

Consolidated Financial Statements of



**THE CORPORATION OF THE
VILLAGE OF McBRIDE**

Year ended December 31, 2017



THE CORPORATION OF THE VILLAGE OF McBRIDE

Consolidated Financial Statements

Year ended December 31, 2017

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

We have audited the accompanying 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, 2017, the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Village's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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



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Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Corporation of the Village of McBride as at December 31, 2017, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

KPMG LLP

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly curved line that serves as a flourish or underline.

Chartered Professional Accountants

Prince George, Canada

April 24, 2018



THE CORPORATION OF THE VILLAGE OF McBRIDE


Consolidated Statement of Financial Position

December 31, 2017, with comparative information for 2016

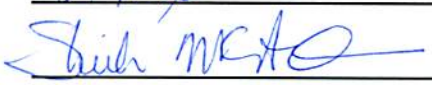
	2017	2016
Financial assets:		
Cash and cash equivalents	\$ 1,792,004	\$ 1,481,274
Accounts receivable (note 2)	424,066	272,130
Investment in McBride Community Forest Corporation (note 3)	442,960	531,413
	<u>2,659,030</u>	<u>2,284,817</u>
Financial liabilities:		
Accounts payable and accrued liabilities (note 4)	265,876	94,061
Deferred revenue (note 5)	114,783	-
Long-term debt (note 6)	270,000	360,000
	<u>650,659</u>	<u>454,061</u>
Net financial assets	2,008,371	1,830,756
Non-financial assets:		
Inventories	7,762	7,762
Prepaid expenses	3,066	195
Tangible capital assets (note 7)	9,399,572	9,319,615
	<u>9,410,400</u>	<u>9,327,572</u>
Accumulated surplus (note 8)	\$ 11,418,771	\$ 11,158,328

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, 2017, with comparative information for 2016

	2017 Budget	2017 Actual	2016 Actual
Revenue:			
Net taxation revenue (note 10)	\$ 445,646	\$ 434,358	\$ 399,503
Government transfers (note 11):			
Provincial	752,307	861,892	478,102
Federal	-	77,564	77,220
User fees	236,716	242,345	217,258
Sale of services	156,725	164,299	184,002
Property management	162,000	160,060	141,639
Other	62,455	79,356	85,708
Total revenue	1,815,849	2,019,874	1,583,432
Expenditures:			
General government	618,150	702,303	646,747
Protective services	8,900	3,484	4,947
Transportation services	354,250	245,421	249,779
Environmental and public health	87,000	82,394	68,473
Recreational and cultural services	173,000	172,827	89,247
Property management	143,079	70,666	49,308
Water transmission and distribution	107,000	205,307	156,271
Waste treatment and disposal	61,925	188,576	146,784
Total expenditures	1,553,304	1,670,978	1,411,556
Annual surplus before undernoted item	262,545	348,896	171,876
Equity in loss of McBride Community Forest Corporation (note 3)	-	(88,453)	(358,930)
Annual surplus (deficit)	262,545	260,443	(187,054)
Accumulated surplus, beginning of year	11,158,328	11,158,328	11,345,382
Accumulated surplus, end of year	\$ 11,420,873	\$ 11,418,771	\$ 11,158,328

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, 2017, with comparative information for 2016

	Budget	2017	2016
Annual surplus (deficit)	\$ 262,545	\$ 260,443	\$ (187,054)
Acquisition of tangible capital assets	(357,000)	(459,822)	(82,882)
Amortization of tangible capital assets	340,907	379,865	376,651
	(16,093)	(79,957)	293,769
Use of prepaid expenses	-	195	13,099
Acquisition of prepaid expenses	-	(3,066)	(195)
Change in net financial assets	246,452	177,615	119,619
Net financial assets, beginning of year	1,830,756	1,830,756	1,711,137
Net financial assets, end of year	\$ 2,077,208	\$ 2,008,371	\$ 1,830,756

