
MEMORANDUM

TO: Mayor & Council
FROM: John K. Marsh, CPA, CMA, Director of Finance
DATE: June 29, 2022
RE: 2021 Financial Information Report

RECOMMENDATION:

That the Town of Qualicum Beach 2021 Financial Information Report be received and approved by Council.

PURPOSE:

To present the 2021 Financial Information Report required pursuant to the *Financial Information Act*.

BACKGROUND:

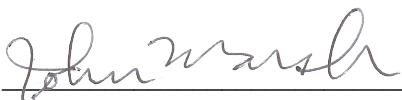
Local governments in British Columbia must produce financial information in booklet form each year on or before June 30th and forward to the Ministry of Community Development. The Financial Information Act requires the following information:

- A schedule of Council remuneration and expenses
- A schedule of Employee remuneration and expenses (over \$75,000) and reconciled to financial statements
- A schedule of Supplier payments for goods and services (over \$25,000) and reconciled to financial statements
- A schedule of long-term debt, a schedule of guarantee and indemnity agreements, and report on number of employee severance agreements
- Management report (included in 2021 Audited Financial Statements)
- Consolidated financial statements of financial position, operations and net financial assets.
- Notes and schedules to financial statements

It is important to note that some employee remunerations are significantly higher than previous years and this is the result of a number of factors, the most significant being the payout of unused vacation time (some due to COVID), the payout of Union employee overtime, and on-call pay for some employees.

ALTERNATIVES:

As directed by Council.



John K. Marsh, CPA, CMA
Director of Finance
Report Writer



Lou Varela
Chief Administrative Officer
Concurrence

Town of Qualicum Beach
Report under the Financial Information Act
For the Year Ended December 31, 2021

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Other Financial Information Section

Schedule of Council remuneration and expenses
Schedule of Employee remuneration and expenses, and reconciliation
Schedule of Supplier payments for goods and services, and reconciliation
Schedule of long term debt
Schedule of guarantee and indemnity agreements (nil in 2021)
Report of severance agreements

Financial Statement Section (Items Included in Audited Financial Statements)

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Consolidated Tangible Capital Assets

Town of Qualicum Beach
Schedule Showing Council Remuneration and Expenses Paid
For The Twelve Months Ending December 31, 2021

Name	Position	Remuneration (Stipend)	Reimbursed Expenses
Filmer, R	Councillor	\$35,506	\$59
Harrison, S	Councillor	\$35,506	\$1,804
Skipsey, A	Councillor	\$21,304	\$501
Westbroek, T	Councillor	\$35,506	\$159
Wiese, B	Mayor	\$47,342	\$562
		<u>\$175,164</u>	<u>\$3,085</u>

Town of Qualicum Beach
Schedule Showing Staff Remuneration and Expenses Paid
For The Twelve Months Ending December 31, 2021

Name	Position	Base Remuneration¹	Other Remuneration²	Total Remuneration	Expenses
Augustyn, R.	Planner	75,604	914	76,517	829
Botelho, A.	Working Foreman II	91,377	1,604	92,981	692
Conn, G	Manager of Finance	104,419	4,904	109,323	1,586
Cornell, P.G.	Deputy Fire Chief	126,621	655	127,276	947
Daman, R	Emergency Coordinator III	85,156	12,749	97,905	464
Eshpeter, M	Building Inspector III	81,064	329	81,392	794
Gould, W	Deputy Corporate Administrator	89,559	2,141	91,700	703
Hillsden, C	Trades III (Mechanic)	77,358	363	77,721	31
Kobe, T	Collector	99,741	657	100,398	70
Marsh, J.K.	Director of Finance	105,744	21,863	127,607	1,917
Marshall, D.R.	Bylaw Officer III	85,250	329	85,579	125
McKenzie, F	Deputy Fire Chief	95,483	9,985	105,468	4,798
Rehor, C.I.	Human Resources Manager	116,837	1,690	118,527	734
Sailland, D	Chief Administrative Officer	155,037	1,218	156,256	1,584
Sales, L.B.	Director of Planning	130,232	11,223	141,454	1,402
Schwabe, A.	Manager of Operations	119,673	990	120,663	1,287
Smith, Cayce	Working Foreman	75,309	329	75,638	681
Stanger, C	Utility Chief Operator	85,063	8,281	93,344	529
Sun, R	Manger of IT and GIS	87,045	703	87,748	3,921
Svensen, H.B.	Corporate Administrator/Deputy CAO	151,759	2,455	154,213	69
Twigge, L	Working Foreman	79,074	882	79,956	539
Watson, O	Superintendent of Public Works	105,683	639	106,321	541
Weir, R.K.	Director of Engineering & Capital Projects	164,869	12,686	177,555	978
Total For Employees Over \$75,000		2,387,957	97,585	2,485,542	25,219
Total For Employees Under \$75,000				2,577,593	53,549
Total For All Employees				5,063,134	78,768

¹Base remuneration includes any form of salary or wages paid to an employee during the year but does not include anything payable under a severance agreement.

²Other Remuneration includes taxable benefits, vacation payouts, overtime payouts for Union staff and election pay.

Town of Qualicum Beach
Schedule Showing Reconciliation of Staff and Council Remuneration
as compared to 2021 Financial Statements

	Amount
Employee remuneration schedule	5,063,134
Council remuneration schedule	<u>175,164</u>
sub total	5,238,299
Employee Benefits and Other Adjustments	<u>1,191,976</u>
Total Wages and Benefits in Financial Statements	<u><u>6,430,275</u></u>

