

## 2019 Statement of Financial Information (SOFI)



## THE CORPORATION OF THE VILLAGE OF McBRIDE

*For the year ended December 31, 2019*

855 S.W. Frontage Road  
100 Robson Centre  
P.O. Box 519  
McBride, BC. V0J 2E0  
Telephone 250-569-2229  
[finance@mcbride.ca](mailto:finance@mcbride.ca)

[www.mcbride.ca](http://www.mcbride.ca)



## THE CORPORATION OF THE VILLAGE OF MCBRIDE

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**THE CORPORATION OF THE  
VILLAGE OF MCBRIDE**

**STATEMENT OF FINANCIAL INFORMATION**

**SCHEDULE A**

***CONSOLIDATED FINANCIAL STATEMENTS***

Consolidated Financial Statements of



**THE CORPORATION OF THE  
VILLAGE OF McBRIDE**

And Independent Auditors' Report thereon

Year ended December 31, 2019



# THE CORPORATION OF THE VILLAGE OF McBRIDE

Consolidated Financial Statements

Year ended December 31, 2019

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Consolidated Financial Statements

Management's Responsibility for the Consolidated Financial Statements

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## THE CORPORATION OF THE VILLAGE OF McBRIDE

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Corporation of the Village of McBride (the "Village") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

Mayor and Council meet 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.

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

Ms. Sheila McCutcheon,  
*Chief Administrative Officer*



KPMG LLP  
177 Victoria Street, Suite 400  
Prince George BC V2L 5R8  
Canada  
Tel (250) 563-7151  
Fax (250) 563-5693

## INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of The Corporation of the Village of McBride

### ***Opinion***

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

- the consolidated statement of financial position as at December 31, 2019
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Village as at December 31, 2019 and its consolidated results of operations, its consolidated changes in 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 **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

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

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

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

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



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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

We also:

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Village's 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





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

*KPMG LLP*

Chartered Professional Accountants

Prince George, Canada

June 9, 2020



## THE CORPORATION OF THE VILLAGE OF McBRIDE

Consolidated Statement of Financial Position

December 31, 2019, with comparative information for 2018

	2019	2018
<b>Financial assets:</b>		
Cash	\$ 4,258,806	\$ 1,714,979
Accounts receivable (note 2)	511,440	515,265
Investment in McBride Community Forest Corporation (note 3)	708,810	707,348
	5,479,056	2,937,592
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities (note 4)	330,195	312,822
Deferred revenue (note 5)	96,183	48,993
Debt (note 6)	308,102	180,000
	734,480	541,815
<b>Net financial assets</b>	<b>4,744,576</b>	<b>2,395,777</b>
<b>Non-financial assets:</b>		
Inventories	15,403	15,016
Prepaid expenses	20,130	20,344
Tangible capital assets (note 7)	9,998,896	9,665,316
	10,034,429	9,700,676
<b>Accumulated surplus (note 8)</b>	<b>\$ 14,779,005</b>	<b>\$ 12,096,453</b>

Commitments and contingencies (note 9)

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

 Chief Administrative Officer

 Mayor



# THE CORPORATION OF THE VILLAGE OF McBRIDE

## Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2019, with comparative information for 2018

	2019 Budget	2019 Actual	2018 Actual
Revenue:			
Net taxation revenue (note 10)	\$ 470,476	\$ 475,735	\$ 458,968
Government transfers (note 12):			
Provincial	3,033,872	3,319,295	1,390,264
Federal	1,106,295	162,072	81,018
User fees	277,100	281,376	271,934
Sale of services	168,366	168,673	168,560
Property management	161,500	159,932	175,563
Other	74,565	133,293	95,351
Total revenue	5,292,174	4,700,376	2,641,658
Expenditures:			
General government	637,750	1,168,901	1,081,761
Protective services	8,900	5,125	22,103
Transportation services	318,350	316,869	307,955
Environmental and public health	106,577	83,606	81,219
Recreational and cultural services	141,500	137,598	279,067
Property management	66,500	60,139	58,582
Water transmission and distribution	115,700	153,690	177,377
Waste treatment and disposal	54,880	93,358	72,333
Total expenditures	1,450,157	2,019,286	2,080,397
Annual surplus before undernoted item	3,842,017	2,681,090	561,261
Equity in earnings of McBride Community Forest Corporation (note 3)	-	1,462	264,388
Annual surplus	3,842,017	2,682,552	825,649
Accumulated surplus, beginning of year	12,096,453	12,096,453	11,270,804
Accumulated surplus, end of year	\$ 15,938,470	\$ 14,779,005	\$ 12,096,453