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, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	\$ 260,443	\$ (187,054)
Items not involving cash:		
Amortization of tangible capital assets	379,865	376,651
Equity in loss of McBride Community Forest Corporation	88,453	358,930
Changes in non-cash operating working capital:		
Accounts receivable	(151,936)	39,875
Accounts payable and accrued liabilities	171,815	(275,127)
Prepaid expenses	(2,871)	12,904
Deferred revenue	114,783	-
Net change in cash from operating activities	860,552	326,179
Capital activities:		
Acquisition of tangible capital assets	(459,822)	(82,882)
Financing activities:		
Repayment of long-term debt	(90,000)	(90,000)
Increase in cash and cash equivalents	310,730	153,297
Cash and cash equivalents, beginning of year	1,481,274	1,327,977
Cash and cash equivalents, end of year	\$ 1,792,004	\$ 1,481,274

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, 2017

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, 2017

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.

Grant revenue is recognized as revenue when the requirements of a grant have been met by the Village and collection of grant funding is reasonably assured.

Receivable amounts deemed uncollectible are recorded as an allowance for doubtful accounts.



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

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) Cash and cash equivalents:

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

(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:

<u>Asset</u>	<u>Useful life</u>
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, 2017

1. Significant accounting policies (continued):

(f) 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.

(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:

- (a) an environmental standard exists,
- (b) contamination exceeds the environmental standard,
- (c) the organization is directly responsible or accepts responsibility for the liability,
- (d) future economic benefits will be given up, and
- (e) 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, 2017

1. Significant accounting policies (continued):

(h) Use of estimates:

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the year. Significant items subject to such estimates and assumptions include the useful life of tangible capital assets, the carrying amounts of accounts receivable and obligations related to employee future benefits. Actual results could differ from these estimates.

2. Accounts receivable:

	2017	2016
Taxation- current	\$ 89,674	\$ 139,526
Taxation- arrears/delinquent	50,270	72,666
Utilities	521	2,892
Sales tax	26,187	843
Accounts receivable- trade	20,875	23,338
Tax sale properties	-	32,865
Accounts receivable - grants	233,144	-
Retroactive taxes collectible	12,925	-
	433,596	272,130
Less: provision for doubtful accounts	9,530	-
	\$ 424,066	\$ 272,130



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

3. Investment in McBride Community Forest Corporation:

	2017	2016
Investments:		
Investment in shares of the company	\$ 20	\$ 20
Contributed surplus	50,073	50,073
Accumulated earnings	392,867	481,320
Total investment in McBride Community Forest Corporation	\$ 442,960	\$ 531,413
(i) Balance sheet:		
Assets:		
Cash and cash equivalents	\$ 1,297,168	\$ 1,277,528
Accounts receivable	103,878	31,962
Inventory	11,433	112,978
Prepaid expenses	160,647	77,183
Property and equipment	83,713	91,839
Total assets	\$ 1,656,839	\$ 1,591,490
Liabilities:		
Accounts payable and accrued liabilities	\$ 29,932	\$ 49,444
Current portion of silviculture obligation	300,000	300,000
Silviculture obligation	847,557	674,243
Agricultural obligation	36,390	36,390
Total liabilities	\$ 1,213,879	\$ 1,060,077
Equity:		
Share capital	\$ 20	\$ 20
Contributed surplus	50,073	50,073
Retained earnings	392,867	481,320
Total equity	\$ 442,960	\$ 531,413
Total liabilities and equity	\$ 1,656,839	\$ 1,591,490



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

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

	2017	2016
(ii) Operations:		
Revenue	\$ 2,359,221	\$ 1,618,711
Cost of sales	(1,913,762)	(1,386,946)
Gross profit	445,459	231,765
General administrative expense	(533,912)	(590,695)
Net loss	\$ (88,453)	\$ (358,930)

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:

	2017	2016
Accounts payable- trade	\$ 175,993	\$ 41,538
Wages and related costs payable	25,218	10,551
Grants in lieu	3,050	11,573
Due to purchaser of tax sale property	-	6,790
Sales taxes	5,894	8,197
Other	29,079	15,412
Retroactive tax payable	26,642	-
	\$ 265,876	\$ 94,061



