
	-	-
Trobak water treatment plant	-	(169,560)
	<u>(185,419)</u>	<u>(169,560)</u>
Balance in deferred revenue	\$ <u>541,502</u>	<u>495,664</u>

**13. INVESTMENT IN WETZIN'KWA MANAGEMENT SERVICES LTD.**

Pursuant to Section 185 of the Community Charter, the Village of Telkwa and the Town of Smithers were given approval by the BC Inspector of Municipalities in 2007 to form two corporations: Wetzin'Kwa Management Services Ltd. and Wetzin'Kwa Community Forest Corporation. The sole shareholders of Wetzin'Kwa Management Services Ltd. are the Village of Telkwa and the Town of Smithers, at 100 shares valued at \$1. Wetzin'Kwa Management Services Ltd. is the sole shareholder to the Wetzin'Kwa Community Forest Corporation. The Village of Telkwa's investment of \$1 is recorded at cost.

**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2021**

**14. TRUST FUNDS**

The Village administers the following funds with these changes in fund balances.

	<u>Park Revenue</u>	<u>Cemetery Trust</u>	<u>DCC</u>	<u>Tax Sale</u>	<u>Total 2021</u>	<u>Total 2020</u>
Trust Funds beginning of year	\$ 23,376	66,527	75,924	-	165,827	163,541
Source of Funds						
Cemetery Plots	-	313	-	-	313	487
Interest	187	1,022	607	-	1,816	1,799
Balance, end of year	\$ <u>23,563</u>	<u>67,862</u>	<u>76,531</u>	<u>-</u>	<u>167,956</u>	<u>165,827</u>
Balance Represented by						
Due from general	\$ -	-	-	-	-	487
MFA Deposits	23,563	67,862	76,531	-	167,956	165,340
	\$ <u>23,563</u>	<u>67,862</u>	<u>76,531</u>	<u>-</u>	<u>167,956</u>	<u>165,827</u>

**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2021**

**15. COMPLIANCE WITH LEGISLATIVE FINANCIAL PLAN REQUIREMENTS**

The legislative requirements for the Financial Plan are that cash inflows for the period must equal cash outflows.

Cash inflows and outflows include such items as: debt proceeds, transfers to and from reserves and surplus, debt principal repayment and asset sale proceeds. These items are not recognized as revenues and expenses in the Consolidated Statement of Operations as they do not meet the public sector accounting standard requirements. The legislation does not require (but does not preclude) the funding of non-cash items such as amortization or liability accruals to provide for future cash requirements, thus, there is no legislative requirement to include these items in the Financial Plan. However, these items are recognized as expenses in the Statement of Operations.

Thus, the financial items included in the legislative Financial Plan and the Public Sector Accounting Statement of Operations are different. The purpose of this note is to explain the difference between these two requirements and demonstrate how the legislative requirement for a balanced budget, or Financial Plan net balance of "0", has been met.

	2021 <u>Budget</u>	2021 <u>Actual</u>	2020 <u>Actual</u>
Consolidated Accumulated Surplus - Statement of Operations	\$ 4,618,352	1,527,759	2,081,755
Adjustments to non-cash items:			
Amortization expense	550,000	622,155	603,948
Adjustments for cash items, not recognized as revenues			
Or expenses in the Statement of Operations:			
Tangible Capital Asset costs	(7,582,642)	(2,764,936)	(2,215,658)
Proceeds from borrowing	65,670	65,670	-
Debt principle repayments	-	(7,500)	(38,762)
Net transfers from reserves	1,986,898	(830,716)	(1,600,233)
Net transfer to reserves	(205,603)	175,948	101,444
Net transfer to capital funds	-	834,888	1,660,298
Net transfers (from) to operating surplus	567,325	376,732	(592,792)
Balanced Financial Plan/Operations	<u>\$</u>	<u></u>	<u></u>

**16. COVID 19**

In March 2020 the World Health Organization declared a global pandemic due to Covid-19. This situation presents uncertainty over the Village's future cash flows, and may have a significant impact on the Village's future operations. Potential impacts on the Village's business could include future decreases in revenue, impairment of investments or reduction in investment income, and delays in completing capital work. As the situation is dynamic and the ultimate duration and magnitude of the impact on the economy are not known, an estimate of the financial effect on the Village is not practicable at this time.

