

CHASE BC

A Shuswap Experience



VILLAGE OF CHASE

Annual Report

2021



CENTENNIAL PARK

Chase
Rotary Club

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Message from the Mayor

As the end of the current Council term approaches, reflecting on the three years brings about a sense of optimism for the future. It also gives me feelings of gratitude for the opportunity to have served the Village of Chase as your Mayor. Together with the rest of Council, Village staff and the entire community, we have endured a pandemic, extreme weather events and chaotic economic conditions, all the while strengthening the bonds within our community.

We have renewed relationships with our First Nation partners. We have invested in the critical infrastructure that keeps us safe and ensures ease of transportation. We have upgraded parks and recreation facilities to support the social, physical and mental health of our residents. Together, we will continue to make Chase a friendly, vibrant, and safe place to live.

The extent and in some cases, complexity of the accomplishments of the last three years shows the commitment and hard work of my fellow Council members. The diverse perspectives of my colleagues and the passion for our community has been the driving force behind many of our community's achievements. Through strategic planning



and operational oversight, this Council has made improvements to core services while maintaining fiscal responsibility. Protecting and enhancing the well-being of our residents and businesses has been central to our decision making.

The last few years have shown that strength is a characteristic of our community. With significant changes to our budget from pandemic-related

impacts, inflationary pressures and supply chain bottlenecks, we must be cautious in our budgeting and spending activities. However, we must also understand that a healthy and thriving community also requires long-term investments in infrastructure, programming and services. Finding this balance should always be the ultimate goal of Council.

Some of the most notable examples of Council accomplishments for 2021 include:

- The adoption of **Pesticide Use Control Bylaw No. 907-2021**, which limited the application of pesticides on private residential land and public land to permitted pesticides determined by provincial regulation.
- Completion of a comprehensive update of the Village of Chase's **Official Community Plan (OCP)** in 2021, which includes policies that address transportation, housing, sustainability and the impacts of climate change.

- Completion of the **Willson Park Pedestrian Bridge**, which provides residents with an option of walking and cycling to community destinations and is a critical link in the Village's active transportation infrastructure.
- Joined **Recycle BC program for residential recycling collection** that will result in approximately 100,000 kilograms of recyclable materials being diverted from landfills every year and an annual net financial benefit of over \$60,000.
- Council recognized the immediate economic needs of the community during the Covid-19 pandemic by providing **Covid-19 restart funding** to local organizations.

We are proud and honoured to live in such a wonderful community. Chase continues to be relatively affordable, with new residential developments being built in a variety of locations in Chase. ■


Mayor Rod Crowe

Village Council



From left to right: Councillor Fred Torbohm, Councillor Ali Maki, Mayor Rod Crowe, Councillor Alison Lauzon and Councillor Steve Scott.

2021 Village Officials

MAYOR

Rod Crowe

COUNCILLORS

**Alison Lauzon
Ali Maki**

**Steve Scott
Fred Torbohm**

MANAGEMENT

Joni Heinrich Chief Administrative Officer

Sean O'Flaherty Corporate Officer

Joanne Molnar Chief Financial Officer

PRIMARY BANKERS

RBC

AUDITORS

KPMG LLP

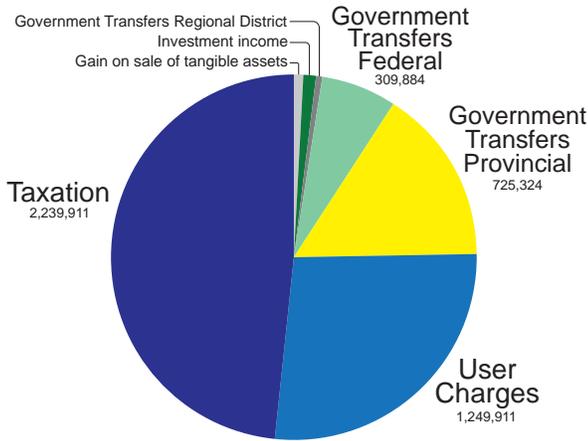
Mission Statement

“To continue to promote Chase as a friendly, vibrant and safe place to live, ensuring all members of the community are treated with dignity and respect, while providing amenities required for the well-being of the community in a fiscally responsible manner.”

2021 Budget Highlights

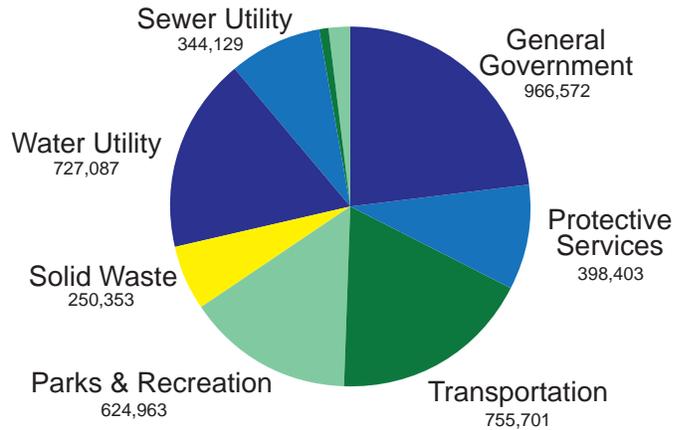
2021 Revenues

2021 Audited Financial Statements



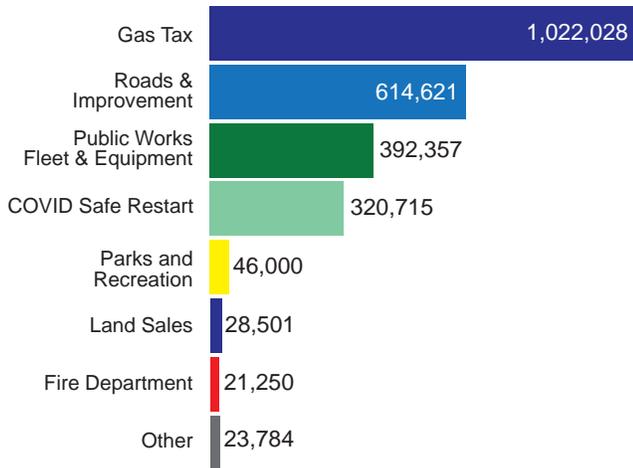
2021 Expenses

2021 Audited Financial Statements

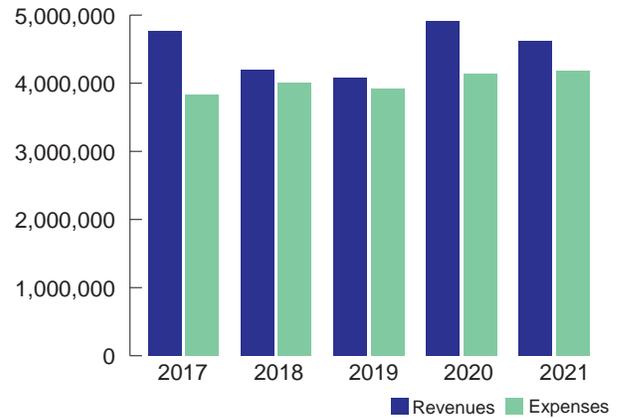


2021 Reserve Funds

Set aside by Council for operating purposes



Revenues & Expenses 2017 to 2021





Community Profile

Welcome to the Gateway to the Shuswap

Located between Kamloops and Salmon Arm along the Trans Canada Highway, the Village of Chase is nestled between the shores of Little Shuswap Lake and the South Thompson River Valley. With over **1,600 kilometres of navigable shoreline** on the South Thompson River and Shuswap Lakes, residents and visitors to the region are provided with some of the best fresh water recreational areas in the world.



