



2021 ANNUAL REPORT

Village of Nakusp

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Fiscal year ending December 31, 2021

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Photo credit:
Craig Pulsifer Photography

Message from the Mayor

Tom Zeleznik, Mayor is pleased to present the 2021 Annual Report on behalf of Nakusp Village Council.

2021 was Council's third year as a council. This was another year we had not envisioned that the COVID-19 pandemic would linger into. Our community continued to rally together to help support our local businesses and we wish to thank the community for their extremely hard work. The community's continuing kindness, caring, and positive attitudes have helped us all through this difficult time.

This was again another remarkably busy year as council hired and welcomed our new CAO Wayne Robinson in November, and in July, welcomed Erik Bobicki our new Director of Operations. We continue to work with the community to focus on effective ways of creating a more economically resilient community. Our assets and strengths are what will continually improve our community's life and its sustainability!

2021 included new upcoming projects and older projects including the Arrow Slokan Lakes Community Services 10-unit three-story affordable housing complex. The Village sold the lot for less than market value to enable the development. The new Official Community Plan (OCP) has been approved, and significant revisions to the zoning by-law, strategies, and maps to mirror the new OCP are in progress for 2022.

In August 2021 we received excellent news and welcomed to our community Dr. Adam Stich, along with Dr. Kyle Ridge, who have joined the practice of doctors in Nakusp! Also, in October 2021 we witnessed the downgrading of our local paramedic ambulance service that the province introduced in our region for our local paramedic ambulance service called "Scheduled On-Call" (SOC), that will not work here! While 24 other small communities in BC, similar in size as ours have eight full-time paramedics beginning the end of October, Nakusp receives only 4 full time paramedics, yet, we have a much larger area to cover! Will continue the argument of disparity that is not fair for our community and area.

We all also witnessed a record heat wave in June/July that saw evacuations of the communities of Fauquier and Edgewood due to wildfires who had to evacuate to our community centre. We are very fortunate to have an incredible organized Emergency Management Team that made sure all were professionally cared for, and all had a place to stay, including animals. I am in high admiration of our community opening their doors to help by any means possible. WHAT A TEAM. Thank you All!

The Village of Nakusp and area again saw a record sale of homes and construction/building boom in 2021, and as council we must continually prepare for the future by maintaining our infrastructure and expansion of our water and sewer. We have begun the upgrades for a 3rd water well and a wastewater treatment plant upgrade.

As Covid19 lingered again into 2021 council and staff would like to thank the women and men of our own local Emergency Services who are among the most dedicated people and who have put in countless hours to provide life-saving services when it matters most. We would also like to acknowledge the volunteer involvement of all those who, during this pandemic, like at other times, have devoted themselves to helping others.

Sincerely,
Mayor, Tom Zeleznik



Local Government in BC

The term local government in BC refers to both municipalities and regional districts. Specifically, the term municipality refers to a city, district, resort municipality, island municipality, Indian government district, town or village having the power to govern itself. Municipalities are general-purpose local governments that provide a wide range of services and regulate a variety of activities. Over 80% of BC's population resides within a municipality, although the land area covered by them is less than 2% of the area of the province. Regional districts are the general-purpose local governments for the unincorporated areas of the province and they provide a framework for inter-municipal cooperation for service provision.

Under the Canadian Constitution, local governments can only be established and granted powers by the provincial government. The BC government sets out the legal framework for local government through various provincial statutes, most notably the *Local Government Act* and the *Community Charter*. Together these two statutes set the rules for electing council members, appointing officials, conducting municipal business and establishing the authority of the local government.

About This Report

When the *Community Charter* was adopted by the Province in 2003, the issue of accountability was one of the areas of increased legislative change. As part of the increased accountability, all municipalities are mandated by the *Community Charter* to prepare, on an annual basis, a document that reports to the citizens and stakeholders of the municipality past results and plans for the future. Once completed, the annual report must be available for public inspection a minimum of two weeks before the report is received by Council at a duly constituted meeting. This provides citizens with time to review the annual report, ask questions and prepare submissions. Council will consider the 2021 annual report at the Council meeting on **Monday, June 27** at 6:30 p.m. at the Emergency Services Building. We ask that you take time to read this report as we encourage your feedback in order that we may provide the best information possible to our taxpayers.

Governance

Council is made up of a Mayor and four Councillors. All members of Council are elected for a fixed four-year term. The last election was in November 2018 and the next election will be held in October, 2022.

The role of the elected Council is to act as the governing body for the Village, making decisions that represent the best overall interests of Nakusp residents and businesses. Council considers matters necessary for maintaining and improving operations and services, as well as planning for future generations. Fiscal responsibility and preservation of the environment are key principles guiding Council's decisions, as are the Mission and Vision Statements articulated later in this report. Council acts as a collective body and can only exercise its powers through resolutions and bylaws adopted in a properly constituted Council meeting. The Mayor and Councillors also have a responsibility to provide community leadership, act as ambassadors, and to lobby on behalf of the Village.

The Village operates on what is called the "one employee" system. The Chief Administrative Officer (CAO) is Council's only employee and acts as the link between Council and the rest of the Village staff. The CAO position is responsible for the overall management of Village finances and operations, ensuring that policies, programs and other directives of Council are implemented, and advising Council on the operation and affairs of the Village. Village staff is responsible for ensuring day to day activities are carried out efficiently in order to provide affordable services to the taxpayer.

Village of Nakusp Council



Council: (left to right)
Ken Miller, Joseph Hughes, Mayor Tom Zeleznik, Aidan McLaren-Caux, Susan DeSandoli

THE POLICY OF COUNCIL SHALL BE:

- to promote harmony and cooperation within the Village
- to provide accountability to the Public in promoting efficiency in all facets within the Village
- to promote the attitude that Councillors and Village employees are 'here to help'
- to provide the best facilities and services possible, with careful consideration of the finances available to promote the Village of Nakusp as a desirable place to live

2021 Council Committees

- **Mayor Tom Zeleznik**

Nakusp & Area Development Board Committee (NADB) - Alternate
 Nakusp and Area Community Forest (NACFOR)—Alternate
 Fair Trade
 Liaison—Nakusp Seniors Society —Alternate
 West Resource Recovery Committee
 Grievance Committee
 Nakusp Area Youth Society
 Investment Ready Nakusp
 Municipal Campground Expansion Committee
 Nakusp Hot Springs Committee—Alternate
 West Kootenay Boundary Regional Health District (WKBRHD) - Alternate
 Ktunaxa Kinbasket Local Govt Treaty Advisory Committee—Alternate
- **Councillor Joseph Hughes**

RDCK Municipal Director
- **Mayor Tom Zeleznik**

Alternate RDCK Municipal Director
- **Councillor Joseph Hughes**

Emergency Management BC (EMBC)
 Recreation Commission #4—Nakusp & Area K—Alternate
 West Resource Recovery Committee—Alternate
 Nakusp Hot Springs Committee
 Off Road Vehicle Trail Working Committee—Alternate
 Ktunaxa Kinbasket Local Govt Treaty Advisory Committee
 West Kootenay Boundary Regional Health District (WKBRHD)
 Grievance Committee
- **Councillor Susan DeSandoli**

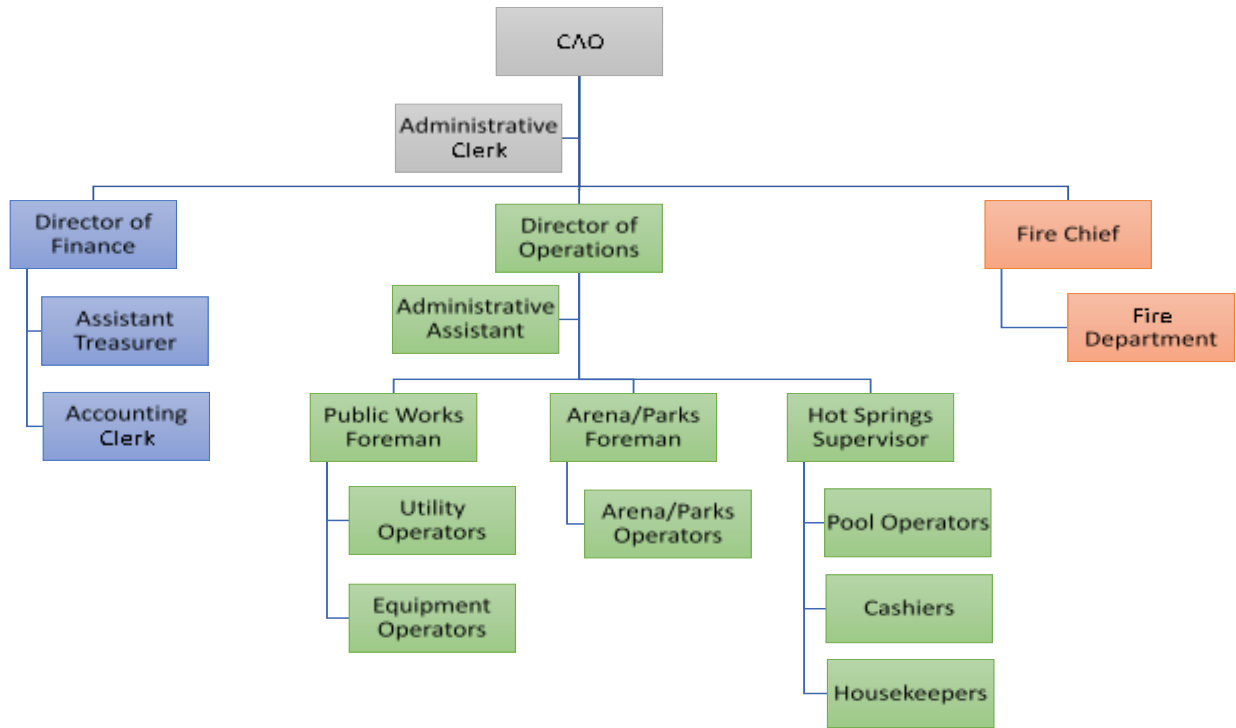
CBT Community Initiatives Program and Affected Area Program
 Nakusp Public Library
 Nakusp & District Chamber of Commerce—Alternate
 Municipal Campground Expansion Committee—Alternate
 Liaison—Nakusp Seniors Society
 Public Art Committee
- **Councillor Aidan McLaren-Caux**

