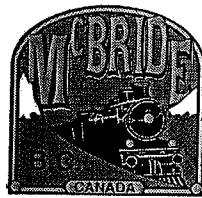
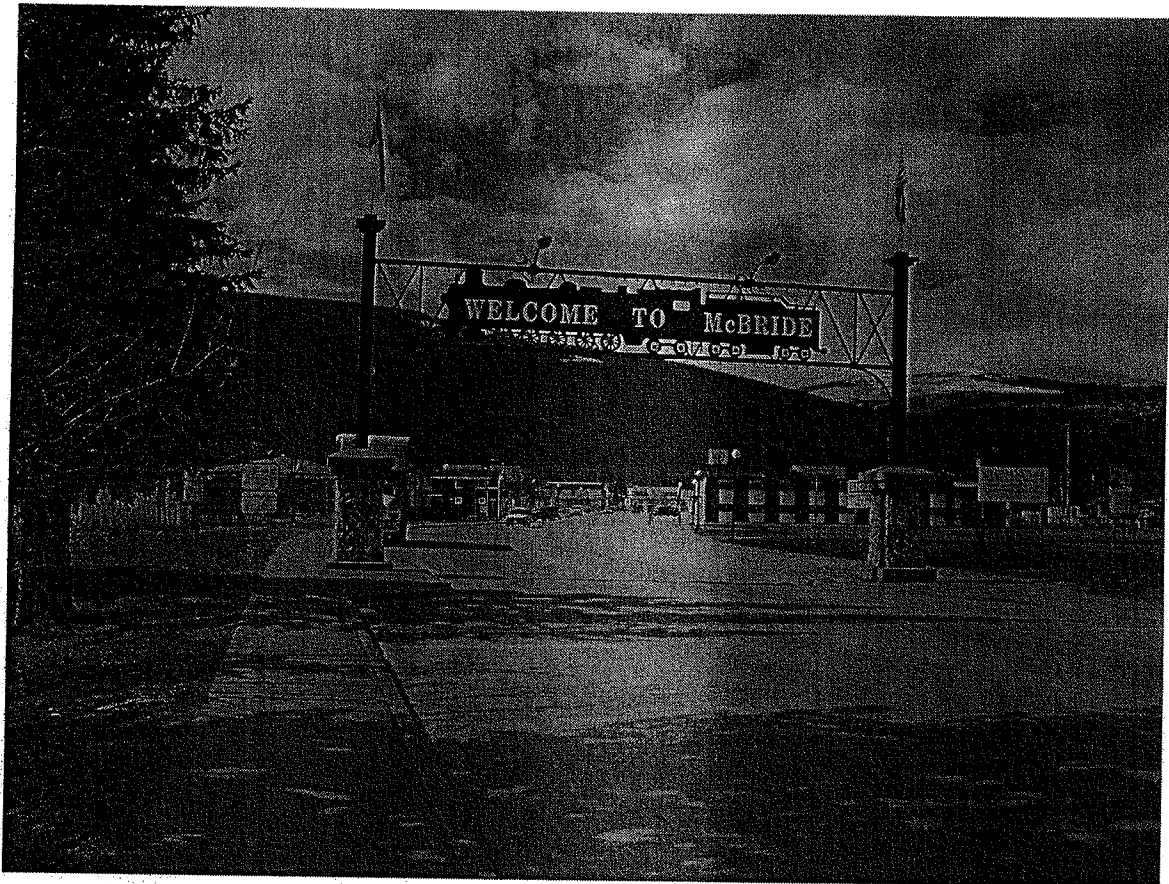


The Corporation of the Village of McBride



2010 ANNUAL REPORT





Village of McBride

2010 Annual Report

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1. Statement of Property Tax Exemptions

In accordance with Section 98 (2)(b) of the Community Charter, there were no properties in the Village of McBride that were provided permissive property tax exemptions by Council in 2009.

2. Report Respecting Municipal Services & Operations

A letter to the Citizens of the Village of McBride from Mayor Frazier

Again, I am pleased to take this opportunity to provide this update to the citizens of McBride regarding Municipal services and operations in McBride for the year 2009.

Over the past year, Council has worked with staff and citizens to provide residents of McBride with the best possible Municipal Services. The Council is a balanced team with diverse interests and expertise. While local interests take priority, we continue to be actively involved with Forestry issues, BC Hydro, Health, Transportation, Communications, Economic Development, Chamber of Commerce, Regional District, Provincial Government, etc.

As in previous years, continued reviews made by Administration and Operations have resulted in very positive changes in how services are delivered to our residents. Complaints, service calls, etc have been minimized, and the prioritized planning of operations has been great. We continue to receive many positive comments on our local maintenance, improvements and administration. Some improvements in services include: planned routine sanitary sewer clean-outs and maintenance, water plant upgrades, water line looping and certification and monitoring, sidewalk replacements, street maintenance as well as some paving, storm sewer drainage upgrades, cemetery improvements, dust control measures as well as many very effective administrative-stream lining initiatives. The new Eco Sensitive Solution for Waste Water Treatment has begun and promises many community economic improvements, including the new lagoon system, interpretive park etc.