**VILLAGE OF TELKWA**

**Schedule of Changes in Tangible Capital Assets and Accumulated Amortization  
For the year ended December 31, 2021**

	Land	Buildings	Machinery & Equipment	Engineered Structures	Utilities	Office Equipment	Work in Progress	2021 Total	2020 Total
<b>TANGIBLE CAPITAL ASSETS - COST</b>									
Opening Balance	\$ 259,687	1,999,407	1,644,585	4,403,008	19,203,828	159,118	39,874	27,709,507	25,509,861
Add: Additions	-	23,469	186,751	63,518	37,480	-	2,453,718	2,764,936	2,215,658
Add: Donated Assets	-	-	-	-	-	-	-	-	-
Less: Disposals	-	-	20,997	-	1,657	-	-	22,654	16,012
Add: Asset Reallocations	-	-	-	-	-	-	-	-	-
Add: Work in progress	-	-	-	-	354,279	-	(354,279)	-	-
Closing Balance	259,687	2,022,876	1,810,339	4,466,526	19,593,930	159,118	2,139,313	30,451,789	27,709,507
<b>ACCUMULATED AMORTIZATION</b>									
Opening Balance	-	584,061	1,110,511	2,725,311	6,808,073	144,180	-	11,372,136	10,784,200
Add: Amortization	-	38,652	89,221	87,140	404,470	2,672	-	622,155	603,948
Add: Amortization Reallocation	-	-	-	-	-	-	-	-	-
Less: Accumulated Amortization on disposals	-	-	20,997	-	1,657	-	-	22,654	16,012
Closing Balance	-	622,713	1,178,735	2,812,451	7,210,886	146,852	-	11,971,637	11,372,136
<b>Net Book Value for year ended December 31, 2021</b>	\$ 259,687	1,400,163	631,604	1,654,075	12,383,044	12,266	2,139,313	18,480,152	
<b>Net Book Value for year ended December 31, 2020</b>	\$ 259,687	1,415,346	534,074	1,677,697	12,395,755	14,938	39,874	16,337,371	

SCHEDULE B

VILLAGE OF TELKWA  
Statement of Operations by Segment  
For the Year Ended December 31, 2021

	General Government	Protective Services	Solid Waste Management/ Recycling	Transportation & Transit	Recreation & Culture	Development	Utilities (water/sewer/ storm)	Capital Funds	Capital Reserve Funds	2021 Total Operations	2021 Budget	2020 Total Operations
<b>REVENUE</b>												
Taxation - Sch. C	\$ 754,551	142,238	-	17,575	-	-	11,540	-	-	925,904	925,804	926,540
Service Charges/User Fees, Sch. C	65,513	33,346	94,568	2,200	1,692	26,805	528,902	-	-	753,026	748,770	753,396
Government Transfers/Grants	538,473	157,128	7,787	-	3,934	88,285	-	1,871,878	-	2,667,485	6,181,172	3,000,937
Other income	-	-	-	5,000	-	-	-	-	-	5,000	5,000	5,000
Interest	-	-	-	-	-	-	-	-	38,639	38,639	-	92,853
Total operating revenue	1,358,537	332,712	102,355	24,775	5,626	115,090	540,442	1,871,878	38,639	4,390,054	7,860,746	4,778,726
<b>EXPENDITURES</b>												
Advertising and Promotion	14,749	-	-	-	-	-	-	-	-	14,749	16,000	7,239
Amortization	17,327	77,729	7,261	85,588	26,383	3,397	404,470	-	-	622,155	550,000	603,948
Bad debts	988	-	-	-	-	-	-	-	-	988	-	-
Covid 19 Safe Restart	36,636	-	-	-	-	-	-	-	-	36,636	-	15,523
Election	10,348	-	-	-	-	-	-	-	-	10,348	19,000	1,369
Professional and Contracted Services	46,819	47,639	-	24,468	-	69,723	-	-	-	188,649	216,497	219,859
Council Remuneration/Travel	54,111	-	-	-	-	-	-	-	-	54,111	64,895	70,948
Grants to Organizations/Fees Waivers	22,718	7,820	-	-	-	-	-	-	-	30,538	47,725	49,107
Insurance, dues and subscriptions	29,297	7,905	-	13,999	7,751	-	8,465	-	-	67,417	58,780	69,768
Materials and Supplies	61,388	42,753	234	129,496	26,600	-	77,574	-	-	338,045	489,681	379,366
Miscellaneous and special projects	18,510	39,766	-	8,541	8,848	70,809	20,672	-	-	167,146	347,559	129,924
Travel, Training, Memberships	10,731	10,406	-	3,150	-	-	2,674	-	-	26,961	62,500	26,829
Utilities (Telephone, Hydro and Gas)	19,399	14,771	-	55,272	5,691	-	64,311	-	-	159,444	175,447	121,892
Wages and Employee Benefits	501,922	73,579	31,529	290,118	73,930	-	173,686	-	-	1,144,764	1,194,310	998,477
Interest on debt	-	344	-	-	-	-	-	-	-	344	-	3,722
Total operating expenditures	\$ 844,945	322,712	39,024	610,632	149,203	143,929	751,852	-	-	2,862,295	3,242,594	2,596,971
<b>REVENUE OVER EXPENDITURES/ (EXPENDITURES OVER REVENUE)</b>	\$ 513,594	10,000	63,331	(585,857)	(143,577)	(28,839)	(211,410)	1,871,878	38,639	1,527,759	4,618,352	2,081,755

