

2018 Statement of Financial Information (SOFI)



THE CORPORATION OF THE VILLAGE OF MCBRIDE

For the year ended December 31, 2018

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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**

Year ended December 31, 2018



THE CORPORATION OF THE VILLAGE OF McBRIDE

Consolidated Financial Statements

Year ended December 31, 2018

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

Ms. Claudia Frost,
Financial Officer



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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, 2018
- 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, 2018 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.



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- 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
- 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

April 30, 2019



THE CORPORATION OF THE VILLAGE OF McBRIDE


Consolidated Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017 (recast - note 15)
Financial assets:		
Cash and cash equivalents	\$ 1,714,979	\$ 1,792,004
Accounts receivable (note 2)	515,265	424,066
Investment in McBride Community Forest Corporation (note 3)	707,348	442,960
	<u>2,937,592</u>	<u>2,659,030</u>
Financial liabilities:		
Accounts payable and accrued liabilities (note 4)	312,822	265,874
Deferred revenue (note 5)	48,993	114,783
Long-term debt (note 6)	180,000	270,000
	<u>541,815</u>	<u>650,657</u>
Net financial assets	<u>2,395,777</u>	<u>2,008,373</u>
Non-financial assets:		
Inventories	15,016	7,762
Prepaid expenses	20,344	3,066
Tangible capital assets (note 7)	9,665,316	9,251,603
	<u>9,700,676</u>	<u>9,262,431</u>
Accumulated surplus (note 8)	<u>\$ 12,096,453</u>	<u>\$ 11,270,804</u>

Commitments and contingencies (note 9)

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


Mayor


Chief Administrative Officer



THE CORPORATION OF THE VILLAGE OF McBRIDE

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2018, with comparative information for 2017

	2018 Budget	2018 Actual	2017 Actual (recast - note 15)
Revenue:			
Net taxation revenue (note 10)	\$ 456,787	\$ 458,968	\$ 434,358
Government transfers (note 11):			
Provincial	1,604,962	1,390,264	861,892
Federal	-	81,018	77,564
User fees	271,400	271,934	242,345
Sale of services	155,214	168,560	164,299
Property management	161,368	175,563	160,060
Other	67,210	95,351	79,356
Total revenue	2,716,941	2,641,658	2,019,874
Expenditures:			
General government	702,210	1,081,761	847,782
Protective services	26,998	22,103	3,484
Transportation services	339,950	307,955	245,421
Environmental and public health	108,089	81,219	82,394
Recreational and cultural services	206,000	279,067	172,827
Property management	103,000	58,582	70,666
Water transmission and distribution	122,250	177,377	185,696
Waste treatment and disposal	68,880	72,333	111,209
Total expenditures	1,677,377	2,080,397	1,719,479
Annual surplus before undernoted item	1,039,564	561,261	300,395
Equity in earnings (loss) of McBride Community Forest Corporation (note 3)	-	264,388	(88,453)
Annual surplus	1,039,564	825,649	211,942
Accumulated surplus, beginning of year:			
As previously stated	11,418,771	11,418,771	11,158,328
Recast (note 15)	-	(147,967)	(99,466)
As recasted	11,418,771	11,270,804	11,058,862
Accumulated surplus, end of year	\$ 12,458,335	\$ 12,096,453	\$ 11,270,804

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, 2018, with comparative information for 2017

	Budget	2018	2017 (recast - note 15)
Recast	\$ -	\$ -	\$ (147,969)
Annual surplus	1,039,564	825,649	211,942
Acquisition of tangible capital assets	(1,400,488)	(871,934)	(459,822)
Amortization of tangible capital assets	397,266	430,315	428,368
Loss on write down of capital assets	-	27,906	-
	36,342	411,936	180,488
Acquisition of inventory	-	(15,016)	-
Acquisition of prepaid expenses	-	(20,344)	(3,066)
Consumption of inventory	-	7,762	-
Use of prepaid expenses	-	3,066	195
Change in net financial assets	36,342	387,404	177,617
Net financial assets, beginning of year	2,008,373	2,008,373	1,830,756
Net financial assets, end of year	\$ 2,044,715	\$ 2,395,777	\$ 2,008,373

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, 2018, with comparative information for 2017