Council and staff continue to work with our engineers to discuss further sewer and water infrastructure improvements, particularly the lagoon improvements and expansion options, water line looping, etc. As well, we had our engineers complete a road rehabilitation study to provide us with information on resurfacing our roads with pavement and addressing the drainage issues associated with our current drainage ditches.

In 2007 Council hired an Economic Development Officer to ensure that we had a person dedicated to working at providing our community with an economic plan and looking to attract new industry to our area. With the downturn in the Forestry/lumber industry, attracting investments in

communities has been difficult; however, there are a few bright spots in the McBride future. The people in this valley always "find a way"..... and we will survive.

Last year was another successful year for our McBride Community Forest Corporation and commendations to our Community Forest staff! We turned a modest profit, streamlined operations, established some partnerships with other tenure holders, and promoted a healthy timber salvage community. The Corporation is suffering some growing pains and may experience some minor changes but we have a bright future that will allow us to have control over our own resources and are an important step in maintaining stability.

Our partnership with the Regional District continues and we work together on land use issues, planning and development inspections. All our local service suppliers (Fire Department, Libraries, TV Rebroadcast, Arena, etc.) have worked diligently to provide excellent services while keeping costs and budget impacts minimized. As well, our Community Hall has presented many opportunities to our residents, accommodating many large gatherings and will serve us all well in the future.

We continue to partner with our Chamber of Commerce and have secured tourism funding for specific projects.

We still have approximately \$600,000 dollars of NDI money in reserve for major projects or partnership ventures, for 2009/2010 we accessed some of our allocation in order to facilitate and move forward our Waste Water project.

I take this opportunity to thank all residents and businesses, both inside and outside the Municipality, for your support of local government and for your extraordinary efforts to make McBride a great place to live and prosper.

As noted more specifically in the reports following, the Village undertook a number of initiatives last year for which Council is hopeful would significantly benefit the Community in the long term. Council welcomes input from residents on this progress report and would encourage you to submit your comments in writing to the Village Office.

Council would like to remind residents of our concern about the ongoing challenges of animal control, property maintenance, and vandalism. We live in a pristine valley surrounded by unparalleled scenery. Most of our residents are proud of our Village and do a remarkable job of maintaining their property. There are a few, whom we must encourage to take ownership in keeping our Village clean and tidy.

Please continue to help us to make our Village a beautiful, attractive place that people would want to come and visit.

As for 2010 and looking ahead to 2011, Council has established a list of objectives, which were developed through Council members' ongoing consultation with residents, businesses and organizations. These are listed later in this report. Again, residents are welcome and encouraged to provide

input on this list and to bring forward suggestions, which could be considered for future years.

As always.....I would like to thank our McBride Village Staff!!!!. They constantly look for improvements and innovation, and are invaluable in this municipality.

Thank you for your ongoing support....

Mayor Mike Frazier

3. Declaration and Identification of Disqualified Council Members

None

4. Progress Report for 2009

In 2008, Council set the following objectives for 2009. As in the past, Council and staff prepared these objectives following consultation with members of the community at Council meetings and from feedback received by Councillors from constituents throughout the year.

<i>Department</i>	<i>Objective</i>	<i>Measures/Strategies</i>	<i>Achievements/Outcomes</i>
Council/Administration	Economic Development	Have the EDO work with potential investors to attract new industry to the Community	Worked with a few potential investors, unfortunately due to the global economic downturn it has been difficult to attract new industry.
	Economic Development	EDO to encourage developers to come in and build a Seniors Housing facility	Council/Administration worked with the Provincial Government and ten (10) Seniors Housing Independent units will be built in 2010 by BC Housing.
	McBride Community Forest Corporation	Lobby to acquire an increased annual allowable cut	Have continued to pursue an increase in the MCFC annual allowable cut. Continue to work with Ministry of Forests on this initiative.
	Staff Training	Provide opportunities to attend training sessions to allow for continued education	Various sessions attended.
Infrastructure Improvements	Improve recreations facilities	Encourage community involvement by establishing a committee to review and enhance recreation facilities	Obtained 100% grant funding to make substantial improvements to the Village Park.

	Road Improvements	Implement road rehabilitation study and allow for drainage and paving improvements	New storm water system installed on 2 nd Avenue from Main St. to Dominion St. and road paved.
	Water System	Develop a water conservation plan	A preliminary draft of a water conservation plan was commenced but not yet reviewed.
	Waste Water Lagoon	Establish a partnership with the adjacent property owner to implement an effluent irrigation system for the lagoon effluent and to create a park area	Intent to sign a 60 year lease was agreed to by both parties. Official lease is being prepared for signatures. EDO secured funding for Eco Sensitive Solution to Waste Water Treatment.

5. Statement of Municipal Objectives for 2010 and 2011

Current Year (2010)

In 2009, Council set the following objectives, which it hoped to accomplish in 2010. As in the past, Council and staff prepared these objectives following consultation with members of the community at Council meetings and from feedback received by Councillors from constituents throughout the year.

