



Consolidated Financial Statements of
CITY OF COLWOOD

Year Ended December 31, 2021

STATEMENT OF MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian Public Sector Accounting Standards. This responsibility includes selecting appropriate accounting principles and methods, and decisions affecting the measurement of transactions in which objective judgement is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of consolidated financial statements.


The Council of the City of Colwood met with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

MNP LLP, as the City's appointed external auditors, have audited the consolidated financial statements. The Auditor's report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and present fairly the financial position and results of the City in accordance with Canadian Public Sector Accounting Standards.


May 9, 2022



Chief Administrative Officer



Chief Financial Officer & Director of Finance



Manager of Finance

Independent Auditor's Report

To the Mayor and Council of the City of Colwood:

Opinion

We have audited the consolidated financial statements of the City of Colwood (the "City"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Other Information

Management is responsible for the other information, consisting of an annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for the preparation and fair presentation of the 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the City'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 City or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 City'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 City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the City to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Nanaimo, British Columbia

May 9, 2022

The logo for MNP LLP, featuring the letters 'MNP' in a large, bold, handwritten-style font, followed by 'LLP' in a smaller, clean, sans-serif font.

Chartered Professional Accountants

CITY OF COLWOOD
CONSOLIDATED FINANCIAL STATEMENTS
For the Year Ended December 31, 2021

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**City of Colwood
Consolidated Statement of Financial Position**

Statement A

As at December 31, 2021

	2021	2020
Financial Assets:		
Cash and cash equivalents (Note 3)	\$ 36,675,658	\$ 44,438,310
Temporary investments (Note 4)	5,111,585	5,034,282
Portfolio investments (Note 5)	10,973,285	5,200,188
Property taxes receivable	1,287,441	1,211,350
Accounts receivable (Note 6)	2,338,317	964,024
	<u>56,386,286</u>	<u>56,848,154</u>
Financial Liabilities:		
Accounts payable and accrued liabilities (Note 8)	6,911,132	8,315,168
Prepaid property taxes	739,823	674,747
Deferred revenue (Note 9)	11,899,480	11,066,146
Refundable deposits	5,407,173	4,016,915
Debt (Note 10)		
Equipment finance loans	975,688	1,159,561
Long-term	7,997,141	8,690,504
Employee future benefits (Note 11)	1,047,681	951,692
	<u>34,978,118</u>	<u>34,874,733</u>
Net Financial Assets	21,408,168	21,973,421
Commitments and contingencies (Note 17)		
Significant event (Note 18)		
Non-Financial Assets:		
Tangible capital assets (Note 12)	168,071,020	151,347,956
Inventory of supplies	585,937	811,493
Prepaid expenses	134,982	155,635
	<u>168,791,939</u>	<u>152,315,084</u>
Accumulated surplus (Note 13)	\$ 190,200,107	\$ 174,288,505

Approved on behalf of the City

Robert Earl
Chief Administrative Officer

Jennifer Hepting, CPA, CA
Chief Financial Officer & Director of Finance

Marlie Boven, CPA, CMA
Manager of Finance

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

City of Colwood
Consolidated Statement of Operations

Statement B

As at December 31, 2021

	Budget (Note 19)	2021	2020
Revenue			
Taxation (Note 15)	\$ 19,214,200	\$ 18,931,631	\$ 18,176,671
User charges	4,314,152	4,642,986	3,486,293
Fines and penalties	124,300	236,180	139,805
Portfolio investment income	-	220,309	601,123
Other investment income	475,000	395,948	(70,302)
Unconditional government transfers (Note 16)	1,418,819	1,556,111	592,993
Conditional government transfers (Note 16)	5,307,600	2,701,188	5,290,463
Developer contributions	8,229,900	12,345,370	3,756,705
Other	16,768	123,356	44,301
	39,100,739	41,153,079	32,018,052
Expenses			
General government	\$ 4,418,000	\$ 3,984,953	\$ 3,727,248
Protective services	8,276,900	7,805,965	7,179,488
Engineering and transportation services	5,953,000	5,340,808	4,842,040
Solid waste management	373,400	327,257	313,452
Planning and development services	2,539,000	1,694,657	1,209,053
Parks, recreation and culture	6,244,919	5,679,369	4,401,562
Sewer services	1,545,800	1,537,732	1,284,824
	29,351,019	26,370,741	22,957,667
Annual surplus from City operations	9,749,720	14,782,338	9,060,385
Gain (loss) on change in proportionate share of West Shore Parks and Recreation Society (Note 20)	-	1,129,264	159,428
Annual surplus	9,749,720	15,911,602	9,219,813
Accumulated surplus, beginning of year	174,288,505	174,288,505	165,068,692
Accumulated surplus, end of year	\$ 184,038,225	\$ 190,200,107	\$ 174,288,505

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

City of Colwood
Consolidated Statement of Change in Net Financial Assets

Statement C

As at December 31, 2021

	Budget (Note 19)	2021	2020
Annual surplus	\$ 9,749,720	\$ 15,911,602	\$ 9,219,813
Acquisition of tangible capital assets (purchased)	(23,203,812)	(8,463,288)	(3,759,453)
Acquisition of tangible capital assets (contributed)		(10,985,998)	(2,521,017)
Amortization of tangible capital assets	3,117,000	2,743,946	3,116,831
Loss (gain) on disposal of tangible capital assets	-	(37,091)	16,596
Proceeds on disposal of tangible capital assets	-	43,741	81,000
Loss (gain) on change in proportionate share of West Shore Parks and Recreation Society assets	-	(24,375)	109,405
	(10,337,092)	(811,463)	6,263,175
Consumption of inventory of supplies	-	225,557	4,734
Increase in prepaid expenses	-	20,653	19,907
	-	246,210	24,641
Change in net financial assets	(10,337,092)	(565,253)	6,287,816
Net financial assets, beginning of year	21,973,421	21,973,421	15,685,605
Net financial assets, end of year	\$ 11,636,329	\$ 21,408,168	\$ 21,973,421