CBT Community Initiatives Program and Affected Area Program
 Arrow Slokan Tourism—MRDT
 Rotary Park Playground Committee
 Nakusp & Area Development Board Committee (NADB)
 Nakusp and Area Community Forest (NACFOR)
 Public Art Committee
- **Councillor Ken Miller**

Recreation Commission #4—Nakusp & Area K
 Nakusp & District Chamber of Commerce
 Municipal Campground Expansion Committee
 Rotary Park Playground Committee
 Off Road Vehicle Trail Working Committee

Village Operations

Village of Nakusp Organizational Chart



Staff Contacts:

Chief Administrative Officer		
Wayne Robinson	250-265-3689	cao@nakusp.com
Director of Finance / Deputy CAO		
Mark Tennant	250-265-3689	mtennant@nakusp.com
Director of Operations		
Erik Bobicki	250-265-3556	ebobicki@nakusp.com
Public Works Foreman		
Bob Gresiuik	250-265-3556	bgresiuik@nakusp.com
Arena Parks Foreman		
Richard Cann	250-265-4500	rcann@nakusp.com
Hot Springs Supervisor		
Noel Ballard	250-265-4528	nballard@nakusp.com
Fire Chief & Emergency Services Coordinator		
Terry Warren	250-265-3563 250-265-1756 (cell)	trwarren@nakusp.com

Message from the CAO

Thank you for taking the time to review the 2021 Annual Report for the Village of Nakusp. 2021 was another challenging year due to the ongoing COVID19 Pandemic. COVID19 continued to disrupt our lives, but was somewhat mitigated through the vaccine campaign. Masks remained in use throughout the year and at the end of 2021, vaccine passports became a requirement imposed on people wanting to use the Nakusp Hot Springs.

Forest Fires were a significant concern throughout the summer and the fire season was initiated by an unprecedented 'heat dome' event. The year was rounded out by a catastrophic flooding event affecting most of Southern BC. This led to supply chain challenges and rising costs made worse by general inflation that has affected people globally. It could be easy to focus on only these negative events, however, these events can also have a silver lining. The community showed a lot of resilience and the friendly, cooperative nature of this community continued to be a beacon of hope.

This was a year of preparation and change within [Village Administration](#). A new Director of Operations was hired to oversee the Public Works, Parks, and Hot Springs departments. Having this position filled will allow projects to move forward responsibly and on a timely basis. As well, Cheryl Martens resigned from her position as the Village's CAO and Linda Tynan returned to the role on an interim basis until a new CAO candidate could be sourced. That's where I come in, I am pleased to have been [hired as of November 15, 2021](#) to serve this community as your CAO and help the Village move forward through the years ahead.

Progress was made on a couple of multi-year projects of note, including: the [Zoning Bylaw review and rewrite](#), development of the [Capital Program report \(Integration into Financial Plan\)](#). The [Rotary's Adventure Park Project](#) was completed and is now available for community use. Most importantly, core operations continued to operate as required, including: water, sewer, garbage/recycling services. These are the core services that the community relies on and 2021 was a year where there were no significant service disruptions during a time when everyone's lives were disrupted due to the many external events we encountered. Kudos to our Operations departments for keeping services operating at the level of service you should expect.

— **Wayne Robinson, Chief Administrative Officer**



Municipal Departments

ADMINISTRATION

Wayne Robinson, Chief Administrative Officer (CAO)

The CAO's office supports Council's strategic planning efforts and oversees the administration of the Village, its officers and employees. This department provides recommendations to Council that reflect facts, options and professional opinion pertaining to issues considered by Council and developing in the community. The CAO's office takes the lead role in managing the implementation of policy direction established by Council. It provides leadership and direction to all Village departments and operations. The CAO also holds the title and duties of Corporate Officer and Statutory Approving Officer.

FINANCE

Mark Tennant, Director of Finance/Deputy CAO

The Director of Finance is responsible for the financial management of the Village's assets and for the planning, implementation and monitoring of the Village's Five Year Financial Plan. Staff provide services including taxes, water & sewer billing, processing of accounts payable, accounts receivable, and payroll.

OPERATIONS

Erik Bobicki—Director of Operations

The Director of Operations oversees the Public Works, Recreation and Parks and Hot Springs departments. Duties include overseeing major projects, reviewing and writing reports and overall management of all staff and operations within these three departments.

PUBLIC WORKS

Bob Gresiuk—Public Works Foreman

The Foreman oversees the management of the Public Works and Water and Sewer. Services encompassed under this umbrella include: potable water system; waste water treatment, building and facility maintenance, roads & sidewalks infrastructure, airport, equipment maintenance, garbage collection, and recycling.

RECREATION & PARKS

Richard Cann—Arena /Parks Foreman

The Foreman of Arena/Parks oversees the arena facility maintenance, downtown garbage collection, cemeteries and management of leisure services including municipal parks, sports complex and green spaces.

HOT SPRINGS, CHALETS and CAMPGROUND

Noel Ballard—Hot Springs Supervisor

The Supervisor of the Nakusp Hot Springs is responsible for the operations of the Hot Springs, the Chalets and Hot Springs Campground. This includes overseeing the staff, marketing and maintenance.

FIRE

Terry Warren, Fire Chief

The Nakusp & District Volunteer Fire Department is responsible and has authority by Village Bylaws and the Fire Services Act for Protection of Life and Property, Fire Suppression, Pre-Fire & Disaster Planning, Mutual Aid to B.C. Wildfire Service, Rescue & Basic First Aid, Hazmat Response, Fire Prevention Programs, Local Assistants' to the Fire Commissioner for Inspection, Investigation and Enforcement.

Mission & Vision Statement

MISSION STATEMENT

Our mission is to deliver necessary municipal services, continue to maintain responsible governance, and provide transparency through communication for the citizens of Nakusp, while managing public assets, striving to maintain current partnerships while developing new ones and continuing to improve the economic, social and environmental well-being of our community.



VISION STATEMENT

- To continue to enhance our infrastructure to facilitate sustainable growth;
- To celebrate our history while embracing new opportunities;
- To be a regional service centre by supporting social, commercial, health and protective services;
- To continue promote and develop parks and recreation opportunities which serve both residents and visitors;
- To be a vibrant community that welcomes new residents, businesses, and opportunities for economic diversification as well as supporting our resource and tourism sectors; and
- To support Nakusp and Area Community Forest (NACFOR).

Municipal Services

SERVICES PROVIDED

Airport

- 2983' paved runway

Arena / Auditorium

- Arena
- Auditorium / kitchen rentals
- 4 sheet curling rink
- Squash court
- Hockey, figure skating

Beach

Board of Variance

Building Inspection

(contracted to the RDCK)

Business Licensing

Campsite

- Municipal
- Hot Springs

Cemeteries

- Legion
- Women's Institute
- Glenbank
- Catholic
- Nakusp
- Hillcrest

Emergency Services Building

Garbage & Recycling Collection

Nakusp Hot Springs & Cedar Chalets

Parks

- Waterfront Walk
- Trails
- Children's Play Park
- Skatepark
- Tennis Courts / Sportsfields

Sewer System & Sewer Treatment Plant

Snow Removal

Street Lighting

Taxation

Volunteer Fire Department

Water system

Water Treatment Plant

Wharf & Boat Launch

Zoning—Municipal



Nakusp is situated on the East shore of Upper Arrow Lake in the Selkirk Mountains in the Regional District of Central Kootenay, British Columbia. It lies approximately 160 kms north of the City of Nelson, 147 km north of the City of Castlegar, and 100 kilometres south of Revelstoke.

Nakusp lies at the south terminus of

Provincial Highway #23, which connects to Highway #6.

The Village of Nakusp covers an area of 1,059 hectares. Nakusp's shoreline, forest cover, hot springs, and wetlands provide habitat for wildlife and a unique place for people to live.

Climate

Mean Annual Temperature	7.7 ^o C (45.86 ^o F)
Average July Temperature	19.1 ^o C (66.38 ^o F)
Average January Temperature	-1.7 ^o C (28.94 ^o F)
Annual Rainfall	649.9 mm (26 inches)
Total Snowfall	192.1 cm (75.6 inches)
Total Sunshine	1902 hours

Community Services — Hot Springs, Chalets

2021 Hot Springs Facts & Figures

- The Nakusp Hot Springs, in 2021, saw strong recovery from pandemic impacts on tourism.
- Although the Springs still had some restrictions in 2021 due to COVID-19, the overall pool visitor count was 36,325 and the camper count was 3,516.
- November 2021 was the first time in memory the hot springs source was reduced in temperature by extreme rainfall, requiring a three day shut down.