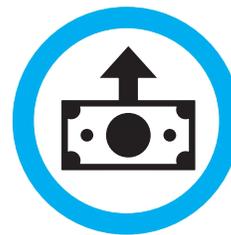
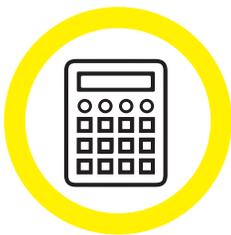
The rural areas surrounding Chase are home to **some of the best agricultural soils in the province**. The downtown core is lined with seasonal blooms and is easy walking to a variety of specialty stores, local art, cultural experiences and restaurants. The forest, tourism and ranching industries form a **strong, diversified economic base** for area business.



The Village of Chase is located on **Tk'emlúps te Secwépemc territory** within the unceded ancestral lands of the Secwépemc Nation, Secwepemcúíecw. The Secwepemc people have lived in south central B.C. for thousands of years. Their traditional territory covers approximately **180,000 square kilometres**, stretching from the Columbia River valley along the Rocky Mountains, west to the Fraser River, and south to the Arrow Lakes.

The Village of Chase has entered into Protocol Agreements with both **Cstelnéc** (Adams Lake Indian Band) and **Neskonlith** Indian Band to establish and maintain long-term cooperative government-to-government relationships. The Village also enjoys a cooperative relationship with **Skwlāx** (Little Shuswap Lake Band), whose lands encompass large areas of Little Shuswap, Scotch Creek, Tappen, Little River and Silvery Beach.

Core Service Areas



Progress Report

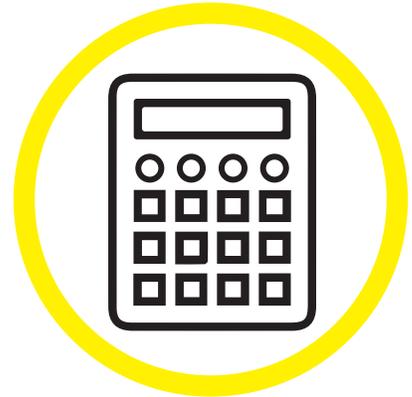
ADMINISTRATION & FINANCE

The Village of Chase employs a staff of around 15 employees that carries out the decisions and implements the direction set by Council. With a population of approximately 2,500 and annual expenses of around \$4 million, the Village is responsible for maintaining many of the services and infrastructure that residents and businesses rely on.

Managing the day-to-day operations and implementing Council's strategic priorities require a well-functioning team that leverages limited resources to maximize the benefits to taxpayers. Long-term financial planning and management are essential to maintaining services and amenities that contribute to the quality of life of our residents.

While 2021 presented major challenges due to Covid-19, supply chain disruptions and economic uncertainty, several Council initiatives were completed that will enhance operations to make life safer for residents and businesses, including:

- Asset management policies and strategy
- Asset management risk analysis
- Long term investment plan for asset management
- Upgraded street lights with LED lights
- Sanitary sewer video scoping
- Phase 1 road condition assessment
- Road conditional assessment
- Cemetery software acquisition
- Evacuation route planning
- Computer upgrades for Village office
- New alarm systems for Village facilities



2021 Highlights

- Secured the ongoing operation of the **Visitor Information Centre** by the Chase & District Chamber of Commerce
- Secured the ongoing operation of the **Art Holding Memorial Arena** by the Chase & District Recreation Society
- Approved the purchase of an **electric Zamboni for Art Holding Memorial Arena**
- Established a flags policy that provides **guidelines for the lowering of flags** at municipal facilities for time sensitive matters

Progress Report

COMMUNITY PLANNING & DEVELOPMENT



2021 Highlights

- Initiated design work for **Active Transportation projects**
- Installation of **sign for RV parking** at the Chase Curling Club
- Conducted **public consultation on telecommunications infrastructure** within the Village
- Installation of **2-hour parking limit signs** on Shuswap Avenue from Wilson Street to Coburn Street

Land use planning is among the most impactful decisions that local governments make. Local government planning establishes land use patterns that can last for generations and has a major impact on the daily lives of residents and businesses. The Village of Chase's planning efforts are aimed at ensuring a **safe, orderly, responsible and efficient development** that includes the provision of the necessary servicing within the community and the promotion of social and environmental sustainability.

Official Community Plan (OCP). Building on previous accomplishments, including the adoption of an Active Transportation Plan, a Subdivision Servicing Bylaw and an assessment of housing needs, Council finalized a comprehensive update of the Village of Chase's **Official Community Plan (OCP)** in 2021. The adoption of the *OCP Bylaw No. 896-2021*, marked the first major update of the OCP in nearly twenty years and includes policies that address transportation, housing, sustainability and the impacts of climate change.

The guiding principles identified in the updated OCP are:

- Retention of small-town character
- Vibrant downtown
- Economic diversification
- Community spirit
- Diversify mix of housing
- Reconciliation
- Health and wellness
- Agricultural protection
- Emphasize waterfront aspect of community
- Recognize community capacity

Progress Report

PUBLIC WORKS & INFRASTRUCTURE

The Village is responsible for planning and repairs and maintenance of Village public works and utilities including roads, water, and wastewater infrastructure. Additionally, snow plowing, sidewalk repairs, street lighting maintenance, Village building maintenance and repairs are provided. All services provided must conform to legislative requirements, policies and procedures and must be handled efficiently and effectively.

Among the projects and operational upgrades completed in 2021 include:

- Parks washroom automatic doors and alarms
- Refurbishment of bandshell
- Replacement of wharf floats
- Snow plow & sander box acquisition
- Solid waste route optimization
- Updates to street & sidewalk snow clearing policy

Recycle BC. Among the larger accomplishments for the Village of Chase in 2021 was joining Recycle BC, a not-for-profit organization that services over two million households in BC. Key benefits for residents include **securing an end-market for recyclable materials** and the financial savings created by shifting recycling costs to manufacturers. By partnering with Recycle BC, the Village of Chase is better positioned to adapt to changes in global markets for recyclable materials. The transition will result in approximately **100,000 kilograms of recyclable materials** being diverted from landfills every year and an **annual net financial benefit of over \$60,000**.



2021 Highlights

- Installation of **high-efficiency LED lighting** in the Community Hall kitchen
- Upgraded street light bulbs from sodium vapour to **LED lighting** (longer lasting and more efficient)
- Replacement of propane Zamboni with **electric Zamboni**

Progress Report

PARKS & RECREATION



2021 Highlights

- Received **\$5,000 grant from BC Hydro** to plant trees in parks and other publicly owned locations
- Received funding for **improved pedestrian walkways** at intersection of Thompson Avenue and Chase Street and Willson Park

Pesticide Use Control Bylaw. As part of its 2020-2021 Strategic Plan, Council identified the development of an herbicide and pesticide bylaw as a project to be completed in 2021. During its July 13, 2021 Regular Meeting, Council adopted **Pesticide Use Control Bylaw No. 907-2021**, which limited the application of pesticides on private residential land and public land to permitted pesticides determined by provincial regulation. The bylaw reflected larger goals within the Village's *Official Community Plan*, which mandates that the natural environment is protected by encouraging the enhancement of pollinators in the community.

Willson Park Pedestrian Bridge. During its April 13, 2021 Regular Meeting, Council awarded construction of the Willson Park Pedestrian Bridge project, which was completed in 2021. The pedestrian bridge over Chase Creek provides residents with an option of walking and cycling to community destinations. As a **critical link in the Village's active transportation infrastructure**, the Willson Park Pedestrian Bridge project creates a 'shortcut' to school, health services, recreational facilities, shopping and natural spaces.



Opening of Willson Park Bridge, September 29, 2021

Progress Report

ECONOMIC DEVELOPMENT

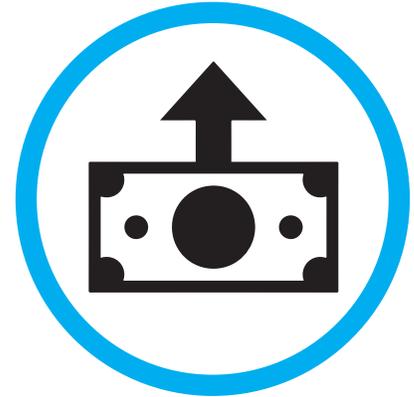
Council's strategic priorities are centred around fostering a vibrant local economy that supports both existing and future businesses and generates employment opportunities within the community.