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



## THE CORPORATION OF THE VILLAGE OF McBRIDE

### Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2019, with comparative information for 2018

	Budget	2019	2018
Annual surplus	\$ 3,842,017	\$ 2,682,552	\$ 825,649
Acquisition of tangible capital assets	(1,838,104)	(779,274)	(871,934)
Amortization of tangible capital assets	442,050	445,694	430,315
Loss on write down of capital assets	-	-	27,906
	2,445,963	2,348,972	411,936
Acquisition of inventory	-	(15,403)	(15,016)
Acquisition of prepaid expenses	-	(20,130)	(20,344)
Consumption of inventory	-	15,016	7,762
Use of prepaid expenses	-	20,344	3,066
Change in net financial assets	2,445,963	2,348,799	387,404
Net financial assets, beginning of year	2,395,777	2,395,777	2,008,373
Net financial assets, end of year	\$ 4,841,740	\$ 4,744,576	\$ 2,395,777

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



# THE CORPORATION OF THE VILLAGE OF McBRIDE

## Consolidated Statement of Cash Flows

Year ended December 31, 2019, with comparative information for 2018

	2019	2018
Cash provided by (used in):		
<b>Operating activities:</b>		
Annual surplus	\$ 2,682,552	\$ 825,649
Items not involving cash:		
Amortization of tangible capital assets	445,694	430,315
Equity in (earnings) loss of McBride Community Forest Corporation	(1,462)	(264,388)
Changes in non-cash operating working capital:		
Accounts receivable	3,825	(91,199)
Accounts payable and accrued liabilities	17,373	46,948
Prepaid expenses	214	(17,278)
Inventories	(387)	(7,254)
Deferred revenue	47,190	(65,790)
Net change in cash from operating activities	3,194,999	857,003
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(779,274)	(871,934)
Disposal of tangible capital assets	-	27,906
<b>Financing activities:</b>		
Repayment of debt	(108,648)	(90,000)
Proceeds from debt	236,750	-
	128,102	(90,000)
Increase (decrease) in cash	2,543,827	(77,025)
Cash, beginning of year	1,714,979	1,792,004
Cash, end of year	\$ 4,258,806	\$ 1,714,979

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



# THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements

Year ended December 31, 2019

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The Corporation of the Village of McBride (the "Village") is a municipality that was created under the Community Charter, formerly the Municipal Act, a statute of the Province of British Columbia. The Village's principal activities include the provision of local government services to residents of the incorporated area. These services include administrative, protective, transportation, environmental, recreational, property management, water, sewer and fiscal services.

## 1. Significant accounting policies:

The consolidated financial statements of the Village are prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Village are as follows:

### (a) Basis of consolidation:

#### (i) Consolidated entities:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Village and which are owned or controlled by the Village.

#### (ii) Accounting for Region and School Board Transactions:

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the Region and the School Board are not reflected in these consolidated financial statements.

#### (iii) Trust funds:

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



## THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

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### 1. Significant accounting policies (continued):

#### (a) Basis of consolidation (continued):

##### (iv) Investment in Government Business Enterprises:

The Village's investment in the McBride Community Forest Corporation, a wholly-owned subsidiary, is accounted for on a modified equity basis, consistent with Canadian generally accepted accounting principles as recommended by PSAB. Under the modified equity basis, the McBride Community Forest Corporation's accounting policies are not adjusted to conform with those of the Village and inter-organizational transactions and balances are not eliminated. The Village recognizes its equity interest in the annual earnings or loss of the McBride Community Forest Corporation in its consolidated statement of operations and accumulated surplus with a corresponding increase or decrease in its investment asset account. Any dividends that the Village may receive from the McBride Community Forest Corporation will be reflected as reductions in the investment asset account.

#### (b) Basis of accounting:

The Village 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.

#### (c) Revenue recognition:

Taxation and user fee revenues are recognized in accordance with the provisions of the Community Charter. The Village is required to act as the agent for the collection of certain taxes and fees imposed by other authorities. Collections for other authorities are excluded from the Village's taxation revenues.

Revenue unearned in the current period is reported on the consolidated statement of financial position as deferred revenue.



# THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

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## 1. Significant accounting policies (continued):

### (d) Investment income:

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

### (e) Government transfers:

Government transfers, which include legislative grants, are recognized as revenue in the financial statement 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. Transfer revenue is recognized in the statement of operations as the stipulations for liabilities are settled.

### (f) 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 end and are not intended for sale in the ordinary course of operations.