The Year of Tourism Recovery

Demand for relaxation in our outstanding Hot Spring returned visitors to pre-pandemic levels over the course of 2021. This was not without many pandemic related challenges including worker shortages, vaccine passports and occupancy restrictions, often changing. Thanks to vaccine availability and support, shut downs of the facility were avoided. The Nakusp Hot Springs were able to remain open to the public during a time when many Hot Springs closed their doors to non-resort guests.

2021 Gross Revenue—\$780,928

2020 Gross Revenue—\$641,283

2019 Gross Revenue—\$1,055,397



Community Services — Recreation & Parks

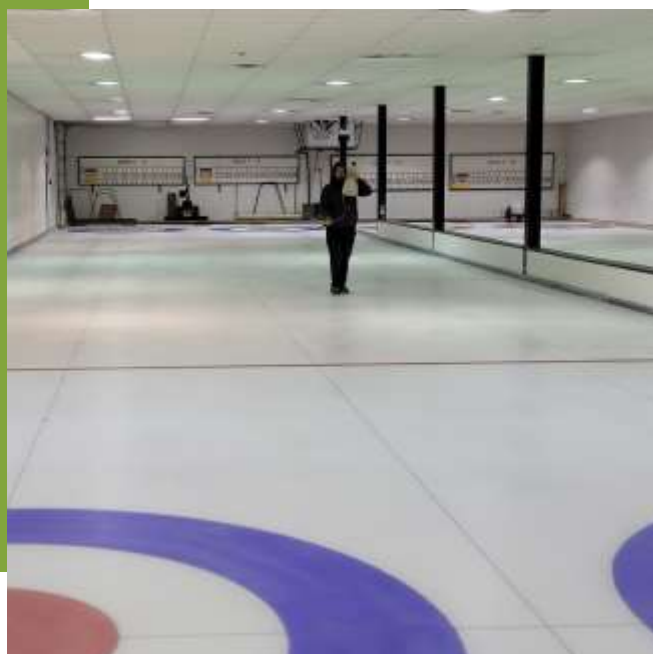
2021 Recreation & Parks Highlights

- COVID-19 continued to impact recreational programming throughout 2021. Hockey, Curling and Softball leagues proceeded with limitations.
- Phase 1 of the new Rotary Adventure Playground was installed in the park in the fall of 2021, ready for young adventurers in the 2022 season. Phase 2 is planned for 2022 and is again made possible because of significant volunteer contributions from the Rotary Club.
- A severe summer fire season and smoke saw the cancellation of some usual summer bookings and tournaments, but the Nakusp Arena complex did host a Wildfire Fighting Command Center and crews that were fighting the nearby Wildfire Complex in Fauquier and Edgewood.
- The Village took over the operation of the Marina from the Nakusp Launch Club.



Sport and recreation activities resume

2021 was a year where sports and recreation in Nakusp almost fully resumed from the pandemic, staff often met challenges but thanks to vaccine support residents were able to take part in



many of their favorite group activities. The Village take over of the Marina operations introduced new maintenance obligations for operations. Slip rental revenues help offset the additional costs, and the Village is currently working on a plan for the long term sustainability of the marina beginning with a breakwater installation in 2022.

Community Services — Operations



THE VILLAGE OF
N A K U S P

2021 Operations Report



What are “Public Works Services”?

This includes, but is not limited to, the following:

- Maintenance of Village facilities and buildings;
- Garbage Collection and Recycling Services;
- Snow Removal & Road Maintenance;
- Sidewalk Inspection, Installation & Maintenance;
- Cemetery Burials, Headstone Installations;
- Maintenance of Village fleet and equipment;
- Street Lighting Inspection, Reporting & Maintenance;
- Airport Maintenance

What Does the Operations Department do?

The Operations Department is responsible for the Village Community Water System, the Community Wastewater System, and Public Works Services. Staff time allocations are as follows:

Water Distribution & Treatment 22%

Wastewater
Collection & Treatment 16%

Public Works Services 62%

Community Services — Operations

CURBSIDE RECYCLING

Pickup is available
in Nakusp.



VILLAGE OF
NAKUSP

PUBLIC WORKS DEPARTMENT

1325 Hot Springs Road

For more information,
please contact
the Public Works Department
250.265.3556.

Where does funding for Operations come from?

The Public Works Services are funded through general taxation. Utility services are separate – generating revenue through annual utility billing for water and sewer expenditures. User fees are collected for services like garbage collection and cemeteries. A number of Capital projects are co-funded through Provincial or Federal grants.

For 2021, the Operations Department used:
approximately 17% of the combined overall Village budget for Public Works services;
7% for the community water system;
6% for the wastewater system;
Total of approximately 30%.

Community Services — Operations

What happens if my garbage day falls on a holiday?

If your garbage day is on a Monday, your collection day is the next regular business day. If your garbage day is on Wednesday, your pick up will be on Friday. If your garbage day is on a Friday, your garbage pick-up will be on the Wednesday prior.

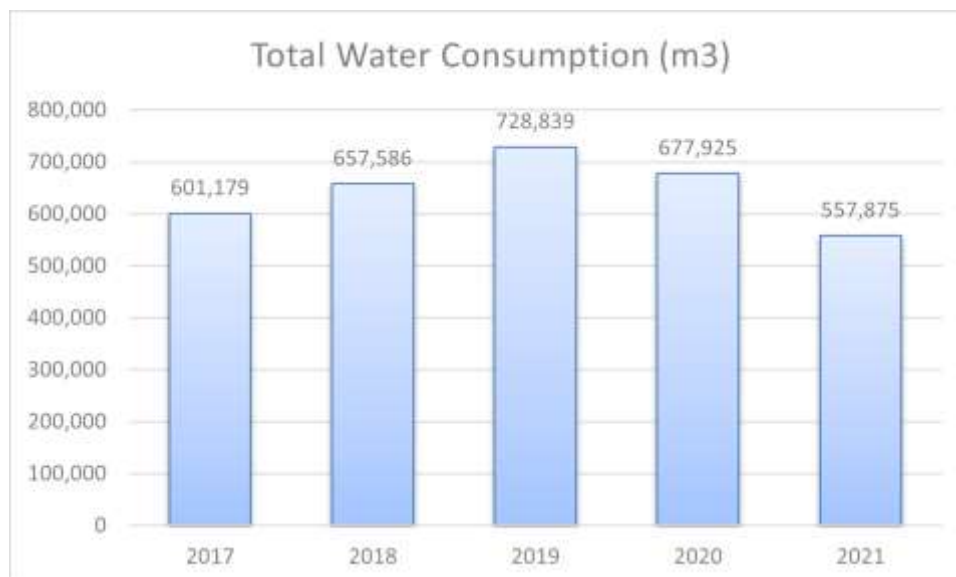
Please ensure that all residential garbage is placed in a Village garbage bag (sold at local retail stores and the Village Office) and an animal-resistant container. Garbage should be placed on the Avenue adjacent to the residence no earlier than 7 am, but ready for collection at 9 am.

When is Community Clean-up Week?

Council has declared the first week in May to be “Community Clean-up Week”. The Operations team will be collecting yard debris the first week of May. Residents are required to have their yard waste ready for pick up, adjacent to the alley or on the Village boulevard, by 7 am. There is no need to call in to schedule a pick up. This service is free of charge. The Village will only pick up yard waste/garden debris and branches.

2021 Water Consumption

The Village of Nakusp is seeing a reduction in water usage from previous years as leaks in the water system are repaired and residents follow water restriction guidelines. Nakusp per capita water consumption remains high so there is room to improve and Operations continues to seek ways to reduce operating costs and increase the resilience of our water system.



Community Services — Operations



WATER CONSERVATION

**Stage 1 Water Conservation - May 1 Annually
Bylaw 702, 2022 (Current Information)**

Permitted Uses at ANY Address on ANY Day

- Hand Watering—flower gardens, vegetable gardens, decorative planters, shrubs or trees.
- Drip Irrigation OR Micro Sprinkler Irrigation—flower garden, vegetable gardens, decorative planters, shrubs or trees.
- Use of hose to supply water for washing boats, motor vehicles or driveway ONLY if the hose is affixed with an automatic shutoff device.
- Watering of public sports fields, school yards, public parks and cemeteries.
- Filling and maintaining of private pools, ponds, spas, hot tubs, and bird baths.
- Waterslides or sprinkler for the purpose of children's play.
- Commercial carwash.
- Uses authorized by permit issued by the CAO, Director of Operations, or Designate.

Lawn Watering Days

Even Number Houses—Water on even days
Odd Number Houses—Water on odd days

Lawn Watering Times and Devices

6AM—9AM and 8PM—11PM for hose supplied sprinkler
Midnight (12AM) - 6AM for underground automated sprinkler systems

To find out information regarding Stages 2-4 go to our website: www.nakusp.com (Bylaws).

For more information contact – watersmart@nakusp.com
or call 250.265.3556

CONTACT US

**Village of Nakusp
Public Works Department**

PO Box 280
1325 Hot Springs Rd
Nakusp, BC V0G 1R0

Phone: 250-265-3556

Emergencies: 250-265-3861

Email– Director of Operations
ebobicki@nakusp.com

Phone: 250-265-3556

Goals and Objectives 2020-2023

Community Development:

Support initiatives which contribute to the revitalization of Nakusp ensuring that the Village continues to be a safe, livable and vibrant community while attracting new families.