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

City of Colwood
Consolidated Statement of Cash Flows

Statement D

As at December 31, 2021

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 15,911,602	\$ 9,219,813
Items not involving cash:		
Amortization of tangible capital assets	2,743,946	3,116,831
Loss (Gain) on disposal of tangible capital assets	(37,091)	16,596
Actuarial adjustment on debt	(211,472)	(185,271)
Loss (gain) on change in proportionate share of West Shore Parks and Recreation Society assets	(24,375)	109,405
Developer contributed tangible capital assets	(10,985,998)	(2,521,017)
Change in non-cash operating assets and liabilities		
Property taxes receivables	(76,091)	(740,760)
Accounts receivable	(1,374,293)	(109,570)
Accounts payable and accrued liabilities	(1,404,036)	4,405,490
Prepaid property taxes	65,076	(10,567)
Deferred revenue	833,334	725,051
Refundable deposits	1,390,258	(13,696)
Employee future benefit liability	95,989	163,067
Inventory of supplies	225,556	4,734
Prepaid expenses	20,653	19,907
	7,173,058	14,200,013
Capital activities:		
Acquisition of tangible capital assets (purchased)	(8,463,288)	(3,759,453)
Proceeds on disposal of tangible capital assets	43,741	81,000
	(8,419,547)	(3,678,453)
Investing activities:		
Cash transferred (to) from investments	(5,850,401)	4,076,334
Financing activities:		
Equipment finance loan payments	(183,872)	(170,825)
Debt payments	(481,890)	(481,888)
	(665,762)	(652,713)
Increase (decrease) in cash and cash equivalents	(7,762,652)	13,945,181
Cash and cash equivalents, beginning of year	44,438,310	30,493,129
Cash and cash equivalents, end of year	\$ 36,675,658	\$ 44,438,310
Supplemental cash flow information		
Cash paid for interest	\$ 362,196	\$ 371,873
Cash received from interest	\$ 498,826	\$ 975,503

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

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

1. General

The City of Colwood (the "City") is a municipality in the Province of British Columbia incorporated on June 24, 1985, and operates under the provisions of the Local Government Act and the Community Charter of British Columbia. The City provides municipal services such as police, fire, public works, engineering, planning, parks, recreation, community development, conference facilities and other general government operations.

2. Significant Accounting Policies

The consolidated financial statements of the City are prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies are as follows:

Reporting entity

The financial statements reflect the assets, liabilities, revenues, and expenses of the reporting entity. The financial statements also include the proportionate consolidation of the City's share of the West Shore Parks and Recreation Society.

Basis of accounting

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

Government transfers

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Deferred revenue

Deferred revenue includes non-government grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services are performed, or the tangible capital assets are acquired. Development cost charges are amounts which are restricted by government legislation or agreement with external parties. When qualifying expenditures are incurred development cost charges are recognized as revenue in amounts which equal the associated expenses.

Investment income

Investment income is reported as revenue in the period 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. Investment income is allocated to various reserves and operating funds on a proportionate basis.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

2. Significant Accounting Policies *(continued from previous page)*

Cash and cash equivalents

Cash and cash equivalents include short-term highly liquid investments that are cashable on demand or have a term to maturity of 90 days or less at acquisition. Cash equivalents also include investment in the Municipal Finance Authority ("MFA") of British Columbia Money Market Funds, which are recorded at cost plus earnings reinvested in the funds.

Temporary Investments

Temporary investments are short-term investments, with an original maturity date of one year or less. The carrying values of temporary investments is based on the cost method whereby the cost of the investment is adjusted to reflect investment income, which is accruing.

Portfolio Investments

Portfolio investments are long-term investments, with an original maturity date of more than a year. The carrying values of portfolio investments is based on the cost method whereby the cost of the investment is adjusted to reflect investment income, which is accrued. For fixed term securities, such as bonds, any discount or premium arising on purchase is amortized over the period to maturity. Provisions for declines in the market value of portfolio investments are recorded when they are considered to be other than temporary. Declines in the market values of investments are considered to be other than temporary when the carrying value exceeds market value for more than three years.

Long-term debt

Long-term debt is recorded net of principal repayments and actuarial adjustments.

Employee future benefits

The City and its employees make contributions to the Municipal Pension Plan. The City's contributions are expensed as incurred.

Sick leave and other benefits are also available to the City's employees. The costs of these benefits are determined based on length 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 as the employees render services necessary to earn the future benefits.

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.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

2. Significant Accounting Policies *(continued from previous page)*

Non-financial assets *(continued from previous page)*

I. Tangible capital assets

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

Asset	Useful life - years
Building and building improvements	25 - 70
Vehicles, machinery, and equipment	5 - 25
Sewer infrastructure	75 - 100
Drainage infrastructure	75 - 100
Parks and land improvements	15 - 40
Roads infrastructure	10 - 75

Amortization is charged annually, including in the year of acquisition and disposal. Assets under construction are not amortized until the asset is available for productive use.