There is little doubt that 2021 was similar to 2020 and unlike any we have witnessed before. Few businesses, governments and individuals were unaffected by the Covid-19 pandemic and related economic fallout. Unfortunately, many local businesses suffered as extended lockdowns and gathering limitations eliminated the ability of many businesses to operate.

Municipalities, like the Village of Chase spent the vast majority of 2020 and 2021 dealing with the immediate public health crisis while attempting to maintain service levels. Rapidly evolving public health orders required that Council and Administration quickly react to changing rules and regulations. The pandemic placed great limitations on Council's second-half agenda as efforts were focused on helping the community recover.

Covid-19 Restart Funds. Adopting a people-centred approach in response to the devastating impacts of the Covid-19 pandemic, Council recognized the immediate economic needs of the community by providing critical funding to local organizations, including:

- \$5,000 to the **Adams River Salmon Society** to assist with operations
- \$3,100 to the **Chase Fire Fighter's Association**
- \$11,500 to the **Chase Legion**
- \$25,000 to the **Chase Heat Junior Hockey Team** for player equipment

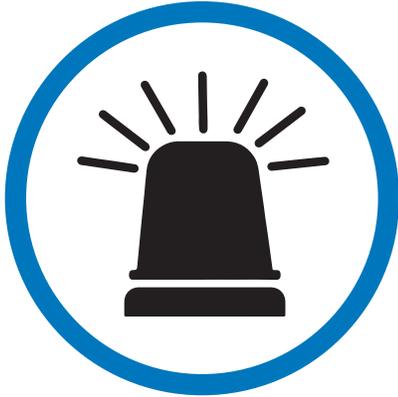


2021 Highlights

- Collaborated with BC Hydro on the installation of an additional **electric vehicle charging station** near the Visitor Info Centre

Progress Report

FIRE & RESCUE



The Covid-19 pandemic placed massive challenges upon all our first responders in 2021 and the highly skilled and dedicated members of the Chase Fire Department played a critical role in responding to the crisis. Following a six-month trial period, **Council approved a three-year contract with BC Emergency Health Services** for the Chase Fire Department to participate in the **First Responders program** to assist with emergency medical calls. As part of the agreement, BC Emergency Health Services has committed to supplying medical equipment and providing funds for training and certification.

2021 Highlights

- Approval of a three-year term for participation in the **First Responders Program**, including call-out pay to First Responders, a stipend for the program coordinator and funding for vehicle usage
- Conversion of elevator shaft into a **fire hose drying tower** at the Chase Fire Hall
- Initiated purchasing process for **new fire truck**

2021 Year in Review

- Fire Calls: 46
- Rescue Calls: 31
- First Responder Calls: 53
- Campfire Burning Permits: 253
- Open Burning Permits: 27

Community Wildfire Protection Plan. Beginning in 2018, the Village of Chase partnered with the Little Shuswap Lake Indian Band to develop a Wildfire Protection Plan and to engage the public in learning about how to mitigate fire risks in populated areas. In 2021, the Village of Chase Community Wildfire Protection Plan (CWPP) was finalized, which covers an area that extends two kilometres outside of the Village of Chase boundary.

Strategic Priorities for 2022

ADMINISTRATION & FINANCE



- Planning a community to community forum with local First Nations community leaders
- Re-initiate youth action committee
- Considering how to best provide for future economic development of our community
- Continue with ongoing communications to the public using various methods

COMMUNITY PLANNING & DEVELOPMENT



- Meetings with local Indigenous Community Leaders to continue sharing ideas and working together
- Development Approvals Procedure bylaw
- Ministry of Transportation and Infrastructure Hwy 1 and Brooke Drive project – community advocacy, project management, technical liaison & communication, and coordination

PUBLIC WORKS & INFRASTRUCTURE



- Paving - road remediation
- Streetlights - Brooke Drive
- Stormwater feasibility assessment
- Assess rapid infiltration basins #4 & 5

Grant Dependent

- Watermain upgrade at South Thompson River intake & Hysop Road/Pine Street
- Flood Mitigation - South Thompson Little Shuswap
- Bay Drive & Montgomery Place assessments

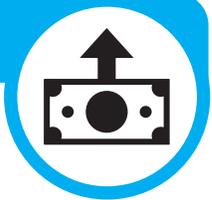
Strategic Priorities for 2022

PARKS & RECREATION



- Fund Seniors Centre covered entrance
- Shuswap Trails & Scatchard Trail enhancements/planning
- Wharf painting
- Thompson Avenue to Willson Park access improvements

ECONOMIC DEVELOPMENT



- Downtown revitalization strategy
- Wayfinding signage – Ministry of Transportation and Infrastructure/Village of Chase partnership

FIRE & RESCUE



- Fire Department inventory and equipment Plan
- Emergency plan update – work with Thompson-Nicola Regional District
- Table top exercises for emergency preparedness/emergency operations centre (EOC)

2021 Permissive Tax Exemptions

Permissive Tax Exemptions Granted by Council for 2021

On October 27, 2020, "Village of Chase 2021 Permissive Tax Exemption Bylaw No. 893-2020" was adopted. In that bylaw, tax exemptions were granted for the year 2021, pursuant to the Community Charter.

The following lands and improvements were provided with a permissive tax exemption from the Village of Chase for the year 2021:

Property Name	Legal Description	Estimated Value of Tax Exemption
Chase and District Curling Club	Parcel Z, District Lot 517, Plan 19733, K.D.Y.D. except Plan KAP57419, of Lots A & B SEE (KC5244); PID 012-870-285	\$9,863
Chase Creekside Seniors	Lease/Permit/License #343509, Parcel Y (DD M14002) Block A, District Lot 517, Plan 514, K.D.Y.D. PID 012-290-246	\$3,723
Chase and District Museum and Archives Society	Part of Lot 6, Plan B757 District Lot 517, K.D.Y.D. of Plan 1467, PID 004-971-531	\$4,967
Chase and District Chamber of Commerce	Located on Village of Chase Right-of-Way between Shuswap Avenue and Canadian Pacific Rail Line, West of Aylmer Road	\$2,220
Chase & District Recreation Centre Society-Golf Course	Lot A, Plan KAP 82245; PID 026-854-449, and Lot 1, Plan KAP 81631 District Lot 517, K.D.Y.D.; PID 026-771-748	\$10,994
Chase & District Recreation Centre Society-Arena	Lot 1, District Lot 517, K.D.Y.D.; Plan 20201, Except Plan KAP49449, all leased to the Chase & District Recreation Society; except that portion leased to Chase Canyon Eco-Adventures for the operation of a Zip-Line business	\$31,795
Royal Canadian Legion Branch 107	Royal Canadian Legion Branch 107: Lot A, District Lot 517, Plan 37207, K.D.Y.D. PID 004-896-955	\$4,250
Chase & District Lions Community Club	Portion of Lot 1, DL 517, Plan 43085 and Portion of Plan B264 except Plan A 18415 and Plan A 1315 as identified in Schedule A of April 14, 2015 lease	\$3,747

All churches receive a statutory (Provincial Legislation) exemption from taxation for the place of worship. Council adopted "Village of Chase 2020 Permissive Tax Exemption Bylaw No. 876-2019" on October 22, 2019, which provide places of worship tax exemptions for 2020, 2021, 2022 and 2023.