Objective: Partnering with Interior Health Authority for promotion of health and wellness within the community;

Progress: ONGOING

Objective: Advocate for improved health services from Interior Health Authority;

Progress: ONGOING

- Emergency room upgrades completed June 2020

Objective: Investigate opportunities to increase utilization and programming of arena complex, parks, trails and continue working with recently established Municipal Campground Expansion Committee for potential development.

Progress: ONGOING

- Concept phased expansion plan completed for municipal campground.
- Recreation Coordinator hired to organize programming at Village recreation facilities
- Engineering completed for Rail Trail washout repairs with construction scheduled for summer 2022

Objective: Continue to lobby for improved access to lake (BC Hydro/Province) – breakwater/boat launch

Progress: ONGOING

Objective: Engage youth in initiatives whenever possible

Progress: ONGOING

Objective: Support senior services;

Progress: ONGOING

Objective: Support housing development initiatives by seeking out developers and creating partnerships with funding partners;

Progress: ONGOING

- Investment Ready Nakusp Project completed

Objective: Recognize volunteer efforts in the community and acknowledge volunteer appreciation initiatives;

Progress: ONGOING

Objective: Establish positive and effective relationships with community organizations; other local governments and first nations

Progress: ONGOING

Objective: Continue to seek out funding opportunities to develop and implement a signage master plan

Progress: ONGOING

Goals and Objectives 2020-2023

Economic Development

Encourage diverse economic growth through support of strategic initiatives that meet the needs of Nakusp's identity and location

Objective: Continue through the recently developed Investment Ready Nakusp Committee to make Nakusp investment ready

Progress: ONGOING

Objective: Encourage private investment in alternative energy

Progress: ONGOING

Objective: Provide and promote opportunities for youth involvement, retainment, and employment in Nakusp

Progress: ONGOING

Objective: Continue with the Broadband initiative, develop partnerships, and seek out funding opportunities for "last mile" connection

Progress: ONGOING

Objective: Support fixed transportation link

Progress: ONGOING

Objective: Initiate planning and determine funding for Phase 2 of the downtown revitalization project

Progress: COMPLETED

- Phase 2 of the downtown revitalization was substantially completed in 2020 and was funded entirely through NACFOR Legacy funds.

Objective: Support the local value-added agriculture and food processing industry

Progress: ONGOING

Objective: Support the local value-added forestry industry

Progress: ONGOING

Objective: Acknowledging regional tourism and develop initiatives to benefit Nakusp.

Progress: ONGOING

Goals and Objectives 2020-2023

Hot Springs Development:

Continue to explore options that provide the best benefit/return to taxpayers while maintaining community access.

Objective: Continue to provide hospitality customer service training for staff

Progress: ONGOING

Objective: Identify and secure funding for improvements to Chalets

Progress: ONGOING

Objective: Facilitate increased services and improve the provision of services

Progress: ONGOING

Objective: Develop initiatives to improve marketing and tourism attractiveness

Progress: ONGOING

Objective: Investigate methods of enlarging the campground and increasing accommodations

Progress: ONGOING

Objective: Support new development and consider joint ventures and/or sale opportunities

Progress: ONGOING

Goals and Objectives 2020-2023

Land Use & Industrial Growth:

Maintain Nakusp's role as a diverse regional hub by retaining and attracting key industries and services to support them and collaborating regionally to foster sustainable growth.

Objective: Support development of industrial land within Nakusp and Area K

Progress: ONGOING

Objective: Review and amend land use policies and bylaws to create opportunities for development

Progress: IN PROGRESS

Objective: Complete the Official Community Plan (OCP) revision and focus on updating the Zoning Bylaw and subdivision and development bylaws to compliment the new OCP.

Progress: IN PROGRESS

- OCP final draft completed in 2020 and adopted in early 2021.
- Zoning Bylaw update started in 2021 and expected to be adopted in mid 2022

Fiscal Responsibility:

Plan for, invest in, and maintain safe, resilient and sustainable infrastructure in a way that provides the highest value to the taxpayers in the community.

Objective: Developing a tangible capital asset plan

Progress: ONGOING

- Infrastructure inventory and risk assessment completed

Objective: Development of a sound financial plan

Progress: ONGOING

- 2021-2025 five year financial plan completed.
- Incorporated asset management plan into financial plans.

Objective: Development of long-term financial plan for water and sewer utilities

Progress: COMPLETED

- Included in the Villages Asset management plan

Objective: Focus on our infrastructure for future generations.

Progress: ONGOING

Financial Section

Included in this report are the 2021 Financial Statements prepared by the Village of Nakusp and audited by Grant Thornton LLP. The consolidated financial statements are prepared in accordance with Generally Accepted Accounting Principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of Chartered Professional Accountants Canada (CPA).

Included in the Village's audited statements is the presentation of each of the individual funds – general, water, sewer and hot springs. This provides readers of the statements better understanding and better transparency of the Village's operations.

DEBT

As at December 31, 2021 the Village's debt was \$1,375,881. No additional debt was incurred by the Village in 2021.

<u>Bylaw</u>	<u>Original Debt</u>	<u>Term</u>	<u>Debt Start Date</u>	<u>Debt Expiry Date</u>	<u>Total</u>
Bylaw 648 - Upgrades to ice plant at arena	100,000	20 yrs	2014	2034	73,475
Bylaw 648 - Auditorium roof and solar panels	275,000	20 yrs	2013	2033	189,906
Bylaw 637 - Repairs to Hot Springs in 2006 - pay-back borrowing from reserves	710,000	20 yrs	2011	2031	423,738
Bylaw 638 - Construction of Emergency Services Building	110,000	20 yrs	2011	2031	65,651
Bylaw 546 - Sewer Lift Station	268,586	25 yrs	2003	2028	110,268
Equipment Loan—Fire Tender	425,000	20 yrs	2017	2032	262,733
Bylaw 671 - North Kuskanax Water & Sewer LSA	282,620	20 yrs	2018	2038	250,110
					1,375,881

The loan payments for the sewer lift station are paid from the sewer fund and not from general taxes. The loan payments for the Hot Springs come from Hot Springs revenue and not from general taxes. The loan payments for the North Kuskanax Water & Sewer LSA are paid by a parcel tax specific to the properties in the local service area and not from general taxes.



Independent Auditor's Report

Grant Thornton LLP
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Nelson, BC
V1L 4K7

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To the Mayor and Council
Village of Nakusp

Opinion

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

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

Basis for Opinion

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

Financial Section

Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Nelson, Canada
May 9, 2022

Grant Thornton LLP

Chartered Professional Accountants

Financial Section

VILLAGE OF NAKUSP STATEMENT OF FINANCIAL POSITION As At December 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 6,105,529	\$ 4,403,582
Investments (note 3)	517,432	1,180,948
Accounts receivable (note 4)	345,871	481,746
MFA debt reserve cash deposits (note 5)	23,276	22,887
Investment in NACFOR (2013) (note 6)	1,503,058	1,754,304
	8,495,166	7,843,467
LIABILITIES		
Accounts payable and accrued liabilities (note 7)	385,322	321,171
Deferred revenue (note 8)	224,210	237,906
Deposits	28,714	6,936
MFA long-term debt (note 9)	1,375,881	1,484,342
	2,014,127	2,050,355
NET FINANCIAL ASSETS	6,481,039	5,793,112
NON-FINANCIAL ASSETS		
Prepaid expenses	82,838	59,370
Inventory	38,600	32,403
Tangible capital assets (schedule A)	20,156,702	20,556,500
	20,278,140	20,648,273
ACCUMULATED SURPLUS (note 10)	\$ 26,759,179	\$ 26,441,385
CONTINGENT LIABILITIES (note 13)		



Mark Tennant
Director of Finance / Deputy Chief Administrative Officer

Financial Section

VILLAGE OF NAKUSP
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2021

	2021 Budget (Note 15)	2021 Actual	2020 Actual
REVENUE			
Municipal property and parcel taxes	\$ 1,121,948	\$ 1,123,975	\$ 1,082,376
Interest and penalties on taxes	22,000	32,757	22,639
Utility taxes and grants-in-lieu of taxes	96,000	99,678	94,824
General fees, charges, and other	442,385	748,173	402,093
Hot Springs fees and other revenue	837,550	780,928	632,311
Interest and actuarial income	-	44,118	51,391
Sewer user fees and charges	494,509	486,605	478,988
Water user fees and charges	586,740	554,087	565,395
Government transfers (note 14)	1,980,774	1,291,401	1,973,229
Gain on sale of tangible capital assets	-	-	33,491
Equity (loss) income from NACFOR (2013) (note 6)	-	(151,246)	440,215
	5,581,906	5,010,476	5,776,952
EXPENSES			
General government	913,900	1,027,198	812,627
Hot Springs and Chalets	725,061	668,711	572,387
Parks and recreation	767,569	654,453	609,946
Protective services	231,005	227,633	212,528
Public works and transportation	644,759	636,858	654,738
Sewer services	275,060	215,605	189,866
Water services	318,605	271,242	330,558
Interest on debt	58,580	54,581	60,447
Amortization	919,000	936,601	924,867
	4,853,539	4,692,882	4,367,964
ANNUAL SURPLUS	728,367	317,794	1,408,988
ACCUMULATED SURPLUS, BEGINNING OF YEAR	26,441,385	26,441,385	25,032,397
ACCUMULATED SURPLUS, END OF YEAR	\$ 27,169,752	\$ 26,759,179	\$ 26,441,385