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

The City has capitalized interest costs associated with the construction of tangible capital assets, during the period of construction only.

Natural resources that have not been purchased are not recognized as assets in the financial statements.

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

II. Inventory of supplies

Inventory of supplies held for consumption is recorded at the lower of cost and replacement cost, using the first in, first out method.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

2. Significant Accounting Policies *(continued from previous page)*

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions 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 period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, performing calculations of employee future benefits and estimating the useful lives of tangible capital assets. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the City is responsible for. Developer contributions of tangible capital assets are recorded at the City's best estimate of fair value on the date of contribution, calculated using engineering plans and standardized item cost estimates. Actual results could differ from these estimates.

Refundable deposits

Receipts restricted by third parties are deferred and reported as refundable deposits under certain circumstances. Refundable deposits are returned when the third party meets their obligations, or the deposits are recognized as revenue when qualifying expenditures are incurred.

Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the City is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2021.

At each financial reporting date, the City reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The City continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

3. Cash and cash equivalents

	2021		2020
Bank Deposits, operating account	\$ 23,824,877	\$	26,091,166
Bank Deposits, high-interest savings account	8,414,286		8,345,851
MFA – Money Market Funds	4,436,495		4,429,725
Investment holding deposit	-		5,571,568
	<u>\$ 36,675,658</u>	\$	<u>44,438,310</u>

4. Temporary Investments

	2021		2020
Guaranteed investment certificate	\$ 5,111,585	\$	5,034,282

The guaranteed investment certificate yields 1.20% maturing August 2022.

5. Portfolio Investments

	2021		2020
Term Deposit	\$ 5,343,193	\$	5,200,188
Guaranteed investment certificate	5,630,092		-
	<u>\$ 10,973,285</u>	\$	<u>5,200,188</u>

The term deposit yields 2.75% maturing July 2022. The guaranteed investment certificate yields 1.35% maturing September 2022.

6. Accounts Receivable

	2021		2020
Trade accounts receivable	\$ 236,570	\$	22,813
CRA receivable, GST	185,678		128,247
Other receivable, Government	1,359,983		539,554
Other receivable, Non-Government	106,297		158,745
West Shore Parks and Recreation Society	449,789		114,665
	<u>\$ 2,338,317</u>	\$	<u>964,024</u>

7. MFA Deposits

The City secures its long-term borrowing through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are retained by the Authority as a debt reserve fund. As at December 31, 2021, the City had debt reserve funds of \$180,154 (2020 - \$177,141).

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

8. Accounts payable and accrued liabilities

	2021		2020
Trade accounts payable	\$ 3,044,806	\$	1,883,939
Government accounts payable	2,880,694		5,731,659
Payroll payable			
Wages	334,616		246,606
Vacation	121,402		85,220
Overtime	112,447		68,304
Deductions	11,511		24,104
Other accruals	266,842		143,431
West Shore Parks and Recreation Society	138,814		131,905
	<u>\$ 6,911,132</u>	<u>\$</u>	<u>8,315,168</u>

9. Deferred revenue

	2021		2020
Development cost charges	\$ 8,870,216	\$	7,731,706
Cash in lieu of frontage	1,161,485		1,150,658
Cash in lieu of parklands	630,840		544,336
Building permit fees	765,588		779,972
Other	195,264		162,678
West Shore Parks and Recreation Society	366,087		696,796
	<u>\$ 11,899,480</u>	<u>\$</u>	<u>11,066,146</u>

Development cost charges (DCCs)

Opening balance of unspent DCCs	\$ 7,731,706	\$	6,851,810
Add: DCCs received during the year	1,094,740		774,476
Less: Amount spent on projects and recorded as revenue	(123,543)	-	(125,728)
Add: Interest earned on unspent DCCs	77,313		231,148
	<u>\$ 8,780,216</u>	<u>\$</u>	<u>7,731,706</u>

Development cost charges (DCCs) include the following

Road	7,651,806		6,843,327
Sewer	1,128,410		888,379
	<u>\$ 8,780,216</u>	<u>\$</u>	<u>7,731,706</u>

There were no waivers and/or reductions in development cost charges during 2021 or 2020.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

10. Debt

Equipment Finance Loans

- a) The City has secured short-term equipment financing loans with the Municipal Finance Authority bearing variable interest rates at an average annual rate of 0.93% (2020 – 1.64%).
- b) Principal repayment on the equipment finance loans for the next five years are estimated as follows:

Equipment Finance Loans	
2022	188,462
2023	190,241
2024	192,022
2025	193,850
2026	146,288
Total	\$ 910,863

- c) Total interest expense during the year was \$10,044 (2020 - \$21,640). Principal paid during the year was \$183,872 (2020 - \$170,825).

Long-Term Debt

The Capital Regional District (CRD) obtains long-term debt, on behalf of the City, through the Municipal Finance Authority (MFA), pursuant to security issuing bylaws under the authority of the Local Government Act, to finance certain capital expenditures.

The loan agreements with the CRD and the MFA provide that, if at any time the scheduled payments provided for in the agreements are not sufficient to meet the MFA's obligations in respect to such borrowings, the resulting deficiency becomes a liability of the City.