**TOWN OF QUALICUM BEACH
SUPPLIER PAYMENTS - 2021**

SUPPLIER NAME	AMOUNT
ACURA EMBEDDED SYSTEMS	36,407
ADVANTAGE ASSET TRACKING	26,740
AGFOR INDUSTRIES LTD	47,700
AJAC'S EQUIPMENT (1982) INC.	25,053
ALTUS GROUP LTD	58,330
AMAI5 TECHNOLOGIES INC	29,718
AQUATECH WEST	44,278
ARROWSMITH SEARCH & RESCUE	32,962
BASELINE ARCHAEOLOGICAL SERVICES	60,303
BC ASSESSMENT AUTHORITY	144,637
BC HYDRO CAD-130160	123,959
BC HYDRO	571,223
BEACH CORNER CONCEPTS INC	53,210
BUDGET CAR & TRUCK SALES	38,080
C&L SUPERIOR CLEANING SERVICES	104,298
CDW CANADA	38,332
CITY OF PARKSVILLE	72,729
COLLINS ELECTRIC INC	40,217
COPCAN CIVIL LP	2,160,085
CUPE - LOCAL #401	51,664
DBL DISPOSAL SERVICES	52,202
DOLLY'S HOME HARDWARE	34,291
DRIVE PRODUCTS	31,231
DYCON CONSTRUCTION LTD.	38,161
EDGETT EXCAVATING LTD	218,601
ENEX FUELS	483,382
ESRI CANADA	49,720
FINLAYSON BONET ARCHITECTURE	44,777
FORT GARRY FIRE TRUCKS	443,539
FOUR STAR WATERWORKS	95,987
GOVERNMENTFRAMEWORKS.COM INC	68,775
GREGG DISTRIBUTORS (BC) LTD	38,886
GUILLEVIN INTERNATIONAL INC.	50,789
HABITAT SYSTEMS INC	61,125
HARRIS & COMPANY	68,610
HAYLOCK BROTHERS PAVING	529,215
ICBC	53,781
KELLAND FOODS HOLDINGS LTD	100,000
KING, GORDON H	34,157
KOERS & ASSOCIATES ENGINEERING	1,001,715
KTI LIMITED	39,918
MCGORMAN MACLEAN	26,775

**TOWN OF QUALICUM BEACH
SUPPLIER PAYMENTS - 2021**

SUPPLIER NAME	AMOUNT
MILESTONE EQUIPMENT CONTRACTING INC	530,824
MINISTER OF FINANCE - EHT	144,825
MINISTER OF FINANCE - School Tax	2,792,813
MINISTER OF FINANCE	102,547
MKM PROJECTS LTD	186,867
MONACO HOLDINGS INC	108,718
MUNICIPAL INSURANCE ASSOC OF BC	175,293
MUNICIPAL PENSION FUND	782,482
NANAIMO REGIONAL HOSPITAL DIST	720,602
OAKCREEK GOLF & TURF INC.	59,998
PACIFIC BLUE CROSS	192,512
PARKSVILLE CHRYSLER DODGE JEEP	186,647
PARKSVILLE HEAVY EQUIPMENT	84,677
QB CHAMBER OF COMMERCE	64,575
QB HISTORICAL & MUSEUM SOCIETY	102,730
QUALICUM & DISTRICT CURLING CLUB	54,175
RADIUS INDUSTRIAL WORKS	68,475
RBS MANAGED IT SERVICES	344,559
RECEIVER GENERAL FOR CANADA (PAYROLL)	271,340
RECEIVER GENERAL FOR CANADA (RCMP)	1,087,528
REGIONAL DISTRICT OF NANAIMO	5,653,743
ROC-STAR ENTERPRISES LTD	34,947
SEAL TEC INDUSTRIES LTD	49,713
SIMS ASSOCIATES	67,798
SMALL WORLD DEVELOPMENTS	30,030
SURESPAN STRUCTURES LTD	25,114
TELUS MOBILITY (BC)	31,033
TETRA TECH CANADA INC	45,894
VANCOUVER ISLAND REGIONAL LIBRARY	539,298
VISA	115,759
WASTE CONNECTIONS OF CANADA	69,875
WESCO DISTRIBUTION CANADA INC	29,803
WEX CANADA LTD	60,740
WHITE PACIFIC SERVICES	38,277
WINDSOR PLYWOOD PARKSVILLE	25,576
WORKSAFEBC	111,194
YOUNG, ANDERSON BARRISTERS & SOLICITORS	46,070
TOTAL PAYMENTS (Vendors Over \$25,000)	22,362,611
MISCELLANEOUS PAYMENTS (\$25,000 and Under)	<u>2,158,314</u>
TOTAL PAYMENTS	<u>24,520,925</u>

**Town of Qualicum Beach
Reconciliation of Suppliers Payments for 2021
Compared to Financial Statements**

Supplier Name	Amount
Supplier payments	24,520,925
Employee remuneration	5,063,134
Council remuneration	175,164
Acquisition of capital assets	-7,347,011
Amortization of capital assets	3,465,791
Other amounts and adjustments	-1,015,422
Other government tax payments	<u>-8,431,673</u>
Total Adjusted Payments	<u>16,430,908</u>
 2021 Financial Statement Expenditures	 <u>16,430,908</u>

**Town of Qualicum Beach
Schedule of Debt (Long Term)
For the year ended December 31, 2021**

	2021	2020
<u>Capital Lease</u>		
Fire Hall Loan 2.25%, due November 30, 2025	\$1,851,746	\$2,314,682

Town of Qualicum Beach
Schedule of Guarantee & Indemnity Agreements
For the year ended December 31, 2021

There were no guarantee & indemnity agreements outstanding at December 31, 2021.

**Town of Qualicum Beach
Report of Employee Severance Agreements
For the year ended December 31, 2021**

There were no severance agreements made between the Town of Qualicum Beach and its non-unionized employees during 2021.

TOWN OF QUALICUM BEACH
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

TOWN OF QUALICUM BEACH
CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

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**TOWN OF QUALICUM BEACH
MANAGEMENT'S RESPONSIBILITY REPORT
2021 FINANCIAL STATEMENTS**

The preparation of these financial statements is the responsibility of management. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility.

Management is also responsible for implementing and maintaining a system of internal control to provide reasonable assurance that reliable financial information is produced.

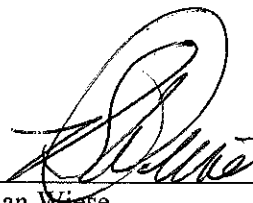
Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility.

The external auditors, McGorman MacLean, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. Their examination includes a review and evaluation of the Town's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to Council.