- (i) 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
Building and site improvements	4 - 75 years
Vehicles, machinery and equipment	5 - 20 years
Engineered structures	5 - 20 years
Water and waste water infrastructure	10 - 100 years





# THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

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## 1. Significant accounting policies (continued):

### (f) Non-financial assets (continued):

Assets under construction are not amortized until the asset is available for productive use.

### (ii) Contributions to tangible capital assets:

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

### (iii) Interest capitalization:

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

### (iv) Inventories:

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

### (g) Contaminated sites:

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

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

- i) an environmental standard exists;
- ii) contamination exceeds the environmental standard;
- iii) the organization is directly responsible or accepts responsibility for the liability;
- iv) future economic benefits will be given up, and
- v) a reasonable estimate of the liability can be made.



## THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

### 1. Significant accounting policies (continued):

#### (h) Use of estimates:

The preparation of the consolidated 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 consolidated financial statements, and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the useful life of tangible capital assets, the collectibility of accounts receivable and obligations related to employee future benefits. Actual results could differ from these estimates.

### 2. Accounts receivable:

	2019	2018
Taxation - current	\$ 80,791	\$ 108,717
Taxation - arrears/delinquent	76,228	48,597
Utilities	-	1,321
Sales tax	14,014	40,397
Accounts receivable - trade	40,830	42,535
Accounts receivable - grants	299,577	278,567
	511,440	520,134
Less: provision for doubtful accounts	-	4,869
	\$ 511,440	\$ 515,265



# THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

## 3. Investment in McBride Community Forest Corporation:

	2019	2018
<b>Investments:</b>		
Investment in shares of the company	20	20
Contributed surplus	50,073	50,073
Accumulated earnings	658,717	657,255
<b>Total investment in McBride Community Forest Corporation</b>	<b>\$ 708,810</b>	<b>\$ 707,348</b>
<b>(i) Balance sheet:</b>		
<b>Assets:</b>		
Cash and cash equivalents	\$ 1,432,755	\$ 1,577,633
Accounts receivable	101,033	63,878
Inventory	31,645	25,208
Prepaid expenses	69,241	142,373
Property and equipment	80,623	79,717
<b>Total assets</b>	<b>\$ 1,715,297</b>	<b>\$ 1,888,809</b>
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	\$ 57,160	\$ 59,748
Current portion of silviculture obligation	481,853	423,317
Silviculture obligation	431,084	662,006
Agricultural obligation	36,390	36,390
<b>Total liabilities</b>	<b>1,006,487</b>	<b>1,181,461</b>
<b>Equity:</b>		
Share capital	20	20
Contributed surplus	50,073	50,073
Retained earnings	658,717	657,255
<b>Total equity</b>	<b>708,810</b>	<b>707,348</b>
<b>Total liabilities and equity</b>	<b>\$ 1,715,297</b>	<b>\$ 1,888,809</b>



# THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

## 3. Investment in McBride Community Forest Corporation (continued):

	2019	2018
(ii) Operations:		
Revenue	\$ 2,340,784	\$ 3,004,394
Cost of sales	1,928,564	2,390,881
Gross profit	412,220	613,513
General administrative expense	410,758	349,125
Net income	\$ 1,462	\$ 264,388

The net income represents the change in equity in the Village's total investment in the McBride Community Forest Corporation.

## 4. Accounts payable and accrued liabilities:

	2019	2018
Accounts payable - trade	\$ 218,410	\$ 213,793
Wages and related costs payable	84,051	62,972
Grants in lieu	13,500	15,377
Government remittances	11,370	15,345
Other	2,864	5,335
	\$ 330,195	\$ 312,822

## 5. Deferred revenue:

	2019	2018
Deferred grants - other	\$ 96,183	\$ 48,993



# **THE CORPORATION OF THE VILLAGE OF McBRIDE**

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

## **6. Debt:**

Debt servicing requirements comprising principal repayments and interest are funded as incurred by revenue earned during the year.