	2018	2017 (recast - note 15)
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 825,649	\$ 211,942
Items not involving cash:		
Amortization of tangible capital assets	430,315	428,366
Equity in (earnings) loss of McBride Community Forest Corporation	(264,388)	88,453
Changes in non-cash operating working capital:		
Accounts receivable	(91,199)	(151,936)
Accounts payable and accrued liabilities	46,948	171,815
Prepaid expenses	(17,278)	(2,871)
Inventory	(7,254)	-
Deferred revenue	(65,790)	114,783
Net change in cash from operating activities	857,003	860,552
Capital activities:		
Acquisition of tangible capital assets	(871,934)	(459,822)
Disposal of tangible capital assets	27,906	-
Financing activities:		
Repayment of long-term debt	(90,000)	(90,000)
(Decrease) increase in cash and cash equivalents	(77,025)	310,730
Cash and cash equivalents, beginning of year	1,792,004	1,481,274
Cash and cash equivalents, end of year	\$ 1,714,979	\$ 1,792,004

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, 2018

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, 2018

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, 2018

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) Cash and cash equivalents:

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition.

(g) 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, 2018

1. Significant accounting policies (continued):

(g) Non-financial assets (continued):

Tangible capital assets are tested annually for any impairment in value based on continued usefulness of the assets and related carrying values. Any impairment in carrying value would be recorded in the period that the impairment occurs.

(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) Inventory:

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

(h) 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, 2018

1. Significant accounting policies (continued):

(i) 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:

	2018	2017
Taxation- current	\$ 108,717	\$ 89,674
Taxation- arrears/delinquent	48,597	50,270
Utilities	1,321	521
Sales tax	40,397	26,187
Accounts receivable- trade	42,535	20,875
Accounts receivable- grants	278,567	233,144
Retroactive taxes collectible	-	12,925
	520,134	433,596
Less: provision for doubtful accounts	4,869	9,530
	\$ 515,265	\$ 424,066



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

3. Investment in McBride Community Forest Corporation:

	2018	2017 (recast - note 15)
Investments:		
Investment in shares of the company	20	20
Contributed surplus	50,073	50,073
Accumulated earnings	657,255	392,867
Total investment in McBride Community Forest Corporation	\$ 707,348	\$ 442,960

(i) Balance sheet:

Assets:		
Cash and cash equivalents	\$ 1,577,633	\$ 1,297,168
Accounts receivable	63,878	103,878
Inventory	25,208	11,433
Prepaid expenses	142,373	160,647
Property and equipment	79,717	83,713
Total assets	\$ 1,888,809	\$ 1,656,839
Liabilities:		
Accounts payable and accrued liabilities	\$ 59,748	\$ 29,932
Current portion of silviculture obligation	423,317	300,000
Silviculture obligation	662,006	847,557
Agricultural obligation	36,390	36,390
Total liabilities	1,181,461	1,213,879
Equity:		
Share capital	20	20
Contributed surplus	50,073	50,073
Retained earnings	657,255	392,867
Total equity	707,348	442,960
Total liabilities and equity	\$ 1,888,809	\$ 1,656,839



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

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

	2018	2017
(ii) Operations:		
Revenue	\$ 3,004,394	\$ 2,359,221
Cost of sales	(2,390,881)	(1,913,762)
Gross profit	613,513	445,459
General administrative expense	(349,125)	(533,912)
Net profit (loss)	\$ 264,388	\$ (88,453)

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

4. Accounts payable and accrued liabilities:

	2018	2017
Accounts payable- trade	\$ 213,793	\$ 175,991
Wages and related costs payable	62,972	25,218
Grants in lieu	15,377	3,050
Government remittances	15,345	5,894
Other	5,335	29,079
Retroactive tax payable	-	26,642
	\$ 312,822	\$ 265,874



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

5. Deferred revenue:

	2018	2017 (recast - note 15)
Deferred grants - other	\$ 48,993	\$ 93,644
Prepaid property taxes	-	21,139
	\$ 48,993	\$ 114,783

6. Long-term debt:

The phase 2 wastewater treatment debt is issued by the Northern Development Initiative Trust (NDIT). This loan bears interest at 0% and is due November 30, 2020.