Property Name	Legal Description	Estimated Value of Tax Exemption
Chase Evangelical Free Church	Evangelical Free Church of America: Lot A, District Lot 517, Plan 41858, K.D.Y.D.; PID 014-902-486	\$1,357
Jehovah's Witness Congregation	Lots 17-20, Block P, District Lot 517, Plan 514, K.D.Y.D. PID 012-295-965, PID 012-295-981, 012-295-990, and 012-296-015.	\$944
Roman Catholic Bishop of Kamloops	Roman Catholic Bishop of Kamloops, Lot B, Plan 36502, District Lot 517, K.D.Y.D., of Plan 1467, PID 003-648-168	\$2,810

2021 Statement of Financial Information

**VILLAGE OF CHASE
2021 FINANCIAL INFORMATION**

Schedule of Remuneration and Expenses Paid To Or On Behalf of Each Elected Official:

	Remuneration	Expenses	Total
Crowe, Rod	14,643	829	15,472
Lauzon, Alison	10,165	829	10,994
Maki, Alison	9,692	438	10,130
Scott, Steven	10,165	829	10,994
Torbohm, Manfred	10,516	829	11,345
	\$ 55,181	\$3,754	\$58,935
	Remuneration	Expenses	Total
Other Employees with Remuneration Exceeding \$75,000.00			
Fandrey, John, Utility Operator	79,394	0	79,394
Heinrich, Joni, Chief Administrative Officer	92,183	2,146	94,329
Molnar, Joanne, Chief Financial Officer	110,688	2,006	112,694
O'Flaherty, Sean, Corporate Officer	107,185	2,662	109,847
Richens, Fred, Equip Operator II	77,598	0	77,598
Spencer, Guy, Equip Operator II	83,674	190	83,864
Consolidated Total for all employees with remuneration of \$ 75,000 or less	431,812	1,822	433,634
	\$ 982,534	8,827	991,361
Reconciliation	Remuneration	Expenses	Total
Total remuneration - elected officials	\$ 55,181	3,754	58,935
Total remuneration - other employees	982,534	8,827	991,361
	\$ 1,037,715	12,581	1,050,296
Total per Statement of Operations			1,252,815
Less Contractor Payments			-94,403
Fire Dept Benefits & Allowances			-20,874
MPP benefit as per Note 14(c)			-65,828
WCB			-21,468
Net Statement of Operations			1,050,242
VARIANCE			\$ -54

Prepared under the Financial Information Regulation, Schedule 1, section 6(2),(3),(4),(5) and (6)

**VILLAGE OF CHASE
2021 FINANCIAL INFORMATION
STATEMENT OF SEVERANCE AGREEMENTS**

NIL - Statement

There were no severance agreements made between The Village of Chase and its non-unionized employees during the fiscal year 2021

Prepared under the Financial Information Regulation 1, subsection 6(8)

**VILLAGE OF CHASE
2021 FINANCIAL INFORMATION
SCHEDULE OF DEBTS**

The Schedule of debts is presented in Note 6 - Demand Promissory Note, and note 5 - Term Debt, and note 7 - MFA Debt Reserve of the annual audited financial statements for the year ended 31 December 2021.

**VILLAGE OF CHASE
2021 FINANCIAL INFORMATION
SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS**

Information on all guarantees and indemnities for the Village of Chase is included in Note 13 (b) to the audited annual financial statements for the year ended 31 December 2021.

VILLAGE OF CHASE
2021 FINANCIAL INFORMATION
Schedule of Suppliers of Goods or Services: Section 7

Schedule of Payments Made for the Provision of Goods and Services

1. List of Suppliers receiving aggregate payments exceeding \$ 25,000		
1159312 BC LTD dba MB CONSTRUCTION		152,040
ASSOCIATED FIRE SAFETY EQUIPMENT		25,171
BC ASSESSMENT AUTHORITY		29,580
BA DAWSON BLACKTOP LTD		197,048
BC HYDRO		164,374
CANADIAN PACIFIC RAILWAY		25,453
CAPRI INSURANCE		110,784
CENTRAL SQUARE CANADA SOFTWARE INC.		33,863
DEARBORN MOTORS LIMITED		103,240
FULTON & COMPANY		30,560
GROUP HEALTH BENEFIT SOLUTIONS		80,621
KENDRICK EQUIPMENT (2003) LTD		73,602
KENNEDY CINDY		33,812
MINISTRY OF PROVINCIAL REVENUE		173,122
MUNICIPAL PENSION PLAN		122,421
ORCHARD FORD SALES LTD		107,290
RECEIVER GENERAL OF CANADA		277,260
RIVERSIDE DOCKS 2018		30,741
SCHOOL DISTRICT NO 73		43,393
SOIL LOCK		40,898
STONE & OAK DEVELOPMENTS LTD.		190,692
TNRD (THOMPSON-NICOLA REGIONAL DISTRICT		660,273
THOMPSON REGIONAL HOSPITAL DISTRICT		214,639
TRUE CONSULTING		243,260
TURNER, BRENDA		38,452
Total aggregate amount paid to suppliers	\$	3,202,589 (A)
2 Consolidated total paid to suppliers receiving aggregate payments of \$25,000 or less:	\$	1,019,219 (B)
3 Total of payments to suppliers for grants and contributions exceeding \$25,000		
CHASE & DISTRICT RECREATION CENTRE SOCIETY		200,000 (C)

VILLAGE OF CHASE
2021 FINANCIAL INFORMATION
Schedule of Suppliers of Goods or Services: Section 7

Schedule of Payments Made for the Provision of Goods and Services

4 Reconciliation		
Total aggregate payments exceeding \$25,000 paid to suppliers		3,202,589 (A)
Consolidated total of payments of \$25,000 or less paid to suppliers		1,019,219 (B)
Consolidated total of all grants and contributions exceeding \$25,000		200,000 (C)
 Reconciling items		
Property Tax payments to other governments net of Revenue	-1,683,026	
Home Owner Grants deducted from other Government payments	804,258	
School tax admin fee	3,065	
Property tax refunds not an expense	0	
Rebatable GST Included in Schedule of supplier payments	-97,000	
Wages and Salaries included in expenses in Statement of Operations	1,037,715	
Employee Pension payments not an expense	-58,078	
Employee EI/ CPP/Tax not an expense	-225,677	
Employee Benefits not an expenses union & LTD	-31,466	
Subcontractor WCB & Supplies	-2,058	
Amortization of TCAS	1,144,077	
Principal payments on capital lease obligations	0	
Principal payments on term debt	-60,885	
Principal payments on demand Promissory Note Issued	0	
Acquisition of TCAs	-773,373	
Proceeds from Sale of TCA	34,651	
Gain or Loss on disposal of assets	-28,056	
Actuarial Gain	-23,956	
Changes in Accruals	-210,313	
Change in Prepaid expenses	-68,838	
Total of Reconciled Payments to Suppliers	<u>\$ 4,182,848</u>	
 Total per Statement of Operations	 <u>\$ 4,182,917</u>	
 Variance	 <u>\$ 69</u>	

Prepared under the Financial Information Regulation, Schedule 1, section 7 and the Financial Information Act, section 2

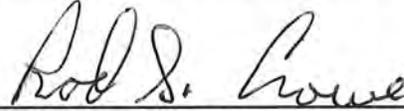
VILLAGE OF CHASE
2021 FINANCIAL INFORMATION
STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the Financial Information Act.