As a condition of the loan agreements, the City is obligated to provide security by way of demand notes and interest-bearing cash deposits (sinking fund balances) based on the amount of the debt. If the debt is repaid without default, the deposits are refunded to the City. The demand notes are held by the MFA and upon maturity of the debt, the demand notes are released. As of December 31, 2021, there are contingent demand notes of \$356,596 (2020 - \$356,596) that are not recorded in the City's consolidated financial statements.

- a) Gross amounts of long-term debt and the repayment and actuarial earnings to retire the long-term debt are as follows:

	Rate		Gross long-term debt issued		Repayment & actuarial earnings		Net Debt 2021		Net Debt 2020	Year of Maturity
Issue 105	4.90%	\$	3,396,000	\$	2,548,376	\$	847,624	\$	1,108,715	2024
Issue 105	4.90%		720,000		591,441		128,559		189,155	2023
Issue 105	4.90%		1,696,000		1,532,689		163,311		320,341	2022
Issue 121	2.90%		3,710,323		886,121		2,824,202		2,938,795	2038
Issue 137	2.60%		4,501,000		467,555		4,033,445		4,133,498	2046
Total		\$	14,023,323	\$	6,026,182	\$	7,997,141		8,690,504	

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

10. Debt (continued from previous page)

Long-Term Debt (continued from previous page)

Principal payments on long-term debt for the next five years are as follows:

Long-term Debt	
2022	481,888
2023	379,884
2024	340,523
2025	170,923
2026	170,923
Total	\$ 1,544,141

Scheduled long-term debt repayments may be suspended in the event of excess sinking fund earnings within the MFA. Principal paid during the year was \$481,890 (2020 - \$481,888). Total interest expense during the year was \$352,152 (2020 - \$352,152). Included in revenue is \$211,472 (2020 - \$185,271) of actuarial adjustments on the City's annual debt principal repayments invested by MFA. This annual investment income results in a reduction in the overall cost of borrowing.

11. Employee future benefits

The City provides sick leave, personal/emergency/family leave, and retirement benefits to its employees. Information about liabilities for the City's employee obligation related to these benefits is as follows:

	2021	2020
West Shore Parks and Recreation Society	\$ 80,659	\$ 70,116
City of Colwood	967,022	881,576
Total employee future benefits	\$ 1,047,681	951,692

	2021	2020
Accrued sick leave	\$ 479,100	\$ 434,000
Retirement benefits	330,100	366,200
Termination benefits	157,822	81,376
Total City of Colwood employee future benefits	\$ 967,022	\$ 881,576

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

11. Employee future benefits (continued from previous page)

	2021	2020
Accrued benefit obligation		
Balance, beginning of year	\$ 740,500	\$ 755,200
Service cost	81,000	76,200
Interest cost	16,600	21,700
Benefits payments	(81,500)	(22,300)
Actuarial loss (gain)	(27,700)	(90,300)
Balance, end of year	<u>728,900</u>	<u>740,500</u>
Unamortized net actuarial gain (loss)	80,300	59,700
Add: Severance package payable to employees	163,845	115,688
Less: Severance package paid to employees	(6,023)	(34,312)
Total City of Colwood employee future benefits	\$ 967,022	\$ 881,576

The accrued benefit obligation and the benefit costs for the year were estimated by an independent actuarial firm based on an actuarial valuation performed as of December 31, 2021. Key estimates were used in the valuation including the following:

	2021	2020
Discount rates	2.50%	2.10%
Expected future inflation rates	2.50%	2.50%
Expected wage and salary increases	2.58% to 4.63 %	2.58% to 4.63%

Municipal Pension Plan

The City of Colwood and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2020, the plan has about 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 valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2.866 billion funding surplus for basic pension benefits on a going concern basis.

The City of Colwood paid \$799,194 (2020 - \$729,239) for employer contributions while employees contributed \$667,098 (2020 - \$621,182) to the plan in fiscal 2021.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

11. Employee future benefits *(continued from previous page)* **Municipal Pension Plan** *(continued from previous page)*

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

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

GVLRA - CUPE Long-Term Disability Trust

The GVLRA – CUPE Long-Term Disability Trust was established January 1, 1987 as a result of negotiations between the Greater Victoria Labour Relationship Association (GVLRA) representing a number of employers, including the City, and the Canadian Union of Public Employees (CUPE) representing a number of CUPE locals, including CUPE Local 374. The Trust's sole purpose is to provide a long-term disability income benefit plan. The City and its employees each contribute equal amounts into the Trust. The total plan provision for approved and unreported claims was actuarially determined as of December 31, 2020. As of December 31, 2020, the total plan provision for approved and unreported claims was \$21,661,600 with a net surplus of \$4,450,361. The City paid \$56,928 (2020 - \$50,228) for employer contributions and City employees paid \$56,928 (2020 - \$50,228) to the plan in fiscal 2021.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