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

5. Deferred revenue:

	2017	2016
Deferred grants - other	\$ 93,644	\$ -
Prepaid property taxes	21,139	-
	\$ 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 three years are as follows:

2018	\$ 90,000
2019	90,000
2020	90,000
	\$ 270,000



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

7. Tangible capital assets:

	2017							
	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	\$ 428,706	\$ 8,819,684	\$ 3,057,333	\$ 3,683,718		\$ 17,962,181
Additions	-	64,037	10,647	22,702	362,436	-		459,822
Balance, end of year	328,307	1,708,470	439,353	8,842,386	3,419,769	3,683,718		18,422,003
Accumulated amortization:								
Balance, beginning of year	-	842,305	399,716	5,650,012	1,183,579	566,954		8,642,566
Amortization	-	34,088	3,964	127,695	89,447	124,671		379,865
Balance, end of year	-	876,393	403,680	5,777,707	1,273,026	691,625		9,022,431
Net book value, end of year	\$ 328,307	\$ 832,077	\$ 35,673	\$ 3,064,679	\$ 2,146,743	\$ 2,992,093		\$ 9,399,572



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

7. Tangible capital assets (continued):

	2016							
	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	\$ 428,706	\$ 8,819,684	\$ 3,057,333	\$ 3,600,836		17,879,299
Additions	-	-	-	-	-	82,882		82,882
Disposals	-	-	-	-	-	-		-
Balance, end of year	328,307	1,644,433	428,706	8,819,684	3,057,333	3,683,718		17,962,181
Accumulated amortization:								
Balance, beginning of year	-	808,883	396,495	5,517,942	1,105,506	437,089		8,265,915
Amortization	-	33,422	3,221	132,070	78,073	129,865		376,651
Balance, end of year	-	842,305	399,716	5,650,012	1,183,579	566,954		8,642,566
Net book value, end of year	\$ 328,307	\$ 802,128	\$ 28,990	\$ 3,169,672	\$ 1,873,754	\$ 3,116,764		9,319,615



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

8. Accumulated surplus:

Accumulated surplus consists of individual fund surpluses and reserves as follows:

	2017	2016
Surplus (deficit):		
Invested in tangible capital assets	\$ 9,129,572	\$ 8,959,615
General fund:		
Unrestricted	1,694,704	1,241,228
Restricted	442,960	531,413
Water utility fund	(231,431)	117,332
Sanitary sewer fund	309,063	260,155
Total surplus	11,344,868	11,109,743
Reserves set aside by Council:		
Equipment replacement	65,318	40,000
Land development	7,762	7,762
Community foundation	823	823
Total reserves	73,903	48,585
	\$ 11,418,771	\$ 11,158,328



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

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 trustee 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 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 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 is then adjusted to the extent there is amortization of any funding deficit.

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 ensure the required contribution rates remained unchanged.

The Village paid \$36,659 (\$27,874 - 2016) for employer contributions to the plan in fiscal year 2017.

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, 2017

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, 2017

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:

	2017	2016
Taxes collected:		
General purposes	\$ 445,807	\$ 399,853
Collection of other governments	594,408	587,437
Retroactive taxes collectable (note 2)	12,925	-
	<u>1,053,140</u>	<u>987,290</u>
Transfers to other governments:		
Provincial government	211,147	227,661
Regional District of Fraser-Fort George	312,129	292,644
Fraser-Fort George Regional Hospital District	36,319	33,348
B.C. Assessment Authority	4,364	4,718
Municipal Finance Authority	-	16
Royal Canadian Mounted Police	28,181	29,400
	<u>592,140</u>	<u>587,787</u>
Less: retroactive taxes payable (note 4)	26,642	-
	<u>\$ 434,358</u>	<u>\$ 399,503</u>

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 are 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, 2017

11. Government transfers:

The Village recognizes the transfer of government funding as expenses or revenues in the period that the events giving rise to the transfer occurred. The government transfers reported on the consolidated Statement of Operations and Accumulated Surplus are:

