

Consolidated Financial Statements of



**THE CORPORATION OF THE
VILLAGE OF McBRIDE**

And Independent Auditors' Report thereon

Year ended December 31, 2021



THE CORPORATION OF THE VILLAGE OF McBRIDE

Consolidated Financial Statements

Year ended December 31, 2021

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.

Chris Tupy
Chief Administrative Officer

Gene Runtz
Mayor



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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, 2021
- 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, 2021 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.

Other Information

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

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



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 and, identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Village's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- 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.

KPMG LLP

Chartered Professional Accountants

Prince George, Canada

May 10, 2022



THE CORPORATION OF THE VILLAGE OF McBRIDE

Consolidated Statement of Financial Position

December 31, 2021, with comparative information for 2020

	2021	2020
Financial assets:		
Cash	\$ 4,294,119	\$ 5,381,273
Accounts receivable (note 2)	382,980	326,963
Investment in McBride Community Forest Corporation (note 3)	19,626	668,772
	<u>4,696,725</u>	<u>6,377,008</u>
Financial liabilities:		
Accounts payable and accrued liabilities (note 4)	191,630	242,702
Deferred revenue (note 5)	12,105	39,917
Debt (note 6)	122,094	172,214
	<u>325,829</u>	<u>454,833</u>
Net financial assets	4,370,896	5,922,175
Non-financial assets:		
Inventories	15,403	15,403
Prepaid expenses	24,201	23,975
Tangible capital assets (note 7)	10,578,007	9,772,521
	<u>10,617,611</u>	<u>9,811,899</u>
Commitments and contingencies (note 9)		
Accumulated surplus (note 8)	\$ 14,988,507	\$ 15,734,074

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

Chief Administrative Officer

Mayor



THE CORPORATION OF THE VILLAGE OF McBRIDE

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2021, with comparative information for 2020

	2021 Budget	2021 Actual	2020 Actual
Revenue (note 12):			
Net taxation revenue (note 10)	\$ 490,917	\$ 489,043	\$ 481,737
Government transfers:			
Provincial (note 11)	958,700	807,916	2,022,559
Federal (note 11)	81,066	166,057	81,066
User fees	363,152	296,261	285,976
Sale of services	173,978	176,162	183,751
Property management	154,500	161,066	154,353
Other	99,600	89,544	150,207
Total revenue	2,321,913	2,186,049	3,359,649
Expenditures (note 12):			
General government	1,056,232	1,220,826	1,460,407
Protective services	62,300	22,172	53,100
Transportation services	340,590	366,503	314,106
Environmental and public health	140,033	91,276	86,784
Recreational and cultural services	150,900	114,538	113,068
Property management	66,400	69,833	46,757
Water transmission and distribution	196,402	244,104	166,979
Waste treatment and disposal	186,590	153,218	123,341
Total expenditures	2,199,447	2,282,470	2,364,542
Annual surplus (deficit) before undernoted item	122,466	(96,421)	995,107
Loss from investment in McBride Community Forest Corporation (note 3)	-	(649,146)	(40,038)
Annual surplus (deficit)	122,466	(745,567)	955,069
Accumulated surplus, beginning of year	15,734,074	15,734,074	14,779,005
Accumulated surplus, end of year	\$ 15,856,540	\$ 14,988,507	\$ 15,734,074

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, 2021, with comparative information for 2020

	Budget	2021	2020
Annual surplus	\$ 122,466	\$ (745,567)	\$ 955,069
Acquisition of tangible capital assets	(1,081,391)	(1,312,526)	(250,250)
Amortization of tangible capital assets	473,100	507,040	476,625
	(485,825)	(1,551,053)	1,181,444
Acquisition of inventory	-	(15,403)	(15,403)
Acquisition of prepaid expenses	-	(24,201)	(23,975)
Consumption of inventory	-	15,403	15,403
Use of prepaid expenses	-	23,975	20,130
Change in net financial assets	(485,825)	(1,551,279)	1,177,599
Net financial assets, beginning of year	5,922,175	5,922,175	4,744,576
Net financial assets, end of year	\$ 5,436,350	\$ 4,370,896	\$ 5,922,175