12. Tangible capital assets

2021	Work in Progress	Land	Building and Building Improvements	Vehicles, Machinery and Equipment	Sewer Infrastructure	Drainage Infrastructure	Park and Land Improvement	Road Infrastructure	West Shore Parks and Recreation Society	Total 2021	Total 2020
Cost											
Balance, beginning of year	1,022,330	59,196,571	6,951,297	12,192,845	19,994,800	16,338,774	6,877,933	77,349,094	14,721,951	214,645,595	208,733,618
Additions	6,600,279	-	1,779,634	1,132,751	1,048,952	2,898,959	2,058,820	3,063,949	1,167,857	19,751,201	6,956,370
Disposals	(301,914)	-	-	(701,276)	-	-	-	-	-	(1,003,190)	(813,683)
Adjustment	-	-	-	-	-	-	-	-	-	-	-
Change in West Shore Share	-	-	-	-	-	-	-	-	(54,715)	(54,715)	(230,710)
Balance, end of year	7,320,695	59,196,571	8,730,931	12,624,320	21,043,752	19,237,733	8,936,753	80,413,043	15,835,093	233,338,891	214,645,595
Accumulated Amortization											
Balance, beginning of year	-	-	(3,553,673)	(5,847,476)	(3,367,531)	(3,607,677)	(1,661,313)	(40,655,544)	(4,604,424)	(63,297,638)	(60,342,300)
Disposals	-	-	-	694,625	-	-	-	-	-	694,625	40,188
Amortization expense	-	-	(156,988)	(587,959)	(212,126)	(155,945)	(145,819)	(1,200,657)	(284,454)	(2,743,948)	(3,116,831)
Change in West Shore Share	-	-	-	-	-	-	-	-	79,090	79,090	121,304
Balance, end of year	-	-	(3,710,661)	(5,740,810)	(3,579,657)	(3,763,622)	(1,807,132)	(41,856,201)	(4,809,788)	(65,267,871)	(63,297,639)
Net book value, end of the year	7,320,695	59,196,571	5,020,270	6,883,510	17,464,095	15,474,111	7,129,621	38,556,842	11,025,305	168,071,020	151,347,956
Net book value, beginning of the year	1,022,330	59,196,571	3,397,624	6,345,369	16,627,269	12,731,097	5,216,620	36,693,550	10,117,526	151,347,956	148,391,318

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

12. Tangible capital assets *(continued from previous page)*

- a) Work in progress:
Work in progress having a value of \$7,320,695 (2020 - \$1,022,331) have not been amortized. Amortization of these assets will commence when the asset is put into service.
- b) Contributed tangible capital assets:
Contributed assets having a value of \$10,985,998 (2020 - \$2,521,017) were acquired from developers as part of subdivision installations, including parks and park improvements, roads, sidewalks, bike lanes, street lighting, drainage, and sewer infrastructure. These contributed assets were recognized at an estimate of the fair value of the cost of the materials and installation.
- c) Works of art and historical treasures:
The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings, and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.
- d) Write-down of tangible capital assets and assets recognized at nominal value:
No write-down of tangible capital assets occurred during the year (2020 - \$0). No tangible capital assets are recognized at nominal value.
- e) Gain/loss on disposal of tangible capital assets:
During the year, the City recognized a \$37,091 gain (2020 – \$16,596 loss) on disposal of tangible capital assets. This amount is included in Other revenue on the Consolidated Statement of Operations.
- f) West Shore Parks and Recreation Society:
The City's proportionate share of West Shore Parks and Recreation Society assets includes land, building and equipment which are subject to amortization policies consistent with those of the City.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

13. Accumulated surplus

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

	2021	2020
Operating surplus		
General Operating Fund accumulated surplus	\$ 6,708,034	\$ 5,953,808
Sewer Operating surplus	516,706	547,921
Internal Financing (Central Sewer LAS) – to be recovered	(96,740)	(105,398)
Total Operating surplus	\$ 7,128,000	\$ 6,396,331
Internally restricted, for specific purpose		
COVID-19 Safe Restart Grant (Note 14)	\$ 1,409,184	\$ 3,013,616
Federal gas tax (Note 14)	2,670,653	5,556,844
Total internally restricted, for specific purpose	\$ 4,079,837	\$ 8,570,460
Reserve funds set aside for specific purposes by Council		
Future Operating Expenditures	\$ 1,353,496	\$ 1,820,499
Capital Projects	2,423,334	2,748,068
Sewer Capital Projects	1,429,973	1,276,398
General Fleet Replacement	996,459	974,970
Fire Fleet Replacement	1,341,714	978,885
Sewer Fleet Replacement	241,273	185,077
Equipment Replacement	89,043	127,385
Community Amenities	4,200,713	3,591,305
Affordable Housing	1,141,521	670,039
RCMP Surplus	1,130,375	996,953
Police Building	365,388	413,727
New Firehall	225,979	223,873
St. John's Heritage Church	134,600	124,161
Infrastructure Deficit	3,001,427	2,114,034
Public Art	23,399	23,181
Parks	71,340	50,460
Climate Action	58,576	63,602
West Shore Parks and Recreation Society	302,350	214,849
Total Reserve Funds	\$ 18,520,960	\$ 16,597,466
Invested in tangible capital assets (General Capital and Sewer Capital)	160,167,457	142,593,683
West Shore Parks and Recreation Surplus	303,852	130,565
	\$ 190,200,107	\$ 174,288,505

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

14. Internally restricted surplus

	2021	2020
Federal gas tax funds		
Opening balance of unspent fund	\$ 5,556,844	\$ 5,125,267
Add: funding received during the year	1,564,969	765,091
Less: amount spent on projects	(4,489,684)	(504,701)
Add: interest earned on unspent funds	38,524	171,187
	\$ 2,670,653	\$ 5,556,844
COVID-19 Safe Restart Grant		
Opening balance of unspent fund	\$ 3,013,616	\$ -
Add: funding received during the year	-	3,476,000
Less: amount used to offset revenue shortfalls	(680,506)	(292,700)
Less: amount used on enhanced connectivity expenses	(17,396)	(56,392)
Less: amounts used on economic recovery initiatives	(130,583)	(54,083)
Less: amounts used on emergency planning & response efforts	(37,493)	-
Less: amounts used of facility operating/capital costs	(738,453)	(59,209)
	\$ 1,409,185	\$ 3,013,616