	2017	2016
Revenue		
Provincial grants:		
Small communities	\$ 344,286	\$ 336,956
Grants in lieu	35,824	71,372
Rural dividend grant	29,593	10,000
Miscellaneous	103,289	28,880
Dominion Creek water intake project	285,000	-
Northern Development Initiative Trust	63,899	30,894
Subtotal provincial grants	861,891	478,102
Federal grants:		
Gas tax	77,564	77,220
Total revenue	\$ 939,455	\$ 555,322



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

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, 2017

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.



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

12. Segmented information (continued):

	2017								
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Recreational and Cultural Services	Property Management and Distribution	Water Transmission and Distribution	Waste Treatment and Disposal	Total
Revenue:									
Taxation	\$ 434,358	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 434,358
User charges	-	-	-	-	-	-	129,532	112,813	242,345
Grants	939,456	-	-	-	-	-	-	-	939,456
Investment income	7,108	-	-	-	-	-	-	-	7,108
Other	66,887	-	(3,860)	173,520	-	160,060	-	-	396,607
Total revenue	1,447,809	-	(3,860)	173,520	-	160,060	129,532	112,813	2,019,874
Expenses:									
Salaries, wages 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	165,747	-	-	-	-	-	89,447	124,671	379,865
Total expenses	702,303	3,484	245,421	82,394	172,827	70,666	205,307	188,576	1,670,978
Annual surplus (deficit)	\$ 745,506	\$ (3,484)	\$ (249,281)	\$ 91,126	\$ (172,827)	\$ 89,394	\$ (75,775)	\$ (75,763)	\$ 348,896



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

12. Segmented information (continued):

	2016								
	General Government	Protective Services	Transportation Services	Environmental and Public Health	Recreational and Cultural Services	Property Management and Distribution	Water Transmission and Distribution	Waste Treatment and Disposal	Total
Revenue:									
Taxation	\$ 399,503	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 399,503
User charges	-	-	-	-	-	-	118,689	98,569	217,258
Grants	555,322	-	-	-	-	-	-	-	555,322
Investment income	8,486	-	-	-	-	-	-	-	8,486
Other	69,809	-	4,774	186,641	-	141,639	-	-	402,863
Total revenue	1,033,120	-	4,774	186,641	-	141,639	118,689	98,569	1,583,432
Expenses:									
Salaries, and employee benefits	258,695	4,646	71,403	22,352	16,698	1,560	32,574	6,981	414,909
Operating	115,758	301	178,376	46,121	72,549	47,748	45,624	9,938	516,415
Insurance	35,282	-	-	-	-	-	-	-	35,282
Professional services	68,299	-	-	-	-	-	-	-	68,299
Amortization	168,713	-	-	-	-	-	78,073	129,865	376,651
Total expenses	646,747	4,947	249,779	68,473	89,247	49,308	156,271	146,784	1,411,556
Annual surplus (deficit)	\$ 386,373	\$ (4,947)	\$ (245,005)	\$ 118,168	\$ (89,247)	\$ 92,331	\$ (37,582)	\$ (48,215)	\$ 171,876



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

13. Comparative information:

Certain of the comparative figures have been reclassified to conform with the presentation adopted in the current year. The changes do not affect the prior year deficit.

14. 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, 2017 is as follows:

	2017		2016
MFA Investment Pool	\$ 29,926	\$	29,926
Cemetery trust liability	(29,926)		(29,926)



THE CORPORATION OF THE VILLAGE OF McBRIDE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2017

15. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2017 operating and capital budgets approved by Council on April 18, 2017. 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	\$ 2,025,622
Less:	
Transfer from other funds	(209,773)
Total revenue	1,815,849
Expenses:	
Operating budget	2,025,622
Less:	
Capital expenditures	(357,000)
Debt principal payments	(90,000)
Transfer from other funds	(25,318)
Total expenses	1,553,304
Annual surplus	\$ 262,545