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, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ (745,567)	\$ 955,069
Items not involving cash:		
Amortization of tangible capital assets	507,040	476,625
Loss from investment in McBride Community Forest Corporation	649,146	40,038
Changes in non-cash operating working capital:		
Accounts receivable	(56,017)	184,477
Accounts payable and accrued liabilities	(51,072)	(87,493)
Prepaid expenses	(226)	(3,845)
Deferred revenue	(27,812)	(56,266)
Net change in cash from operating activities	275,492	1,508,605
Capital activities:		
Acquisition of tangible capital assets	(1,312,526)	(250,250)
Financing activities:		
Repayment of debt	(50,120)	(135,888)
(Decrease) increase in cash	(1,087,154)	1,122,467
Cash, beginning of year	5,381,273	4,258,806
Cash, end of year	\$ 4,294,119	\$ 5,381,273

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, 2021

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, 2021

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, 2021

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, 2021

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, 2021

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:

	2021	2020
Taxation - current	\$ 114,617	\$ 87,104
Taxation - arrears/delinquent	62,096	76,761
Sales tax	26,216	59,319
Accounts receivable - trade	40,650	29,583
Accounts receivable - grants	46,696	74,196
Accounts receivable - recoverable expenses	92,705	-
	\$ 382,980	\$ 326,963



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

3. Investment in McBride Community Forest Corporation:

	2021	2020
Investments:		
Investment in shares of the company	20	20
Contributed surplus	50,073	50,073
Accumulated earnings	(30,467)	618,679
<hr/>		
Total investment in McBride Community Forest Corporation	\$ 19,626	\$ 668,772
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(i) Balance sheet:		
Assets:		
Cash and cash equivalents	\$ 833,750	\$ 1,129,361
Accounts receivable	52,414	237,835
Inventory	33,601	28,534
Prepaid expenses	68,196	158,149
Property and equipment	63,069	77,524
<hr/>		
Total assets	\$ 1,051,030	\$ 1,631,403
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Liabilities:		
Accounts payable and accrued liabilities	\$ 188,536	\$ 59,604
Current portion of silviculture obligation	338,700	396,850
Silviculture obligation	467,778	469,787
Agricultural obligation	36,390	36,390
<hr/>		
Total liabilities	1,031,404	962,631
<hr/>		
Equity:		
Share capital	20	20
Contributed surplus	50,073	50,073
Retained earnings	(30,467)	618,679
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Total equity	19,626	668,772
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Total liabilities and equity	\$ 1,051,030	\$ 1,631,403



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

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

	2021	2020
(ii) Operations:		
Revenue	\$ 2,201,539	\$ 2,620,451
Cost of sales	2,189,997	2,179,342
Gross profit	11,542	441,109
General administrative expense	662,986	481,147
Gain on disposal of property and equipment	(121)	-
Net loss	\$ (651,444)	\$ (40,038)

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

4. Accounts payable and accrued liabilities:

	2021	2020
Accounts payable - trade	\$ 125,285	\$ 114,312
Wages and related costs payable	35,541	60,527
Grants in lieu	-	13,471
Government remittances	25,604	13,492
Other	3,066	2,929
Home Owner Grants payable	2,134	37,971
	\$ 191,630	\$ 242,702



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

5. Deferred revenue:

	2021	2020
Unexpended grants - Union of BC Municipalities	\$ -	\$ 25,514
Unexpended grants - BC Rural Dividend	3,159	13,985
Unexpended grants - other	8,946	418
	\$ 12,105	\$ 39,917

6. Debt:

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

	2021	2020
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.	\$ 122,094	\$ 172,214

