



2018 ANNUAL REPORT



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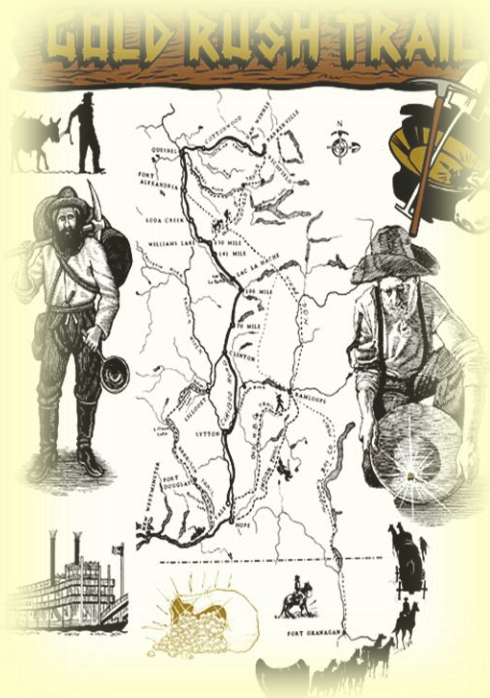
The History of 100 Mile House

The South Cariboo historic roots go to the fur trading days before the gold strike. By 1860, thousands of gold seekers thronged to the Cariboo to seek the precious metal. Between 1862 and 1870, over 100,000 people travelled the Cariboo Wagon road from Lillooet, aiming their way into Cariboo country.

Throughout this gold fever, certain roadhouses, because of their favorable locations along the Cariboo Wagon Road from Lillooet to Soda Creek, grew to be supply points for the gold seekers and the surrounding district, 100 Mile House, South Cariboo's dominant community, was originally one of these stopping points along the gold rush trail. 100 Mile House was so named because it was located 100 Miles from Lillooet (Mile 0) of the Cariboo Wagon Road. As the gold rush subsided, ranchers began to settle in surrounding areas.

The District of 100 Mile House is worldly recognized as the *"Handcrafted Log Home Capital of North America"* and has a population of approximately 1900. 100 Mile House is the commercial hub of the South Cariboo and the main service centre for many outlying communities. The service area has a population roughly ten times the size of the District. It includes the communities of Lac La Hache, Forest Grove, Lone

Butte, Horse Lake, Bridge Lake, 70 Mile House, Canim Lake and 108 Mile Ranch, and is the largest residential centre between Kamloops and Williams Lake.



100 Mile House is a thriving community with an economy based in forestry, ranching, log home building and tourism. Tourism experiences significant growth each year as travelers from around the world come to 100 Mile House as it is well known for its outdoor recreational activities and friendly atmosphere.

Mayor's Message



On behalf of Council, I am pleased to present the 2018 Annual Report of the District of 100 Mile House.

Highlights from 2018

- Completed various paving projects within the District (\$693,000)
- Completed installation of sidewalk on north side of Horse Lake Road from Cedar Avenue (\$82,600)
- Centennial Park Spray Park/Lift Station was completed and 3 more park shelters were installed (\$ 422,500) Bandstand was built, installed and donated by local business
- Martin Exeter Hall Renovations (\$ 549,000)
- Alpine Water Loop project nearing completion (\$1,895,000)
- New Water Plant & service improvements project completed (\$6,500,000)
- Completed Fleet/Equipment Upgrades (\$ 159,000)
- Low Mobility Vehicle purchase (\$25,800)

These are very difficult times for our country, our province and in some ways our community and its important to remember that many people in our community are surviving on fixed incomes. This is particularly hard for the elderly and those with young families. We are all impacted by the rising cost of fuel, utilities, food, etc. and this Council understands those challenges. As Council and staff, we have worked very hard to keep our tax rates low and competitive. We have worked hard to build reserves so that we can “pay as we go” and not incur debt on behalf of our residents and businesses. We are not perfect by any means; but we believe our successes far outdistance any shortcomings we may have experienced.

Our commitment to you, our residents and businesses is unwavering - we will continue to strive to exceed your expectations and build a great future for 100 Mile House - a community we can all be proud of.

Along with a newly elected Council in October; we have established four pillars to guide us going forward for the term of office to which we've been elected.