Financial Section

VILLAGE OF NAKUSP
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2021

	2021 Budget	2021 Actual	2020 Actual
ANNUAL SURPLUS	\$ 728,367	\$ 317,794	\$ 1,408,988
Acquisition of tangible capital assets	(2,618,305)	(536,803)	(1,064,879)
Amortization of tangible capital assets	919,000	936,601	924,867
Gain on sale of tangible capital assets	-	-	(33,491)
Proceeds on sale of tangible capital assets	-	-	33,491
	(970,938)	717,592	1,268,976
Net change in inventory and prepaid expenses	-	(29,665)	16,733
INCREASE IN NET FINANCIAL ASSETS	(970,938)	687,927	1,285,709
NET FINANCIAL ASSETS, BEGINNING OF YEAR	5,793,112	5,793,112	4,507,403
NET FINANCIAL ASSETS, END OF YEAR	\$ 4,822,174	\$ 6,481,039	\$ 5,793,112

Financial Section

VILLAGE OF NAKUSP
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2021

	2021	2020
OPERATING TRANSACTIONS		
Annual surplus	\$ 317,794	\$ 1,408,988
Non-cash items included in annual surplus		
Amortization	936,601	924,867
Actuarial gain on MFA long-term debt	(23,377)	(20,301)
Gain on sale of tangible capital assets	-	(33,491)
Equity income from NACFOR (2013)	151,246	(440,215)
Changes in non-cash operating balances		
Accounts receivable	135,875	(170,697)
MFA debt reserve cash deposits	(389)	(463)
Prepaid expenses and inventory	(29,665)	16,733
Accounts payable and accrued liabilities	64,151	42,692
Deferred revenue and deposits	8,082	(105,096)
Cash Provided by Operating Transactions	1,560,318	1,623,017
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(536,803)	(1,064,879)
Proceeds from disposal of capital assets	-	33,491
Cash Applied to Capital Transactions	(536,803)	(1,031,388)
FINANCING TRANSACTIONS		
Repayment of interim and long-term debt	(85,084)	(82,418)
Cash Applied to Financing Transactions	(85,084)	(82,418)
INVESTING TRANSACTIONS		
Net change in investments	663,516	1,014,137
Cash dividends received from NACFOR (2013)	100,000	400,000
Cash Provided by (Applied to) Investing Transactions	763,516	1,414,137
INCREASE (DECREASE) IN CASH	1,701,947	1,923,348
CASH, BEGINNING OF YEAR	4,403,582	2,480,234
CASH, END OF YEAR	\$ 6,105,529	\$ 4,403,582

Financial Section

VILLAGE OF NAKUSP NOTES TO FINANCIAL STATEMENTS As At December 31, 2021

The notes to the financial statements are an integral part of the statements. They explain the significant accounting and reporting policies underlying these statements. They also provide relevant supplementary information and explanations which cannot be conveniently expressed in the financial statements alone.

1. NATURE OF THE ENTITY

The Village of Nakusp (the "Village") is incorporated under the Local Government Act of British Columbia and is subject to the provisions of the Community Charter and legislation under the Province. The Village's principal activities include the provision of local government services to residents of the incorporated area.

The financial statements are the responsibility of management and prepared in accordance with Canadian public sector accounting standards ("PSAS"). The preparation of these 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.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the Village of Nakusp.

Basis of presentation

The Financial Statements of the Village comprise the Village's Operating, Capital, and Reserve funds. All inter-fund balances have been eliminated.

- i) **Operating Funds:** These funds include the General, Hot Springs, Waterworks Utility, and Sewer Utility operations of the Village. They are used to record the operating costs of the services provided by the Village.
- ii) **Capital Funds:** These funds include the General, Hot Springs, Waterworks Utility and Sewer Utility Capital funds. They are used to record the acquisition and disposal of property and equipment and their related financing.
- iii) **Reserve Funds:** Reserve funds include statutory reserves restricted by the Community Charter and associated Municipal bylaws and reserves set aside by Council for future expenditures.

Basis of accounting

The Village's financial statements are prepared using the accrual basis of accounting. Revenues are recognized in the year which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of the receipt of goods and services and/or the the creation of a legal obligation to pay.

Investment in government business enterprise

The Village's wholly owned subsidiary, the Nakusp & Area Community Forest (2013) Inc. ("NACFOR (2013)"), is a government business enterprise, accounted for using the modified equity method. Under this method, the business enterprise's accounting principles are not adjusted to conform with those of the Village. The equity income for the year is recorded as revenue in the Village's statements of operations and the investment in NACFOR (2013) is adjusted accordingly.

Financial Section

VILLAGE OF NAKUSP
NOTES TO FINANCIAL STATEMENTS (Continued)
As At December 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and equivalents

Cash and equivalents include liquid investments with maturities of three months or less at acquisition.

Investments

Investments are recorded at cost. Investment income is recorded on the accrual basis and recognized when earned.

Tangible capital assets

Tangible capital assets, comprised of capital assets and capital work-in-progress, are recorded at cost less accumulated amortization and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing the year the asset is put into service. Estimated useful lives are as follows:

Land	not amortized
Buildings and building components	15 - 50 years
Machinery and equipment	5 - 20 years
Furniture and equipment	5 - 20 years
Information technology	3 - 5 years
Vehicles and mobile equipment	5 - 25 years
Infrastructure	15 - 50 years

Contributed tangible capital assets are reported at fair value at the time of donation and are also recorded as revenue.

Inventories consist of supplies for the Village's own use and recorded at the lower of cost or net replacement value.

Municipal pension plan

The Village's pension plan follows the guidelines of the Municipal Pension Plan which is administered by the Province of British Columbia for all British Columbia municipalities. The Village 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 assets and administration of benefits. The plan is a multi-employer defined benefit plan.

Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the year in which it is used for the specified purpose.

Financial Section

VILLAGE OF NAKUSP NOTES TO FINANCIAL STATEMENTS (Continued) As At December 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Municipal Property Taxation

Taxation levies for Village services are recognized as revenue at the time of issuing the property tax notices for the fiscal year. Taxation levies imposed by other taxing authorities are not included in these statements.

General Fees and Charges

General fees and charges are recognized as revenue when the service or product is provided by the Village. These include charges for garbage collection, rentals, permits, licenses, campground and arena fees, and other recoveries.

Government Transfers (conditional and unconditional grants)

Unconditional transfer revenue is recognized when it has been authorized by the transferor. Conditional transfer revenue is recognized when the transfer has been authorized by the transferor and the Village has met all the eligibility criteria, unless the transfer creates a liability (conditions on the use of the funds that have not yet been fulfilled by the Village). Conditional transfers for capital expenditures revenue are recognized when eligible expenditures are incurred by the Village.

Liability for Contaminated Sites

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

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Village is directly responsible or accepts responsibility;
- it is expected that future economic benefits will be up; and
- a reasonable estimate of the amount can be made.

The liability is recognized at management's estimate of the cost of post remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for the contaminated site. The Village has no liabilities under this standard as at December 31, 2021 and 2020.

Budget Figures

The budget figures are based on the Five-Year Financial Plan per Bylaw no. 698, 2021 adopted May 10, 2021.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Significant areas requiring estimates include the useful life of tangible capital assets for amortization, the determination of accrued liabilities, and the provision for contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

Financial Section

VILLAGE OF NAKUSP
NOTES TO FINANCIAL STATEMENTS (Continued)
As At December 31, 2021

3. INVESTMENTS

	2021	2020
MFA Money Market and CIBC Flexible GIC Funds	\$ 511,135	\$ 1,174,620
MFA Intermediate Fund	2,522	2,522
MFA Short-term Bond Fund	3,775	3,806
	\$ 517,432	\$ 1,180,948

4. ACCOUNTS RECEIVABLE

	2021	2020
Municipal property taxes	\$ 166,391	\$ 143,976
Government and agency grants	35,994	100,399
Sewer user fees	39,049	55,161
Water user fees	31,425	51,909
GST rebate	7,083	14,720
Other	65,929	115,581
	\$ 345,871	\$ 481,746

5. MUNICIPAL FINANCE AUTHORITY (MFA) DEBT RESERVE DEPOSITS

The Municipal Finance Authority of British Columbia ("MFA") provides capital financing for regional districts and their member municipalities. The MFA is required to establish a Debt Reserve Fund. The MFA must then use this fund if at any time there are insufficient funds to meet payments on its obligations.

Each regional district, through its member municipalities who share in the proceeds of a debt issue, is required to pay into the Debt Reserve Fund certain amounts set out in the financing agreements. The interest earned on the Debt Reserve Fund Cash Deposit, less administrative expenses, becomes an obligation of MFA to the member municipalities through the regional districts. Upon the maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the municipality, including interest earned. Use of the Cash Deposit is restricted by legislation. The detail of the cash deposits and demand notes at year-end are as follows:

	Demand Notes	Cash Deposits	2021	2020
General and Hot Springs Funds	\$ 28,234	\$ 15,309	\$ 43,543	\$ 43,287
Sewer and Water Funds	14,432	7,967	22,399	22,266
	\$ 42,666	\$ 23,276	\$ 65,942	\$ 65,553

The cash portion of the Debt Reserve Fund is recognized as an asset in the financial statements. The demand notes are contingent liabilities and are not recorded in the financial statements.