**VILLAGE OF TELKWA**  
**Schedule of Taxation, Service Charges and User Fees**  
**For the year ended December 31, 2021**

**SCHEDULE C**

<u>Budget</u>		<u>2021</u>	<u>2020</u>
	Revenue		
	<u>Taxation</u>		
875,261	Taxation - Property	\$ 875,260	875,262
38,883	Grants in Lieu of taxes	39,104	39,698
11,660	Water parcel tax	11,540	11,580
<hr/> 925,804		<hr/> 925,904	<hr/> 926,540
	Collections for other governments		
428,000	School tax levy	449,603	427,683
238,000	Regional District	232,471	237,237
102,000	Regional Hospital District	108,291	101,762
35	Municipal Finance Authority	38	35
7,900	BC Assessment Authority	8,318	7,902
62,200	Policing	64,105	62,182
<hr/> 838,135		<hr/> 862,826	<hr/> 836,801
	Transmission of Tax Levied		
<hr/> (838,135)	Other governments	<hr/> (862,826)	<hr/> (836,801)
<hr/> 925,804		<hr/> 925,904	<hr/> 926,540
	<u>Service charges/user fees</u>		
	Sales of Services		
62,000	Garbage collection and disposal	63,483	62,940
9,100	Cemetery - burials	5,656	6,003
292,299	Water user fees, net of discounts	294,230	288,891
2,962	Water connections and internal	1,062	5,048
232,419	Sewer user fees, net of discounts	233,510	233,462
5,000	Sewer connections and internal	100	-
<hr/> 603,780		<hr/> 598,041	<hr/> 596,344
	Other Revenue from own sources		
500	Garbage bins	2,561	2,693
20,500	Heating revenue	14,869	19,288
32,500	Interest and penalties	25,917	27,691
17,185	Licenses and permits	38,485	14,533
21,499	Recycle program	13,655	1,792
31,465	Rentals	34,462	47,680
21,341	Other	25,036	43,375
<hr/> 144,990		<hr/> 154,985	<hr/> 157,052
<hr/> 748,770		<hr/> \$ 753,026	<hr/> 753,396



SCHEDULE D

VILLAGE OF TELKWA  
Statement of Financial Position - by Fund  
December 31, 2021