<i>Department</i>	<i>Objective</i>	<i>Strategies</i>	<i>Measures</i>
Council/Administration	Foster Collaboration with the Village of Valemount to identify and facilitate ideas that mutually benefit the Region	Ensure that Council continues to host an annual meeting with the Village of Valemount Council	Joint meeting with Valemount Council hosted and initiatives identified.
	2010 Olympic Torch Relay & 2010 Olympics/Paralympics	Spirit of BC to host 2010 Olympic Torch Relay and 2010 Olympics/Paralympics events planned at the Community Hall	Successful torch relay and 2010 Events hosted at the Community Hall by the Spirit of BC Committee.
	Website improvements	Continue to develop website to allow for access to information	Website accessible and allows for easier navigation.
	Develop a strategy to bring community stakeholders to a common goal	Work with community stakeholders to bring the synergy of various groups to a common goal	A strategy implemented that has stakeholders for a common goal
	Water Conservation	Review metering information and implement measures in conservation plan to promote conservation	Water Conservation plan upgraded to reflect metering information

Infrastructure Improvements	Sidewalk Improvements	To repair and replace aging sidewalks to accessibility around the municipality	Sections of sidewalks replace
	Waste Water Lagoon	Acquire funding to commence Phase 2 & Phase 3 of the "Eco Sensitive Waste Water Treatment Project"	Funding secured to commence Phase 2 & Phase 3 of the project
	Road Improvements	Continue to find funding to complete further road improvements	Funding in place and more streets paved.

Next Year (2011)

Looking ahead to 2011, Council hopes to accomplish a wide range of initiatives. Council and staff prepared these objectives following consultation with members of the community, businesses and organizations throughout the year.

<i>Department</i>	<i>Objective</i>	<i>Strategies</i>	<i>Measures</i>
Council/Administration	Junior Council program	Foster collaboration with the local schools to make youth aware of local government	Joint presentations with educators to talk about local government.
	Seniors Housing	Promote for unit expansions which will include independent and assisted living units	More seniors housing made available.
	BC Hydro line	Partner in a task force to work with local IPP's and BC Hydro	Plans in place for a new transmission line.
	McBride Community Foundation	Structure in place to provide reports on success to the Village, NDI & MCFC	Reports provided
	Village Beautification	Improve beautification bylaws and review bylaw enforcement	Property/beautification bylaw in place.
	McBride Community Forest	Board structure issues resolved, continue to be a stable and profitable company.	A Profit made and continues to contribute to the Village's Economic Development.
Infrastructure Improvements	Sidewalk Improvements	Have a five year replacement plan completed	Plan approved and replacement commenced.
	Waste Water Lagoon	Phase 2 of the "Eco Sensitive Waste Water Treatment Project" to be commenced	Holding pond completed and remainder scheduled to be completed 2013.
	Waste Water Lagoon	Phase 3 of the "Eco Sensitive Waste Water Treatment Project" be completed	Trails & Park finalized and signage in place.

	Village Walking Trail	Access funding to have a study completed for walking trail development	Plan completed outlining project requirement and costs.
	Road/Sewer/Storm	Continue lobbying government for funds for improvements	Funding approved for necessary improvements.
	Recreation Facilities	Ball diamond bleachers to be replaced	New bleachers in place.

6. Strategic Community Investment (SCI) Funds Plan

- a. Following is a breakdown of the SCI Funds payments to be made to the Village of McBride.

<i>Assured Funds</i>	<i>Use</i>	<i>Date</i>	<i>Amount</i>
Small Community Grants	Local Government Services	March 2009	\$493,923
		July 2009	\$177,107
		July 2010	\$106,546

- b. SCI Funds intended use, performance targets and progress made:

<i>Intended Use</i>	<i>Performance Targets</i>	<i>First Progress Report (by June 30, 2010)</i>	<i>Second Progress Report (by June 30, 2011)</i>
Use of funding to support local government services to avoid significant tax increases.	Minimize tax rate increases.	Funds were used to offset revenue from taxation. If these funds were not available taxation would be increased by 95%.	

7. Audited Financial Statements

For Fiscal year ending December 31, 2009

(See attachment)

THE CORPORATION OF THE VILLAGE

OF McBRIDE

FINANCIAL STATEMENTS

December 31, 2009

RHN SCHMITZ de GRACE
Chartered Accountants

RHN SCHMITZ de GRACE

Chartered Accountants

Partners

- Lynn Ross CA
- Norm Hildebrandt BBA, CA
- Kerry Nichiporik CA
- Allison Twiss BComm, CA

• Denotes professional corporation

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Prince George, BC, V2L 3M6
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AUDITORS' REPORT

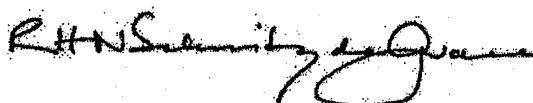
To the Mayor and Councillors of
The Corporation of the Village of McBride,

We have audited the consolidated statement of financial position of the Corporation of the Village of McBride as at December 31, 2009 and the consolidated statements of financial activities, change in net financial assets and cash flow for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2009 and the results of its financial activities and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information on the financial position, financial activities and investment in capital fund assets of individual funds included in Exhibits A through P is presented for purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.