Financial Section

VILLAGE OF NAKUSP
NOTES TO FINANCIAL STATEMENTS (Continued)
As At December 31, 2021

6. INVESTMENT IN NACFOR (2013)

Nakusp & Area Community Forest (2013) Inc. ("NACFOR (2013)") is a wholly owned subsidiary that was created for the purpose of managing a timber license in the Nakusp area.

The Village accounts for its investment in this government business enterprise using the modified equity method. The condensed financial information of this investment for the year ended December 31, 2021 with comparative figures for December 31, 2020 are as follows:

	2021	2020
Assets		
Current assets	\$ 1,730,053	\$ 2,275,560
Long-term assets	1,307,416	230,502
	<u>3,037,469</u>	<u>2,506,062</u>
Liabilities		
Current liabilities	178,411	250,758
Silviculture accrual	496,000	501,000
Other long term liabilities	860,000	-
	<u>1,534,411</u>	<u>751,758</u>
Shareholder equity	\$ 1,503,058	\$ 1,754,304
Results of operations, net(loss) income for the year	<u>\$(151,246)</u>	<u>\$ 440,215</u>

During the year, the Village received \$100,000 in dividends (2020 - \$400,000).

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021	2020
Wages and benefits payable	\$ 157,670	\$ 99,157
Trade accounts payable and accrued liabilities	227,652	222,014
	<u>\$ 385,322</u>	<u>\$ 321,171</u>

8. DEFERRED REVENUE

These funds are externally restricted for the purposes for which they were collected.

	Balance, Beginning of Year	Contributions Received	Transfers Eligible Expenditures /	Balance, End of Year
Federal Gas Tax Fund	\$ -	\$ 251,234	\$(251,234)	\$ -
Provincial Grant - Rural Dividend	30,274	-	(30,274)	-
Columbia Basin Trust Grants	-	15,200	(15,200)	-
UBCM Grants	13,600	29,500	(24,600)	18,500
RDCK Grants	-	509,136	(509,136)	-
Other Miscellaneous	8,234	31,186	(28,790)	10,630
Prepaid Taxes and Utility Fees	185,798	170,150	(160,868)	195,080
	<u>\$ 237,906</u>	<u>\$ 1,006,406</u>	<u>\$(1,020,102)</u>	<u>\$ 224,210</u>

Financial Section

VILLAGE OF NAKUSP
NOTES TO FINANCIAL STATEMENTS (Continued)
As At December 31, 2021

9. LONG-TERM DEBT

	Balance, Beginning of Year	Additions	Principal Payments	Actuarial Adjustment	Balance, End of Year
General Fund					
MFA issue 126 bylaw 648	\$ 202,059	\$ -	\$ 9,235	\$ 2,918	\$ 189,906
MFA issue 130 bylaw 648	77,724	-	3,358	891	73,475
MFA issue 117 bylaw 638	70,908	-	3,694	1,563	65,651
MFA equipment loan	291,541	-	28,808	-	262,733
	642,232	-	45,095	5,372	591,765
Hot Springs Fund					
MFA issue 117 bylaw 637	457,674	-	23,843	10,093	423,738
Sewer Utility Fund					
MFA issue 145 bylaw 671	61,187	-	2,463	150	58,574
MFA issue 79 bylaw 546	123,167	-	5,628	7,271	110,268
	184,354	-	8,091	7,421	168,842
Water Utility Fund					
MFA issue 145 bylaw 671	200,082	-	8,055	491	191,536
Total Long-term Debt	\$ 1,484,342	\$ -	\$ 85,084	\$ 23,377	\$ 1,375,881

Actuarial adjustments represent interest earned on sinking funds held by the Municipal Finance Authority. Such interest is used to reduce the principal amount of outstanding debt.

The Village's requirements for future repayments of principal on existing debt for the next five years excluding any actuarial gains that may be realized are as follows:

	General Fund	Hot Springs Fund	Sewer Utility Fund	Water Utility Fund	Total
2022	\$ 44,113	\$ 26,101	\$ 8,091	\$ 8,054	\$ 86,359
2023	\$ 44,485	\$ 26,101	\$ 8,091	\$ 8,054	\$ 86,731
2024	\$ 44,864	\$ 26,101	\$ 8,091	\$ 8,054	\$ 87,110
2025	\$ 45,248	\$ 26,101	\$ 8,091	\$ 8,054	\$ 87,494
2026	\$ 45,636	\$ 26,101	\$ 8,091	\$ 8,054	\$ 87,882

Financial Section

VILLAGE OF NAKUSP
 NOTES TO FINANCIAL STATEMENTS (Continued)
 As At December 31, 2021

10. ACCUMULATED SURPLUS

Accumulated surplus is represented by:

	2021	2020
Unappropriated Surplus		
General Operating Fund	\$ 1,348,594	\$ 1,127,649
Hot Springs Operating Fund	301,650	232,133
Water Operating Fund	505,760	505,760
Sewer Operating Fund	-	-
	<u>2,156,004</u>	<u>1,865,542</u>
Reserve Fund		
Equipment Reserve	531,130	405,679
Fire Equipment Reserve	394,142	360,867
NACFOR (2013) Legacy Fund	770,397	831,448
Community Works Gas Tax Reserve	500,196	301,625
Sewer Reserve	976,591	806,461
Water Reserve	785,559	724,080
Parkland Acquisition Reserve	13,335	13,272
Land Sale Reserve	124,814	124,231
Hot Springs and Chalet Reserve	117,402	116,853
Other Reserves	105,730	64,865
	<u>4,319,296</u>	<u>3,749,381</u>
Equity in Tangible Capital Assets		
General Capital Fund	10,802,963	11,033,507
Hot Springs Capital Fund	557,542	568,035
Water Capital Fund	4,779,972	4,723,014
Sewer Capital Fund	2,640,344	2,747,602
	<u>18,780,821</u>	<u>19,072,158</u>
Investment in NACFOR (2013)	<u>1,503,058</u>	<u>1,754,304</u>
TOTAL ACCUMULATED SURPLUS	<u>\$ 26,759,179</u>	<u>\$ 26,441,385</u>

The Unappropriated Surplus is the amount of Accumulated Surplus remaining after deducting the other appropriated surplus balances. It is available to temporarily finance operations until planned revenues (i.e. property taxes, grants, etc.) are received, or for other operating or capital purposes as determined by Council.

The Reserve Fund is Accumulated Surplus that has been set-aside by decision of Council for a specified purpose. In the normal course of operations, these funds will be used to finance the future services or capital works for which they have been appropriated.

The Investment in NACFOR (2013) is equal to the NACFOR (2013) investment value on an equity basis. In the normal course of operations this investment will not be available to finance operations, but will be maintained in support of the purposes of the investment.

Equity in Tangible Capital Assets is equal to the tangible capital assets less related long-term debt. In the normal course of operations the non-financial assets will not be available to finance operations, but will be used to provide services, and the debt will be repaid by future period revenues.

Financial Section

VILLAGE OF NAKUSP
NOTES TO FINANCIAL STATEMENTS (Continued)
As At December 31, 2021

11. PENSION LIABILITY

The 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 overseeing the management of the pension 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 had about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 contributors from local government.

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

The most recent valuation as at December 31, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2021 with results available later in 2022.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the 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.

The Village paid \$114,512 (2020 - \$115,960) for employer contributions to the Plan in fiscal 2021.

12. COLLECTION FOR OTHER GOVERNMENTS

The Village collected and remitted the following taxes on behalf of other Governments.

Provincial Government - School Taxes	\$ 688,566
Provincial Government - Police Tax Levy	92,979
Regional District of Central Kootenay	561,338
Regional Hospital District	67,943
British Columbia Assessment Authority	13,152
Municipal Finance Authority	61
	<hr/>
	\$ 1,424,039

13. CONTINGENT LIABILITIES

The Village, as a member of the Regional District of Central Kootenay, is jointly and severally liable for the future capital liabilities of the Regional District. The loan agreements with the Municipal Finance Authority provide that if the Authority does not have sufficient funds to meet its payments and obligations, it shall make payments from the debt reserve fund which is in turn established by a similar debt reserve fund of the Village and all other borrowing participants. If the debt reserve fund is deficient, the Authority's obligations become a liability of the Regional District, and may become a liability of the participating municipalities.

In the normal course of a year, the Village is faced with claims for damages of a diverse nature. The outcome of these claims cannot be reasonably determined, and no amounts are accrued in the financial statements.

Financial Section

VILLAGE OF NAKUSP
 NOTES TO FINANCIAL STATEMENTS (Continued)
 As At December 31, 2021

14. GOVERNMENT TRANSFERS

Government Transfers - Unconditional	2021	2020
Provincial	<u>434,974</u>	<u>435,879</u>
Government Transfers - Conditional		
Provincial	852,627	1,522,645
Other	<u>3,800</u>	<u>14,705</u>
	<u>\$ 1,291,401</u>	<u>\$ 1,973,229</u>

15. BUDGET RECONCILIATION

The following reconciles the budgeted annual deficit as shown on the statement of operations to the budget as presented in bylaw no. 698 adopted May 10, 2021.