	General Operating Fund	Water Operating Fund	Sewer Operating Fund	Total Operating Funds	General Capital Fund	Water Capital Fund	Sewer Capital Fund	Total Capital Funds	Capital Reserve Fund	Consolidating adjustments	Consolidated 2021	Consolidated 2020
<b>FINANCIAL ASSETS</b>												
Cash and cash equivalents, note 2	\$ 388,917	-	-	388,917	-	-	-	-	-	-	388,917	2,000,350
Investments, note 2	6,046,716	-	-	6,046,716	-	-	-	-	-	-	6,046,716	5,514,323
Taxes Receivable, note 3	104,542	-	-	104,542	-	-	-	-	-	-	104,542	36,826
Accounts Receivable, note 4	504,850	-	-	504,850	-	-	-	-	-	-	504,850	592,862
Due from Federal Government - GST	78,309	-	-	78,309	-	-	-	-	-	-	78,309	61,301
Investment in Wetzinkwa Management Services Ltd, Note 13	1	-	-	1	-	-	-	-	-	-	1	1
Due from Own Funds	-	200,882	750,507	951,389	-	-	-	-	3,956,773	(4,908,162)	-	-
	7,123,335	200,882	750,507	8,074,724	-	-	-	-	3,956,773	(4,908,162)	7,123,335	8,205,663
<b>LIABILITIES</b>												
Accounts Payable and Accrued Liabilities, note 5	336,478	-	-	336,478	-	-	-	-	-	-	336,478	908,890
Due to Own Funds	4,908,162	-	-	4,908,162	-	-	-	-	-	(4,908,162)	-	-
Deferred Revenue, note 6	891,785	-	-	891,785	-	-	-	-	-	-	891,785	842,304
MFA Short term borrowing, note 7	-	-	-	-	58,170	-	-	58,170	-	-	58,170	-
	6,136,425	-	-	6,136,425	58,170	-	-	58,170	-	(4,908,162)	1,286,433	1,751,194
<b>NET FINANCIAL ASSETS</b>	986,910	200,882	750,507	1,938,299	(58,170)	-	-	(58,170)	3,956,773	-	5,836,902	6,454,469
<b>NON FINANCIAL ASSETS</b>												
Inventory, note 8	8,000	-	-	8,000	-	-	-	-	-	-	8,000	7,693
Prepaid expenses	27,275	-	-	27,275	-	-	-	-	-	-	27,275	25,037
Tangible Capital Assets (Schedule A), note 9	-	-	-	-	4,658,942	9,767,406	4,053,804	18,480,152	-	-	18,480,152	16,337,371
<b>ACCUMULATED SURPLUS</b>	1,022,185	200,882	750,507	1,973,574	4,600,772	9,767,406	4,053,804	18,421,982	3,956,773	-	24,352,329	22,824,570

**VILLAGE OF TELKWA**  
**Statement of Operations - by Fund**  
**For the Year Ended December 31, 2021**

**SCHEDULE E**

	General Operating Fund	Water Operating Fund	Sewer Operating Fund	Total Operating Funds	General Capital Fund	Water Capital Fund	Sewer Capital Fund	Total Capital Funds	Capital Reserve Funds	Consolidated 2021	Consolidated 2020
<b>REVENUE</b>											
Taxation (Schedule C)	914,364	11,540	-	925,904	-	-	-	-	-	925,904	926,540
Service charges/user fees (Schedule C)	224,124	295,292	233,610	753,026	-	-	-	-	-	753,026	753,396
Unconditional transfers - Province of BC	466,000	-	-	466,000	-	-	-	-	-	466,000	466,137
Conditional transfers - Federal Government	-	-	-	-	-	-	-	-	-	-	-
Conditional transfers - Provincial Government	108,463	-	-	108,463	687,449	-	978,618	1,666,067	-	1,774,530	2,045,085
Conditional transfers - Regional District	134,582	-	-	134,582	20,392	-	-	20,392	-	154,974	190,862
Grants - other	36,562	-	-	36,562	-	-	-	-	-	36,562	89,293
Other income	5,000	-	-	5,000	-	-	-	-	-	5,000	5,000
Investment interest	-	-	-	-	-	-	-	-	38,639	38,639	92,853
Wetzi'Kwa Community Forest Corporation grant	50,000	-	-	50,000	-	-	-	-	-	50,000	40,000
Community Building Fund agreement, note 12	-	-	-	-	63,518	121,901	-	185,419	-	185,419	169,560
	<u>1,939,095</u>	<u>306,832</u>	<u>233,610</u>	<u>2,479,537</u>	<u>771,559</u>	<u>121,901</u>	<u>978,618</u>	<u>1,871,878</u>	<u>38,639</u>	<u>4,390,034</u>	<u>4,778,726</u>
<b>EXPENSES (Schedule B)</b>											
General Government Services	827,616	-	-	827,616	17,327	-	-	17,327	-	844,943	696,669
Protective Services	244,983	-	-	244,983	77,729	-	-	77,729	-	322,712	330,292
Transportation Services	525,044	-	-	525,044	85,588	-	-	85,588	-	610,632	564,232
Environmental Health	31,763	-	-	31,763	7,261	-	-	7,261	-	39,024	40,065
Economic Development	140,532	-	-	140,532	3,397	-	-	3,397	-	143,929	141,856
Recreation and Cultural Services	122,820	-	-	122,820	26,383	-	-	26,383	-	149,203	162,682
Utility Services (Water, Sewer)	-	235,626	111,756	347,382	-	278,643	125,827	404,470	-	751,852	761,175
	<u>1,892,758</u>	<u>235,626</u>	<u>111,756</u>	<u>2,240,140</u>	<u>217,685</u>	<u>278,643</u>	<u>125,827</u>	<u>622,155</u>	<u>-</u>	<u>2,862,295</u>	<u>2,696,971</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	46,337	71,206	121,854	239,397	553,674	(156,742)	852,791	1,249,723	38,639	1,527,759	2,081,755
<b>INTERFUND TRANSFERS</b>											
Transfer (to) from Capital Funds	(193,495)	(39,651)	-	(233,146)	25,720	31,478	-	57,198	175,948	-	-
Transfer (to) from Operating Funds	43,079	-	9,947	53,026	19,127	-	-	19,127	(72,153)	-	-
Transfer (to) from Reserve Funds, Schedule G	-	-	-	-	100,510	345,499	312,554	758,563	(758,563)	-	-
	<u>(150,416)</u>	<u>(39,651)</u>	<u>9,947</u>	<u>(180,120)</u>	<u>145,357</u>	<u>376,977</u>	<u>312,554</u>	<u>834,888</u>	<u>(634,768)</u>	<u>-</u>	<u>-</u>
Change in accumulated Surplus Balances	(104,079)	31,555	131,801	59,277	699,031	220,235	1,165,345	2,084,611	(616,129)	1,527,759	2,081,755
Accumulated Surplus Balances, beginning of year	1,126,264	169,327	618,706	1,914,297	3,901,741	9,547,171	2,888,459	16,337,371	4,572,902	22,824,570	20,742,815
Accumulated Surplus Balances, end of year	<u>1,022,185</u>	<u>200,882</u>	<u>750,507</u>	<u>1,973,574</u>	<u>4,600,772</u>	<u>9,767,406</u>	<u>4,053,804</u>	<u>18,421,982</u>	<u>3,956,773</u>	<u>24,352,329</u>	<u>22,824,570</u>