Prince George, BC
March 4, 2009

Chartered Accountants

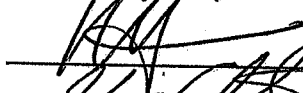
THE CORPORATION OF THE VILLAGE OF McBRIDE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION


December 31, 2009

ASSETS

	<u>2009</u>	<u>2008</u> (restated)
FINANCIAL ASSETS		
Cash and short-term investments		
Operating	\$ 1,756,552	\$ 1,499,402
Restricted - reserve and trust funds	33,475	93,086
Accounts receivable	381,685	262,968
MFA cash deposits (Note 6)	23,691	23,034
Investment (Note 7)	1,462,536	1,600,357
	<u>3,657,939</u>	<u>3,478,847</u>
LIABILITIES		
Accounts payable and accrued charges	567,000	285,854
Tax sale liability	-	20,076
MFA cash reserve (Note 6)	23,691	23,034
Trust funds	23,710	21,285
Long-term debt (Note 2)	536,579	292,518
	<u>1,150,980</u>	<u>642,767</u>
NET FINANCIAL ASSETS	<u>2,506,959</u>	<u>2,836,080</u>
NON-FINANCIAL ASSETS		
Tangible capital assets - Schedule 4 (Notes 1 and 11)	6,077,129	5,264,404
Inventory of lots	7,762	7,762
Prepaid expenses	8,623	8,597
	<u>6,093,514</u>	<u>5,280,763</u>
ACCUMULATED SURPLUS (Note 11)	<u>\$ 8,600,473</u>	<u>\$ 8,116,843</u>
CONTINGENT LIABILITIES (Note 4)		

Approved by:

 Mayor

 Chief Financial Officer

RHN SCHMITZ de GRACE
Chartered Accountants

THE CORPORATION OF THE VILLAGE OF McBRIDE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2009

	2009		2008
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u> (restated)
REVENUE			
Taxation (Note 5)	\$ 405,100	\$ 291,827	\$ 285,553
Utility user charges and connection fees	142,990	146,013	141,090
Grants - Schedule 1	2,436,481	1,326,717	1,758,074
Sale of services	128,498	130,906	131,399
Robson Centre	138,500	147,986	144,580
Other revenue - Schedule 2	107,910	251,717	241,365
	<u>3,359,479</u>	<u>2,295,166</u>	<u>2,702,061</u>
EXPENDITURES			
General departmental expenditure - Schedule 3	1,258,125	1,179,087	1,023,280
Water system	71,100	81,804	69,735
Sewer system	51,209	37,630	33,387
Interest, bank charges and debt issue costs	71,570	71,568	71,570
Robson Centre	178,300	128,811	70,878
Amortization - Schedule 4	192,159	334,815	294,399
	<u>1,822,463</u>	<u>1,833,715</u>	<u>1,563,249</u>
EXCESS REVENUE	1,537,016	461,451	1,138,812
McBRIDE COMMUNITY FOREST CORPORATION			
Net income from operations (Exhibit P)	-	22,179	307,660
ANNUAL SURPLUS	1,537,016	483,630	1,446,472
ACCUMULATED SURPLUS AT BEGINNING OF YEAR (Note 11)	8,116,843	8,116,843	6,670,371
ACCUMULATED SURPLUS AT END OF THE YEAR	<u>\$ 9,653,859</u>	<u>\$ 8,600,473</u>	<u>\$ 8,116,843</u>
Comprised of:			
General Fund		\$ 4,784,574	\$ 4,746,537
Sewer Fund		511,919	505,481
Water Fund		1,881,772	1,242,760
Reserves (Note 3)		9,765	71,801
McBride Community Forest Corporation (Exhibit P)		1,412,443	1,550,264
		<u>\$ 8,600,473</u>	<u>\$ 8,116,843</u>

See notes to the consolidated financial statements.

RHN SCHMITZ de GRACE
Chartered Accountants

THE CORPORATION OF THE VILLAGE OF McBRIDE
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended December 31, 2009

	<u>2009</u>	<u>2008</u> (restated)
ANNUAL SURPLUS	\$ 483,630	\$ 1,446,472
Tangible capital assets:		
Acquisition	(1,147,540)	(1,076,913)
Amortization	<u>334,815</u>	<u>294,399</u>
	<u>(329,095)</u>	<u>663,958</u>
Non-financial assets:		
Acquisition of prepaid expenses	<u>(26)</u>	<u>(1,814)</u>
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	(329,121)	662,144
NET FINANCIAL ASSETS, BEGINNING OF THE YEAR	<u>2,836,080</u>	<u>2,173,936</u>
NET FINANCIAL ASSETS, END OF THE YEAR	<u><u>\$ 2,506,959</u></u>	<u><u>\$ 2,836,080</u></u>

RHN SCHMITZ de GRACE
Chartered Accountants

See notes to the consolidated financial statements.