➤ Maintain Strong Financial Stewardship

- ✓ Balanced Budgets
- ✓ Retire Long Term Debt in July 2019
- ✓ Continue to build reserve funds - support our "pay as we go" philosophy
- ✓ Maintain competitive tax rates

➤ Infrastructure Upgrades and Development

- ✓ Completion/Implementation of Asset Management Plan
- ✓ CCTV inspection of sewer system throughout the District
- ✓ Continue replacement of water/sewer systems
- ✓ Horse Lake Road Bridge Replacement
- ✓ Continue upgrade/replacement of municipal equipment
- ✓ Replace aging Emergency Services Equipment
- ✓ Support the development of new and improved recreation facilities

➤ Staff Development & Succession Planning

- ✓ Continue to develop staff throughout organization
- ✓ Plan for retirement of senior staff members in 2019/20
- ✓ Identify long term staffing needs and recruit to fill long term needs

➤ Planning & Economic Development

- ✓ Support affordable Housing initiatives - connect developers & investors
- ✓ Support transportation initiatives both locally and regionally
- ✓ Review Trade School concept
- ✓ Emphasis on business and resident attraction
- ✓ Continue upgrades to Valley Room & Marten Exeter Hall
- ✓ Strong effort towards relationship building & strategic partnerships

District Council

Council is a legislative body that represents the citizens of 100 Mile House, elected to provide leadership and establish policies and priorities for the District of 100 Mile House municipal government. Council reviews and establishes budget levels for civic operations and capital expenditures.

It is the Mayor's duty to chair meetings of Council, hold ex-officio membership in all Council Committees and all bodies to which Council has the right to appoint members. Council meets monthly on the second Tuesday of each month.

Council and Committee meetings are open to the public. Agendas are available at the Municipal Office or on the District's website www.100milehouse.com. In-Camera meetings are held as per section 90 of the *Community Charter* where necessary.



Left to right: Councilor Ralph Fossum, Councilor Chris Pettman, Mayor Mitch Campsall, Councilor Maureen Pinkney, Councilor Dave Mingo.

Council Biographies



Mayor Mitch Campsall

Mayor Campsall was re-elected in October 2018 for his fourth term of office. Prior to serving as Mayor, Mitch served as a Councillor for 11 years.

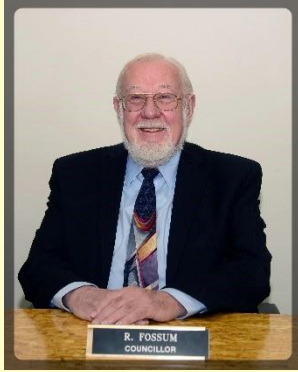
Mitch has been a resident and business owner in 100 Mile House for over 35 years and spends as much time as possible with his family, wife Heather, 3 daughters and 3 grandchildren.

He is also involved and supports many aspects of our community. Mitch spent many years on the Board of the 100 Mile House Lions Club and has participated and supported many other charities and organizations in our community.

Mitch believes in putting the interests of the citizens of 100 Mile House first and he will continue to work hard on economic stability and development. Mitch's door is always open to the public and community and looks forward to hearing all ideas and exploring community ideas.

Appointments

- NDI Regional Advisory Committee
- Union BC Municipalities - Small Town Representative
- Cariboo Beetle Action Coalition
- Chair for Community Schools
- Cariboo Regional District
- Administration Liaison
- Budget Committee
- Economic Development Committee
- Emergency Executive Committee
- Forest Advisory Committee
- Hospital Liaison
- RCMP Liaison
- Treaty Advisory Committee
- And other community boards as invited.



Councilor Ralph Fossum

Ralph Fossum was also re-elected in October 2018. Ralph was previously on 100 Mile Council for three terms in the 1990's. Councilor Fossum has lived in the 100 Mile House area for over 43 years and since retiring from his career as a notary public and property manager, has been active with tutoring and community events. Ralph loves duplicate bridge and the great outdoors!

Appointments

- South Cariboo Health Foundation Director
- South Cariboo Community Concerts
- Acting Mayor Nov 6/2018 to Nov 30/2019
- Age Friendly Society of the South Cariboo
- Budget Committee
- Chamber of Commerce Representative
- Community Forest Management Committee
- Woodlot Committee



Councilor Dave Mingo

Dave Mingo was also re-elected in October 2018 and is passionate about our community and feels this is a wonderful place to call home. Born and raised in Mission BC, Dave arrived in the 100 Mile House area in 1994 with wife Kerri. An avid outdoorsman, Dave enjoys fishing, hunting and motorcycling. He is currently President of the 100 Mile Fly Fishers and an active member/director of the Lone Butte Fish and Wildlife Association and Director at large for the 100 Mile Wranglers.