Joanne Molnar
Director Financial Services

Date: May 11, 2022



Rod Crowe, Mayor
Council Member on behalf of Council

Date: May 11, 2022

Prepared pursuant to the Financial Information Regulation, Schedule 1, section 9

Audited Financial Statements 2021

Financial Statements of

THE VILLAGE OF CHASE

Year ended December 31, 2021

THE VILLAGE OF CHASE

Financial Statements

Year ended December 31, 2021

Financial Statements

Management's Responsibility for the Financial Statements

Independent Auditors' Report

Statement of Financial Position 1

Statement of Operations 2

Statement of Changes in Net Financial Assets 3

Statement of Cash Flows 4

Notes to Financial Statements 5

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of The Village of Chase (the "Village") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The significant accounting policies are described in Note 2 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

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

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


Chief Administrative Officer


Director of Financial Services



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560 Victoria Street
Kamloops BC V2C 2B2
Canada
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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the Village of Chase

Opinion

We have audited the financial statements of The Village of Chase (the "Village"), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of operations for the year then ended
- the statement of changes in net financial assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2021, and its results of operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

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



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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

KPMG LLP

Chartered Professional Accountants

Kamloops, Canada

April 26, 2022

THE VILLAGE OF CHASE

Statement of Financial Position

December 31, 2021

	2021	2020
Financial assets:		
Cash and cash equivalents (note 2)	\$ 6,132,219	\$ 5,774,448
Accounts receivable:		
Taxes receivable	167,708	198,158
Other	314,163	157,601
	<u>6,614,090</u>	<u>6,130,207</u>
Financial liabilities:		
Accounts payable and accrued liabilities (note 3)	183,776	394,044
Accrued payroll expenses	119,009	119,055
Deferred revenue (note 4)	465,375	436,128
Term debt (note 5)	1,801,693	1,886,533
	<u>2,569,853</u>	<u>2,835,760</u>
Net financial assets	4,044,237	3,294,447
Non-financial assets:		
Tangible capital assets (note 8)	30,777,181	31,147,885
Prepaid expenses	150,953	82,115
	<u>30,928,134</u>	<u>31,230,000</u>
Commitments and contingencies (note 13)		
Accumulated surplus (note 9)	<u>\$ 34,972,371</u>	<u>\$ 34,524,447</u>

The accompanying notes are an integral part of these financial statements



Director of Financial Services

THE VILLAGE OF CHASE

Statement of Operations

Year ended December 31, 2021

	Budget (note 15)	2021	2020
Revenues:			
Taxation (note 10)	\$ 2,218,950	\$ 2,239,911	\$ 2,148,105
User charges	1,315,425	1,249,973	1,097,910
Government transfers			
Provincial (note 11)	3,327,070	725,324	1,429,765
Federal (note 11)	-	309,884	155,043
Regional District (note 11)	-	19,000	19,000
Investment income	-	58,693	69,035
Gain on sale of tangible capital assets	-	28,056	-
Other income	90,000	-	-
Total revenues	6,951,445	4,630,841	4,918,858
Expenses:			
General government	1,148,206	966,572	1,030,828
Protective services	583,224	398,403	295,746
Transportation	936,250	755,701	738,088
Parks and recreation	619,408	624,963	617,040
Solid waste	260,100	250,353	261,600
Water utility	657,733	727,087	682,042
Sewer utility	377,908	344,129	395,540
Other	111,600	41,965	27,702
Development services	225,450	73,744	90,404
Total expenses	4,919,879	4,182,917	4,138,990
Annual surplus	2,031,566	447,924	779,868
Accumulated surplus, beginning of year	34,524,447	34,524,447	33,744,579
Accumulated surplus, end of year	\$ 36,556,013	\$ 34,972,371	\$ 34,524,447

The accompanying notes are an integral part of these financial statements

THE VILLAGE OF CHASE

Statement of Changes in Net Financial Assets

Year ended December 31, 2021

	Budget (note 15)	2021	2020
Annual surplus	\$ 2,031,566	\$ 447,924	\$ 779,868
Acquisition of tangible capital assets	(2,861,250)	(779,968)	(101,629)
Amortization of tangible capital assets	988,625	1,144,077	1,149,988
Gain on sale of tangible capital assets	-	(28,056)	-
Proceeds on sale of tangible capital assets	132,000	34,651	-
	290,941	818,628	1,828,227
Acquisition of prepaid expenses	-	(150,953)	(82,115)
Use of prepaid expenses	-	82,115	74,125
	-	(68,838)	(7,990)
Change in net financial assets	290,941	749,790	1,820,237
Net financial assets, beginning of year	3,294,447	3,294,447	1,474,210
Net financial assets, end of year	\$ 3,585,388	\$ 4,044,237	\$ 3,294,447

The accompanying notes are an integral part of these financial statements

THE VILLAGE OF CHASE

Statement of Cash Flows

Year ended December 31, 2021

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 447,924	\$ 779,868
Items not involving cash:		
Amortization of tangible capital assets	1,144,077	1,149,988
Gain on sale of tangible capital assets	(28,056)	-
Actuarial gain	(23,956)	(21,279)
Change in non-cash operating assets and liabilities:		
Accounts receivable	(126,112)	(39,590)
Accounts payable and accrued liabilities	(210,267)	247,935
Accrued payroll expenses	(46)	13,430
Deferred revenue	29,247	153,187
Prepaid expenses	(68,838)	(7,990)
Net change in cash from operating activities	1,163,973	2,275,549
Capital activities:		
Acquisition of tangible capital assets	(779,968)	(101,629)
Proceeds on sale of tangible capital assets	34,651	-
Net change in cash from capital activities	(745,317)	(101,629)
Financing activities:		
Principle payment on term debt	(60,885)	(59,550)
Net change in cash and short-term investments	357,771	2,114,370
Cash and short-term investments, beginning of year	5,774,448	3,660,078
Cash and short-term investments, end of year	\$ 6,132,219	\$ 5,774,448
Supplemental cash flow information:		
Cash received from interest	\$ 34,738	\$ 48,935
Cash paid for interest	70,144	77,872

The accompanying notes are an integral part of these financial statements

THE VILLAGE OF CHASE

Notes to Financial Statements

Year ended December 31, 2021

The Village of Chase (the "Village") was incorporated on April 21, 1969 under statute of the Province of British Columbia and operates under the provisions of the Local Government Act and the Community Charter of British Columbia.

The Village provides municipal services to residents of the incorporated area. These include fire protection, transportation and roads maintenance, solid waste collection and disposal, parks and recreation and maintenance of green spaces, water utility, sewer utility and other general government services.

1. Significant accounting policies:

(a) Basis of presentation:

The financial statements of the Village have been prepared in accordance with Canadian generally accepted accounting principles for governments as prescribed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA").

(b) Reporting entity:

(i) Funds of the Village

The financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all funds of the Village, segregated into general, water utility and sewer utility funds.

The Village has not identified any external entities that are owned or whose boards are controlled by the Village and that are accountable to the Village for the administration of their financial affairs and resources; however it is the policy of the Village that any such entities would also form part of the reporting entity.

Inter-departmental and interfund transactions and balances between these funds have been eliminated in the financial statements.

(ii) Accounting for other government organizations and School Board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of other government entities and the School Boards with which the Village interacts are not reflected in these financial statements. Funds collected by the Village on behalf of these other entities and transmitted to them are summarized in note 10. Funds received by the Village as transfers or grants from other government entities are summarized in note 11.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(iii) Trust funds

Trust funds and their related operations administered by the Village are not included in these financial statements.

(c) Basis of accounting:

The Village follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned, can be measured and there is reasonable assurance that they will be collected. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(d) Revenue recognition:

Property taxes, parcel taxes, frontage taxes and special assessments are recognized as revenue in the year in which they are assessable. Water and sewer user rates, connection fees, sale of services, interest and penalties are recognized as revenue in the year the related service is provided, and when the amount to be received can be reasonably estimated and collection is reasonably assured.

Government transfers received or receivable are recognized in the financial statements as revenue in the year that the event giving rise to the transfer occurs, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Investment income is reported as revenue in the year earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

(e) Deferred revenue:

Deferred revenue represents grants, development cost charges ("DCCs"), licenses and other fees which have been collected, but for which the related expenditures or services have yet to be performed or incurred. These amounts will be recognized as revenues in the year the services are performed or expenses incurred.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(f) Government transfers:

Government transfers (other than grants in lieu of taxes) are recognized in the consolidated financial statements as revenues in the periods in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made unless the transfer contains stipulations that create a liability, in which case the transfers are deferred and recognized as revenue in the periods that the liability is extinguished. Grants in lieu of taxes are recognized at the earlier of when received or when money is determined to be more likely than not to be collected.

(g) Cash and cash equivalents:

Cash and cash equivalents includes short-term investments with maturity dates within 90 days of acquisition.