	2019	2018
Phase 2 wastewater treatment debt issued by the Northern Development Initiative Trust (NDIT). This loan bears interest at 0% and is due November 30, 2020.	\$ 90,000	\$ 180,000
MFA Equipment Loan. This debt is for a 60 month term with fixed monthly payments of principal and interest in the amount of \$4,200.51 which shall be payable on a monthly basis. Total interest to be paid for the duration of the loan is \$15,202.	218,102	-
	<b>\$ 308,102</b>	<b>\$ 180,000</b>

(a) Principal repayments due within the next five years are as follows:

2020	\$ 135,560
2021	46,704
2022	47,861
2023	49,067
2024	28,910
	<b>\$ 308,102</b>



## THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

### 7. Tangible capital assets:

2019								
	Assets under construction	Land	Building and site improvements	Vehicles, machinery and equipment	Engineered structures	Water infrastructure	Waste water infrastructure	Total
<b>Cost:</b>								
Balance, beginning of year	\$ 748,085	\$ 328,307	\$ 1,698,240	\$ 487,753	\$ 8,881,246	\$ 3,451,908	\$ 3,706,992	\$ 19,302,531
Additions	80,869	-	25,818	275,283	51,503	102,608	243,193	779,274
Transfer	(748,085)	-	-	-	748,085	-	-	-
Balance, end of year	80,869	328,307	1,724,058	763,036	9,680,834	3,554,516	3,950,185	20,081,805
<b>Accumulated amortization:</b>								
Balance, beginning of year	-	-	1,011,797	459,851	6,353,058	1,303,907	508,602	9,637,215
Amortization	-	-	58,978	11,568	254,242	70,952	49,954	445,694
Disposals	-	-	-	-	-	-	-	-
Balance, end of year	-	-	1,070,775	471,419	6,607,300	1,374,859	558,556	10,082,909
Net book value, end of year	\$ 80,869	\$ 328,307	\$ 653,283	\$ 291,617	\$ 3,073,534	\$ 2,179,657	\$ 3,391,629	\$ 9,998,896



## THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

### 7. Tangible capital assets (continued):

2018								
	Assets under construction	Land	Building and site improvements	Vehicles, machinery and equipment	Engineered structures	Water infrastructure	Waste water infrastructure	Total
Balance, beginning of year	\$ -	\$ 328,307	\$ 1,708,470	\$ 475,853	\$ 8,842,386	\$ 3,419,769	\$ 3,683,718	\$ 18,458,503
Additions	748,085	-	17,676	11,900	38,860	32,139	23,274	871,934
Disposals	-	-	(27,906)	-	-	-	-	(27,906)
Balance, end of year	748,085	328,307	1,698,240	487,753	8,881,246	3,451,908	3,706,992	19,302,531
<b>Accumulated amortization:</b>								
Balance, beginning of year	-	-	951,075	455,434	6,107,558	1,232,956	459,877	9,206,900
Amortization	-	-	60,721	4,417	245,500	70,952	48,725	430,315
Balance, end of year	-	-	1,011,796	459,851	6,353,058	1,303,908	508,602	9,637,215
Net book value, end of year	\$ 748,085	\$ 328,307	\$ 686,444	\$ 27,902	\$ 2,528,188	\$ 2,148,000	\$ 3,198,390	\$ 9,665,316



# THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

## 8. Accumulated surplus:

	2019	2018
<b>Surplus (deficit):</b>		
Invested in tangible capital assets	\$ 9,690,794	\$ 9,485,316
General fund:		
Unrestricted	1,705,506	1,865,645
Restricted	708,810	707,348
Water utility fund	(161,833)	(244,899)
Sanitary sewer fund	203,762	148,035
Total surplus	12,147,039	11,961,445
<b>Reserves set aside by Council:</b>		
Equipment replacement	59,023	66,378
Land development	8,843	7,888
Community foundation	-	836
Sewer asset management	6,578	-
Carbon credit	3,826	-
Gas Tax	133,099	59,906
Northern Capital Planning Grant (Schedule 1)	2,420,597	-
Total reserves	2,631,966	135,008
	\$ 14,779,005	\$ 12,096,453





## THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

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### 9. Commitments and contingencies:

- (a) The Village is responsible, as a member of the Regional District of Fraser-Fort George, for its portion of any operating deficits or capital debt related to functions in which it participates.
- (b) The Village and its employees contribute to the Municipal Pension Plan ("the Plan"), a jointly-trusted 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, 2018, the Plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from the local governments

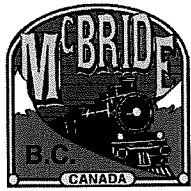
Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age 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 then 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 Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Village paid \$40,611 (2018 - \$38,345) for employer contributions to the plan in fiscal year 2019.

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.



## THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

### 9. Commitments and contingencies (continued):

- (c) The Village is obligated to collect and transmit property taxes levied on McBride taxpayers in respect of the following bodies:

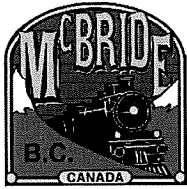
Ministry of Education, Province of British Columbia  
Regional District of Fraser-Fort George  
Fraser-Fort George Regional Hospital District  
British Columbia Assessment Authority  
Municipal Finance Authority  
Royal Canadian Mounted Police

- (d) The Village is a participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible that the Village, along with other participants, would be required to contribute toward the deficit.