Dave is a Realtor with RE/MAX.

Appointments

- Acting Mayor Dec 2021 to Nov 30/2022
- Administration Liaison
- Budget Committee
- Community Forest Management Committee
- NDI Regional Advisory Committee
- 100 Mile & District Safety Committee
- Woodlot Committee



Councilor Chris Pettman

Newly elected to Council in 2018, Chris has shown leadership in the community through his volunteerism and various board work. Chris was elected as a Trustee to the School District #27 Board in 2012, has served as Vice President of the South Cariboo Chamber of Commerce and also as a board member of Stemetewuwi Gathering Place Friendship Centre.

Chris earned an MBA with a specialization in Social Enterprise which has become very useful in his career as he is the Executive Director of the Cariboo Family Enrichment Centre; a non-profit social services organization, Chris is a social justice advocate and believes that representation matters. As a member of Cowessess First Nations, Chris is proud to be the first First Nation on the 100 Mile House District Council.

Chris has lived in the Cariboo since 1982, is married and has two wonderful children. In the summer he can be found in his garden tending to the hollyhocks; in the winter inside cheering on the Maple Leafs.

Appointments

- Acting Mayor Dec 2019 to Nov 30/2020
- Budget Committee
- Cariboo Chilcotin Beetle Action Coalition
- Collective Bargaining
- Treaty Advisory Committee



Councilor Maureen Pinkney

Also newly elected to Council in 2018, Maureen brings with her some political experience from her time serving as the Cariboo Regional District Area L Director from 2002-2008, and the CSRD from 2008-2010. Maureen also served as a board member of the Property Assessment Panel from 2008-2010.

As an active volunteer, she serves as Secretary of the 100 Mile House Wranglers, has past experiences with 100 Mile House

Rotary Club, RCACC Cadets, 100 Mile House Snowmobile Club, Alternate Justice Program, 100 Mile Legion Bingos, 100 Mile House Chamber of Commerce, 100 Mile Merchants Assoc., Women's Business Assoc. and many more.

Maureen was born and raised in 100 Mile House and is currently living at the 108 Mile Ranch with partner Bill. She enjoys being active, golfing and helping out whenever she can.