On behalf of the Town of Qualicum Beach



John Marsh, CPA, CMA
Director of Finance



Brian Wiese
Mayor

INDEPENDENT AUDITORS' REPORT

S2

To the Mayor and Council of the
Town of Qualicum Beach

Opinion

We have audited the accompanying consolidated financial statements of the Town of Qualicum Beach (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2021 and the consolidated statements of operations, changes in net financial assets and cash flows 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 consolidated financial position of the Town as at December 31, 2021, and the results of its operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of 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 financial statements, management is responsible for assessing the Town'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 Town or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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 Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Parksville, Canada
April 27, 2022

McGorman Maclean
CHARTERED PROFESSIONAL ACCOUNTANTS

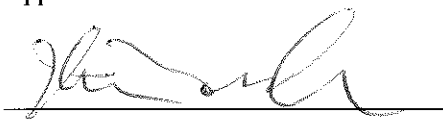
TOWN OF QUALICUM BEACH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

S3
STATEMENT 1

	<u>2021</u>	<u>2020</u>
FINANCIAL ASSETS		
Cash and cash equivalents (note 2)	\$ 17,897,448	\$ 16,964,928
Accounts receivable (note 3)	1,644,683	2,099,414
Capital lease receivable (note 4)	69,592	79,877
Municipal Finance Authority debt reserve fund deposit	52,767	51,885
Assets held for sale	<u>1,380,736</u>	<u>1,118,350</u>
	<u>21,045,226</u>	<u>20,314,454</u>
FINANCIAL LIABILITIES		
Accounts payable (note 5)	2,845,035	2,551,165
Accrued employee benefits	809,647	853,082
Deferred revenue	3,430,317	2,910,422
Performance bonds and deposits	1,001,191	966,099
Deferred revenue - capital (note 6)	2,806,515	2,676,105
Long term debt (note 7)	<u>1,851,746</u>	<u>2,314,682</u>
	<u>12,744,451</u>	<u>12,271,555</u>
NET FINANCIAL ASSETS	<u>8,300,775</u>	<u>8,042,899</u>
NON-FINANCIAL ASSETS		
Inventories	104,926	110,782
Prepaid expenses	56,228	28,462
Tangible capital assets (note 8)	<u>125,053,226</u>	<u>121,542,960</u>
	<u>125,214,380</u>	<u>121,682,204</u>
ACCUMULATED SURPLUS (notes 9 and 10)	<u>\$ 133,515,155</u>	<u>\$ 129,725,103</u>

Contingent liabilities and commitments (note 11)

Approved:



Director of Finance

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

TOWN OF QUALICUM BEACH
CONSOLIDATED STATEMENT OF OPERATIONS
AS AT DECEMBER 31, 2021

S4
STATEMENT 2

	2021 Budget (unaudited)	2021 Actual	2020 Actual
REVENUE			
Net taxation	\$ 11,238,000	\$ 11,337,716	\$ 10,756,690
Water and sewer rates	1,967,000	2,287,578	1,846,078
Sale of services	831,000	791,734	612,081
Other revenue from own sources	1,264,000	2,113,339	1,408,819
Government transfers	4,348,000	2,913,968	4,689,086
Gain on disposal of tangible capital assets	2,517,000	315,977	461,240
Gain on disposal of assets held for sale	-	395,708	230,900
Capital contributions	-	64,940	140,745
	<u>22,165,000</u>	<u>20,220,960</u>	<u>20,145,639</u>
EXPENSES			
General government services	2,783,000	2,651,512	2,316,883
Protective services	3,323,000	2,883,343	2,992,544
Transportation services	5,157,000	4,945,625	4,792,856
Environmental services	952,000	880,544	809,125
Water services	1,510,000	1,458,402	1,360,775
Sewer services	434,000	412,406	379,459
Planning and development services	1,367,000	1,169,779	887,062
Parks and recreation services	2,132,000	2,029,297	2,007,656
	<u>17,658,000</u>	<u>16,430,908</u>	<u>15,546,360</u>
ANNUAL SURPLUS	4,507,000	3,790,052	4,599,279
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	<u>129,725,103</u>	<u>129,725,103</u>	<u>125,125,824</u>
ACCUMULATED SURPLUS AT END OF YEAR	<u>\$ 134,232,103</u>	<u>\$ 133,515,155</u>	<u>\$ 129,725,103</u>

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

TOWN OF QUALICUM BEACH
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
AS AT DECEMBER 31, 2021

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STATEMENT 3

	<u>2021</u> <u>Budget</u> <u>(unaudited)</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
ANNUAL SURPLUS	\$ 4,507,000	\$ 3,790,052	\$ 4,599,279
Acquisition of tangible capital assets	(12,523,000)	(7,347,011)	(5,325,562)
Amortization of tangible capital assets	3,350,000	3,465,791	3,441,220
Proceeds on disposal of tangible capital assets	(2,517,000)	395,250	461,240
Gain on disposal of tangible capital assets	-	(315,977)	(461,240)
Tangible capital assets transferred to held for sale	-	291,681	960,958
	<u>(11,690,000)</u>	<u>(3,510,266)</u>	<u>(923,384)</u>
Use (purchase) of supplies inventories	-	5,856	(15,096)
Increase in prepaid expenses	-	(27,766)	(4)
	<u>-</u>	<u>(21,910)</u>	<u>(15,100)</u>
CHANGE IN NET FINANCIAL ASSETS	(7,183,000)	257,876	3,660,795
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	<u>8,042,899</u>	<u>8,042,899</u>	<u>4,382,104</u>
NET FINANCIAL ASSETS AT END OF YEAR	\$ <u><u>859,899</u></u>	\$ <u><u>8,300,775</u></u>	\$ <u><u>8,042,899</u></u>

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

TOWN OF QUALICUM BEACH
CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT DECEMBER 31, 2021

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STATEMENT 4

	<u>2021</u>	<u>2020</u>
CASH PROVIDED BY OPERATIONS		
Annual surplus	\$ 3,790,052	\$ 4,599,279
Items not involving cash:		
Amortization of tangible capital assets	3,465,791	3,441,220
Gain on disposal of tangible capital assets	(315,977)	(461,240)
Tangible capital assets transferred to held for sale	291,681	960,958
Change in non-cash operating assets and liabilities:		
Decrease (increase)		
Accounts receivable	454,731	1,157,219
Capital lease receivable	10,285	10,286
Municipal Finance Authority debt reserve fund deposit	(882)	(1,046)
Assets held for sale	(262,386)	(565,741)
Inventories	5,856	(15,096)
Prepaid expenses	(27,766)	(4)
Increase (decrease)		
Accounts payable	293,870	552,966
Accrued employee benefits	(43,435)	101,249
Deferred revenue	519,895	1,513,767
Performance bonds and deposits	35,092	(102,390)
Deferred revenue - capital	130,410	141,069
	<u>8,347,217</u>	<u>11,332,496</u>
FINANCING ACTIVITIES		
Decrease in long term debt	<u>(462,936)</u>	<u>(462,936)</u>
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	(7,347,011)	(5,325,562)
Proceeds on disposal of tangible capital assets	<u>395,250</u>	<u>461,240</u>
	<u>(6,951,761)</u>	<u>(4,864,322)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	932,520	6,005,238
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>16,964,928</u>	<u>10,959,690</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 17,897,448</u>	<u>\$ 16,964,928</u>
SUPPLEMENTARY CASH FLOW INFORMATION:		
Cash paid for interest	<u>\$ 61,088</u>	<u>\$ 78,725</u>