### 10. Net taxation revenue:

As indicated in note 10(c), the Village is required to collect taxes on behalf of and transfer the appropriate portion of these amounts to the government agencies below:

	2019	2018
Taxes collected:		
General purposes	\$ 470,477	\$ 456,735
Collection of other governments	585,443	601,757
	1,055,920	1,058,492
Transfers to other governments:		
Provincial government	193,033	205,981
Regional District of Fraser-Fort George	313,067	324,102
Fraser-Fort George Regional Hospital District	42,071	36,876
B.C. Assessment Authority	3,556	3,852
Municipal Finance Authority	16	16
Royal Canadian Mounted Police	28,442	28,697
	580,185	599,524
	\$ 475,735	\$ 458,968



## THE CORPORATION OF THE VILLAGE OF McBRIDE

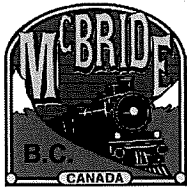
Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

### 11. Government transfers:

The government transfers reported on the consolidated statement of operations and accumulated surplus are:

	2019	2018
Provincial grants:		
Small communities	\$ 378,130	\$ 356,181
Grants in lieu	40,839	32,478
Rural dividend grant	40,864	181,138
Miscellaneous	107,880	85,828
Capital projects	297,082	666,639
Northern Development Initiative Trust	65,500	68,000
Northern Capital Planning Grant (Schedule 1)	2,389,000	-
Subtotal provincial grants	3,319,295	1,390,264
Federal grants:		
Gas tax	162,072	81,018
Total government transfers	\$ 3,481,367	\$ 1,471,282



## THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

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### 12. Segmented information:

The Village is a diversified municipal organization that provides a wide range of services to its citizens. For management reporting purposes, the Village's operations and activities are organized and reported by service areas. Municipal services are provided by departments and their activities are reported in these service areas. Service areas that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

a) General Government:

The general government operation provides the functions of corporate administration and legislative services and any other functions categorized as non-departmental in the Village.

b) Protective Services:

Protective services is comprised of emergency management and regulatory services.

c) Transportation Services:

Transportation services is responsible for a wide variety of services including the development and maintenance of the Village's roadway systems through the Public Works department, snow removal, and street lighting.

d) Environmental and Public Health:

Environmental and public health provides garbage collection and disposal services to residents and businesses in the Village as well as maintenance of the cemetery.

e) Recreation and Cultural Services:

Parks, recreation and community development is responsible for the construction and maintenance of the Village's parks and green spaces. It provides funding for the operation of the community hall, museum, library, courthouse, and visitor information centre. It also administers economic development projects and provides grants to various community groups that provide recreational opportunities in the Village.



## THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

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### 12. Segmented information (continued):

f) Property Management:

Property management provides utilities and maintenance to the tenants of Robson Centre and 600 NW Frontage Road.

g) Water Transmission and Distribution:

The water transmission and distribution utility installs and maintains water mains, pump stations and the water treatment plant. The treatment and distribution of water in the Village through Public Works is included in this segment.

h) Waste Treatment and Disposal:

The waste treatment and disposal utility installs and maintains sewer mains, lift stations and the sewage treatment facility. The collection and treatment of sewage in the Village through Public Works is included in this segment.

The following statement provides additional information pertaining to the foregoing service areas. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.



## THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

### 12. Segmented information (continued):

	2019								Total
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Recreational and Cultural Services	Property Management	Water Transmission and Distribution	Waste Treatment and Disposal	
<b>Revenue:</b>									
Taxation	\$ 475,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 475,735
User charges	-	-	-	-	-	-	147,720	148,770	296,490
Grants	3,481,367	-	-	-	-	-	-	-	3,481,367
Investment income	54,112	-	-	-	-	-	-	-	54,112
Other	52,085	-	4,873	175,782	-	159,932	-	-	392,672
<b>Total revenue</b>	<b>4,063,299</b>	<b>-</b>	<b>4,873</b>	<b>175,782</b>	<b>-</b>	<b>159,932</b>	<b>147,720</b>	<b>148,770</b>	<b>4,700,376</b>
<b>Expenses:</b>									
Salaries, wages and employee benefits	396,344	4,959	109,505	25,190	70,706	3,932	48,830	19,581	679,047
Operating	326,239	166	207,364	58,416	66,892	56,207	33,908	23,823	773,015
Insurance	35,524	-	-	-	-	-	-	-	35,524
Professional services	86,006	-	-	-	-	-	-	-	86,006
Amortization	324,788	-	-	-	-	-	70,952	49,954	445,694
<b>Total expenses</b>	<b>1,168,901</b>	<b>5,125</b>	<b>316,869</b>	<b>83,606</b>	<b>137,598</b>	<b>60,139</b>	<b>153,690</b>	<b>93,358</b>	<b>2,019,286</b>
<b>Annual surplus (deficit)</b>	<b>\$ 2,894,398</b>	<b>\$ (5,125)</b>	<b>\$ (311,996)</b>	<b>\$ 92,176</b>	<b>\$ (137,598)</b>	<b>\$ 99,793</b>	<b>\$ (5,970)</b>	<b>\$ 55,412</b>	<b>\$ 2,681,090</b>



## THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

### 12. Segmented information (continued):

	2018								Total
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Recreational and Cultural Services	Property Management	Water Transmission and Distribution	Waste Treatment and Disposal	
<b>Revenue:</b>									
Taxation	\$ 458,968	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 458,968
User charges	-	-	-	-	-	-	125,096	146,838	271,934
Grants	1,471,282	-	-	-	-	-	-	-	1,471,282
Investment income	15,252	-	-	-	-	-	-	-	15,252
Other	52,533	-	15,524	180,602	-	175,563	-	-	424,222
<b>Total revenue</b>	<b>1,998,035</b>	<b>-</b>	<b>15,524</b>	<b>180,602</b>	<b>-</b>	<b>175,563</b>	<b>125,096</b>	<b>146,838</b>	<b>2,641,658</b>
<b>Expenses:</b>									
Salaries, wages and employee benefits	321,444	1,243	117,884	25,468	105,224	2,348	57,537	13,651	644,799
Operating	258,657	20,860	190,071	55,751	173,843	56,234	48,888	9,957	814,261
Insurance	24,888	-	-	-	-	-	-	-	24,888
Professional services	166,133	-	-	-	-	-	-	-	166,133
Amortization	310,639	-	-	-	-	-	70,952	48,725	430,316
<b>Total expenses</b>	<b>1,081,761</b>	<b>22,103</b>	<b>307,955</b>	<b>81,219</b>	<b>279,067</b>	<b>58,582</b>	<b>177,377</b>	<b>72,333</b>	<b>2,080,397</b>
<b>Annual surplus (deficit)</b>	<b>\$ 916,274</b>	<b>\$ (22,103)</b>	<b>\$ (292,431)</b>	<b>\$ 99,383</b>	<b>\$ (279,067)</b>	<b>\$ 116,981</b>	<b>\$ (52,281)</b>	<b>\$ 74,505</b>	<b>\$ 561,261</b>



## THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

### 13. Trust funds:

The Village maintains a cemetery perpetual care fund in accordance with the Cemeteries and Funeral Services Act. The trust fund balance sheet at December 31, 2019 is as follows:

	2019	2018
MFA Investment Pool	\$ 29,980	\$ 29,926
Cemetery trust liability	(29,980)	(29,926)

### 14. Budget data:

The budget data presented in these consolidated financial statements is based on the 2019 operating and capital budgets approved by Council on May 2, 2019. Amortization was not contemplated in the development of the budget and, as such, has not been included. The table below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget amount
Revenues:	
Operating budget	\$ 6,623,972
Less:	
Transfer from other funds	511,839
Proceeds from borrowings	236,750
Tax requisition other governments	583,209
Total revenue	5,292,174
Expenses:	
Operating budget	6,623,972
Less:	
Capital expenditures	1,838,104
Debt principal payments	90,000
Tax requisition other governments	583,209
Total expenses	1,450,157
Annual surplus	\$ 3,842,017





## THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2019

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### 15. Significant event

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. At this time, these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.



## THE CORPORATION OF THE VILLAGE OF McBRIDE

### Schedule 1 - Northern Capital Planning Grant

Year ended December 31, 2019, with comparative information for 2018

In March 2019 the Village of McBride was the recipient of \$2,389,000 under the Northern Capital and Planning Grant (NCPG) program from the Province of British Columbia. Interest of \$31,597 was earned by the reserves from date of receipt to December 31, 2019, resulting in a total of \$2,420,597 in NCPG reserves at December 31, 2019.