**VILLAGE OF TELKWA**

**SCHEDULE F**

**Statement of Changes in Equity in Tangible Capital Assets  
For the Year Ended December 31, 2021**

	Equity in Tangible Capital Assets - <u>General</u>	Equity in Tangible Capital Assets - <u>Water</u>	Equity in Tangible Capital Assets - <u>Sewer</u>	Consolidated <u>2021</u>	Consolidated <u>2020</u>
<b>REVENUE</b>					
Conditional transfers - Federal Government \$	-	-	-	-	-
Conditional transfer - Provincial Government	687,449	-	978,618	1,666,067	355,842
Conditional transfers - Regional District	20,392	-	-	20,392	59,720
Grants - other	-	-	-	-	9,000
Community Building Fund agreement agreement	63,518	121,901	-	185,419	169,560
	<u>771,359</u>	<u>121,901</u>	<u>978,618</u>	<u>1,871,878</u>	<u>594,122</u>
<b>EXPENSES</b>					
Amortization	217,685	278,643	125,827	622,155	603,948
	<u>553,674</u>	<u>(156,742)</u>	<u>852,791</u>	<u>1,249,723</u>	<u>(9,826)</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>					
<b>INTERFUND TRANSFERS</b>					
Transfer (to) from Operating Funds	44,847	31,478	-	76,325	75,053
Transfer to Reserve Funds, schedule G	100,510	345,499	312,554	758,563	1,585,245
	<u>145,357</u>	<u>376,977</u>	<u>312,554</u>	<u>834,888</u>	<u>1,660,298</u>
Change in accumulated Surplus Balances	699,031	220,235	1,165,345	2,084,611	1,650,472
Accumulated Surplus Balances, beginning of year	3,901,741	9,547,171	2,888,459	16,337,371	14,686,899
Accumulated Surplus Balances, end of year	<u>\$ 4,600,772</u>	<u>9,767,406</u>	<u>4,053,804</u>	<u>18,421,982</u>	<u>16,337,371</u>