THE CORPORATION OF THE VILLAGE OF McBRIDE
CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended December 31, 2009

	<u>2009</u>	<u>2008</u> (restated)
OPERATING TRANSACTIONS		
Annual surplus	\$ 483,630	\$ 1,446,472
Add (deduct) non-cash items:		
Amortization of tangible capital assets	334,815	294,399
McBride Community Forest Corporation net income	(22,179)	(307,660)
Changes in non-cash working capital balances:		
Accounts receivable	(118,717)	192,309
Tax sale liability	(20,076)	20,076
Accounts payable and accrued liabilities	281,146	155,776
Prepaid expenses	(26)	(1,814)
	<u>938,593</u>	<u>1,799,558</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	<u>(1,147,540)</u>	<u>(1,076,913)</u>
INVESTING TRANSACTIONS		
Dividends from McBride Community Forest Corporation	160,000	270,000
Changes in trust funds	<u>2,425</u>	<u>(122,488)</u>
	<u>162,425</u>	<u>147,512</u>
FINANCING TRANSACTIONS		
Debt repayments	(52,939)	(50,417)
Proceeds from long-term debt	<u>297,000</u>	<u>-</u>
	<u>244,061</u>	<u>(50,417)</u>
INCREASE IN CASH AND EQUIVALENTS	197,539	819,740
CASH AND EQUIVALENTS AT BEGINNING OF THE YEAR	<u>1,592,488</u>	<u>772,748</u>
CASH AND EQUIVALENTS AT END OF THE YEAR	<u>\$ 1,790,027</u>	<u>\$ 1,592,488</u>
Represented by:		
Cash and short-term deposits		
Operating	\$ 1,756,552	\$ 1,499,402
Reserve and trust funds	<u>33,475</u>	<u>93,086</u>
	<u>\$ 1,790,027</u>	<u>\$ 1,592,488</u>
During the year, the following payments were made for:		
Interest	\$ 71,570	\$ 71,570

See notes to the consolidated financial statements.

RHN SCHMITZ de GRACE
Chartered Accountants

THE CORPORATION OF THE VILLAGE OF McBRIDE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES

The Corporation of the Village of McBride (the "Corporation") is a municipality in the Province of British Columbia. Its financial statements are prepared in accordance with Canadian generally accepted accounting principles for local government using guidelines developed by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

Principles of Consolidation

These consolidated financial statements include the accounts of all the funds of the Corporation.

Budget amounts

Budget amounts reflect the Statutory Financial Plan adopted by Council on May 12, 2009.

Tangible Capital Assets

Tangible capital assets are carried at cost less accumulated amortization and any impairment losses, except land as indicated below.

The cost of a tangible capital asset comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs incurred in the acquisition, establishment and installation of such assets so as to bring them to a working condition for their intended use.

The cost of a tangible capital asset acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets is measured at its fair value. If the acquired item could not be measured at its fair value, its costs are measured at the carrying amount of the asset given up.

The cost of constructed or developed assets includes costs directly attributable to the assets constructed or developed including, but not limited to, construction costs, professional fees and architectural costs.

Donated or contributed assets will be recorded at the fair value at the date of contribution. Fair value may be determined using market or appraisal values.

Government contributions for the acquisition of tangible capital assets are reported as capital revenue and do not reduce the cost of the related tangible capital asset.

Amortization is calculated so as to write off the cost of tangible capital assets on a straight-line basis over its estimated useful life. Amortization of assets commence in the year after the asset is ready for its intended use.

Assets held under finance leases are amortized over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease if there is no reasonable certainty that the Corporation will obtain ownership by the end of the lease term.

RHN SCHMITZ de GRACE
Chartered Accountants

THE CORPORATION OF THE VILLAGE OF McBRIDE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

1. SIGNIFICANT ACCOUNTING POLICIES, continued

Tangible Capital Assets, continued

Gains and losses arising on the disposal or retirement of tangible capital assets are recognized in the consolidated statement of financial activities in the period in which they occur.

Where tangible capital assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognized as an expense in the period that the impairment is identified.

The annual amortization rates are based on the following estimated lives:

Land and improvements	No Depreciation
Parks infrastructure	4 to 20 years
Building structure	20 to 40 years
Building improvements	
Exterior envelope	5 to 40 years
HVAC systems	10 to 12 years
Roofs	15 to 20 years
Electrical/Plumbing/Fire	15 to 20 years
Site Works - Asphalt, Water, Sewer lines and Other	10 to 100 years
Machinery and equipment	
General equipment	5 to 10 years
Grounds equipment and machinery	6 to 15 years
Heavy construction equipment	10 to 15 years
Vehicles	
Cars and light trucks	5 to 10 years
Fire trucks	15 to 20 years
IT infrastructure	
Hardware	5 to 10 years
Software	5 to 10 years
Infrastructure (dependant on component and material)	
Electrical and IT	20 to 25 years
Water	25 to 80 years
Engineered structures	10 to 100 years
Sewer	50 to 80 years
Transportation	5 to 15 years

RHN SCHMITZ de GRACE
Chartered Accountants

THE CORPORATION OF THE VILLAGE OF McBRIDE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

1. **SIGNIFICANT ACCOUNTING POLICIES, continued**

Inventories

Inventory of lots is stated at cost.

Investments

The Corporation accounts for its investment in the McBride Community Forest Corporation using the modified equity method, whereby the initial investment is increased or decreased by income or losses reported on the investee company's financial statements and decreased by dividends paid or payable by the investees.