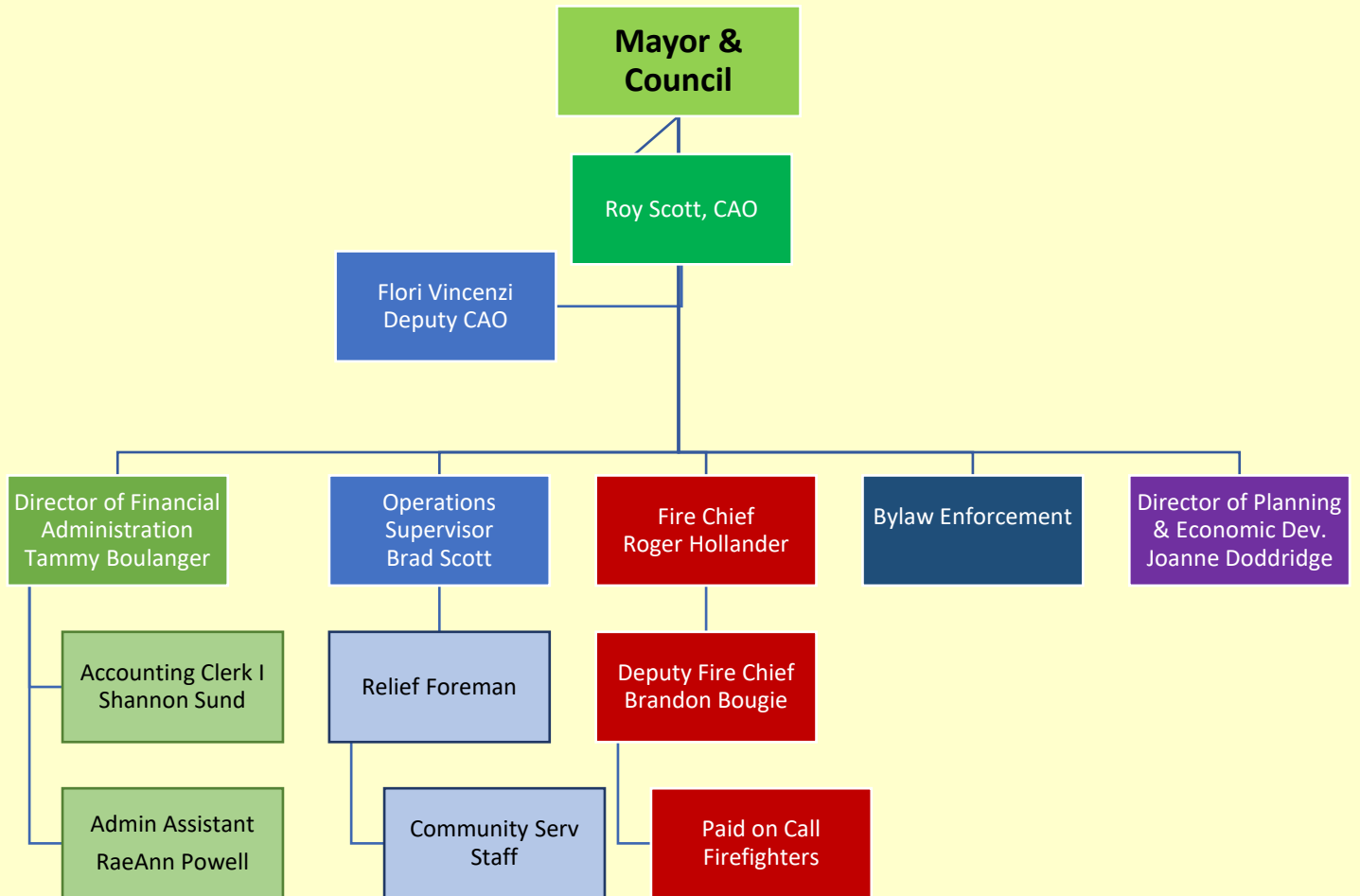
Appointments

- Acting Mayor Dec 2020 to Nov 30/2021
- Age Friendly Initiative
- Budget Committee
- Cariboo Regional District
- Hospital Liaison



Visitor Information Centre

Organizational Chart



2018 HIGHLIGHTS

Administration serves as the core function of Municipal Government by providing support to Council, the various departments, and the public. Overseen by the Chief Administrative Officer, Administration is responsible for:

- Bylaws, Policies and Procedures
- Council Meeting Agendas & Minutes
- Human Resource Management
- Records & Information Management
- Legal Services
- Public Relations

Administration will be working with staff to encourage and support staff training by developing individual professional development plans to build more capacity within Administrative staff. There is ongoing progress in this area and staff uptake to training has been excellent.

A review of retirement plans of senior management staff will take place and will identify transition options for Council. There has been ongoing Director of Finance training, and the trainee assumed the Dir. of Finance position in January 2019. The CAO transition plan has been proposed and approved by Council.

Municipal Office





Finance responsibilities involve financial planning and budget development; financial management, reporting and accounting services; payroll; purchasing; coordination of day to day contract administration for unionized workforce; information services including both hardware and software; insurance and risk management services.

It is the intention of the Finance Department to build a fiscal capacity for future equipment and capital projects to limit incurred debt and negative impact to rate payers as these projects come on line. The ongoing priority is to contribute to reserves and have the infrastructure deficit be reduced.

Commitment of a portion of the annual operating surpluses (when available) has been set aside for debt retirement to be debt free within five (5) years. As of 2018 year end, 100% of funding has been identified and set aside for retirement of Hwy 97 debenture (2019).



Corporate Administration is responsible for providing effective administrative support services to the Mayor and Council to ensure that the statutory requirements of the Community Charter and Local Government Act are met, and other relevant statutes, for the administration of Council policy,

bylaws and procedures.



Planning & Development

Key functions of the Planning and Development department are as follows:

Long range planning and sustainability – Coordination of updates and amendments to the Official community Plan. Development and implementation of strategies and policies related to climate change adaptation and mitigation, recreation, transportation and trails network planning.

Land use planning and development applications – Review of development proposals and processing of applications for development permit, development variance permit, sign permit applications and amendments to the Zoning bylaws.

Subdivision applications – As Approving Officer, management of subdivision review process involving fee-simple, bare land strata or strata conversion applications and the administration of subdivision related agreements such as statutory right-of-ways, covenants and servicing agreements.