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

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

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The Town of Qualicum Beach (the "Town") was incorporated on May 5, 1942 under the provisions of the Local Government Act of British Columbia. The Town's principal activities include the provision of services to residents of Qualicum Beach. These include general government services, protective services, transportation services, environmental services, planning and development services and parks and recreation services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

Consolidated financial statements have been prepared in accordance with Canadian Public Sector Accounting Board (PSAB) standards. The consolidated statement of financial position includes all assets and liabilities of the Town.

(b) Principles of consolidation

These financial statements include accounts of all funds of the Town and its proportionate interest in Arrowsmith Water Service Joint Venture. Inter-fund transactions and balances have been eliminated.

(c) Basis of accounting

Except as noted below, the basis of accounting followed in the financial statement presentation is the accrual basis and includes revenue in the period in which the transactions or events occurred that gave rise to the revenue, and expenses in the period the goods and services are acquired and a liability is incurred or transfers are due.

(d) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(e) Assets held for sale

Assets held for sale are those expected to be sold within one year. They are valued at the lower of cost or expected net realizable value. When a decline in net realizable value is determined to be other than temporary, the impairment is recognized in the consolidated statement of operations and accumulated surplus.

(f) Employee future benefits

The Town and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred.

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Employee future benefits (continued)

In addition to the Municipal Pension Plan, sick leave and other retirement benefits are also available to the Town's employees. The costs of these benefits are determined based on years of service and best estimates of retirement ages and expected future salary and wage increases. The obligations under these benefit plans are accrued based on projected benefits earned as the employees render services necessary to earn the future benefits.

(g) Deferred revenue

Amounts that have been received in advance of services being rendered are recorded as deferred revenue until the Town discharges the obligations that led to the collection of funds.

(h) 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.

Inventories

Inventories are recorded at the lower of cost and net realizable value.

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 assets. Tangible capital assets transferred to the Town from developers are recorded at their fair market value at the date of transfer and are also recorded as revenue under capital contributions. The cost, less the residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

	<u>Years</u>
Buildings and structures	5 - 50
Infrastructure - utilities	50 - 80
Infrastructure - land improvements	25 - 75
Infrastructure - transportation	20 - 75
Equipment	3 - 20

A full year of amortization is charged in the year of acquisition and none in the year of disposal. Assets under construction are initially recorded as work-in-progress and are not amortized until the asset is available for productive use.

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Non financial assets (continued)

Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

(i) Taxation and related revenues

Property tax revenues in the form of local government requisitions are recognized in the year they are levied. Grants in lieu of taxes are recorded on an accrual basis when it is possible to reasonably estimate the amounts receivable. Parcel taxes are recognized in the year they are levied.

(j) Government transfers

Government transfers are recognized in the consolidated financial statements as revenue in the period the transfers are authorized and any eligibility criteria have been met, except when and to the extent that the transfer gives rise to an obligation that meets the definition of a liability for the recipient government. Transfers received which meet the definition of a liability are included in deferred revenue. Government transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

(k) Contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all of the following criteria are met:

- An environmental standard exists;
- Contamination exceeds the environmental standard;
- The Town is:
 - o Directly responsible; or
 - o Accepts responsibility;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

There are no liabilities to be recorded as at December 31, 2021.

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses. As such, actual results could differ from these estimates. Significant estimates include assumptions used in estimating provisions for accounts receivable, accrued employee benefits, performing calculations of employee future benefits, estimating fair value of contributed tangible capital assets, estimating the useful lives of tangible capital assets and allocation of expenses. Developer contributions of tangible capital assets are recorded at the Town's best estimate of fair value on the date of contribution. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

2. RESTRICTED CASH AND CASH EQUIVALENTS

Included in financial assets are cash and cash equivalents of \$258,484 (2020: \$241,484) that are invested on behalf of the cemetery trust fund. These funds may only be used for the upkeep and care of the cemetery and burial plots.

3. ACCOUNTS RECEIVABLE

	2021	2020
Property taxes	\$ 225,835	\$ 245,117
Water rates	295,727	244,679
Sewer rates	182,400	166,033
Solid waste	199,921	181,373
Receivable from federal government	230,130	111,999
Receivable from provincial government	-	958,631
Trades receivable	510,670	191,582
	<u>\$ 1,644,683</u>	<u>\$ 2,099,414</u>

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

S7

4. CAPITAL LEASE RECEIVABLE

On April 1, 2016, the Town entered into a long term lease agreement for a building owned by the Town. The lease requires annual payments of \$10,757, expiring March 31, 2028. Provided the tenant satisfies all the conditions of the lease, including payment in full of the rent due over the lease term, the tenant will have an exclusive option to purchase the building from the Town for a nominal amount.

Payments due over the next five years on the capital lease receivable are as follows:

2022	\$	10,757
2023		10,757
2024		10,757
2025		10,757
2026		10,757

5. ACCOUNTS PAYABLE

	2021	2020
Trades payable	\$ 1,690,257	\$ 722,499
Payable to federal government	697,809	540,547
Payable to provincial government	66,889	1,261,116
Holdbacks payable	390,080	27,003
	<u>\$ 2,845,035</u>	<u>\$ 2,551,165</u>

6. DEFERRED REVENUE - CAPITAL

	Off Street Parking	Development Cost Charges	Total
Balance at beginning of year	\$ 198,148	\$ 2,477,957	\$ 2,676,105
Additions	-	133,116	133,116
Refunds		(30,030)	(30,030)
Interest	1,981	25,343	27,324
	<u>\$ 200,129</u>	<u>\$ 2,606,386</u>	<u>\$ 2,806,515</u>

Deferred revenue - capital includes statutory reserves that are required to be set-up under section 188(2) of the Community Charter.