Other investments are classified as held-for-trading and reported at fair market value. Income and gains and losses, both realized and unrealized, are reported in net income.

Revenue Recognition

Revenue generated by property taxes and utilities, including interest and penalties calculated on amounts in arrears, is recognized in the period to which it relates.

Unrestricted revenue from government and other grants is recognized in the year in which it is approved by the funders.

Grants received for specific projects or purposes are recognized as the related expenditures are incurred. The gas tax rebate, however, is recognized when received.

Revenue from sales and services is recognized at the point of sale or when service is provided.

Reserves

Reserves consist of funds set aside from current and prior year's operations as well as third party contributions and are available for future expenditures.

Financial Instruments and Fair Values

It is management's opinion that the Corporation is not exposed to any significant currency, credit or interest rate risks arising from its financial instruments, unless otherwise noted. The fair value of the Corporation's financial instruments approximate their carrying values, unless otherwise noted.

THE CORPORATION OF THE VILLAGE OF McBRIDE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

2. LONG-TERM DEBT

MUNICIPAL FINANCE AUTHORITY

General Fund

By law #510 Issue #55

<u>2009</u>	<u>2008</u>
<u>Net</u>	<u>Net</u>
<u>Debt</u>	<u>Debt</u>
\$ 102,433	\$ 125,067
297,000	
<u>137,146</u>	<u>167,451</u>
<u>\$ 536,579</u>	<u>\$ 292,518</u>

Water Utility Fund

Resolution 139/09

By law #513 Issue #55

The rate of interest payable on the principal amount of the Issue #55 debentures is 8.5%. The rate of interest on the Resolution 139 loan is 1.25% per annum. Total interest paid in 2009 on debt amounted to \$71,570 (2009 - \$71,570).

The debentures and loan mature in 2013.

Future principal requirements are as follows:

	<u>General Fund</u>	<u>Water Fund</u>	<u>Total</u>
2010	\$ 23,766	\$ 106,070	\$ 129,836
2011	24,954	107,661	132,615
2012	26,202	109,331	135,533
2013	<u>27,511</u>	<u>111,084</u>	<u>138,595</u>
	<u>\$ 102,433</u>	<u>\$ 434,146</u>	<u>\$ 536,579</u>

RHN SCHMITZ de GRACE
Chartered Accountants

THE CORPORATION OF THE VILLAGE OF McBRIDE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

3. RESERVES

	2009			2008
	General Capital	Other	Total	Total
Gas Tax Rebate				
Balance at beginning of the year	\$ 64,039	\$ -	\$ 64,039	\$ 12,172
Rebate allocation	77,023	-	77,023	51,429
Interest allocation	1,094	-	1,094	438
Transfer to general operating fund	(142,156)	-	(142,156)	-
Balance at end of the year	-	-	-	64,039
Land development				
Balance at beginning and end of the year	-	7,762	7,762	7,762
Community Foundation				
Contribution during the year and balance at end of the year	-	2,003	2,003	-
Total	\$ -	\$ 9,765	\$ 9,765	\$ 71,801

THE CORPORATION OF THE VILLAGE OF McBRIDE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

4. CONTINGENT LIABILITIES

Municipal Insurance Association

The Corporation is insured through the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible that the Corporation, along with the other participants, would be required to contribute towards this deficiency.

Municipal Finance Authority Issues

The Corporation is jointly and severally liable, as a member of the Regional District of Fraser-Fort George, for any sinking fund deficiencies on capital debt issued through the Regional District.

Unfunded Pension

The Corporation 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 overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 158,000 active members and approximately 57,000 retired members. Active members include approximately 33,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the surplus to individual employers. The Corporation paid \$24,444 for employer contributions to the plan in fiscal 2009.

THE CORPORATION OF THE VILLAGE OF McBRIDE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

5. TAXATION

Taxation revenue comprises the following amounts raised, less transfers to other governments.

	2009		2008
	Budget	Actual	Actual
	(unaudited)		
General municipal purposes	\$ 365,000	\$ 364,209	\$ 358,905
Hospital and Regional District purposes	291,000	291,006	264,492
School purposes	190,000	189,801	181,698
Policing purposes	20,000	19,854	20,486
Sundry	4,121	4,456	4,213
	870,121	869,326	829,794
Less: Amounts paid by provincial grants	-	112,492	113,471
	870,121	756,834	716,323
Transfers to other governments			
Regional District	268,931	268,931	243,180
School Board	189,801	189,801	181,698
Hospital District	22,078	22,078	21,250
Policing	19,854	19,854	20,486
B.C. Assessment Authority	4,445	4,445	4,207
Municipal Finance Authority	12	12	7
	505,121	505,121	470,828
Total general municipal taxes	365,000	251,713	245,495
Frontage taxes			
Water system	40,100	40,114	40,058
	<u>\$ 405,100</u>	<u>\$ 291,827</u>	<u>\$ 285,553</u>

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THE CORPORATION OF THE VILLAGE OF McBRIDE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

6. MUNICIPAL FINANCE AUTHORITY RESERVE DEPOSITS AND DEMAND NOTES

The Corporation issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority as a debt reserve fund. The Corporation also executes demand notes in connection with each debenture whereby it may be required to loan certain amounts to the Municipal Finance Authority.