**VILLAGE OF TELKWA**  
**Statement of Changes in Capital Reserve Funds**  
**For the Year Ended December 31, 2021**

**SCHEDULE G**

	Fire Protection Equipment	Fire Dept Capital	Sewer Capital	District Heating	Fire Building	Pool/Bridge	Emergency Services	Transit	Park Maintenance	General Water	Subtotal 2021
Reserve Funds, Beginning of Year	\$ 62,757	67,683	123,821	1,929	23,203	44,753	39,061	2,228	7,294	38,224	410,953
Source of Funds											
Interest earned	502	542	990	15	186	358	313	18	58	306	3,288
Transfers - operating, schedule E	25,000	137,599	-	-	3,000	-	-	-	-	8,173	173,772
- capital	-	-	-	-	-	-	-	-	-	-	-
	25,502	138,141	990	15	3,186	358	313	18	58	8,479	177,060
	88,259	205,824	124,811	1,944	26,389	45,111	39,374	2,246	7,352	46,703	588,013
Use of Funds											
Transfers, schedule E, operating	-	-	-	-	-	-	-	-	-	-	-
Transfers, schedule F, capital	(80,510)	(20,000)	(6,000)	-	-	-	-	-	-	-	(106,510)
	(80,510)	(20,000)	(6,000)	-	-	-	-	-	-	-	(106,510)
Balance, end of year	\$ 7,749	185,824	118,811	1,944	26,389	45,111	39,374	2,246	7,352	46,703	481,503
Balance represented by:											
Due from GOP	\$ 7,749	185,824	118,811	1,944	26,389	45,111	39,374	2,246	7,352	46,703	481,503

**VILLAGE OF TELKWA**  
**Statement of Changes in Capital Reserve Funds**  
**For the Year Ended December 31, 2021**

**SCHEDULE G (CONT)**

	Total	Public Works	Dike Main	Covid Restart	Gravel Quarry	NW Planning	Elections	General Sewer	War Memorial	Total 2021	Total 2020
Reserve Funds, Beginning of Year	\$ 410,953	2,579	57,110	556,393	8,750	3,282,267	3,925	249,892	1,033	4,572,902	4,392,445
Source of Funds											
Conditional transfers - provincial government	-	-	-	-	-	-	-	-	-	-	1,586,393
Interest earned	3,288	22	457	4,451	70	28,312	31	1,999	9	38,639	92,853
Transfers - operating, schedule E	173,772	2,176	-	-	-	-	-	-	-	175,948	101,444
- capital	-	-	-	-	-	-	-	-	-	-	-
	177,060	2,198	457	4,451	70	28,312	31	1,999	9	214,587	1,780,690
	588,013	4,777	57,567	560,844	8,820	3,310,579	3,956	251,891	1,042	4,787,489	6,173,135
Use of Funds											
Transfers, schedule E, operating	-	-	-	(62,206)	-	-	-	(9,947)	-	(72,153)	(14,988)
Transfers, schedule E, capital	(106,510)	-	-	-	-	(652,053)	-	-	-	(758,563)	(1,585,215)
	(106,510)	-	-	(62,206)	-	(652,053)	-	(9,947)	-	(830,716)	(1,600,233)
Balance, end of year	\$ 481,503	4,777	57,567	498,638	8,820	2,658,526	3,956	241,944	1,042	3,956,773	4,572,902
Balance represented by:											
Due from GOP	\$ 481,503	4,777	57,567	498,638	8,820	2,658,526	3,956	241,944	1,042	3,956,773	4,572,902
Covered by MFA Investments										\$ 791,685	792,836
Covered by GIC										3,165,088	3,282,267
Cash										-	497,799
										\$ 3,956,773	4,572,902

**VILLAGE OF TELKWA**

**SCHEDULE H**

**Schedule of Northern Capital and Planning Reserve**

**For the year ended December 31, 2021**

	<u>2021</u>	<u>2020</u>
Revenue		
Conditional transfers - provincial government	\$ -	1,030,000
Return on investments	28,312	86,691
	<u>28,312</u>	<u>1,116,691</u>
Expenditures		
Water Tower	314,405	1,436,676
Ultraviolet disinfection system	31,094	-
Sewer treatment plant - work in progress	306,554	-
Sewer Mains - Howson Ave	-	17,769
Office renovations	-	25,000
	<u>652,053</u>	<u>1,479,445</u>
Net change for the year	(623,741)	(362,754)
Balance, beginning of year	<u>3,282,267</u>	<u>3,645,021</u>
Balance, end of year	<u>\$ 2,658,526</u>	<u>3,282,267</u>

**VILLAGE OF TELKWA**  
**Schedule of Covid Restart Reserve**  
**For the year ended December 31, 2021**

**SCHEDULE I**

	<u>2021</u>	<u>2020</u>
Revenue		
Conditional transfers - provincial government	\$ -	556,393
Return on investments	4,451	-
	<u>4,451</u>	<u>556,393</u>
Expenditures		
Covid 19 operating expenditures	62,206	-
	<u>62,206</u>	<u>-</u>
Net change for the year	(57,755)	556,393
Balance, beginning of year	<u>556,393</u>	<u>-</u>
Balance, end of year	<u>\$ 498,638</u>	<u>556,393</u>