Annual budgeted deficit as presented	\$ 728,367
Transfers from reserves	1,422,533
Transfers to reserves	(783,491)
Amortization	919,000
Debt principal payments	(84,286)
Capital expenditures	(2,618,305)
Budgeted use of prior year surplus	443,462
Interfund transfers	<u>(27,280)</u>
	<u>\$ -</u>

16. CEMETERY CARE TRUST FUND

The Village operates the Catholic, Hillcrest, Women's Institute, Glenbank, and Legion cemeteries and maintains a Cemetery Care Fund in accordance with the Cremation, Interment, and Funeral Services Act and related Regulations. In accordance with Act and Regulations, the Village must transfer a specified minimum percentage of certain cemetery fees into the Cemetery Care Fund. The resulting equity balance in the fund is restricted in use; interest earnings are available to the Village to fund ongoing maintenance of the cemetery as required. The condensed financial information for the year ended December 31, 2021 with 2020 comparative figures are as follows:

	2021	2020
ASSETS		
Short-term investments	<u>\$ 43,353</u>	<u>\$ 41,509</u>
EQUITY	<u>\$ 43,353</u>	<u>\$ 41,509</u>
OPERATIONS		
Contributions	\$ 2,000	\$ 1,250
Interest	<u>87</u>	<u>389</u>
CHANGE IN EQUITY	<u>\$ 2,087</u>	<u>\$ 1,639</u>

The Cemetery Trust Fund is not included in the Village's financial statements.

Financial Section

VILLAGE OF NAKUSP
NOTES TO FINANCIAL STATEMENTS (Continued)
As At December 31, 2021

17. SEGMENTED INFORMATION

The Village of Nakusp is a diversified municipal government that provides a wide range of services to its citizens. The Village's operations and activities are organized and reported by funds and departments. The general fund reports on operations funded primarily by property taxes and government transfers which include services provided by the Village such as general government services, protective services, public works and parks and recreation. The utility operations are comprised of the water and sewer system each accounting for its own operations and programs within its own fund. The Hot Springs and Chalets fund reports the revenues and expenses specific to the Hot Springs operations. Operating results reported by the following segments are included in Schedule B.

General government

General government is primarily funded by property taxation and unconditional government transfers. The expenses within the segment are for legislative, general administration and finance functions as well as all operations and maintenance costs relating to the municipal buildings, economic development and promotion and grants to community organizations.

Protective services

Protective services is comprised of the Village's fire protection and emergency services and the operating and maintenance costs of the related buildings, vehicles and equipment.

Public works

Public works and transportation is a broad function comprised of crews engaged in the maintenance and improvements to the road systems, drainage, waste disposal, snow removal, cemetery, works yard, and other planning and maintenance activities.

Parks and recreation

Parks and recreation services contribute to the quality of life and personal wellness through the maintenance of the parks and boulevards, as well as the maintenance and operations of the arena and campground.

Water services

The water utility provides safe drinking water to the Village. Revenue and expenses represent the amounts that are directly attributable to the function of the water utility.

Sewer services

The sewer utility operates the sanitary sewer system networks and treatment plant. Revenue and expenses represent the amounts that are directly attributable to the function of the sewer utility.

Hot Springs and Chalets

The Hot Springs and Chalets segment is comprised of the revenues earned and the expenses incurred from the operations and maintenance of the Nakusp Hot Springs which includes the facility, chalets and campground.

Financial Section

VILLAGE OF NAKUSP
SCHEDULE A - TANGIBLE CAPITAL ASSETS
As At December 31, 2021

	Land	Park Improvements and Other	Buildings	Equipment, Furniture, and Transportation Vehicles	System	Sewer System	Water System	Assets Under Construction	2021 Total	2020 Total
COST										
Opening Balance	\$ 1,342,412	\$ 3,274,845	\$ 10,091,718	\$ 3,347,367	\$ 4,604,175	\$ 5,523,895	\$ 7,782,560	\$ 276,801	36,243,773	\$ 35,291,513
Add: Additions	-	158,742	51,083	53,428	26,277	137,312	30,238	263,147	720,227	1,065,789
Less: Disposals/Transfers	-	-	-	-	-	-	-	(183,424)	(183,424)	(113,529)
Closing Balance	1,342,412	3,433,587	10,142,801	3,400,795	4,630,452	5,661,207	7,812,798	356,524	36,780,576	36,243,773
ACCUMULATED AMORTIZATION										
Opening Balance	-	418,462	5,476,341	2,046,348	2,062,475	2,714,322	2,969,325	-	15,887,273	14,875,024
Add: Amortization	-	77,508	301,974	175,994	81,515	137,699	161,911	-	936,601	924,807
Less: Acc. Amortization on Disposals	-	-	-	-	-	-	-	-	-	112,618
Closing Balance	-	495,970	5,778,315	2,222,342	2,143,990	2,852,021	3,131,236	-	16,823,874	15,687,273
Net Book Value, year ended December 31, 2021	\$ 1,342,412	\$ 2,937,617	\$ 4,364,486	\$ 1,178,453	\$ 2,486,462	\$ 2,809,186	\$ 4,681,562	\$ 356,524	\$ 20,156,702	\$ 20,556,500

Financial Section

VILLAGE OF NAKUSP
SCHEDULE B - SEGMENTED INFORMATION
As At December 31, 2021

	General Government	Protective Services	Public Works	Parks and Recreation	Water Services	Sewer Services	Hot Springs and Chalets	Total
REVENUE								
General taxation	\$ 1,104,555	\$ -	\$ -	\$ -	\$ 14,872	\$ 4,548	\$ -	\$ 1,123,975
Interest and penalties on taxes	32,757	-	-	-	-	-	-	32,757
Utility taxes and grant-in-lieu of taxes	99,678	-	-	-	-	-	-	99,678
General fees and charges	351,893	19,804	121,131	255,345	-	-	-	748,173
Hot Springs fees and other revenue	-	-	-	-	-	-	780,928	780,928
Conditional transfers from other government	338,504	87,123	20,800	410,000	-	-	-	856,427
Unconditional transfer - Province of B.C.	434,974	-	-	-	-	-	-	434,974
Investment interest and MFA actuarial gain	25,825	-	-	-	530	7,515	10,248	44,118
Sewer user fees and charges	-	-	-	-	-	486,605	-	486,605
Water user fees and charges	-	-	-	-	554,087	-	-	554,087
Equity loss in NACFOR (2013)	(151,246)	-	-	-	-	-	-	(151,246)
	2,236,940	106,927	141,931	665,345	569,489	498,668	791,176	5,010,476
EXPENSES								
Interest on debt	-	5,743	-	13,587	6,818	8,128	20,305	54,581
Goods and services	611,558	133,967	272,678	322,811	154,210	131,562	217,861	1,844,647
Wages, benefits and Council stipends	415,640	93,666	363,980	331,642	117,032	84,043	450,850	1,856,853
Amortization of tangible capital assets	30,999	86,555	184,299	290,709	161,911	137,699	44,429	936,601
	1,058,197	319,931	820,957	958,749	439,971	361,432	733,445	4,692,682
Annual Surplus/Deficit	\$ 1,178,743	\$ (213,004)	\$ (679,026)	\$ (293,404)	\$ 129,518	\$ 137,236	\$ 57,731	\$ 317,794

Financial Section

VILLAGE OF NAKUSP
SCHEDULE C - COVID-19 PROVINCE OF BC RESTART GRANT
As At December 31, 2021

OPENING BALANCE	\$ 596,662
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EXPENDITURES	
Addressing revenue shortfalls	79,170
Facility reopening and operating costs	39,772
Computer and other electronic technology costs	15,964
<hr/>	
CLOSING BALANCE	\$ 461,756

Statistical Information

PROPERTY TAX EXEMPTIONS (PTE)

Through the adoption of an annual bylaw, the Municipal Council may provide a permissive exemption from taxation to certain groups and organizations. The legal capacity to provide these permissive tax exemptions is through powers granted to the Council in the *Community Charter*.

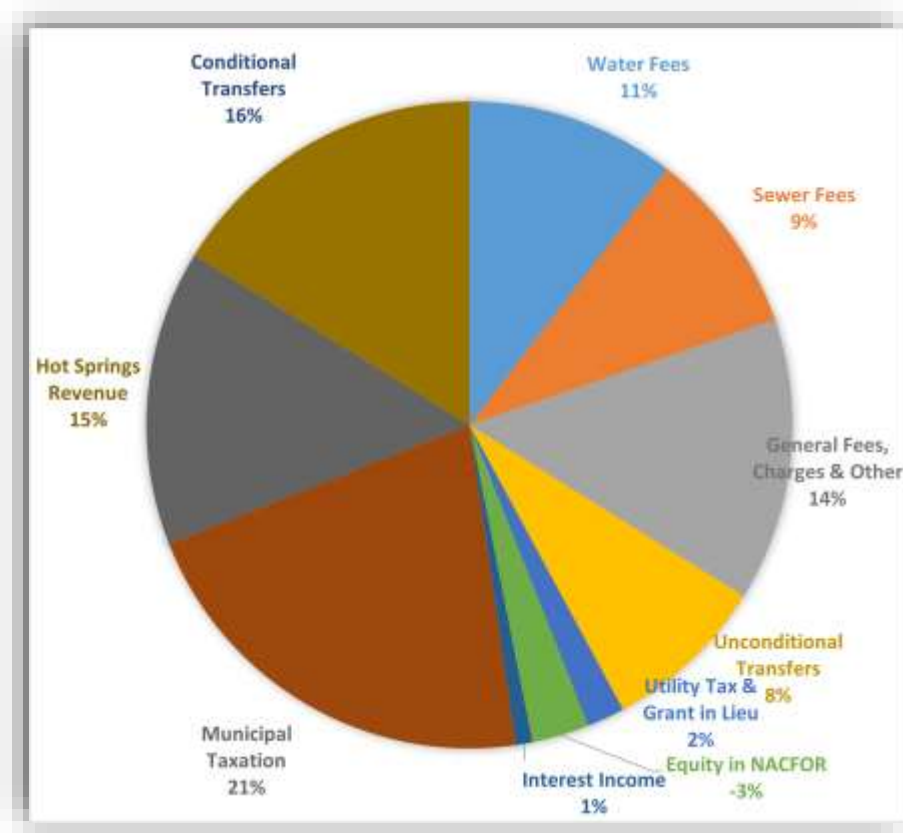
To be considered for a permissive tax exemption, an organization must submit an application and illustrate that their goals, policies, and operating principles that reflect those of the municipality; that the services provided are an extension of municipal services and that their programs are deemed to contribute to the well being of the community. They must be primarily used by residents of the Village of Nakusp and allow all Nakusp residents to participate and adhere to all Village of Nakusp bylaws and policies.