(h) Term debt:

Term debt is recorded net of accumulated principal repayments and actuarial adjustments to debt. Debt interest charges are charged against current revenue in the fiscal year in which they are accrued.

(i) Pension plan and deferred payroll liabilities:

(i) The Village provides certain employee benefits which will require funding in future periods. These benefits include sick leave and banked overtime provided to all its unionized employees. The costs of sick leave and banked overtime arising from past service and expected to be paid out in a future period have been accrued as a liability and have been determined using management's best estimate of salary and utilization rates. Non-vesting sick leave benefit entitlements in excess of these amounts are not accrued, as they are unlikely to be utilized prior to retirement.

(ii) The Village and its employees participate in the Municipal Pension Plan. The Municipal Pension Plan is a multi-employer contributory defined benefit pension plan. Payments in the year are expensed.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(j) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful life - years
Land improvements	15-50
Buildings and building improvements	15-75
Vehicles, machinery and equipment	3-50
Roads, bridges and drainage	10-80
Water and waste water infrastructure	10-80

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Leased tangible capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(iv) Works of art and cultural and historic assets

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

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

1. Significant accounting policies (continued):

(v) Interest capitalization

The Village does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(k) Use of estimates:

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions based on current conditions and laws that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Management reviews these estimates on a periodic basis and, where necessary, makes adjustments prospectively.

(l) Contaminated sites:

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

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

- i) An environmental standard exists
- ii) Contamination exceeds the environmental standard
- iii) The organization is directly responsible or accepts responsibility for liability
- iv) Future economic benefits will be given up, and
- v) A reasonable estimate of the liability can be made

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

2. Cash and cash equivalents:

Cash and cash equivalents reported on the statement of financial position have a cost that approximates market value. Short-term investments are held in Municipal Finance Authority ("MFA") pooled money market funds with an annual rate of return of approximately 0.15% (2020 .85%) and term deposits with a rate of return of approximately 0.15% and 1.92%.

	2021	2020
Cash	\$ 4,845,264	\$ 4,723,932
Short-term investments	1,286,955	340,131
Term deposits	-	710,385
	\$ 6,132,219	\$ 5,774,448

Restrictions around use of cash and cash equivalents are as follows:

	2021	2020
Restricted:		
Reserves	\$ 2,469,255	\$ 2,487,396
Development cost charges	274,783	258,641
MFA debt reserve fund	32,220	31,681
	2,776,258	2,777,718
Unrestricted	3,355,961	2,996,730
	\$ 6,132,219	\$ 5,774,448

3. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are refundable deposits of \$7,946 (2020 - \$198,638).

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

4. Deferred revenue:

Deferred revenue, reported on the statement of financial position, is made up of the following:

	2021	2020
DCC's	\$ 274,783	\$ 258,641
Cash in lieu of parkland	20,300	20,300
Other	170,292	157,187
Total deferred revenue	\$ 465,375	\$ 436,128

Continuity of deferred revenue is as follows:

	2021	2020
Balance, beginning of year:		
DCC's	\$ 258,641	\$ 204,927
Cash in lieu of parkland	20,300	15,421
Other	157,187	62,593
	436,128	282,941
Contributions:		
DCC's	16,142	53,714
Gas tax funding	309,884	107,723
Other	170,293	106,495
	932,447	550,873
Revenues recognized	(467,072)	(114,745)
Balance, end of year	\$ 465,375	\$ 436,128

Gas tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Village and the Union of British Columbia Municipalities. Gas tax funding may be used towards designated public transit, local roads and infrastructure, community energy, water, wastewater, solid waste and capacity building projects, disaster mitigation and culture, tourism, sport and recreation infrastructure as specified in the funding agreements.

Development cost charges ("DCCs") are amounts received from developers to be used by the Village for specific infrastructure upgrades, improvements and projects. The above amounts have been deferred and are to be recognized as revenue in the year the related project expenditures are incurred.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

5. Term debt:

The Village issues debt instruments through the MFA of British Columbia, pursuant to term capital borrowing, loan authorization and security issuing bylaws under authority of Sections 178, 179 and 181 of the Community Charter, to finance certain capital expenditures.

The balance of term debt reported on the statement of financial position is made up of the following:

	2021	2020
MFA debt instrument with a maturity date of April, 2038, bearing interest at a rate of 3.15% per annum	\$ 772,275	\$ 804,797
MFA debt instrument with a maturity date of October 2036, bearing interest at a rate of 3.25% per annum	709,498	743,658
MFA debt instrument with a maturity date of April 2035, bearing interest at a rate of 1.81% per annum	319,920	338,078
Term debt, end of year	\$ 1,801,693	\$ 1,886,533

Total interest on term debt reported in the statement of operations amounted to \$70,144 (2020 - \$77,872).

The term debt issued in the name of the Village has been approved by bylaw. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs.

The total principal payments for the next five years and thereafter are as follows:

2022	\$ 86,730
2023	90,107
2024	93,617
2025	97,263
2026	101,052
Thereafter	1,332,923

Scheduled debt repayments may be suspended by the MFA if the MFA anticipates that it has sufficient investment assets to cover the remaining principal and interest repayments of the MFA funding debentures.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

6. Credit facility:

The Village has a line of credit with the Royal Bank of Canada ("RBC") which bears interest at the bank's prime commercial lending rate (December 31, 2021 - 2.45%). The line of credit is available to a maximum of \$2,000,000. As at December 31, 2021, the line of credit balance totaled \$nil (December 31, 2020 - \$nil).

7. MFA debt reserve:

As a condition of the MFA borrowings made by the Village, and as required by legislation, a debt reserve fund is maintained in the amount of one-half the average annual instalment of principal and interest as set out in the agreements entered into. The reserve is funded in part by cash, being the withholding of 1% of the total issue proceeds, and the remainder being funded by a demand note whereby the Village may be required to loan certain amounts to the MFA. Details of the cash deposits and demand notes on hand at year end are as follows:

	2021	2020
Cash deposits	\$ 32,220	\$ 31,681
Demand notes	47,775	47,775
Debt reserve fund balance	\$ 79,995	\$ 79,456

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

8. Tangible capital assets:

2021	Land	Land improvements	Buildings and building improvements	Vehicles, machinery and equipment	Roads, bridges and drainage	Water infrastructure	Waste water infrastructure	Assets under construction	Total
Cost:									
Balance, beginning of year	\$ 7,012,701	\$ 1,951,893	\$ 15,634,031	\$ 6,040,879	\$ 8,211,089	\$ 4,573,365	\$ 3,974,705	\$ -	\$ 47,398,663
Additions	-	-	84,231	335,813	359,924	-	-	-	779,968
Disposals	(6,595)	-	-	-	-	-	-	-	(6,595)
Balance, end of year	7,006,106	1,951,893	15,718,262	6,376,692	8,571,013	4,573,365	3,974,705	-	48,172,036
Accumulated amortization:									
Balance, beginning of year	-	949,374	3,999,512	3,123,920	4,173,831	1,585,631	2,418,710	-	16,250,778
Amortization expense	-	83,451	468,859	314,345	157,365	62,997	57,060	-	1,144,077
Balance, end of year	-	1,032,825	4,468,371	3,438,265	4,330,996	1,648,628	2,475,770	-	17,394,855
Net book value, end of year	\$ 7,006,106	\$ 919,068	\$ 11,249,891	\$ 2,938,427	\$ 4,240,017	\$ 2,924,737	\$ 1,498,935	\$ -	\$ 30,777,181