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

2019	\$ 90,000
2020	90,000
	\$ 180,000



THE CORPORATION OF THE VILLAGE OF MCBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

7. Tangible capital assets:

2018								
	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	\$ -	\$ 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
Accumulated amortization:								
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
Disposals	-	-	-	-	-	-	-	-
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



Year ended December 31, 2018

2017 (recast - note 16)

		Land	Building and site improvements	Vehicles, machinery and equipment	Engineered structures	Water infrastructure	Waste water infrastructure	Total
Cost:								
Balance, beginning of year	\$	328,307	\$ 1,644,433	\$ 465,206	\$ 8,819,684	\$ 3,057,333	\$ 3,683,718	\$ 17,998,681
Additions		-	64,037	10,647	22,702	362,436	-	459,822
Balance, end of year		328,307	1,708,470	475,853	8,842,386	3,419,769	3,683,718	18,458,503
Accumulated amortization:								
Balance, beginning of year		-	890,892	449,487	5,862,462	1,163,119	412,573	8,778,533
Amortization		-	60,184	5,947	245,096	47,304	69,836	428,367
Balance, end of year		-	951,076	455,434	6,107,558	1,210,423	482,409	9,206,900
Net book value, end of year	\$	328,307	\$ 757,394	\$ 20,419	\$ 2,734,828	\$ 2,209,346	\$ 3,201,309	\$ 9,251,603



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

8. Accumulated surplus:

	2018	2017 (recast - note15)
Surplus (deficit):		
Invested in tangible capital assets	\$ 9,485,316	\$ 8,981,605
General fund:		
Unrestricted	1,865,645	1,694,704
Restricted	707,348	442,960
Water utility fund	(244,899)	(231,431)
Sanitary sewer fund	148,035	309,063
Total surplus	11,961,445	11,196,901
Reserves set aside by Council:		
Equipment replacement	66,378	65,318
Land development	7,888	7,762
Community foundation	836	823
UBCM	59,906	-
Total reserves	135,008	73,903
	\$ 12,096,453	\$ 11,270,804



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

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 (a jointly trustees 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, 2017, the plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local governments.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The Village paid \$38,345 (\$36,659 - 2017) for employer contributions to the plan in fiscal year 2018.

The next valuation will be as at December 31, 2018, with results available in 2019.

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, 2018

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.



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

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:

	2018	2017
Taxes collected:		
General purposes	\$ 456,735	\$ 445,807
Collection of other governments	601,757	594,408
Retroactive taxes collectable (note 2)	-	12,925
	1,058,492	1,053,140
Transfers to other governments:		
Provincial government	205,981	211,147
Regional District of Fraser-Fort George	324,102	312,129
Fraser-Fort George Regional Hospital District	36,876	36,319
B.C. Assessment Authority	3,852	4,364
Municipal Finance Authority	16	-
Royal Canadian Mounted Police	28,697	28,181
	599,524	592,140
Less: retroactive taxes payable (note 4)	-	26,642
	\$ 458,968	\$ 434,358

During the 2017 fiscal year, a taxpayer of the Village successfully won the appeal of their property value assessment with the British Columbia Assessment Authority. As a result, property taxes were required to be repaid by the Village to the taxpayer for the period from 2011 to 2017. This has resulted in the Village having retroactive taxes receivable from other governments at December 31, 2017 and retroactive taxes payable to the taxpayer at December 31, 2017.



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

11. Government transfers:

The government transfers reported on the consolidated Statement of Operations and Accumulated Surplus are:

	2018	2017
Revenue		
Provincial grants:		
Small communities	\$ 356,181	\$ 344,287
Grants in lieu	32,478	35,824
Rural dividend grant	181,138	29,593
Miscellaneous	85,828	103,289
Capital projects	666,639	285,000
Northern Development Initiative Trust	68,000	63,899
Subtotal provincial grants	1,390,264	861,892
Federal grants:		
Gas tax	81,018	77,564
Total revenue	\$ 1,471,282	\$ 939,456



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

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 operations 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, 2018

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 for the foregoing functions. 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.