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

2022	\$ 49,492
2023	49,949
2024	22,653
	\$ 122,094



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

7. Tangible capital assets:

	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, 2021

7. Tangible capital assets (continued):

	2020							
	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	\$ 80,869	\$ 328,307	\$ 1,724,058	\$ 763,036	\$ 9,680,834	\$ 3,554,516	\$ 3,950,185	20,081,805
Additions	12,725	44,142	10,118	17,961	163,240	-	2,064	250,250
Disposals	(72,288)	-	-	-	72,288	-	-	-
Balance, end of year	21,306	372,449	1,734,176	780,997	9,916,362	3,554,516	3,952,249	20,332,055
Accumulated amortization:								
Balance, beginning of year	-	-	1,070,775	471,419	6,607,300	1,374,859	558,556	10,082,909
Amortization	-	-	60,273	20,219	271,518	72,319	52,296	476,625
Balance, end of year	-	-	1,131,048	491,638	6,878,818	1,447,178	610,852	10,559,534
Net book value, end of year	\$ 21,306	\$ 372,449	\$ 603,128	\$ 289,359	\$ 3,037,544	\$ 2,107,338	\$ 3,341,397	9,772,521



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

8. Accumulated surplus:

	2021	2020
Surplus (deficit):		
Invested in tangible capital assets	\$ 10,359,901	\$ 9,554,417
General fund:		
Unrestricted	1,382,482	1,999,753
Restricted	19,626	668,772
Water utility fund	(105,125)	(70,048)
Sanitary sewer fund	416,273	395,785
Total surplus	12,073,157	12,548,679
Reserves set aside by Council:		
Equipment replacement	56,932	68,366
Land development	9,080	9,064
Sewer asset management	6,824	6,823
Carbon credit	12,770	8,069
Gas Tax	85,053	157,746
Northern Capital Planning Grant	2,744,691	2,935,327
Total reserves	2,915,350	3,185,395
	\$ 14,988,507	\$ 15,734,074



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

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, 2020, the Plan has about 220,000 active members and approximately 112,000 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, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Village paid \$53,169 (2020 - \$39,057) for employer contributions to the plan in fiscal year 2021.

The next valuation will be as at December 31, 2021, with results available in 2022.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

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:

	2021	2020
Taxes collected:		
General purposes	\$ 489,044	\$ 481,291
Collection of other governments	607,732	577,837
	1,096,776	1,059,128
Transfers to other governments:		
Provincial government	208,624	176,331
Regional District of Fraser-Fort George	312,149	319,279
Fraser-Fort George Regional Hospital District	52,038	46,939
B.C. Assessment Authority	3,991	3,941
Municipal Finance Authority	17	16
Royal Canadian Mounted Police	30,914	30,885
	607,733	577,391
	\$ 489,043	\$ 481,737



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

11. Government transfers:

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

	2021	2020
Provincial grants:		
BC Air Access	\$ -	\$ 401,687
COVID-19 Safe Restart Grant	-	366,000
Emergency Management in BC	160,713	41,466
Grants in lieu	39,248	34,562
Miscellaneous	86,481	51,670
Northern Capital Planning Grant	-	519,000
Northern Development Initiative Trust	58,500	93,300
Rural dividend grant	10,826	78,029
Union of BC Municipalities	34,148	36,650
Small communities	418,000	400,195
Subtotal provincial grants	807,916	2,022,559
Federal grants:		
Gas tax	166,057	81,066
Total government transfers	\$ 973,973	\$ 2,103,625



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

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, 2021

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, 2021

12. Segmented information (continued):

	2021								
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Recreational and Cultural Services	Property Management	Water Transmission and Distribution	Waste Treatment and Disposal	Total
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 Insurance	287,215	94	232,399	60,355	51,083	65,018	30,917	83,869	810,950
Professional services	50,397	-	-	-	-	-	-	-	50,397
Amortization	85,743	-	-	-	-	-	-	-	85,743
	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 surplus (deficit)	\$ (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, 2021