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

8. Tangible capital assets (continued):

2020	Land	Land improvements	Buildings and building improvements	Vehicles, machinery and equipment	Roads, bridges and drainage	Water infrastructure	Waste water infrastructure	Assets under construction	Total
Cost:									
Balance, beginning of year	\$ 7,012,701	\$ 1,951,893	\$ 15,634,031	\$ 5,986,746	\$ 8,189,163	\$ 4,573,365	\$ 3,949,135	\$ -	\$ 47,297,034
Additions	-	-	-	54,133	21,926	-	25,570	-	101,629
Balance, end of year	7,012,701	1,951,893	15,634,031	6,040,879	8,211,089	4,573,365	3,974,705	-	47,398,663
Accumulated amortization:									
Balance, beginning of year	-	865,923	3,532,760	2,811,015	4,025,645	1,522,220	2,343,227	-	15,100,790
Amortization expense	-	83,451	466,752	312,905	147,986	63,411	75,483	-	1,149,988
Balance, end of year	-	949,374	3,999,512	3,123,920	4,173,631	1,585,631	2,418,710	-	16,250,778
Net book value, end of year	\$ 7,012,701	\$ 1,002,519	\$ 11,634,519	\$ 2,916,959	\$ 4,037,458	\$ 2,987,734	\$ 1,555,995	\$ -	\$ 31,147,885

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

8. Tangible capital assets (continued):

Included in tangible capital assets are the following assets:

	Water Treatment	Waste Water
Tangible capital assets:		
Cost:		
Balance, beginning of year	\$ 8,644,507	\$ 8,401,627
Balance, end of year	8,644,507	8,401,627
Accumulated amortization:		
Balance, beginning of year	2,573,837	3,583,231
Amortization expense	321,464	190,935
Balance, end of year	2,895,301	3,774,166
Net book value, end of year	\$ 5,749,206	\$ 4,627,461

a) Assets under construction

Assets under construction have not been amortized. Amortization of these assets will commence when the asset is put into service. Where projects have been completed during the year, accumulated costs are reclassified to the appropriate category of asset and included in related additions in the current year. Assets under construction \$nil (2020 - \$nil).

b) Contributed tangible capital assets

The Village did not receive any contributed assets during the year (2020 - none).

c) Write-down of tangible capital assets

No write-down in value of tangible capital assets was considered necessary during the year (2020 - no write down).

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

9. Accumulated surplus:

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

	2021	2020
Surplus:		
Invested in tangible capital assets	\$ 28,975,489	\$ 29,261,352
Unrestricted	3,527,626	2,775,698
Total surplus	32,503,115	32,037,050
Reserves set aside by council for operating purposes:		
Gas tax	1,022,028	710,385
Road and improvement	614,621	414,621
PW fleet and equipment	392,357	392,357
COVID Safe Restart Grant (schedule)	320,715	879,000
Parks and recreation	46,000	46,000
Land sales	28,501	-
Fire department	21,250	21,250
Planning and development	14,000	14,000
IT reserve	7,500	7,500
Youth action	2,209	2,209
Recreation	75	75
	2,469,256	2,487,397
Total accumulated surplus	\$ 34,972,371	\$ 34,524,447

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

10. Taxation:

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

	2021	2020
Municipal and school property taxes levied	\$ 3,790,100	\$ 3,620,045
Payments-in-lieu of property and business taxes	53,243	51,356
Parcel taxes levied	43,399	43,188
Penalties and interest on property taxes	36,195	25,872
	<u>3,922,937</u>	<u>3,740,461</u>
Less transfers to other governments:		
Thompson-Nicola Regional District ("TNRD")	423,190	436,238
Thompson Regional Hospital District	214,639	216,292
Province of B.C. - school taxes	870,871	764,742
Province of B.C. - police taxes	144,641	145,040
B.C. Assessment Authority	29,580	29,945
Other items	105	99
	<u>1,683,026</u>	<u>1,592,356</u>
Net taxation revenue available for municipal purposes	<u>\$ 2,239,911</u>	<u>\$ 2,148,105</u>

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

11. Government transfers:

The Village recognizes the transfer of government funding as revenues or expenses in the period that the events giving rise to the transfer occurred. Government funding sources are primarily Federal, Provincial or a combination of both. The government transfers reported on the statement of operations and accumulated surplus are:

	2021	2020
Provincial grants:		
B.C. Small Communities Grant	\$ 432,000	\$ 427,065
Floodplain Mapping Project	125,402	-
Wilson Park Footbridge Project	109,995	-
Community Workforce Response Grant	38,906	86,010
Housing Needs Report Program	7,360	-
Climate Action Review Incentive Plan	6,861	4,990
BC Hydro Grant	4,800	-
COVID Safe Restart Grant	-	879,000
Emergency Operations Centres	-	24,200
Infrastructure and Planning - Active Transportation	-	7,500
B.C. Recreation and Parks	-	1,000
	725,324	1,429,765
Federal grants:		
Gas tax revenue recognized	309,884	151,393
Federal grant - other	-	3,650
	309,884	155,043
TNRD:		
Fire response area	15,000	15,000
Cemetery grant	4,000	4,000
	19,000	19,000
Total government transfer revenues	\$ 1,054,208	\$ 1,603,808

12. Trust funds:

The Village operates the Chase Municipal Cemetery and maintains a cemetery perpetual care fund in accordance with the Cemetery and Funeral Services Act. Trust fund assets and related reserve balance have been excluded from the financial statements, as the assets are only held beneficially in trust for unrelated third parties. At December 31, 2021, the Village held \$54,250 (2020 - \$52,885) in trust.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

13. Commitments and contingencies:

- (a) The Village, as a member of the Thompson-Nicola Regional District, is liable for its proportion of any operating deficits or term debt related to functions in which it participates.
- (b) The Village has guaranteed the loan principal and interest payments on a mortgage for the Chase and District Recreation Society (the "Society") to a maximum \$550,000 for the Chase golf course. As at December 31, 2021, the mortgage balance was \$375,057 (2020 - \$415,399). The Village provides a management fee for operations in the amount of \$150,000 to assist the Society with general operating costs. In the event the Society was to default on the mortgage payments, the golf course would become the property of the Village.
- (c) This Village and its employees contribute to the Municipal Pension Plan (the "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 the adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

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

The Village paid \$65,828 (2020 - \$78,819) for employer contributions, while employees contributed \$58,079 (2020 - \$70,193) to the Plan in fiscal 2021.

The next valuation will be 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, asset and cost to the individual employers participating in the plan.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

13. Commitments and contingencies (continued):

- (d) The Village provides benefits for sick leave to all its employees. All employees accumulate sick leave entitlement on a monthly basis and can only use this entitlement for paid time off under certain circumstances. Per the current collective agreement, employees earn sick leave benefits at the rate of 1.5 days for every month of service, which accumulate and roll forward year to year, up to a maximum of 150 days per employee.

The Village has not recorded a liability for this sick leave benefit entitlement as the current entitlement is unlikely to be utilized before retirement. However, at December 31, 2021 the sick leave benefits entitlement accumulated to date totals approximately 3,073 hours (2020 - 2,977) or approximately \$116,152 (2020 - 2,977 or approximately \$96,559).

The Village also provides benefits on retirement. After five years of employment, 20% of the sick pay benefits will be paid out plus an additional 2% for each additional year employed to a maximum of 150 days. The Village has recorded a liability of \$40,830 (2020 - \$37,618) for these benefits due to vested retirement benefits.

- (e) From time to time the Village is brought forth as defendant in various lawsuits. The Village reviews its exposure to any potential litigation for which it would not be covered by insurance and assesses whether a successful claim against would materially affect the financial statements. The Village is currently not aware of any claims brought against it that if not defended successfully would result in a material change to the financial statements of the Village.
- (f) The Village 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 the Village, along with the other participants, would be required to contribute towards the deficit.

14. Segmented information:

Segmented information has been identified based upon lines of service provided by the Village. Village services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

- (i) Taxes

Taxes include all taxation revenues and tax related revenues except parcel taxes which are allocated to the specific functions for which they are collected.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

14. Segmented information (continued):

(ii) General government

General government operations provide the functions of corporate administration, finance, human resources, legislative services, building services and maintenance, and other functions not categorized to a specific department. It includes general revenues and transfers not allocated to specific functions.