Year ended December 31, 2018

2018

	General Government	Protective Services	Transportation Services	Environmental and Public Health	Recreational and Cultural Services	Property Management and	Water Transmission and Distribution	Waste Treatment and Disposal	Total
Revenue:									
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
Total revenue	1,998,035	-	15,524	180,602	-	175,563	125,096	146,838	2,641,668
Expenses:									
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
Total expenses	1,081,761	22,103	307,955	81,219	279,067	58,582	177,377	72,333	2,080,397
Annual surplus (deficit)	\$ 916,274	\$ (22,103)	\$ (292,431)	\$ 99,383	\$ (279,067)	\$ 116,981	\$ (52,281)	\$ 74,505	\$ 561,261



Year ended December 31, 2018

2017 (recast - note 16)

		Environmental and Public Health					Recreational and Cultural Services	Property Management and Distribution	Water Transmission and Distribution	Waste Treatment and Disposal	Total
Revenue:											
Taxation	\$ 434,358	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 434,358
User charges	-	-	-	-	-	-	-	-	-	-	242,345
Grants	939,456	-	-	-	-	-	-	-	-	-	939,456
Investment income	7,108	-	-	-	-	-	-	-	-	-	7,108
Other	66,887	-	(3,860)	173,520	173,520	-	160,060	-	-	-	396,607
Total revenue	1,447,809	-	(3,860)	173,520	173,520	-	160,060	129,532	112,813	2,019,874	
Expenses:											
Salaries, and employee benefits	305,033	2,104	89,024	31,034	14,113		3,986	62,469	23,719		531,482
Operating	154,212	1,380	156,397	51,360	158,714		66,680	53,391	40,186		682,320
Insurance	25,249	-	-	-	-		-	-	-		25,249
Professional services	52,062	-	-	-	-		-	-	-		52,062
Amortization	311,226	-	-	-	-		-	69,836	47,304		428,366
Total expenses	847,782	3,484	245,421	82,394	172,827		70,666	185,696	111,209		1,719,479
Annual surplus (deficit)	\$ 600,027	\$ (3,484)	\$ (249,281)	\$ 91,126	\$ (172,827)		\$ 89,394	\$ (56,164)	\$ 1,604		\$ 300,395



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

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, 2018 is as follows:

	2018	2017
MFA Investment Pool	\$ 29,926	\$ 29,926
Cemetery trust liability	(29,926)	(29,926)

14. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2018 operating and capital budgets approved by Council on April 17, 2018. Amortization was not contemplated on 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	\$ 3,167,865
Less:	
Transfer from other funds	(220,924)
Proceeds from Borrowings	(230,000)
Total revenue	2,716,941
Expenses:	
Operating budget	3,167,865
Less:	
Capital expenditures	(1,400,488)
Debt principal payments	(90,000)
Total expenses	1,677,377
Annual surplus	\$ 1,039,564



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

15. Prior period adjustment:

During the year, management determined that the following adjustments were required to correct immaterial errors from previous periods related to incorrectly recording amortization on tangible capital assets.

The comparative information for 2017 has been corrected. The adjustments are as follows:

	As previously reported	Increase (decrease)	As recast
Accumulated surplus, January 1, 2017	\$ 11,158,328	\$ (99,466)	\$ 11,058,862
Amortization expense for year ended December 31, 2017			
Building site improvements	34,088	26,095	60,183
Vehicles, machinery and equipment	3,964	1,983	5,947
Engineered structures	127,695	117,401	245,096
Water infrastructure	89,447	(42,143)	47,304
Waste water infrastructure	124,971	(54,835)	70,136
		48,501	
Accumulated surplus, December 31, 2017	11,418,771	(147,967)	11,270,804

Statement of Financial Position as at December 31, 2017

Tangible capital assets:

Building site improvements	\$ 832,077	\$ (74,683)	\$ 757,394
Vehicles, machinery and equipment	35,673	(15,254)	20,419
Engineered structures	3,064,679	(329,849)	2,734,830
Water infrastructure	2,146,743	62,603	2,209,346
Waste water infrastructure	2,992,093	209,216	3,201,309

Accumulated surplus, December 31, 2017	\$ 11,418,771	\$ (147,967)	\$ 11,270,804
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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)

Northern Development Initiative Trust	\$180,000.00
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Five year interest free loan with a remaining term of two (2) years.
\$90,000.00 payable per year as at the end of the 2018 fiscal year.