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

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7. LONG TERM DEBT

	2021	2020
2.25% Municipal Finance Authority Loan, principal payments of \$231,468 semi-annually plus interest, due November 30, 2025	\$ 1,851,746	\$ 2,314,682

Principal due over the next four years on long term debt is as follows:

2022	\$ 462,936
2023	462,936
2024	462,936
2025	462,938

8. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value
<u>2021</u>			
Land	\$ 38,432,523	\$ -	\$ 38,432,523
Buildings and structures	31,796,545	11,800,568	19,995,977
Infrastructure	127,144,712	62,913,868	64,230,844
Equipment	6,747,908	4,354,026	2,393,882
	<u>\$ 204,121,688</u>	<u>\$ 79,068,462</u>	<u>\$ 125,053,226</u>

	Cost	Accumulated Amortization	Net Book Value
<u>2020</u>			
Land	\$ 38,782,434	\$ -	\$ 38,782,434
Buildings and structures	31,759,226	11,098,304	20,660,922
Infrastructure	120,401,611	60,495,589	59,906,022
Equipment	6,330,190	4,136,608	2,193,582
	<u>\$ 197,273,461</u>	<u>\$ 75,730,501</u>	<u>\$ 121,542,960</u>

The Town manages and controls various works of art located at Town sites and public display areas including paintings and a sculpture. These assets are not recorded as tangible capital assets and are not amortized.

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

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9. ACCUMULATED SURPLUS

	2021	2020
<u>Reserves and Surpluses</u>		
Equipment reserve fund	\$ 56,057	\$ 55,502
Property reserve fund	219,839	217,663
Park land reserve fund	96,607	95,650
Emissions reduction reserve fund	23,716	23,481
Park improvements reserve fund	93,181	92,259
Cemetery reserve fund	261,609	250,069
Municipal Finance Authority debt reserve fund	52,767	51,885
Arrowsmith water reserve	65,008	60,898
Buildings reserve	56,000	56,000
Affordable housing reserve	450,000	
Developer contribution reserve	109,202	78,432
COVID-19 Safe Restart Grant reserve	526,097	1,468,502
Assets held for sale	1,280,739	1,118,350
Unallocated surplus		
General	4,038,544	4,352,825
Water	2,383,013	1,974,013
Sewer	601,296	601,296
	<u>10,313,675</u>	<u>10,496,825</u>
Investment in tangible capital assets (note 10)	<u>123,201,480</u>	<u>119,228,278</u>
Total accumulated surplus	<u>\$ 133,515,155</u>	<u>\$ 129,725,103</u>

10. INVESTMENT IN TANGIBLE CAPITAL ASSETS

	2021	2020
Investment in tangible capital assets at beginning of year	\$ 119,228,278	\$ 117,841,958
Add: Acquisition of tangible capital assets	7,347,011	5,325,562
Reduction in long term debt	462,936	462,936
Less: Amortization	(3,465,791)	(3,441,220)
Net book value of tangible capital asset disposals	(79,273)	-
Tangible capital assets transferred to held for sale	(291,681)	(960,958)
Investment in tangible capital assets at end of year	<u>\$ 123,201,480</u>	<u>\$ 119,228,278</u>

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

S7

11. CONTINGENT LIABILITIES AND COMMITMENTS

- (a) Regional District - The Town is responsible, as a member of the Regional District of Nanaimo and of the Nanaimo Regional Hospital District, for its proportion of any operating deficits or capital debt related to functions in which it participates.
- (b) Municipal Pension Plan - The Town 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 provided 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 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 actuarial valuation as at December 31, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Town of Qualicum Beach paid \$453,363 for employer contributions to the plan in the fiscal year ended December 31, 2021.

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

Employers participating in the plan record their pension expenses 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. Contributions to the plan were as follows:

	2021	2020
Employer portion	\$ 435,363	\$ 405,974
Employee portion	379,112	354,555
	<u>\$ 814,475</u>	<u>\$ 760,529</u>

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

S7

11. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

- (c) Municipal Finance Authority contingent demand notes - Under borrowing arrangements with the Municipal Finance Authority (MFA), the Town is required to lodge security by means of a demand note and an interest-bearing cash deposit based on the amount of the borrowing. As a condition of the borrowing, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. This deposit is included in the Town's financial assets and is held by the MFA as security against the possibility of debt repayment default. If the debt is repaid without default, the deposit is refunded to the Town. At December 31, 2021, there was a contingent demand note of \$212,517 (2020 - \$212,517) which was not included in the financial statements of the Town.
- (d) Municipal Insurance Association of British Columbia - The Town is a participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible that the Town, along with other participants, would be required to contribute towards the deficit.
- (e) Other contingent liabilities consisting of routine claims will be accounted for as an expense in the period in which the costs are incurred. It is not possible to determine the Town's liability, if any, with respect to these other matters.

12. SEGMENT DISCLOSURE BY SERVICE

The Town of Qualicum Beach is a diversified municipal government that provides a wide range of services to its residents. The following is a description of the types of services included in each of the main segments of the Town's financial statements:

General Government Services

Services related to general corporate and legislative governance and administration as well as human resources, information technology and financial management.

Protective Services

Services related to providing fire protection, bylaw enforcement and building inspection to the Town, as well as the Town's share of expenses related to providing policing.

Transportation Services

Services related to the delivery of municipal public works services including the development and maintenance of roadway systems, street lighting, airport operations and other public works and engineering related services.

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2021

S7

12. SEGMENT DISCLOSURE BY SERVICE (continued)

Environmental Services

Services related to the collection of garbage and chipping as well as environmental testing and monitoring. It also includes services related to the delivery of water, sanitary sewer removal and the planning and development and maintenance of the Town's water and sewer infrastructure.

Planning and Development Services

Services related to planning for development and for improving quality of life and sustainability initiatives.

Parks and Recreation Services

Services related to the development and maintenance of parks and trails, municipal landscaping, and providing and maintaining recreation and cultural buildings.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1. For additional information, see the Consolidated Schedule of Segment Disclosure by Service (Schedule D).

