

Consolidated Financial Statements of



**THE CORPORATION OF THE
VILLAGE OF McBRIDE**

And Independent Auditor's Report thereon

Year ended December 31, 2022



THE CORPORATION OF THE VILLAGE OF McBRIDE

Consolidated Financial Statements

Year ended December 31, 2022

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 Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Village's consolidated financial statements.

Sandy Salt
Interim Chief Administrative Officer

Gene Runtz
Mayor



KPMG LLP
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INDEPENDENT AUDITOR'S 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, 2022
- 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 financial statements present fairly, in all material respects, the consolidated financial position of the Village as at December 31, 2022 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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.

Other Information

Management is responsible for the other information. The other information comprises:

- information, other than the financial statements and the auditor's report thereon, included in Schedule 1 - Northern Capital Planning Grant and Schedule 2 - COVID-19 Safe Restart Grant.



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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements and our knowledge obtained in the audit and remain alert for indications that the other information appears materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in Schedule 1 - Northern Capital Planning Grant and Schedule 2 - COVID-19 Safe Restart Grant as at the date of this auditor's report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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.

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 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.



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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'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
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Prince George, Canada

May 29, 2023



THE CORPORATION OF THE VILLAGE OF McBRIDE

Consolidated Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
Financial assets:		
Cash	\$ 2,857,195	\$ 4,294,119
Accounts receivable (note 2)	913,912	382,980
Investment in McBride Community Forest Corporation (note 3)	207,354	19,626
	<u>3,978,461</u>	<u>4,696,725</u>
Financial liabilities:		
Accounts payable and accrued liabilities (note 4)	447,204	191,630
Deferred revenue (note 5)	1,882	12,105
Debt (note 6)	71,688	122,094
	<u>520,774</u>	<u>325,829</u>
Net financial assets	3,457,687	4,370,896
Non-financial assets:		
Inventories	15,403	15,403
Prepaid expenses	38,676	24,201
Tangible capital assets (note 7)	11,712,977	10,578,007
	<u>11,767,056</u>	<u>10,617,611</u>
Commitments and contingencies (note 9)		
Accumulated surplus (note 8)	\$ 15,224,743	\$ 14,988,507

See accompanying notes to consolidated financial statements.

_____ Interim Chief Administrative Officer

_____ Mayor



THE CORPORATION OF THE VILLAGE OF McBRIDE

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2022, with comparative information for 2021

	2022 Budget (note 14)	2022 Actual	2021 Actual
Revenue (note 12):			
Net taxation revenue (note 10)	\$ 500,735	\$ 505,080	\$ 489,043
Government transfers:			
Provincial (note 11)	780,909	1,048,200	807,916
Federal (note 11)	-	412,388	166,057
User fees	349,041	366,952	296,261
Sale of services	189,405	196,522	176,162
Property management	150,835	150,733	161,066
Other	111,600	201,792	89,544
Total revenue	2,082,525	2,881,667	2,186,049
Expenditures (note 12):			
General government	990,565	1,671,225	1,220,826
Protective services	13,500	2,342	22,172
Transportation services	408,451	415,188	366,503
Environmental and public health	142,706	95,402	91,276
Recreational and cultural services	154,815	167,053	114,538
Property management	71,900	64,275	69,833
Water transmission and distribution	138,374	287,488	244,104
Waste treatment and disposal	70,150	130,186	153,218
Total expenditures	1,990,461	2,833,159	2,282,470
Annual surplus (deficit) before undernoted item	92,064	48,508	(96,421)
Income (loss) from investment in McBride			
Community Forest Corporation (note 3)	-	187,728	(649,146)
Annual surplus (deficit)	92,064	236,236	(745,567)
Accumulated surplus, beginning of year	14,988,507	14,988,507	15,734,074
Accumulated surplus, end of year	\$ 15,080,571	\$ 15,224,743	\$ 14,988,507

See accompanying notes to consolidated financial statements.