Economic Development – The 100 Mile Development Corporation (a subsidiary of the District) serves to promote economic development activity throughout the region. Functions include the operation of the Visitor Information Centre, South Cariboo Marketing Program and the operation of the Lodge/Martin Exeter Hall complex.

The planning department will be working with other staff members to update the Sign Bylaw. A public session will be held to receive input. In progress.

Host 3rd Annual Business Walk mirroring the process from 2016/17. Postponed until Spring 2019, with revised plan to conduct every 18 months.

Update Economic Development Web Page; funding identified, engage consultant, prepare content. Staff collaboration underway to expand website project for whole District website.

Zoning project: Cannabis Regulation – conduct research, prepare discussion memo, prepare bylaw. Cannabis policy direction from Council underway. Full Cannabis regulation bylaws and policies deferred to 2019.

Policy Project: Secondary Suite policy – conduct research, prepare discussion memo, prepare policy. Policy direction provided by Council. Full policy development to be completed in 2019.



The Lodge

Fire Department

100 Mile House Fire Rescue has been providing service to 100 Mile House and area since 1956 and is made up of 28 Paid-On-Call members and a career Fire Chief and Deputy Fire Chief.

Over the years, 100 Mile House Fire-Rescue has evolved from not only fire suppression, but now also includes rescue services, medical aid, and public education. The department also operates the Emergency Services Training Centre providing training opportunities to the entire region. Over the last 5 years the department has responded to an average of 368 incidents per year ranging from grass fires, motor vehicle incidents, medical aid, structure fires, gas leaks and false alarms.

The department actively participates in numerous community organizations such as Safe Ride Home, P.A.R.T.Y. Program (Preventing Alcohol and Risk Related Trauma in Youth), Grad Ceremonies, Muscular Dystrophy Boot drive, School Tours, etc.



Training has been ongoing with more than half of the Det. NFPA 1001 “full service” certified and multiple members Officer 1 & 2 Certified

Complete fire inspection frequency policy reviewing solution with existing resources.

Annual Recruitment of new members to maximize paid-on-call staffing.

Community Services

Community Services is responsible for the operation and maintenance of water utility, sanitary sewer utility, roads, drainage, parks, cemetery, airport, fleet and building maintenance.

The District was excited to move forward with a major capital project to replace its water treatment plant with construction nearing its completion at the end of 2018. This project see's the District moving to an aquifer for its long term water source, which will improve both capacity and quality of water for the community.



Well #4 Upgrade - Water Treatment Plant

The Sidewalk Implementation Plan continued in 2018 with the completion of the sidewalk north of Horse Lake road from Cedar to Birch Avenue. The design and tender for west side of Cedar Avenue from First Street to Fourth Street was completed.

Identifying funding to support replacement of Horse Lake Bridge within a five (5) year time frame continues. Once third-party funding is identified, design and tender of the project will commence.

The Martin Exeter Hall saw the construction of a public washroom on the lower level of the hall, renovation to the 2 main floor washrooms to meet accessible washroom standards and installation of a new boiler system.

The Alpine Watermain project was 95% completed in 2018.

Centennial Park saw the installation of a spray park, a new lift station, a bandstand which was donated by local business, three (3) picnic shelters and paving of the parking lot and road within the park.



Parking Lot Paving



Bandstand



Picnic Shelters



Road within the Park



Spray Park

The paving program continued in 2018 with paving completed at Exeter Truck Route, Cemetery parking lot, Jens St, 8th Street and more minor areas within the District.

Fleet upgrades this year consisted of the purchase of one (1) pickup, 2018 John Deere Backhoe, and one (1) multi-passenger golf cart for special events.



2019 ANTICIPATED

Administration

- Bylaw & Policy review and updates where necessary
- Seek out funding opportunities for Horse Lake Bridge Project
- Recruit/develop senior staff to address pending retirements
- Continue with staff development/training
- Support Council with fulfilling strategic priorities

Finance

- Highway 97 Intersection Debenture Debt Payout
- Continue contributions to reserves
- Long term capital budget planning and asset management
- Continue with staff development/training

Planning & Development

- Update Investment Materials and incorporate to Community Profile
- Enroll in BC PNP Entrepreneur Immigration Regional Pilot Project, establish processes and administer interest
- Update District Website - identify funding, engage a consultant and prepare content
- Introduce Cannabis Regulation - conduct research, prepare bylaw, prepare policy, prepare fees & charges
- Develop Secondary Suite policy - prepare public education materials
- Conduct Housing Needs Assessment - research available funding, prepare RFP, engage consultant
- Conduct Regional/Sub-regional Labour Market Study - identify funding through regional network, partner to project manage study development

Fire Department

- Fleet Upgrades: Fire rescue Apparatus Replacement
- Training to continue
- Complete fire inspection frequency policy reviewing solution with existing resource.
- Annual recruitment of new members to maximize paid-on-call staffing.