15. Taxation

Taxation revenue, reported on the Consolidated Statement of Operations, is made up of the following:

	Budget	2021	2020
General taxation	\$ 16,288,600	\$ 16,175,955	\$ 15,215,586
Payments in place of taxes	2,374,600	2,193,132	2,408,640
Parcel taxes	345,600	357,042	356,751
1% utility taxes	205,400	205,503	195,694
Collections on behalf of other governments			
Provincial Government – School Authorities	-	8,649,419	7,206,328
Capital Regional District	-	2,894,705	3,010,234
Capital Regional Hospital District	-	1,035,692	1,052,523
BC Transit Authority	-	1,246,865	1,220,886
BC Assessment Authority	-	244,313	234,528
Municipal Finance Authority	-	1,146	1,074
	\$ 19,214,200	\$ 33,003,771	\$ 30,902,244
Transfers to other governments			
Provincial Government – School Authorities	-	(8,649,419)	(7,206,328)
Capital Regional District	-	(2,894,705)	(3,010,234)
Capital Regional Hospital District	-	(1,035,692)	(1,052,523)
BC Transit Authority	-	(1,246,865)	(1,220,886)
BC Assessment Authority	-	(244,313)	(234,528)
Municipal Finance Authority	-	(1,146)	(1,074)
	-	(14,072,140)	(12,725,573)
	\$ 19,214,200	\$ 18,931,631	\$ 18,176,671

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

16. Government transfers

The City recognizes the transfer of government funding as revenue in the period received and when all related eligibility criteria and stipulations have been satisfied. The government transfers reported on the Consolidated Statement of Operations are:

	Budget	2021	2020
Conditional government transfers:			
Federal:			
Gas Tax	\$ 1,530,000	\$ 1,564,969	\$ 936,278
Infrastructure Grants	3,661,000	-	(8,515)
Provincial:			
Miscellaneous grants	35,000	913,005	4,281,104
Climate Action	6,500	8,902	6,458
Other:			
Regional		139,174	-
Q Arena Debt Subsidy	75,100	75,138	75,138
Total Conditional Government Transfers	\$ 5,307,600	\$ 2,701,188	\$ 5,290,463
Unconditional government transfers:			
Provincial:			
Small Communities	204,300	193,000	215,016
Traffic Fines Revenue Sharing	159,200	174,050	158,008
Casino revenue sharing	-	172,094	64,500
Other	-	246	492
West Shore Parks & Recreation	1,055,319	1,016,721	154,977
Total Unconditional Government Transfers	\$ 1,418,819	\$ 1,556,111	\$ 592,993

Gas Tax funding is provided by the Federal government. The use of funding is established by a funding agreement between the City and the Union of British Columbia Municipalities (UBCM). These funds may be used towards designated infrastructure projects that help communities build and revitalize public infrastructure supporting economic growth and a clean environment.

The Small Communities grant is unconditional funding to assist municipalities with populations up to approximately 19,000 residents.

Traffic Fine Revenue Sharing is an unconditional grant provided to assist municipalities in ensuring community safety and addressing community specific strategic priorities. The program returns 100% of net revenues from traffic violations to municipalities that are directly responsible for paying for policing.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

17. Commitments and contingencies:

a) Contingent liabilities:

The Capital Regional District (the "CRD") debt, under provisions of the Local Government Act, is a direct, joint, and several liability of the CRD and each member municipality within the CRD, including the City of Colwood.

The City is a shareholder and member of the Capital Region Emergency Service Telecommunications Incorporated (CREST) who provides centralized emergency communications, and related public safety information services to municipalities, regional districts, the provincial and federal governments and their agencies, and emergency service obligations to share in funding ongoing operations any additional costs relating to capital assets are to be contributed pursuant to a Members' Agreement.

The City may be subject to potential repayment or non-collection of property taxes received or receivable pending resolution of property assessments appealed by taxpayers. When the outcome of the appeals is not reasonably estimable, repayments or non-collections, if any, will be recorded in the period that they occur. When the outcome is reasonably estimated, the potential repayment or non-collection is recorded. In addition, the City has recorded an amount that is expected to be repaid to the federal government for an overpayment of a payment in place of taxes related to 2016 to 2020.

b) Litigation liability:

The City has been named a defendant in various lawsuits. The City records an accrual in respect of legal claims that are likely to be successful and for which a liability amount is reasonably determinable. Remaining claims, should they be successful as a result of litigation, will be recorded when a liability is likely and determinable.

c) Commitments:

The City entered into a long-term contract with the Royal Canadian Mounted Police for the provision of police services effective April 1, 1992. Under the terms of this contract, the City is responsible for 90% of policing costs. The 2022 estimated cost of this contract is \$3,877,000 (2021 estimate - \$3,465,400).

18. Significant event

In early 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial, and municipal governments regarding travel, business operations and isolation/quarantine orders. In the current year the pandemic caused staffing turnover and supply chain issues, resulting in operating delays as well as capital project delays. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the City of Colwood as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

19. Budget

The budget data presented in these consolidated financial statements includes both operating and capital budgets. The City of Colwood budget was approved by Council on May 13, 2021, with the adoption of the Five-Year Financial Plan (2021-2025) Bylaw No 1872-01, 2021. The chart below reconciles the approved budget per the Financial Plan to the budget reported in these consolidated financial statements.