These demand notes are contingent in nature and are not reflected in the accounts. The details of the cash deposits and demand notes at the year end are as follows:

	2009			2008
	Cash Deposits	Demand Notes	Total	Total
General	\$ 10,129	\$ 17,144	\$ 27,273	\$ 26,992
Water utility	13,562	22,953	36,515	36,139
	<u>\$ 23,691</u>	<u>\$ 40,097</u>	<u>\$ 63,788</u>	<u>\$ 63,131</u>

7. INVESTMENT

The corporation owns 100% of the issued shares of the McBride Community Forest Corporation. The balance is comprised of the following:

	2009	2008
Investment and advances	\$ 50,093	\$ 50,093
Accumulated operating income	1,572,443	1,820,264
Dividends received in the year	(160,000)	(270,000)
	<u>\$ 1,462,536</u>	<u>\$ 1,600,357</u>

8. COMMITMENTS

The Corporation has entered into the following operating leases:

Public works truck	\$329 per month, expiring August 2013
Garbage truck	\$886 per month, expiring October 2011
Grader	\$648 per month, expiring June 2014

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THE CORPORATION OF THE VILLAGE OF McBRIDE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2009

9. USE OF ESTIMATES

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the year. Actual results could differ from management's best estimates as additional information becomes available in the future.

10. RELATED PARTY TRANSACTIONS

During the year, the Corporation received revenues from their wholly-owned subsidiary for sales of services of \$26,694 (2008 - \$28,152), rent of \$12,000 (2008 - \$10,427) and dividends of \$160,000 (2008 - \$270,000).

These transactions were made in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

11. CHANGE IN ACCOUNTING POLICY

Effective January 1, 2009, the Corporation adopted CICA Public Sector Accounting Handbook Section 3150 – Tangible Capital Assets. As a result of this change, the Corporation must now provide for amortization of tangible capital assets on an annual basis, where previously, no amortization was being recorded.

As this change is retroactive in nature, the Corporation was required to inventory its tangible capital assets as at January 1, 2008 and determine amortized cost of the assets on hand according to the new policy. The adjustments to the Consolidate Statement of Financial Position resulting from this change in accounting policy are presented as follows:

	<u>2008</u>	
	<u>Tangible Capital Assets</u>	<u>Accumulated Surplus</u>
As previously reported	\$ 9,642,043	\$ 12,494,482
Increase in accumulated amortization	(5,755,739)	(5,755,739)
Cost adjustment	<u>1,378,100</u>	<u>1,378,100</u>
As restated	<u>\$ 5,264,404</u>	<u>\$ 8,116,843</u>

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THE CORPORATION OF THE VILLAGE OF McBRIDE

CONSOLIDATED SCHEDULE OF GRANTS

For the year ended December 31, 2009

	2009		2008
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u> (restated)
FEDERAL OPERATING GRANTS			
General Operating Fund			
In lieu of taxes	\$ 6,000	\$ 6,033	\$ 11,002
Water Operating Fund			
In lieu of taxes	555	555	555
PROVINCIAL OPERATING GRANTS			
General Operating Fund			
Revenue sharing	671,030	388,788	324,971
In lieu of taxes	7,000	12,083	11,880
Miscellaneous	89,200	115,071	55,660
Sewer Operating Fund			
Infrastructure	-	-	4,850
UTILITIES			
In lieu of taxes	10,000	11,655	11,532
	783,785	534,185	420,450
PROVINCIAL HOME OWNERS GRANT	-	112,492	113,471
	783,785	646,677	533,921
PROVINCIAL CAPITAL GRANTS	1,652,696	680,040	1,224,153
	<u>\$ 2,436,481</u>	<u>\$ 1,326,717</u>	<u>\$ 1,758,074</u>

See notes to the consolidated financial statements.

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THE CORPORATION OF THE VILLAGE OF McBRIDE
CONSOLIDATED SCHEDULE OF OTHER REVENUE

For the year ended December 31, 2009

	2009		2008
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u> (restated)
CURRENT FUND			
Motor vehicle	\$ 28,000	\$ 31,913	\$ 33,138
Sundry	13,000	31,236	25,827
Community Futures Development Corp	24,660	24,660	24,660
Interest - investments	15,000	18,113	34,324
Interest - taxes	13,300	13,802	18,549
Licences	7,400	9,355	10,091
Cemetery	1,400	8,842	7,870
Tourism booth	5,000	6,200	9,935
Donations	150	-	150
	<u>107,910</u>	<u>144,121</u>	<u>164,544</u>
CAPITAL FUND			
Actuarial income	-	27,474	24,953
RESERVE FUND			
Gas tax rebate	-	77,023	51,429
Community Foundation Reserve	-	2,005	-
Interest	-	1,094	439
	<u>-</u>	<u>80,122</u>	<u>51,868</u>
	<u>\$ 107,910</u>	<u>\$ 251,717</u>	<u>\$ 241,365</u>

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See notes to the consolidated financial statements.