(iii) Protective services

Protective services is comprised of the fire and rescue service, bylaw enforcement and animal control, and building inspection services. The mandate of the fire department is to provide fire suppression services; fire prevention programs; training and education related to prevention; and detection or extinguishment of fires. The bylaw and animal control department provides licensing and bylaw enforcement services. The building inspection service provides enforcement of municipal bylaws and the Provincial Building Code and regulations.

(iv) Development services

Development services provides planning assistance to guide developers in complying with the Village zoning bylaws, Official Community Plan, and development procedures for subdividing lands and providing the necessary infrastructure to support those developments.

(v) Transportation

The Village public works department is responsible for the delivery of municipal services related to the planning, development and maintenance of roadway systems, street lighting, and drainage systems.

(vi) Parks, recreation and culture

The Village public works and parks department provides public services related to the maintenance of parks, open spaces, the Community Hall, the Museum and provision of various seasonal recreation programs. Administration provides funding and liaison with Chase and District Recreation Centre Society which administers the arena and golf course.

(vii) Solid waste management

The Village is responsible for environmental programs including solid waste collection and disposal and recycling.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

14. Segmented information (continued):

(viii) Water utility

The Village is responsible for environmental programs including the engineering and operation of the potable water system to obtain, treat and deliver water.

(ix) Waster water utility

The Village is responsible for environmental programs including the engineering and operation of the waste water collection, treatment and disposal.

(x) Other services

The Village provides public services related to the Chase Cemetery, the public wharf and dykes within the community.

Certain allocation methodologies are employed in the preparation of segmented financial information. User charges and other revenue have been allocated to the segments based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development cost charges revenues were allocated to the segment for which the charge was utilized.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

14. Segmented Information (continued):

2021	Taxes and general revenues	General government	Planning and development services	Protective services	Transportation	Parks and recreation	Solid waste	Water utility	Sewer utility	Other services	Total
Revenues:											
Taxation	\$ 2,203,716	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,203,716
User fees	-	20,355	30,522	46,025	-	4,913	246,911	525,142	356,277	19,828	1,249,973
Government transfers	-	1,035,208	-	15,000	-	-	-	-	-	4,000	1,054,208
Investment income	-	34,737	-	-	-	-	-	18,659	5,297	-	58,693
Penalties and interest	36,195	-	-	-	-	-	-	-	-	-	36,195
Gain on sale of tangible capital assets	-	28,056	-	-	-	-	-	-	-	-	28,056
Total revenues	2,239,911	1,118,356	30,522	61,025	-	4,913	246,911	543,801	361,574	23,828	4,630,841
Expenses:											
Salaries, wages and employee benefits	-	551,031	-	98,060	293,553	112,756	65,755	84,610	31,286	9,291	1,246,342
Operating	-	303,403	26,960	256,867	282,512	261,917	141,413	221,465	115,764	13,532	1,623,833
Grants in aid	-	96,521	2,000	-	-	-	-	-	-	-	98,521
Debt interest charges	-	-	-	-	-	-	-	64,000	6,144	-	70,144
Amortization	-	15,617	44,784	43,476	179,636	250,290	43,185	357,012	190,935	19,142	1,144,077
Total expenses	-	966,572	73,744	398,403	755,701	624,963	250,353	727,087	344,129	41,965	4,182,917
Annual surplus (deficit)	\$ 2,239,911	\$ 151,784	(43,222)	\$ (337,378)	\$ (755,701)	\$ (620,050)	\$ (3,442)	\$ (183,286)	\$ 17,445	\$ (18,137)	\$ 447,924

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

14. Segmented information (continued):

2020	Taxes and general revenues	General government	Planning and development services	Protective services	Transportation	Parks and recreation	Solid waste	Water utility	Sewer utility	Other services	Total
Revenues:											
Taxation	\$ 2,122,233	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,122,233
User fees	-	22,350	33,852	21,852	-	18,057	241,242	386,303	356,523	17,731	1,097,910
Government transfers	-	1,581,158	-	15,000	-	3,650	-	-	-	4,000	1,603,808
Investment income	-	48,935	-	-	-	-	-	15,221	4,879	-	69,035
Penalties and interest	25,872	-	-	-	-	-	-	-	-	-	25,872
Total revenues	2,148,105	1,852,443	33,852	36,852	-	21,707	241,242	401,524	381,402	21,731	4,918,858
Expenses:											
Salaries, wages and employee benefits	-	607,751	-	105,751	266,204	89,134	66,128	73,913	36,980	6,954	1,252,815
Operating	-	405,038	43,620	150,810	297,019	237,702	144,061	186,704	135,329	2,582	1,602,865
Grants in aid	-	3,450	2,000	-	-	50,000	-	-	-	-	55,450
Debt interest charges	-	-	-	-	-	-	-	64,000	13,872	-	77,872
Amortization	-	14,589	44,784	39,185	174,865	240,204	51,411	357,425	209,359	18,166	1,149,988
Total expenses	-	1,030,828	90,404	295,746	738,088	617,040	261,600	682,042	395,540	27,702	4,138,990
Annual surplus (deficit)	\$ 2,148,105	\$ 621,615	(56,552)	\$ (258,894)	\$ (738,088)	\$ (595,333)	\$ (20,358)	(280,518)	(34,138)	\$ (5,971)	\$ 779,868

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

15. Budget data:

The budget data presented in these financial statements is based upon the 2021 operating and capital budgets approved as the 2021 Financial Plan by Council on May 11, 2021. The legislative requirements of the Financial Plan are that the cash inflows for the period must equal planned cash outflows.

Cash inflows and outflows include such items as transfers to and from reserves and surplus and capital expenditures. These items are not recognized as revenues and expenses in the statement of operations and accumulated surplus as they do not meet the public sector accounting standards requirements ("PSAB"). PSAB requires that budget figures be presented on the same basis of accounting as actual and comparative figures.

The following reconciles the budget figures reported in these financial statements to the approved Financial Plan.

	Budget amount
Surplus - Statement of Operations	\$ 2,031,566
Adjust for budgeted cash items not included in Statement of Operations:	
Offset for amortization budgeted	988,625
Transfers to and from reserves	(462,891)
Proceeds from borrowing	250,000
Acquisition of tangible capital assets	(2,861,250)
Principal payments on debt	(78,050)
Proceeds on disposal	132,000
Total Adjustments	(2,031,566)
Financial Plan Balance	\$ -

16. Comparative figures:

Certain 2020 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year. The changes do not affect prior year's surplus.

THE VILLAGE OF CHASE

Notes to Financial Statements (continued)

Year ended December 31, 2021

17. COVID-19 pandemic:

On March 11, 2020, the World Health Organization declared the Coronavirus COVID-19 ("COVID-19") outbreak a pandemic. This resulted in governments worldwide, including the Canadian and B.C. governments, enacting emergency measures to combat the spread of the virus. These measures, which included the implementation of travel bans, self-imposed quarantine periods, closures of non-essential businesses, and physical distancing, have caused material disruption to businesses in B.C. and globally, resulting in an economic slowdown.

The situation is dynamic, and the ultimate duration and magnitude of the impact is not known. The impact of the pandemic creates uncertainty over future cash flows, may cause changes to the assets or liabilities, and may have an impact on future operations. This uncertainty does not allow management to make a practical estimate of the impact of COVID-19 on the operations of the Village at this time due to external conditions beyond management control. Management will continue to monitor the on-going financial impact on its cash and budget forecasts and will be adjusting its operations as required to ensure it fulfills its obligations and continues its operations.

THE VILLAGE OF CHASE

Schedule of Reserve - COVID Safe Restart Grant (Unaudited)

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Balance, beginning of year	\$ 879,000	\$ -
Transfer in from unrestricted - COVID Safe Restart Grant	-	879,000
Bylaw enforcement and protective services	(10,100)	-
Programs for vulnerable populations	(83,100)	-
Other related costs	(169,865)	-
Revenue loss	(224,088)	-
Facility reopening and operating costs	(71,132)	-
Eligible costs incurred	(558,285)	-
Balance, end of year	\$ 320,715	\$ 879,000