	2021 Budget
Consolidated Budgeted Surplus, per City of Colwood Financial Plan Bylaw No.1872-01	\$ -
Add	
Capital Projects, General Capital Fund	21,903,600
Capital Projects, Sewer Capital Fund	115,200
Capital Projects, West Shore Parks and Recreation Society	1,185,012
Debt repayments	638,800
Transfers to reserves	5,095,000
West Shore Parks and Recreation Society – transfer to surplus	11,520
Less	
Proceeds of borrowing	(28,300)
Transfers from reserves	(4,982,900)
Transfers from surplus	(9,886,100)
Amortization	(3,117,000)
West Shore Parks and Recreation Society – transfer from reserves	(149,409)
West Shore Parks and Recreation Society – transfers from government grants	(1,035,703)
Consolidated Budgeted Surplus, per City of Colwood Statement of Operations	\$ 9,749,720

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

20. West Shore Parks and Recreation Society

a) Capital asset transfer:

The CRD transferred the lands and facilities comprising the Juan de Fuca Recreation Centre to the following municipal members (the "Municipalities") effective January 2, 2002. City of Langford, City of Colwood, District of Highlands, District of Metchosin and the CRD (on behalf of a portion of the Juan de Fuca electoral Area). Effective January 1, 2007, the Town of View Royal became a member of the Society. Effective January 1, 2018, the CRD (on behalf of a portion of the Juan de Fuca electoral Area) removed their membership from the Society.

In 2002, the lands and facilities were transferred to the Municipalities in their proportionate share, as specified in the Co-owners' Agreement. The lands and facilities were reallocated amongst the members in January 1, 2007, when the Town of View Royal became a member. Future improvements are allocated among the members as per the cost sharing formula in effect each year for each service or facility, as outlined in a Members' Agreement.

The cost sharing formula in the Members' Agreement may produce different cost shares for the members from year-to-year resulting in a gain or loss on the opening fund balances.

The Municipalities have each become members in the Society, which was incorporated to provide parks, recreation, and community services to the Municipalities under contract. Under terms of an Operating, Maintenance and Management Agreement, the Society is responsible to equip, maintain, manage, and operate the facilities located at the recreation centre.

b) Consolidation:

Financial results and budget for the Society are consolidated into the City's financial statements proportionately, based on the cost sharing formula outlined in the Members' Agreement. In 2021, the City's proportion for consolidation purposes was 21.25% (2020 – 21.34%).

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

21. West Shore Parks and Recreation Society (continued from previous page)

Condensed financial information for the Society as follows, prior to consolidation:

	2021	2020
Financial assets	\$ 4,128,433	\$ 4,767,787
Financial liabilities	2,755,185	4,211,496
Net financial assets	1,373,248	556,291
Non-financial assets	1,112,757	1,042,698
Accumulated surplus	2,486,005	1,598,989
Invested in tangible capital assets	1,056,303	987,218
Reserve funds	1,864,053	1,098,559
Unfunded members' tangible capital assets	(434,351)	(486,788)
Accumulated surplus	2,486,005	1,598,989
Revenues	10,098,436	4,439,706
Requisition from members	6,331,273	5,071,039
Total revenues	16,429,709	9,510,745
Expenses	15,542,693	10,337,446
Annual surplus (deficit)	\$ 887,016	\$ (826,701)

22. Comparative figures

Certain comparative figures have been restated to conform with the current year's presentation.

23. Segmented information

The City is a diversified municipal organization that provides a wide range of services to its citizens which is disclosed in the segmented information. The services provided by the City are as follows:

General Government

The General Government operations provide the functions of Corporate Administration, Finance, Information Technology, Human Resources, Legislative Services, and any other functions categorized as non-departmental.

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

23. Segmented information *(continued from previous page)*

Protective Services

Protective Services is comprised of different functions, including Police Protection, Fire Protection, Emergency Preparedness and Regulatory services. The Royal Canadian Mounted Police (RCMP) provides policing services to the City. The RCMP ensures the safety of the lives and property of Colwood citizens through the enforcement of criminal laws and the laws of British Columbia, the maintenance of law and order, and the prevention of crime. The Fire Department is responsible for providing critical, life-saving services in preventing or minimizing the loss of life and property from fire and natural or man-made emergencies. The Emergency Preparedness program ensures that the City is both prepared and able to respond to, and recover from, the effects of a disaster or major catastrophic event. The mandate of the Regulatory Service is to promote, facilitate and enforce general compliance with the provisions of the bylaws that pertain to the health, safety, and welfare of the community.

Engineering and Transportation Services

Engineering and Transportation Services is responsible for a wide variety of transportation functions such as parking, engineering operations and streets. As well as providing services around infrastructure, traffic control, transportation planning, review of land development impacts on transportation, traffic management, and pedestrian and cycling issues, on-street parking regulations, including street signs, and painting as well as traffic signal timing.

Solid Waste Management

The Solid Waste Management Services provides various community environmental services, including the branch drop-off program and the Spring Clean-Up program.

Planning and Development Services

Planning and Development Services co-ordinates and leads efforts to enhance the City's neighbourhoods, foster arts and culture and work to create a vibrant and dynamic City. Development services provide a full range of planning services related to zoning, development permits, variance permits and current regulatory issues.