TOWN OF QUALICUM BEACH
SCHEDULE OF REVENUES
YEAR ENDED DECEMBER 31, 2021

S8
SCHEDULE A

	2021 Budget (unaudited)	2021 Actual	2020 Actual
NET TAXATION			
Taxes collected for municipal purposes			
General	\$ 9,794,000	\$ 9,796,630	\$ 9,376,607
Parcel tax - water	826,000	838,260	742,880
Parcel tax - sewer	187,000	189,560	165,375
1% utility tax	151,000	146,207	145,854
	<u>10,958,000</u>	<u>10,970,657</u>	<u>10,430,716</u>
Taxes collected for other government services			
Education	5,296,000	5,298,479	4,813,381
Regional District of Nanaimo	4,284,000	4,289,321	4,062,378
Nanaimo Regional Hospital District	721,000	721,447	522,843
Vancouver Island Regional Library	539,000	539,392	557,792
B.C. Assessment Authority	144,500	144,638	141,207
Municipal Finance Authority	500	682	647
	<u>10,985,000</u>	<u>10,993,959</u>	<u>10,098,248</u>
Less taxes paid to other governments	<u>(10,985,000)</u>	<u>(10,966,773)</u>	<u>(10,094,009)</u>
	<u>-</u>	<u>27,186</u>	<u>4,239</u>
Grants-in-lieu of taxes			
Federal government	16,000	16,460	12,783
Taxes paid to other governments	(8,000)	(8,482)	(4,937)
Fortis BC	50,000	58,139	51,181
B.C. Hydro	66,000	117,756	112,708
Permissive tax exemptions	156,000	156,000	150,000
	<u>280,000</u>	<u>339,873</u>	<u>321,735</u>
	<u>\$ 11,238,000</u>	<u>\$ 11,337,716</u>	<u>\$ 10,756,690</u>
WATER AND SEWER RATES			
Water user rates	\$ 1,299,000	\$ 1,572,101	\$ 1,209,704
Water connection fees	10,000	36,742	19,955
Sewer user rates	648,000	658,485	604,419
Sewer connection fees	10,000	20,250	12,000
	<u>\$ 1,967,000</u>	<u>\$ 2,287,578</u>	<u>\$ 1,846,078</u>
SALE OF SERVICES			
Public Works	\$ 34,000	\$ 19,436	\$ 17,959
Solid waste pickup	750,000	707,538	544,227
Cemetery	47,000	64,760	49,895
	<u>\$ 831,000</u>	<u>\$ 791,734</u>	<u>\$ 612,081</u>

TOWN OF QUALICUM BEACH
SCHEDULE OF REVENUES (continued)
YEAR ENDED DECEMBER 31, 2021

			S8
			SCHEDULE A
	2021 Budget (unaudited)	2021 Actual	2020 Actual
OTHER REVENUE FROM OWN SOURCES			
Licences and permits	\$ 190,000	\$ 340,050	\$ 205,330
Leases and rentals	500,000	597,524	571,372
Interest on investments	58,000	91,946	98,013
Interest on property taxes	48,000	44,981	38,083
Miscellaneous - operating	90,000	140,856	96,485
Contributions and other	212,000	678,396	248,820
Airport services	80,000	111,392	80,122
Community Hall	10,000	16,394	17,408
Civic Centre	76,000	91,800	53,186
	<u>\$ 1,264,000</u>	<u>\$ 2,113,339</u>	<u>\$ 1,408,819</u>
GOVERNMENT TRANSFERS			
Operating			
Revenue sharing grants	\$ 467,000	\$ 450,974	\$ 469,016
Fire protection	133,000	167,791	132,592
Community parks and other	153,000	172,107	153,357
Other grants	14,000	106,662	2,423,752
	<u>767,000</u>	<u>897,534</u>	<u>3,178,717</u>
Capital			
Infrastructure	3,130,000	1,133,222	1,078,637
Federal gas tax revenue	451,000	883,212	431,732
	<u>3,581,000</u>	<u>2,016,434</u>	<u>1,510,369</u>
	<u>\$ 4,348,000</u>	<u>\$ 2,913,968</u>	<u>\$ 4,689,086</u>
OTHER CAPITAL REVENUE			
Gain on disposal of tangible capital assets	\$ 2,517,000	\$ 315,977	\$ 461,240
Gain on disposal of assets held for sale	-	395,708	230,900
Capital contributions	-	64,940	83,700
Other contributions	-	-	57,045
	<u>\$ 2,517,000</u>	<u>\$ 776,625</u>	<u>\$ 832,885</u>
TOTAL REVENUE	<u>\$ 22,165,000</u>	<u>\$ 20,220,960</u>	<u>\$ 20,145,639</u>
SUMMARY OF REVENUE			
Operating revenue	\$ 16,067,000	\$ 17,427,901	\$ 17,802,385
Capital and other revenue	<u>6,098,000</u>	<u>2,793,059</u>	<u>2,343,254</u>
	<u>\$ 22,165,000</u>	<u>\$ 20,220,960</u>	<u>\$ 20,145,639</u>

TOWN OF QUALICUM BEACH
SCHEDULE OF EXPENSES
YEAR ENDED DECEMBER 31, 2021

			S9
			SCHEDULE B
	2021 Budget (unaudited)	2021 Actual	2020 Actual
GENERAL GOVERNMENT SERVICES			
Legislative	\$ 258,000	\$ 207,035	\$ 218,625
Grants-in-aid	252,000	213,588	207,600
Office and ground maintenance	170,000	129,544	171,773
Administrative	1,556,000	1,518,812	1,143,989
Other	451,000	489,237	474,380
	<u>2,687,000</u>	<u>2,558,216</u>	<u>2,216,367</u>
Fiscal services	26,000	11,612	18,833
Amortization of tangible capital assets	70,000	81,684	81,683
	<u>\$ 2,783,000</u>	<u>\$ 2,651,512</u>	<u>\$ 2,316,883</u>
PROTECTIVE SERVICES			
RCMP	\$ 1,474,000	\$ 1,258,781	\$ 1,347,496
Fire department	1,161,000	1,035,813	999,453
Other	498,000	404,449	450,879
	<u>3,133,000</u>	<u>2,699,043</u>	<u>2,797,828</u>
Fiscal services	60,000	49,476	59,892
Amortization of tangible capital assets	130,000	134,824	134,824
	<u>\$ 3,323,000</u>	<u>\$ 2,883,343</u>	<u>\$ 2,992,544</u>
TRANSPORTATION SERVICES			
Public Works administration and yard	\$ 781,000	\$ 747,961	\$ 718,852
Roads and drainage	896,000	803,746	697,152
Airport	555,000	658,676	484,021
Less fuel sales	(345,000)	(481,847)	(335,949)
Street lighting	198,000	220,890	192,400
Equipment operating costs	610,000	473,517	493,445
	<u>2,695,000</u>	<u>2,422,943</u>	<u>2,249,921</u>
Fiscal services	-	-	44,824
Amortization of tangible capital assets	2,462,000	2,522,682	2,498,111
	<u>\$ 5,157,000</u>	<u>\$ 4,945,625</u>	<u>\$ 4,792,856</u>
ENVIRONMENTAL SERVICES			
Waste removal	\$ 847,000	\$ 791,331	\$ 691,056
Solid waste landfill	20,000	11,581	19,167
Other solid waste	85,000	77,632	98,902
	<u>\$ 952,000</u>	<u>\$ 880,544</u>	<u>\$ 809,125</u>