THE CORPORATION OF THE VILLAGE OF McBRIDE

Consolidated Statement of Changes in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

	Budget (note 14)	2022	2021
Annual surplus (deficit)	\$ 92,064	\$ 236,236	\$ (745,567)
Acquisition of tangible capital assets	(1,081,391)	(1,776,135)	(1,312,526)
Amortization of tangible capital assets	473,100	641,165	507,040
Gain on sale of tangible capital assets	-	-	-
Proceeds on sale of tangible capital assets	-	-	-
	(516,227)	(898,734)	(1,551,053)
Acquisition of inventory	-	(15,403)	(15,403)
Acquisition of prepaid expenses	-	(38,676)	(24,201)
Consumption of inventory	-	15,403	15,403
Use of prepaid expenses	-	24,201	23,975
Change in net financial assets	(516,227)	(913,209)	(1,551,279)
Net financial assets, beginning of year	4,370,896	4,370,896	5,922,175
Net financial assets, end of year	\$ 3,854,669	\$ 3,457,687	\$ 4,370,896

See accompanying notes to consolidated financial statements.



THE CORPORATION OF THE VILLAGE OF McBRIDE

Consolidated Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 236,236	\$ (745,567)
Items not involving cash:		
Amortization of tangible capital assets	641,165	507,040
(Income) loss from investment in McBride Community Forest Corporation	(187,728)	649,146
Gain on sale of tangible capital assets	(60,000)	-
Changes in non-cash operating working capital:		
Accounts receivable	(530,932)	(56,017)
Accounts payable and accrued liabilities	255,574	(51,072)
Prepaid expenses	(14,475)	(226)
Deferred revenue	(10,223)	(27,812)
Net change in cash from operating activities	329,617	275,492
Capital activities:		
Acquisition of tangible capital assets	(1,776,135)	(1,312,526)
Proceeds on sale of lots	60,000	-
Financing activities:		
Repayment of debt	(50,406)	(50,120)
Decrease in cash	(1,436,924)	(1,087,154)
Cash, beginning of year	4,294,119	5,381,273
Cash, end of year	\$ 2,857,195	\$ 4,294,119

See accompanying notes to consolidated financial statements.



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements

Year ended December 31, 2022

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, 2022

1. Significant accounting policies (continued):

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, 2022

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 statements 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

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



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

1. Significant accounting policies (continued):

(f) Non-financial assets (continued):

(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, 2022

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. Items subject to such estimates and assumptions include the useful life of tangible capital assets, the collectibility of accounts receivable and accrued liabilities. Actual results could differ from these estimates.

2. Accounts receivable:

	2022	2021
Taxation - current	\$ 126,007	\$ 114,617
Taxation - arrears/delinquent	91,010	62,096
Sales tax	65,828	26,216
Accounts receivable - trade	44,773	40,650
Accounts receivable - grants	584,868	46,696
Accounts receivable - recoverable expenses	1,426	92,705
	\$ 913,912	\$ 382,980



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

3. Investment in McBride Community Forest Corporation:

	2022	2021
Investments:		
Investment in shares of the company	20	20
Contributed surplus	50,073	50,073
Accumulated earnings	157,261	(30,467)
Total investment in McBride Community Forest Corporation		
	\$ 207,354	\$ 19,626
(i) Balance sheet:		
Assets:		
Cash and cash equivalents	\$ 871,199	\$ 833,750
Accounts receivable	167,039	52,414
Inventory	12,316	33,601
Prepaid expenses	29,052	68,196
Property and equipment	52,064	63,069
Total assets	\$ 1,131,670	\$ 1,051,030
Liabilities:		
Accounts payable and accrued liabilities	\$ 113,078	\$ 188,536
Current portion of silviculture obligation	388,880	338,700
Silviculture obligation	385,968	467,778
Agricultural obligation	36,390	36,390
Total liabilities	924,316	1,031,404
Equity:		
Share capital	20	20
Contributed surplus	50,073	50,073
Retained earnings	157,261	(30,467)
Total equity	207,354	19,626
Total liabilities and equity	\$ 1,131,670	\$ 1,051,030



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

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

	2022	2021
(ii) Operations:		
Revenue	\$ 3,972,123	\$ 2,201,539
Cost of sales	3,553,470	2,189,997
Gross profit	418,653	11,542
General administrative expense	235,766	660,688
Gain on disposal of property and equipment	4,841	(121)
Net income (loss)	\$ 187,728	\$ (649,146)

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

4. Accounts payable and accrued liabilities:

	2022	2021
Accounts payable - trade	\$ 393,855	\$ 125,285
Wages and related costs payable	33,659	35,541
Government remittances	16,605	25,604
Other	3,085	3,066
Home Owner Grants payable	-	2,134
	\$ 447,204	\$ 191,630