Recreation, Parks and Culture

Recreation services facilitates the provision of recreation and wellness programs and services throughout the City. Parks is responsible for the maintenance, planning and development of all park facilities such as natural ecosystems, sport and entertainment venues and playgrounds for recreational and cultural enjoyment in a safe environment. Parks is also responsible for preserving and enhancing green spaces on public lands.

Sewer Services

The sewer utility protects the environment and human health from the impact of liquid waste generated as a result of human occupation and development in the City.

Certain allocation methodologies have been employed in the preparation of the segmented financial information. The General Fund reports on municipal services that are funded primarily by taxation such as property taxes and other tax revenues. Taxation and payments-in-lieu of taxes are apportioned to the General Fund services based on budgeted taxation revenue as presented in the 2021 - 2025 Financial Plan Bylaw No 1872-01, 2021.

The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements. The following schedule provides additional financial information for the foregoing segments.

City of Colwood
Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

23. Segmented information (continued from previous page)

2021	General Fund						Sewer Fund	Total 2021
	General Government	Protective Services	Solid Waste Management	Planning and Development Services	Engineering, Public Works and Transportation	Parks, Recreation and Culture	Sewer Services	
Revenue								
Taxation	\$ 2,980,664	\$ 5,838,704	\$ 244,782	\$ 1,267,569	\$ 3,994,817	\$ 4,248,053	\$ 357,042	18,931,631
User fees	186,671	1,477,129	-	423,789	278,417	1,065,844	1,211,136	4,642,986
Government transfers	3,240,578	-	-	-	-	1,016,721	-	4,257,299
Fines and penalties	235,010	1,170	-	-	-	-	-	236,180
Investment income	572,533	-	-	-	-	-	43,724	616,257
Developer contributions	-	-	-	1,235,828	8,181,240	1,879,350	1,048,952	12,345,370
Other	2,501	-	706	-	37,091	83,058	-	123,356
Total revenue	7,217,957	7,317,003	245,488	2,927,186	12,491,565	8,293,026	2,660,854	41,153,079
Expenses								
Salaries, wages and benefits	2,515,165	3,070,856	153,400	1,041,304	2,497,064	709,951	187,919	10,175,659
Materials, goods and supplies	341,905	143,822	26,430	2,481	492,230	116,409	117,287	1,240,564
Property service costs	153,232	245,361	147,427	3,125	540,373	174,202	572,041	1,835,761
Professional service costs	457,767	3,754,015	-	100,992	75,808	1,915,089	40,586	6,344,257
Financing costs	51,953	25,291	-	-	35,870	76,410	193,602	383,126
Other costs	211,331	208,533	-	70	342	2,252,315	-	2,672,591
Amortization	145,009	326,708	-	-	1,566,772	417,405	288,053	2,743,947
Special projects	108,591	31,379	-	546,685	132,349	17,588	138,244	974,836
Total expenses	3,984,953	7,805,965	327,257	1,694,657	5,340,808	5,679,369	1,537,732	26,370,741
Annual surplus (deficit)	\$ 3,233,004	\$ (488,962)	\$ (81,769)	\$ 1,232,529	\$ 7,150,757	\$ 2,613,657	\$ 1,123,122	\$ 14,782,338

City of Colwood

Notes to the Consolidated Financial Statements

For the year ended December 31, 2021

23. Segmented information (continued from previous page)

2020	General Fund						Sewer Fund	Total 2020
	General Government	Protective Services	Solid Waste Management	Planning and Development Services	Engineering, Public Works and Transportation	Parks, Recreation and Culture	Sewer Services	
Revenue								
Taxation	\$ 3,064,630	\$ 5,903,144	\$ 257,728	\$ 994,111	\$ 3,981,239	\$ 3,619,067	\$ 356,752	18,176,671
User fees	259,236	856,476	-	434,469	222,635	727,742	985,735	3,486,293
Government transfers	5,728,479	-	-	-	-	154,977	-	5,883,456
Fines and penalties	133,200	6,605	-	-	-	-	-	139,805
Investment income	589,318	-	-	-	-	-	(58,497)	530,821
Developer contributions	-	-	-	1,109,960	2,539,945	57,100	49,700	3,756,705
Other	1,220	48	59	-	(16,596)	59,570	-	44,301
Total revenue	9,776,083	6,766,273	257,787	2,538,540	6,727,223	4,618,456	1,333,690	32,018,052
Expenses								
Salaries, wages and benefits	2,441,608	2,920,368	132,662	802,200	2,079,059	608,851	190,377	9,175,125
Materials, goods and supplies	336,855	124,572	30,251	350	233,755	99,865	103,138	928,786
Property service costs	150,851	392,943	150,539	1,713	435,140	158,779	350,226	1,640,191
Professional service costs	422,671	3,229,264	-	125,504	48,963	1,057,009	26,834	4,910,245
Financing costs	43,002	37,077	-	-	35,870	76,410	191,694	384,053
Other costs	168,498	169,185	-	550	633	1,961,191	-	2,300,057
Amortization	136,762	297,960	-	-	1,965,392	429,458	287,259	3,116,831
Special projects	27,001	8,119	-	278,736	43,228	9,999	135,296	502,379
Total expenses	3,727,248	7,179,488	313,452	1,209,053	4,842,040	4,401,562	1,284,824	22,957,667
Annual surplus (deficit)	\$ 6,048,835	\$ (413,215)	\$ (55,665)	\$ 1,329,487	\$ 1,885,183	\$ 216,894	\$ 48,866	\$ 9,060,385