SCHEDULE OF GENERAL DEPARTMENTAL EXPENDITURE

Schedule 3

For the year ended December 31, 2009

	2009		2008
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(unaudited)		(restated)
GENERAL GOVERNMENT			
Administrative salaries and allowances	\$ 220,415	\$ 182,260	\$ 195,072
Advertising	3,500	6,149	2,756
Audit	15,500	15,750	14,750
Conventions	25,000	29,886	20,566
Council meetings, indemnities and allowances	57,400	52,142	43,278
Election	-	-	4,967
Employee benefits	74,000	73,573	77,502
Insurance	29,000	29,588	28,041
Legal	10,000	4,087	8,654
Office supplies and equipment	23,050	26,969	28,497
Professional fees	30,000	-	-
Repairs and maintenance	11,000	10,767	14,279
Subscriptions and dues	4,000	3,848	3,527
	<u>502,865</u>	<u>435,019</u>	<u>441,889</u>
TRANSPORTATION SERVICES			
Airport maintenance	20,500	19,985	37,349
Dust control	1,500	1,303	810
Engineering fees	40,000	30,133	62,613
Equipment rental, repairs and maintenance	62,200	61,438	68,829
Shop maintenance and equipment	28,400	74,560	52,200
Sidewalk maintenance	22,000	32,574	8,453
Snow removal	32,000	48,016	31,084
Street cleaning and maintenance	33,500	24,348	32,906
Street lighting	21,000	18,778	18,907
Traffic control	18,000	4,796	9,597
	<u>279,100</u>	<u>315,931</u>	<u>322,748</u>
PROTECTIVE SERVICES			
Animal control	2,500	734	2,004
Fire inspection	20,000	2,620	3,925
PEP expenses	3,000	4,959	45
	<u>25,500</u>	<u>8,313</u>	<u>5,974</u>
BALANCE CARRIED FORWARD	<u>\$ 807,465</u>	<u>\$ 759,263</u>	<u>\$ 770,611</u>

See notes to the consolidated financial statements.

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THE CORPORATION OF THE VILLAGE OF McBRIDE
SCHEDULE OF GENERAL DEPARTMENTAL EXPENDITURE

For the year ended December 31, 2009

	2009		2008
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u> (restated)
BALANCE FORWARD	<u>\$ 807,465</u>	<u>\$ 759,263</u>	<u>\$ 770,611</u>
ENVIRONMENTAL AND PUBLIC HEALTH			
Cemetery	9,000	11,015	10,670
Garbage collection	<u>80,000</u>	<u>61,318</u>	<u>55,109</u>
	<u>89,000</u>	<u>72,333</u>	<u>65,779</u>
RECREATIONAL AND CULTURAL SERVICES			
Olympic project (recovery)	-	-	(33,681)
CN station	21,000	25,514	15,831
Community development	75,000	74,463	37,124
Community Futures	24,660	19,714	19,057
Economic development committee	130,000	118,928	126,869
Grants-in-aid	5,000	1,084	1,101
Grounds maintenance	17,000	6,144	3,007
Parks maintenance	82,000	95,169	10,837
Tourism	<u>7,000</u>	<u>6,475</u>	<u>6,745</u>
	<u>361,660</u>	<u>347,491</u>	<u>186,890</u>
	<u>\$ 1,258,125</u>	<u>\$ 1,179,087</u>	<u>\$ 1,023,280</u>

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See notes to the consolidated financial statements.

THE CORPORATION OF THE VILLAGE OF McBRIDE
CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS
 For the year ended December 31, 2009

	Land	Buildings	Vehicles/ Machinery/ Equipment	Engineered Structures	Total General Assets	Sewer	Water	2009 Total	2008 Total (restated)
COST									
Opening Balance	\$ 98,557	\$ 1,420,120	\$ 414,856	\$ 6,491,486	\$ 8,425,019	\$ 661,191	\$ 1,833,934	\$ 11,020,144	\$ 9,943,231
Add: Additions	-	-	-	467,455	467,455	27,540	652,545	1,147,540	1,076,813
Closing Balance	98,557	1,420,120	414,856	6,958,941	8,892,474	688,731	2,586,479	12,167,684	11,020,144
ACCUMULATED AMORTIZATION									
Opening Balance	-	506,413	331,134	3,981,689	4,819,236	246,211	690,293	5,755,740	5,461,341
Add: Amortization	-	54,119	14,513	220,554	289,186	9,523	36,106	334,815	294,399
Closing Balance	-	560,532	345,647	4,202,243	5,108,422	255,734	726,399	6,090,555	5,755,740
Net Book Value for year ended December 31, 2009	<u>\$ 98,557</u>	<u>\$ 859,588</u>	<u>\$ 69,209</u>	<u>\$ 2,756,698</u>	<u>\$ 3,784,052</u>	<u>\$ 432,997</u>	<u>\$ 1,860,080</u>	<u>\$ 6,077,129</u>	
Net Book Value for year ended December 31, 2008	<u>\$ 98,557</u>	<u>\$ 913,707</u>	<u>\$ 83,722</u>	<u>\$ 2,509,796</u>	<u>\$ 3,605,782</u>	<u>\$ 414,980</u>	<u>\$ 1,243,642</u>		<u>\$ 5,264,404</u>

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