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

5. Deferred revenue:

	2022	2021
Unexpended grants - BC Rural Dividend	\$ -	\$ 3,159
Unexpended grants - other	1,882	8,946
	<u>\$ 1,882</u>	<u>\$ 12,105</u>

6. Debt:

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

	2022	2021
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. Total interest to be paid for the duration of the loan is \$15,202. Due June 30, 2024.	\$ 71,688	\$ 122,094

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

2023	\$ 49,949
2024	21,739
	<u>\$ 71,688</u>



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

7. Tangible capital assets:

	2022							
	Assets under construction	Land	Building and site improvements	Vehicles, machinery and equipment	Engineered structures	Water infrastructure	Waste water infrastructure	Total
Cost:								
Balance, beginning of year	\$ 316,319	\$ 372,449	\$ 1,756,169	\$ 887,389	\$ 10,761,415	\$ 3,598,591	\$ 3,952,249	\$ 21,644,581
Additions	2,891	-	449,638	51,671	1,251,910	20,025	-	1,776,135
Transfers for work in progress	(295,013)	-	-	-	295,013	-	-	-
Balance, end of year	24,197	372,449	2,205,807	939,060	12,308,338	3,618,616	3,952,249	23,420,716
Accumulated amortization:								
Balance, beginning of year	-	-	1,192,654	520,302	7,170,946	1,519,497	663,175	11,066,574
Amortization	-	-	73,459	37,057	403,807	74,518	52,324	641,165
Balance, end of year	-	-	1,266,113	557,359	7,574,753	1,594,015	715,499	11,707,739
Net book value, end of year	\$ 24,197	\$ 372,449	\$ 939,694	\$ 381,701	\$ 4,733,585	\$ 2,024,601	\$ 3,236,750	\$ 11,712,977



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

7. Tangible capital assets (continued):

	2021							
	Assets under construction	Land	Building and site improvements	Vehicles, machinery and equipment	Engineered structures	Water infrastructure	Waste water infrastructure	Total
Cost:								
Balance, beginning of year	\$ 21,306	\$ 372,449	\$ 1,734,177	\$ 780,997	\$ 9,916,361	\$ 3,554,516	\$ 3,952,249	20,332,055
Additions	295,013	-	21,992	106,392	845,054	44,075	-	1,312,526
Balance, end of year	316,319	372,449	1,756,169	887,389	10,761,415	3,598,591	3,952,249	21,644,581
Accumulated amortization:								
Balance, beginning of year	-	-	1,131,048	491,638	6,878,818	1,447,178	610,852	10,559,534
Amortization	-	-	61,606	28,664	292,128	72,319	52,323	507,040
Balance, end of year	-	-	1,192,654	520,302	7,170,946	1,519,497	663,175	11,066,574
Net book value, end of year	\$ 316,319	\$ 372,449	\$ 563,515	\$ 367,087	\$ 3,590,469	\$ 2,079,094	\$ 3,289,074	10,578,007



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

8. Accumulated surplus:

	2022	2021
Surplus (deficit):		
Invested in tangible capital assets	\$ 11,545,278	\$ 10,359,901
General fund:		
Unrestricted	1,333,212	1,382,482
Restricted	207,354	19,626
Water utility fund	(80,346)	(105,125)
Sanitary sewer fund	587,863	416,273
Total surplus	13,593,361	12,073,157
Reserves set aside by Council:		
Equipment replacement	57,261	56,932
Land development	9,132	9,080
Sewer asset management	6,864	6,824
Carbon credit	29,651	12,770
Gas Tax	85,545	85,053
Northern Capital Planning Grant	1,442,929	2,744,691
Total reserves	1,631,382	2,915,350
	\$ 15,224,743	\$ 14,988,507



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

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-trusteed 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, 2021, the Plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 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, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The Village paid \$58,786 (2021 - \$53,169) for employer contributions to the plan in fiscal year 2022.

The next valuation will be as at December 31, 2024, with results available in 2025.