TOWN OF QUALICUM BEACH
SCHEDULE OF EXPENSES (continued)
YEAR ENDED DECEMBER 31, 2021

S9
SCHEDULE B
2020
Actual

	2021 Budget (unaudited)	2021 Actual	
WATER SERVICES			
Water maintenance	\$ 1,152,000	\$ 1,098,516	\$ 1,000,889
Amortization of tangible capital assets	<u>358,000</u>	<u>359,886</u>	<u>359,886</u>
	<u><u>\$ 1,510,000</u></u>	<u><u>\$ 1,458,402</u></u>	<u><u>\$ 1,360,775</u></u>
SEWER SERVICES			
Sewer maintenance	\$ 284,000	\$ 257,660	\$ 224,713
Amortization of tangible capital assets	<u>150,000</u>	<u>154,746</u>	<u>154,746</u>
	<u><u>\$ 434,000</u></u>	<u><u>\$ 412,406</u></u>	<u><u>\$ 379,459</u></u>
PLANNING AND DEVELOPMENT SERVICES			
Planning and zoning	\$ 424,000	\$ 388,248	\$ 327,822
Community development	<u>943,000</u>	<u>781,531</u>	<u>559,240</u>
	<u><u>\$ 1,367,000</u></u>	<u><u>\$ 1,169,779</u></u>	<u><u>\$ 887,062</u></u>
PARKS AND RECREATION SERVICES			
Parks administration and yard	\$ 382,000	\$ 392,547	\$ 442,008
Civic Centre and Community Hall	402,000	297,486	326,004
Buildings and other	176,000	194,309	247,723
Trails	103,000	70,100	82,169
Community Park	173,000	168,948	132,409
Beach maintenance	154,000	177,710	106,580
Garden and park areas	506,000	466,328	414,888
Cemetery	<u>56,000</u>	<u>49,900</u>	<u>43,905</u>
	1,952,000	1,817,328	1,795,686
Amortization of tangible capital assets	<u>180,000</u>	<u>211,969</u>	<u>211,970</u>
	<u><u>\$ 2,132,000</u></u>	<u><u>\$ 2,029,297</u></u>	<u><u>\$ 2,007,656</u></u>
TOTAL EXPENSES	<u><u>\$ 17,658,000</u></u>	<u><u>\$ 16,430,908</u></u>	<u><u>\$ 15,546,360</u></u>
SUMMARY OF EXPENSES			
Operating costs	\$ 14,222,000	\$ 12,904,029	\$ 11,981,591
Fiscal services	86,000	61,088	123,549
Amortization of tangible capital assets	<u>3,350,000</u>	<u>3,465,791</u>	<u>3,441,220</u>
	<u><u>\$ 17,658,000</u></u>	<u><u>\$ 16,430,908</u></u>	<u><u>\$ 15,546,360</u></u>

TOWN OF QUALICUM BEACH
SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF GAS TAX AGREEMENT
YEAR ENDED DECEMBER 31, 2021

S10
SCHEDULE C

	<u>2021</u>	<u>2020</u>
Gas Tax Agreement Funds		
Opening balance	\$ -	\$ 823,942
Add: Amount received during the year	883,212	431,733
Add: Interest earned	-	4,120
Less: Amount spent on projects	<u>(883,212)</u>	<u>(1,259,795)</u>
	<u>\$ -</u>	<u>\$ -</u>

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

TOWN OF QUALICUM BEACH
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE
DECEMBER 31, 2021

S11
SCHEDULE D

2021	Consolidated	General Government Services	Protective Services	Transportation Services	Environmental Services	Planning and Development Services	Parks and Recreation Services
Revenue							
Net taxation	\$ 11,337,716	\$ 10,309,896	\$ -	\$ -	\$ 1,027,820	\$ -	\$ -
Sale of services	3,079,312	-	-	17,523	3,059,877	-	1,912
Other operating revenue	2,113,339	962,359	344,228	184,207	12,680	489,014	120,851
Government transfers	2,913,968	419,517	211,765	795,293	923,108	79,145	485,140
Gain on disposal of assets	711,685	711,685	-	-	-	-	-
Other capital revenue	64,940	-	-	64,940	-	-	-
	<u>20,220,960</u>	<u>12,403,457</u>	<u>555,993</u>	<u>1,061,963</u>	<u>5,023,485</u>	<u>568,159</u>	<u>607,903</u>
Expenses							
Wages and salaries	6,430,275	1,184,651	1,107,864	1,333,044	1,065,211	414,756	1,324,749
Goods and services	6,473,754	1,373,565	1,591,179	1,089,899	1,171,509	755,023	492,579
Amortization	3,465,791	81,684	134,824	2,522,682	514,632	-	211,969
Fiscal services	61,088	11,612	49,476	-	-	-	-
	<u>16,430,908</u>	<u>2,651,512</u>	<u>2,883,343</u>	<u>4,945,625</u>	<u>2,751,352</u>	<u>1,169,779</u>	<u>2,029,297</u>
Annual surplus (deficit)	<u>\$ 3,790,052</u>	<u>\$ 9,751,945</u>	<u>\$ (2,327,350)</u>	<u>\$ (3,883,662)</u>	<u>\$ 2,272,133</u>	<u>\$ (601,620)</u>	<u>\$ (1,421,394)</u>

TOWN OF QUALICUM BEACH
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE
DECEMBER 31, 2021