12. Segmented information (continued):

	2020									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	\$ 481,737	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 481,737
User charges	-	-	-	-	-	-	189,129	150,290	-	339,419
Grants	2,103,626	-	-	-	-	-	-	-	-	2,103,626
Investment income	43,775	-	-	-	-	-	-	-	-	43,775
Other (loss) income	(4,380)	-	8,365	192,716	-	154,353	-	-	-	351,054
Total revenue	2,624,758	-	8,365	192,716	-	154,353	189,129	150,290	-	3,319,611
Expenses:										
Salaries, wages and employee benefits	386,064	37,949	100,089	24,518	59,967	2,601	55,603	5,352	-	672,143
Operating	500,142	15,151	214,017	62,266	53,101	44,156	39,056	65,693	-	993,582
Insurance	51,371	-	-	-	-	-	-	-	-	51,371
Professional services	170,821	-	-	-	-	-	-	-	-	170,821
Amortization	352,009	-	-	-	-	-	72,320	52,296	-	476,625
Total expenses	1,460,407	53,100	314,106	86,784	113,068	46,757	166,979	123,341	-	2,364,542
Annual surplus (deficit)	\$ 1,164,351	\$ (53,100)	\$ (305,741)	\$ 105,932	\$ (113,068)	\$ 107,596	\$ 22,150	\$ 26,949	\$ -	\$ 955,069



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

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, 2021 is as follows:

	2021	2020
MFA Investment Pool	\$ 30,220	\$ 30,174
Cemetery trust liability	(30,220)	(30,174)

14. Budget data:

The budget data presented in these consolidated financial statements is based on the 2021 operating and capital budgets approved by Council on May 12, 2021. Amortization was not contemplated in the development of the budget and, as such, has not been included. The table below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget amount
Revenues:	
Operating budget	\$ 2,960,929
Less:	
Transfer from other funds	31,234
Tax requisition other governments	607,782
Total revenue	2,321,913
Expenses:	
Operating budget	2,960,929
Less:	
Debt principal payments	19,840
Tax requisition other governments	607,783
Transfer	133,859
Total expenses	2,199,447
Annual surplus	\$ 122,466



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2021

15. Comparative information

Certain 2020 comparative information has been reclassified. The changes had no impact on prior year annual surplus.



THE CORPORATION OF THE VILLAGE OF McBRIDE

Schedule 1 - Northern Capital Planning Grant

Year ended December 31, 2021
(Unaudited)

In March 2020, the Corporation of the Village of McBride was the recipient of \$519,000 under the Northern Capital and Planning Grant ("NCPG") program from the Province of British Columbia. Interest of \$22,702 (2020 - \$30,850) was earned by the reserves, expenditures of \$213,388 (2020 - \$35,120) were incurred, and allocations of \$624,856 (2020 - \$nil) were made by Council resulting in a total of \$2,119,835 in NCPG reserve at December 31, 2021 as outlined below.

	2021	2020
Opening balance of reserve	\$ 2,935,327	\$ 2,420,597
Additional NCPG grant funding received	-	519,000
Interest	22,702	30,850
	2,958,029	2,970,447
Expenses incurred:		
Mini excavator	59,500	-
Airport culvert	115,396	-
Sidewalk upgrade	37,614	35,120
Village office mechanical upgrade	828	-
	213,338	35,120
Allocations by Council:		
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 provincial office	18,000	-
Hotmix asphalt paving	210,000	-
	624,856	-
	\$ 2,119,835	\$ 2,935,327



THE CORPORATION OF THE VILLAGE OF McBRIDE

Schedule 2 - COVID-19 Safe Restart Grant

Year ended December 31, 2021
(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 pandemic response expenses of \$48,747 (2020 - \$38,732) and Council made funding allocations as outlined below.

	2021	2020
Opening balance	\$ 327,268	\$ 366,000
Expenses incurred:		
IT upgrades	8,978	15,112
Plexiglass dividers	-	2,620
Reduction in revenue	20,000	21,000
Security upgrades	9,599	-
Ventilation upgrades - CN station	10,170	-
	<u>48,747</u>	<u>38,732</u>
Allocations by Council:		
IT upgrades	8,000	-
IT infrastructure	31,350	-
Facilities mechanical upgrades	179,000	-
Plexiglass dividers	1,520	-
Municipal Hall safety upgrades	52,000	-
Janitorial services	6,000	-
	<u>277,870</u>	<u>-</u>
COVID-19 Safe Restart grant for allocation	<u>\$ 651</u>	<u>\$ 327,268</u>