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 2018



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
2018 FINANCIAL INFORMATION**

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

<i>COUNCIL NAME</i>	<i>INDEMNITY</i>	<i>EXPENSES</i>	<i>TOTAL</i>
Martin, Lorraine - Mayor	\$ 7,115.50	\$ 7,254.22	\$ 14,369.72
Runtz, Eugene - Mayor	\$ 1,275.65	\$ 1,537.45	\$ 2,813.10
Edwards, Harold - Councillor	\$ 5,082.50	\$ 5,239.60	\$ 10,322.10
Frederick, Allan - Councillor	\$ 911.18	\$ 1,223.24	\$ 2,134.42
Green, Lucille - Councillor	\$ 6,000.00	\$ 5,242.18	\$ 11,242.18
Hruby, Rosemary - Councillor	\$ 6,000.00	\$ 6,239.47	\$ 12,239.47
Smith, Diane - Councillor	\$ 911.18	\$ 1,365.74	\$ 2,276.92
Thompson, Eric - Councillor	\$ 5,082.50	\$ 6,579.42	\$ 11,661.92
<i>Total Elected Officials</i>	\$ 32,378.51	\$ 34,681.32	\$ 67,059.83

**VILLAGE OF MCBRIDE
EMPLOYEE REMUNERATION & EXPENSES
2018 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>
EMPLOYEE REMUNERATION (over \$75,000)					
Sheila McCutcheon - Chief Administrative Officer	\$	81,019.62	\$	20,870.94	\$ 101,890.56
Matthew Slaney - Public Works Foreman	\$	91,403.89	\$	4,161.99	\$ 95,565.88
Total Employees Exceeding \$75,000	\$	172,423.51	\$	25,032.93	\$ 197,456.44
Total Employees earnings under \$75,000	\$	344,559.75	\$	16,360.39	\$ 360,920.14
Total Employee Earnings	\$	516,983.26	\$	41,393.32	\$ 558,376.58

NOTE: Employee Wages paid for 12 employees

Reconciliation

Total remuneration - elected officials		\$	32,378.51
Total remuneration - employees		\$	516,983.26
	Sub Total	\$	549,361.77
Total Per Financial Statements - Segmented Information (Salary, wages and employee benefits)		\$	644,799.00
(*) Variance		\$	95,437.23

(*) The Variance between the remuneration schedule and the salaries, wages and employee benefit expenses reported in the 2018 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 were no severance agreements made with the Village of McBride
and its non -unionized employees during fiscal year 2018.



**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
2018 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
B C HYDRO	\$67,621.11
BROWN, MARK	\$63,533.72
CANGAS	\$30,299.29
ECORA ENGINEERING	\$56,082.43
GOLDEN DIRT TRAILS	\$79,787.90
HORINEK	\$30,000.00
JR. WALKER CONTRACTING	\$38,018.93
KPMG	\$32,966.25
LIDSTONE	\$27,623.37
NV CONSTRUCTION	\$641,926.98
R. RADLOFF & ASSOCIATES	\$98,677.03
RECEIVER GENERAL	\$133,064.82
SCOTIABANK VISA	\$116,082.89
PACIFIC BLUE CROSS	\$25,810.14
Total Aggregate Amount Paid to Vendors exceeding \$25,000	\$1,441,494.86

B) Consolidated total paid to suppliers who received aggregate payment less than \$25,000	\$598,407.57
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Total Paid to Suppliers	\$ 2,039,902.43
Total Grants in Aid	\$ 14,396.00
Total Paid to Suppliers plus Total Grant in Aid	\$ 2,054,298.43
Total Expenses as per Financial Statements	\$ 2,080,397.00

(*)Variance	-\$26,098.57
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(*) The Financial Statement is 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, 2018

(As per Schedule 1, Section 7(2) of the Financial Information Regulation)

<i>GRANTS IN AID</i>	<i>AMOUNT</i>
Diversified Transport	\$250.00
Ducks Unlimited	\$200.00
McBride & District Chamber of Commerce	\$250.00
McBride & District Public Library	\$250.00
McBride & District Volunteer Fire Department	\$250.00
McBride Secondary School	\$196.00
Visitor Centre	\$13,000.00
 Total Grants in Aid	 \$14,396.00



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.

Claudia Frost
Chief Financial Officer

Eugene Runtz
Mayor

Date: June 26, 2019

Date: June 26, 2019



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.



Claudia Frost
Chief Financial Officer

Date: June 26, 2019