S11
SCHEDULE D

2020	Consolidated	General Government Services	Protective Services	Transportation Services	Environmental Services	Planning and Development Services	Parks and Recreation Services
Revenue							
Net taxation	\$ 10,756,690	\$ 9,848,435	\$ -	\$ -	\$ 908,255	\$ -	\$ -
Sale of services	2,458,159	-	-	16,341	2,440,200	-	1,618
Other operating revenue	1,408,819	752,793	209,061	103,372	70,117	170,483	102,993
Government transfers	4,689,086	2,773,152	299,293	418,754	443,825	-	754,062
Gain on disposal of assets	692,140	692,140	-	-	-	-	-
Other capital revenue	140,745	-	-	23,800	83,700	33,245	-
	<u>20,145,639</u>	<u>14,066,520</u>	<u>508,354</u>	<u>562,267</u>	<u>3,946,097</u>	<u>203,728</u>	<u>858,673</u>
Expenses							
Wages and salaries	6,171,064	1,191,071	1,058,414	1,313,622	952,929	327,173	1,327,855
Goods and services	5,810,527	1,025,296	1,739,414	936,299	1,081,798	559,889	467,831
Amortization	3,441,220	81,683	134,824	2,498,111	514,632	-	211,970
Fiscal services	123,549	18,833	59,892	44,824	-	-	-
	<u>15,546,360</u>	<u>2,316,883</u>	<u>2,992,544</u>	<u>4,792,856</u>	<u>2,549,359</u>	<u>887,062</u>	<u>2,007,656</u>
Annual surplus (deficit)	<u>\$ 4,599,279</u>	<u>\$ 11,749,637</u>	<u>\$ (2,484,190)</u>	<u>\$ (4,230,589)</u>	<u>\$ 1,396,738</u>	<u>\$ (683,334)</u>	<u>\$ (1,148,983)</u>

TOWN OF QUALICUM BEACH
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
DECEMBER 31, 2021

S12
SCHEDULE E

	Land	Buildings	Equipment	Water	Sewer	Drainage	Roads	Other	WIP	Parks	Total
COST											
Opening Balance (Jan 1, 2020)	\$ 39,276,088	\$ 30,179,205	\$ 5,868,517	\$ 16,107,337	\$ 9,855,735	\$ 20,543,144	\$ 44,088,553	\$ 20,341,535	\$ 5,153,526	\$ 1,672,014	\$ 193,085,654
2020 Additions	467,304	1,580,021	566,423	83,700	245,108	456,029	783,413	5,091,146	(3,947,582)	-	5,325,562
2020 Disposals	-	-	(104,750)	-	-	-	(72,047)	-	-	-	(176,797)
2020 Transfers	-	-	-	-	-	-	-	-	-	-	-
2020 Assets held for sale	(960,958)	-	-	-	-	-	-	-	-	-	(960,958)
Closing Balance (Dec 31, 2020)	38,782,434	31,759,226	6,330,190	16,191,037	10,100,843	20,999,173	44,799,919	25,432,681	1,205,944	1,672,014	197,273,461
2021 Additions	-	37,319	566,591	-	141,472	134,503	358,013	-	6,031,136	77,977	7,347,011
2021 Disposals	(58,230)	-	(148,873)	-	-	-	-	-	-	-	(207,103)
2021 Transfers	-	-	-	-	-	-	-	-	-	-	-
2021 Assets held for sale	(291,681)	-	-	-	-	-	-	-	-	-	(291,681)
Closing Balance (Dec 31, 2021)	38,432,523	31,796,545	6,747,908	16,191,037	10,242,315	21,133,676	45,157,932	25,432,681	7,237,080	1,749,991	204,121,688

ACCUMULATED AMORTIZATION

Opening Balance (Jan 1, 2020)	-	10,384,319	3,917,039	6,069,866	5,519,490	7,683,664	27,966,411	9,850,499	-	1,074,790	72,466,078
2020 Amortization	-	713,985	324,319	231,187	168,347	362,843	1,102,263	496,390	-	41,886	3,441,220
2020 Disposals	-	-	(104,750)	-	-	-	(72,047)	-	-	-	(176,797)
2020 Transfers	-	-	-	-	-	-	-	-	-	-	-
Closing Balance (Dec 31, 2020)	-	11,098,304	4,136,608	6,301,053	5,687,837	8,046,507	28,996,627	10,346,889	-	1,116,676	75,730,501
2021 Amortization	-	702,264	345,248	231,187	170,705	365,085	1,110,600	496,324	-	44,378	3,465,791
2021 Disposals	-	-	(127,830)	-	-	-	-	-	-	-	(127,830)
2021 Transfers	-	-	-	-	-	-	-	-	-	-	-
Closing Balance (Dec 31, 2021)	-	11,800,568	4,354,026	6,532,240	5,858,542	8,411,592	30,107,227	10,843,213	-	1,161,054	79,068,462

Net Book Value (Dec 31, 2020)	\$ 38,782,434	\$ 20,660,922	\$ 2,193,582	\$ 9,889,984	\$ 4,413,006	\$ 12,952,666	\$ 15,803,292	\$ 15,085,792	\$ 1,205,944	\$ 555,338	\$ 121,542,960
Net Book Value (Dec 31, 2021)	\$ 38,432,523	\$ 19,995,977	\$ 2,393,882	\$ 9,658,797	\$ 4,383,773	\$ 12,722,084	\$ 15,050,705	\$ 14,589,468	\$ 7,237,080	\$ 588,937	\$ 125,053,226

TOWN OF QUALICUM BEACH
SCHEDULE OF COVID-19 SAFE RESTART GRANT
YEAR ENDED DECEMBER 31, 2021

S13
SCHEDULE F

	<u>2021</u>
Balance January 1, 2021	\$ <u>1,468,502</u>
Eligible costs incurred	
Revenue shortfalls	(160,000)
Technology costs to improve remote work	(446,500)
Community Grants	(121,712)
General administration	(98,708)
Public Works	(2,132)
Protective Services	(33,677)
Parks and Buildings	(79,676)
Total eligible costs incurred	<u>(942,405)</u>
Balance December 31, 2021	\$ <u><u>526,097</u></u>

The above schedule is a requirement under the COVID-19 Safe Restart Grant for Local Governments which is funded jointly by the Government of Canada and the Government of British Columbia under the Safe Restart Agreement.