Below is a listing of organizations granted a PTE in 2020 together with the amount of municipal taxes that would have been imposed on the property if it were not exempt.

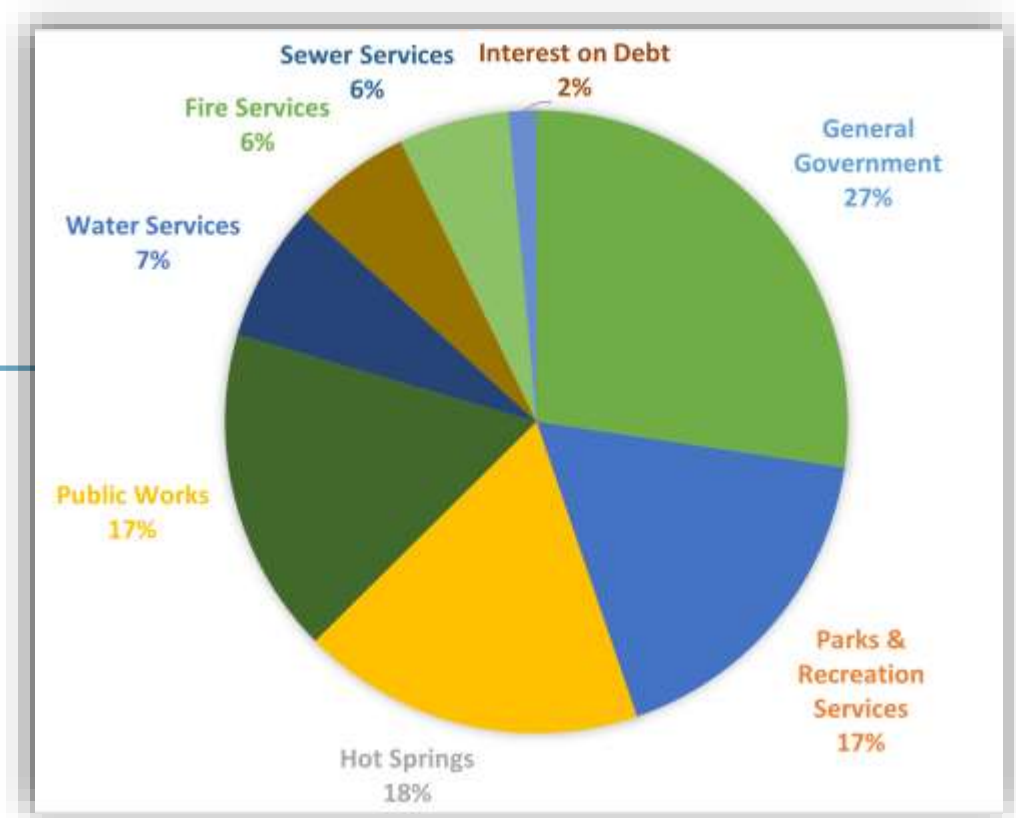
2021 Summary of Permissive Tax Exemptions	2021 Value of Exemption
Royal Canadian Legion, Branch 20	\$323
Arrow and Slocan Lakes Community Services Association	\$5,951
Arrow Lakes Caribou Society	\$1,402
Halcyon Assisted Living Society	\$1,375
Nakusp Childcare Society	\$761
Arrow Lakes Hospital Auxiliary	\$1,031
Old Fire Hall Collective	\$3,423
Arrowtarian Senior Citizens Society	\$2,648
Arrowtarian Senior Citizens Society	\$1,706
Arrowtarian Senior Citizens Society	\$1,737
Kinsmen Building	\$1,423
Nakusp Senior Citizens Association	\$1,399
Total of Permissive Tax Exemptions Under Bylaw 689	\$23,179
Total of General Statutory Exemptions (Public Worship)	\$4,149
Grand Total of all Tax Exemptions	\$27,328
<i>Grand Total of all Tax Exemptions, as a % of 2021 Municipal Levy</i>	<i>2.43%</i>

Statistical Information

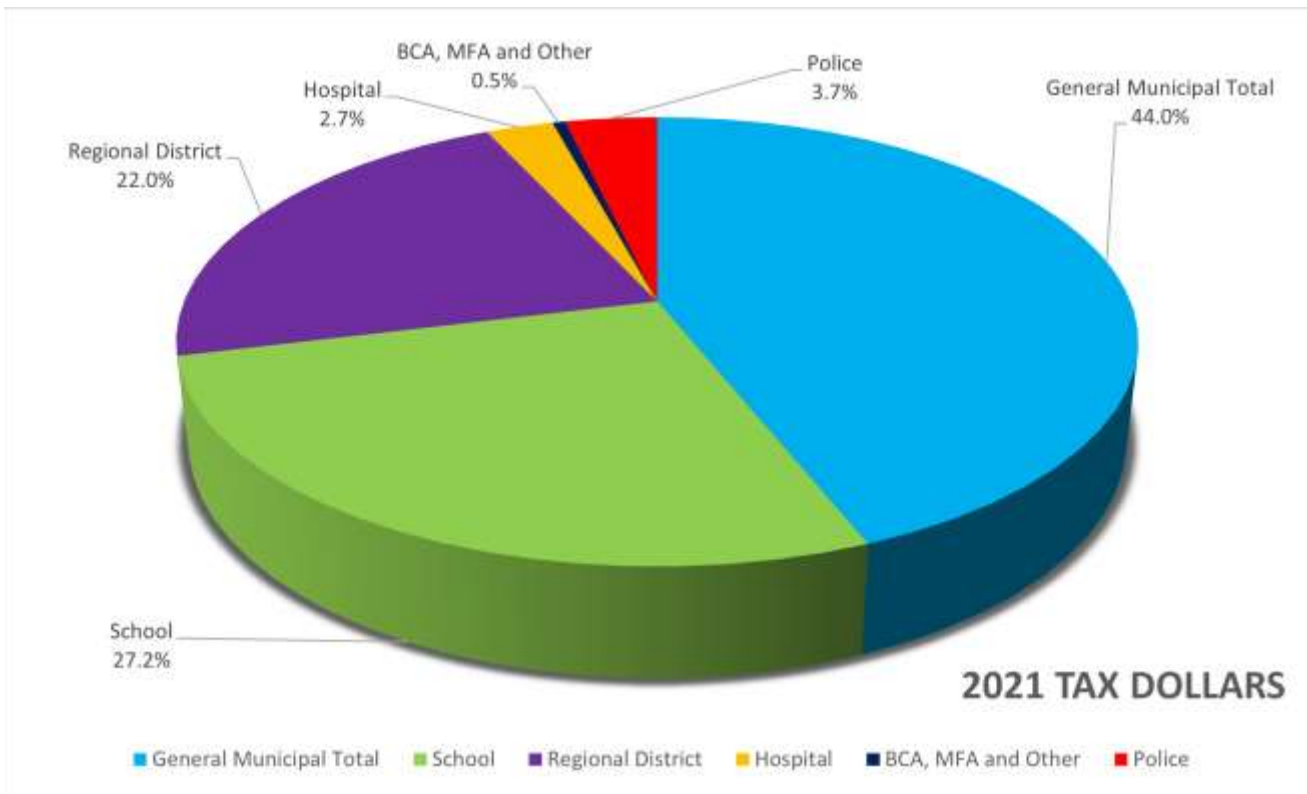
REVENUES 2021



EXPENSES 2021



Statistical Information



MUNICIPAL STATISTICS

Incorporated:	November 24, 1964
Location:	Regional District of Central Kootenay, 200 km east of Vernon, 162 km northwest of Nelson School District No. 10, Arrow Lakes
Area:	1059 hectares Elevation: 457 meters
Population:	1,589 (2021 Census)
Km of Roads:	Paved - 32 Unpaved - 2 km of Lanes: 6.6
Coordinates:	Longitude is 117 ⁰ 47'57"W Latitude is 50 ⁰ 14'20"N
Km of Domestic Water System	34.3
Km of Sewers:	Storm - 5.6 Sanitary - 26.2
Employees:	25