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, 2022

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

	2022	2021
Taxes collected:		
General purposes	\$ 505,205	\$ 489,044
Collection of other governments	617,828	607,732
	<u>1,123,033</u>	<u>1,096,776</u>
Transfers to other governments:		
Provincial government	203,840	208,624
Regional District of Fraser-Fort George	319,629	312,149
Fraser-Fort George Regional Hospital District	62,109	52,038
B.C. Assessment Authority	4,029	3,991
Municipal Finance Authority	19	17
Royal Canadian Mounted Police	28,327	30,914
	<u>617,953</u>	<u>607,733</u>
	<u>\$ 505,080</u>	<u>\$ 489,043</u>



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

11. Government transfers:

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

	2022	2021
Provincial grants:		
BC Active Transport	\$ 4,250	\$ -
Climate Action Program	45,082	-
Emergency Management in BC	-	160,713
Grants in lieu	79,809	39,248
Miscellaneous	25,141	86,481
Northern Development Initiative Trust	346,496	58,500
Rural dividend grant	3,159	10,826
Union of BC Municipalities	12,263	34,148
Small communities	532,000	418,000
Subtotal provincial grants	1,048,200	807,916
Federal grants:		
Gas tax	84,991	166,057
Government of Canada - ICIP	30,440	-
Government of Canada - CCRF	252,136	-
Federation of Canadian Municipalities	44,821	-
Total government transfers	\$ 1,460,588	\$ 973,973



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

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) Recreational 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, 2022

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, 2022

12. Segmented information (continued):

	2022								
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Recreational and Cultural Services	Property Management and Distribution	Water Transmission and Distribution	Waste Treatment and Disposal	Total
Revenue:									
Taxation	\$ 505,080	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 505,080
User charges	-	-	-	-	-	-	204,142	162,810	366,952
Grants	1,460,588	-	-	-	-	-	-	-	1,460,588
Investment income	64,090	-	-	-	-	-	-	-	64,090
Other income	235,617	-	9,362	276,973	-	150,733	-	-	672,685
Total revenue	2,265,375	-	9,362	276,973	-	150,733	204,142	162,810	3,069,395
Expenses:									
Salaries, wages and employee benefits	434,518	1,703	150,108	29,869	33,832	3,332	165,460	9,501	828,323
Operating	565,214	639	265,080	65,533	133,221	60,943	47,510	68,361	1,206,501
Insurance	52,356	-	-	-	-	-	-	-	52,356
Professional services	104,814	-	-	-	-	-	-	-	104,814
Amortization	514,323	-	-	-	-	-	74,518	52,324	641,165
Total expenses	1,671,225	2,342	415,188	95,402	167,053	64,275	287,488	130,186	2,833,159
Annual (deficit) surplus	\$ 594,150	\$ (2,342)	\$ (405,826)	\$ 181,571	\$ (167,053)	\$ 86,458	\$ (83,346)	\$ 32,624	\$ 236,236



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

12. Segmented information (continued):

	2021									Total
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Recreational and Cultural Services	Property Management and Distribution	Water Transmission and Distribution	Waste Treatment and Disposal		
Revenue:										
Taxation	\$ 489,043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 489,043
User charges	-	-	-	-	-	-	138,905	157,356	-	296,261
Grants	973,973	-	-	-	-	-	-	-	-	973,973
Investment income	28,789	-	-	-	-	-	-	-	-	28,789
Other (loss) income	(607,274)	-	8,387	186,658	-	161,066	-	-	-	(251,163)
Total revenue	884,531	-	8,387	186,658	-	161,066	138,905	157,356	-	1,536,903
Expenses:										
Salaries, wages and employee benefits	415,074	22,078	134,104	30,921	63,455	4,815	140,867	17,026	-	828,340
Operating	287,215	94	232,399	60,355	51,083	65,018	30,917	83,869	-	810,950
Insurance	50,397	-	-	-	-	-	-	-	-	50,397
Professional services	85,743	-	-	-	-	-	-	-	-	85,743
Amortization	382,397	-	-	-	-	-	72,320	52,323	-	507,040
Total expenses	1,220,826	22,172	366,503	91,276	114,538	69,833	244,104	153,218	-	2,282,470
Annual (deficit) surplus	\$ (336,295)	\$ (22,172)	\$ (358,116)	\$ 95,382	\$ (114,538)	\$ 91,233	\$ (105,199)	\$ 4,138	\$ -	\$ (745,567)



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022

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, 2022 is as follows:

	2022	2021
MFA Investment Pool	\$ 30,805	\$ 30,220
Cemetery trust liability	(30,805)	(30,220)

14. Budget data:

The budget data presented in these consolidated financial statements is based on the 2022 operating and capital budgets approved by Council on May 12, 2022. The table below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget amount
Revenues:	
Operating budget	\$ 2,748,879
Less:	
Transfer from other funds	48,453
Tax requisition other governments	617,901
Total revenue	2,082,525
Expenses:	
Operating budget	2,748,879
Less:	
Tax requisition other governments	617,901
Transfer	140,517
Total expenses	1,990,461
Annual surplus	\$ 92,064



THE CORPORATION OF THE VILLAGE OF McBRIDE

Schedule 1 - Northern Capital Planning Grant

Year ended December 31, 2022

(Unaudited)

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 \$56,040 (2021 - \$22,702) was earned by the reserves, expenditures of \$1,357,996 (2021 - \$213,338) were incurred, and allocations of \$1,078,977 were made by Council resulting in a total of \$363,758 in NCPG reserve at December 31, 2022 as outlined below.