	2019
Northern Capital Planning Grant received	\$ 2,389,000
Interest	31,597
	<u>\$ 2,420,597</u>



## THE CORPORATION OF THE VILLAGE OF MCBRIDE

### STATEMENT OF FINANCIAL INFORMATION

#### SCHEDULE B

#### *Schedule of Debts*

(As per Schedule 1, Section 4(1)(a) & 4(2) of the Financial Information Regulation)

- |  |           |
|--|-----------|
| 1. Northern Development Initiative Trust | \$ 90,000 |
| 2. Municipal Finance Authority           | \$218,102 |
- 
- |   |  |
|---|--|
| 1. Northern Development Initiative Trust - Five-year interest free loan with a remaining term of one (1) year and \$90,000.00 payable per year due before the end of each year. |  |
| 2. Municipal Finance Authority – Sixty month term with fixed monthly payments of principal and interest in the amount of \$4,200.51.  |  |



## THE CORPORATION OF THE VILLAGE OF MCBRIDE

### STATEMENT OF FINANCIAL INFORMATION

#### SCHEDULE C

#### *Schedule of Guarantee and Indemnity Agreements*

(As per Schedule 1, Section 5(3) & (4) of the Financial Information Regulation)

The Village of McBride has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation during the fiscal year 2019



# THE CORPORATION OF THE VILLAGE OF MCBRIDE

## STATEMENT OF FINANCIAL INFORMATION

### SCHEDULE D

### *Schedule of Remuneration and Expenses*

(As per Schedule 1, Section 6(2)(a) & (b) of the Financial Information Regulation)

**VILLAGE OF MCBRIDE  
COUNCIL REMUNERATION & EXPENSES  
2019 FINANCIAL INFORMATION**

(As per Schedule 1, Section 6(2)(a) of the Financial Information Regulation)

<b><i>COUNCIL NAME</i></b>	<b><i>INDEMNITY</i></b>	<b><i>EXPENSES</i></b>	<b><i>TOTAL</i></b>
Runtz, Eugene - Mayor	\$ 9,045.00	\$ 1,887.71	\$ <b>10,932.71</b>
Frederick, Allan - Councillor	\$ 6,480.00	\$ 8,671.39	\$ <b>15,151.39</b>
Green, Lucille - Councillor	\$ 6,480.00	\$ 12,678.95	\$ <b>19,158.95</b>
Hruby, Rosemary - Councillor	\$ 6,480.00	\$ 8,666.77	\$ <b>15,146.77</b>
Smith, Diane - Councillor	\$ 6,480.00	\$ 9,310.61	\$ <b>15,790.61</b>
<b><i>Total Elected Officials</i></b>	<b>\$ 34,965.00</b>	<b>\$ 41,215.43</b>	<b>\$ 76,180.43</b>

**VILLAGE OF MCBRIDE  
EMPLOYEE REMUNERATION & EXPENSES  
2019 FINANCIAL INFORMATION**

(As per Schedule 1, Section 6(2)(b) of the Financial Information Regulation)

<i>Employee</i>	<i>Wages</i>	<i>Expenses</i>	<i>Total</i>
<b>EMPLOYEE REMUNERATION (over \$75,000)</b>			
Sheila McCutcheon - Chief Administrative Officer	\$ 111,270.15	\$ 20,992.77	\$ 132,262.92
Matthew Slaney - Public Works Foreman	\$ 89,398.17	\$ 1,837.60	\$ 91,235.77
Claudia Frost - Chief Financial Officer	\$ 88,278.14	\$ 1,149.42	\$ 89,427.56
<b>Total Employees Exceeding \$75,000</b>	<b>\$ 288,946.46</b>	<b>\$ 23,979.79</b>	<b>\$ 312,926.25</b>
<b>Total Employees earnings under \$75,000</b>	<b>\$ 283,382.18</b>	<b>\$ 2,869.14</b>	<b>\$ 286,251.32</b>
<b>Total Employee Earnings</b>	<b>\$ 572,328.64</b>	<b>\$ 26,848.93</b>	<b>\$ 599,177.57</b>

NOTE: Employee Wages paid for 10 employees

***Reconciliation***

Total remuneration - elected officials  
Total remuneration - employees

	\$ 34,965.00
	\$ 572,328.64
<b>Sub Total</b>	<b>\$ 607,293.64</b>

Total Per Financial Statements - Segmented Information  
(Salary, wages and employee benefits)

\$ 679,047.00

(\*) Variance

\$ 71,753.36

(\*) The Variance between the remuneration schedule and the salaries, wages and employee benefit expenses reported in the 2019 consolidated financial statements of the Village are attributable to the following factors:

- the remuneration includes taxable benefits which are recorded at full cost in the financial statements and includes non-taxable benefits such as Extended Health, CPP, EI, Employer and Municipal Pension Plan which are reported in the schedule of payments to suppliers of goods and services.
- the remuneration schedules are based on actual taxable benefits payments made in the year, and includes vacation, allowance, overtime banked, whereas the financial statement figure is determined on an accrual basis.