	2022	2021
Opening balance of reserve	\$ 2,744,691	\$ 2,935,327
Interest	56,041	22,702
	2,800,732	2,958,029
Expenses incurred:		
Asset Management	213	-
Mechanical HVAC Upgrade	100,140	828
Train Station Roof	156,744	-
Foundation Gauges	2,982	-
RC Electrical Upgrade	1,358	-
Sidewalk Upgrades	24,989	37,614
2nd Ave Culvert	1,003,860	-
Ball Diamond Revitalize	49,128	-
Street Sign Replacement	6,103	-
Hydrant Replacements	12,286	-
Mini excavator	-	59,500
Airport Culvert	-	115,396
	1,357,803	213,338
Subtotal - carry forward	1,442,929	2,744,691



THE CORPORATION OF THE VILLAGE OF McBRIDE

Schedule 1 - Northern Capital Planning Grant (continued)

Year ended December 31, 2022

(Unaudited)

	2022	2021
Carried forward	1,442,929	2,744,691
2022 allocations by Council and 2021 carry over:		
Mini excavator & Trailer	73,643	-
VO Mechanical Upgrade	9,000	-
Robson Centre Radiant Heating	5,000	-
Train Station Roof Replacement	34,917	-
Ball Diamond Revitalize	100,000	-
Foundation Monitors	20,000	-
Robson Centre Electrical Upgrades	314,885	-
Sidewalk Upgrades	15,362	-
Fire Hydrant Installation/Repair	80,000	-
2nd Ave Culvert	40,000	-
McBride Cres/Dominion St Rehab	140,000	-
Alley 4th - 5th Gravel	24,000	-
Street Sign Replacement	67,720	-
Ball Diamond Rehab	69,450	-
Water Filtration Feasibility Study	60,000	-
Watermain Upgrades	25,000	-
Airport Culvert	-	133,856
Mini Excavator	-	65,000
Village/Province Air Conditioning	-	75,000
Village Office Boiler Replacement	-	33,000
Public Works Building Brace Footings	-	40,000
Village Office Mechanical Upgrade	-	50,000
HVAC Controls for Province Office	-	18,000
Hotmix Asphalt Paving	-	210,000
	1,078,977	624,856
	\$ 363,952	\$ 2,119,835



THE CORPORATION OF THE VILLAGE OF McBRIDE

Schedule 2 - COVID-19 Safe Restart Grant

Year ended December 31, 2022

(Unaudited)

In November 2020, the Corporation of the Village of McBride ("the Village") was the recipient of a \$366,000 grant under the COVID-19 Safe Restart for Local Governments program from the Province of British Columbia. As the conditions for use of this grant funding allow local governments to use this funding where the greatest need arises, the entire \$366,000 amount received was recognized as revenue in 2020 and included in grant revenue on the Consolidated Statement of Operations and Accumulated Surplus. In the current year, the Village incurred expenses of \$218,080 (2021 - \$48,747) and Council made funding allocations as outlined below.

	2022	2021
Opening balance	\$ 278,521	\$ 327,268
Expenses incurred:		
Software upgrades	10,424	8,978
Mechanical upgrades	179,000	-
Reduction in revenue	-	20,000
Security upgrades	-	9,599
IT upgrades	21,136	-
Janitorial Services	6,000	-
Council Chambers Plexi Glass	1,520	-
Ventilation upgrades - CN station	-	10,170
	218,080	48,747
Allocations by Council:		
IT upgrades	-	8,000
IT infrastructure	-	31,350
Mechanical Upgrade	-	179,000
Plexiglass dividers	-	1,520
Municipal Hall safety upgrades	60,441	52,000
Janitorial services	-	6,000
	60,441	277,870
COVID-19 Safe Restart grant for allocation	\$ -	\$ 651