## THE CORPORATION OF THE VILLAGE OF MCBRIDE

### *Statement of Severance Agreements*

(As per Schedule 1, Section 6(7)(a) & (b) of the Financial Information Regulation)

There was one (1) severance agreement for a five-month period made with the Village of McBride and its non -unionized employees during the 2019 fiscal year.





**THE CORPORATION OF THE  
VILLAGE OF MCBRIDE**

**STATEMENT OF FINANCIAL INFORMATION**

**SCHEDULE E**

***Schedule of Payments made for Suppliers of  
Goods and Services***

(As per Section 7(1)(a) & 7(1)(b) of the Financial Information Regulation)

**VILLAGE OF MCBRIDE**  
**2019 FINANCIAL INFORMATION SCHEDULE**  
**Suppliers of Goods or Services**

(As per Section 7(1)(a) & 7(1)(b) of the Financial Information Regulation)

A.) Alphabetical list of Vendors who received aggregate payments exceeding \$25,000

Vendor	Total Amount Paid During Fiscal Year
Adrenaline Services	\$30,198.77
Approach Navigation Systems	\$75,665.63
BC Hydro	\$79,085.36
Cangas Propane	\$29,200.62
Caputo & Sons Contracting	\$32,589.83
Horinek, Doug	\$34,650.00
Huber Equipment	\$30,931.61
KPMG LLP	\$32,182.50
Lidstone & Company	\$25,999.82
NV Construction Ltd.	\$419,815.41
Pacific Blue Cross	\$25,497.67
R. Radloff & Associates	\$145,239.93
Receiver General	\$160,998.56
Regional District of Fraser Fort George	\$50,171.17
Scotiabank Visa	\$82,853.46

Total Aggregate Amount Paid to Vendors exceeding \$25,000	\$1,255,080.34
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B) Consolidated total paid to suppliers who received aggregate payment less than \$25,000	\$784,822.09
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<b>Total Paid to Suppliers</b>	<b>\$ 2,039,902.43</b>
<b>Total Grants in Aid</b>	<b>\$ 14,550.00</b>
<b>Total Paid to Suppliers plus Total Grant in Aid</b>	<b>\$ 2,054,452.43</b>
<b>Total Expenses as per Financial Statements</b>	<b>\$ 2,119,513.00</b>

(*)Variance	-\$65,060.57
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(\*) The Financial Statements are prepared on Accrual Basis. The Village prepares the schedule of payment based on actual disbursements processed through the Accounts Payable system, and it is on a Cash Basis.



## THE CORPORATION OF THE VILLAGE OF MCBRIDE

*Schedule of Grant Payments*  
*For the year ending December 31, 2019*  
(As per Schedule 1, Section 7(2) of the Financial Information Regulation)

<i>GRANTS IN AID</i>	<i>AMOUNT</i>
McBride and District Public Library	\$ 250.00
McBride & District Chamber of Commerce	\$ 50.00
McBride Secondary School Sr. Boys Basketball Team	\$ 250.00
McBride Elks Lodge #247	\$ 250.00
Robson Valley Arts & Culture Society	\$ 250.00
McBride & District Chamber of Commerce	\$ 250.00
McBride District Volunteer Fire Department	\$ 250.00
Visitor Centre	\$13,000.00
 Total Grants in Aid	 \$14,550.00



## THE CORPORATION OF THE VILLAGE OF MCBRIDE

### *Statement of Financial Information Approval*

(As per Schedule 1, Section 9(2) of the Financial Information Regulation)

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

David Alderdice  
Chief Financial Officer

Eugene Runtz  
Mayor

(Deputy Mayor on behalf of  
Lucille Green)

Date: Aug. 24, 2020

Date: Aug. 26, 2020



## THE CORPORATION OF THE VILLAGE OF MCBRIDE

### *Management Report*

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared in accordance with generally accepted accounting principles. Management is responsible for all statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

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

The Mayor and council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and for reviewing and approving the audited financial statements and supplementary schedules contained in this Statement of Information.

The external auditors, KPMG, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. Their examination includes a review and evaluation of the Village of McBride's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly.

David Alderdice  
Chief Financial Officer

Date: Aug. 26, 2020