Community Services

- **Fleet Upgrades: Elgin Crosswind Sweeper Replacement**
- **Paving Program Continued - various areas throughout the District**
- **Sidewalk Program Continued**
- **Complete Exeter Water System upgrade and Alpine Watermain upgrade**
- **CCTV Sewer Line Inspection of the gravity sewer and storm sewers to be completed.**
- **Relocation of the Stagecoach**
- **Cemetery Memorial Wall installation**
- **Centennial Park Gateway Project**



STATISTICAL DATA

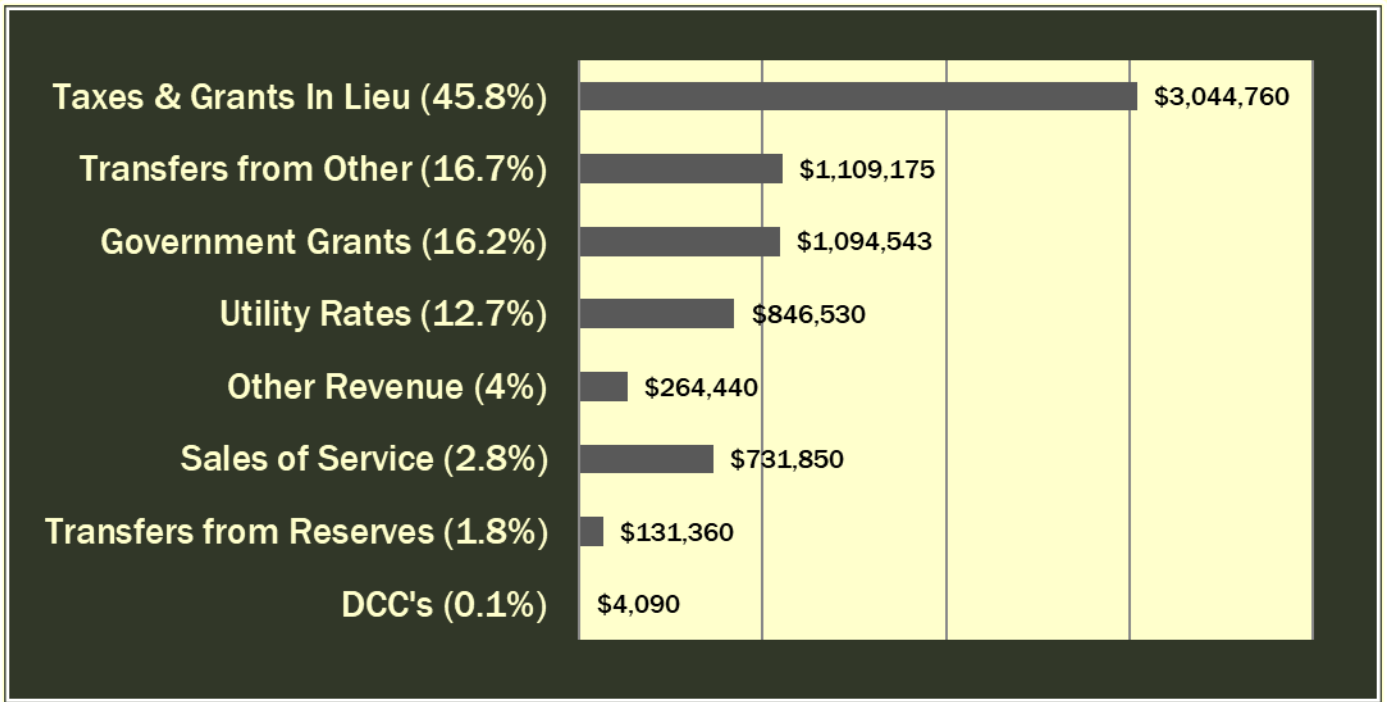
Tax Collection - Revenues / Expenditures

Although rates have changed over the years; actual revenue from taxation has

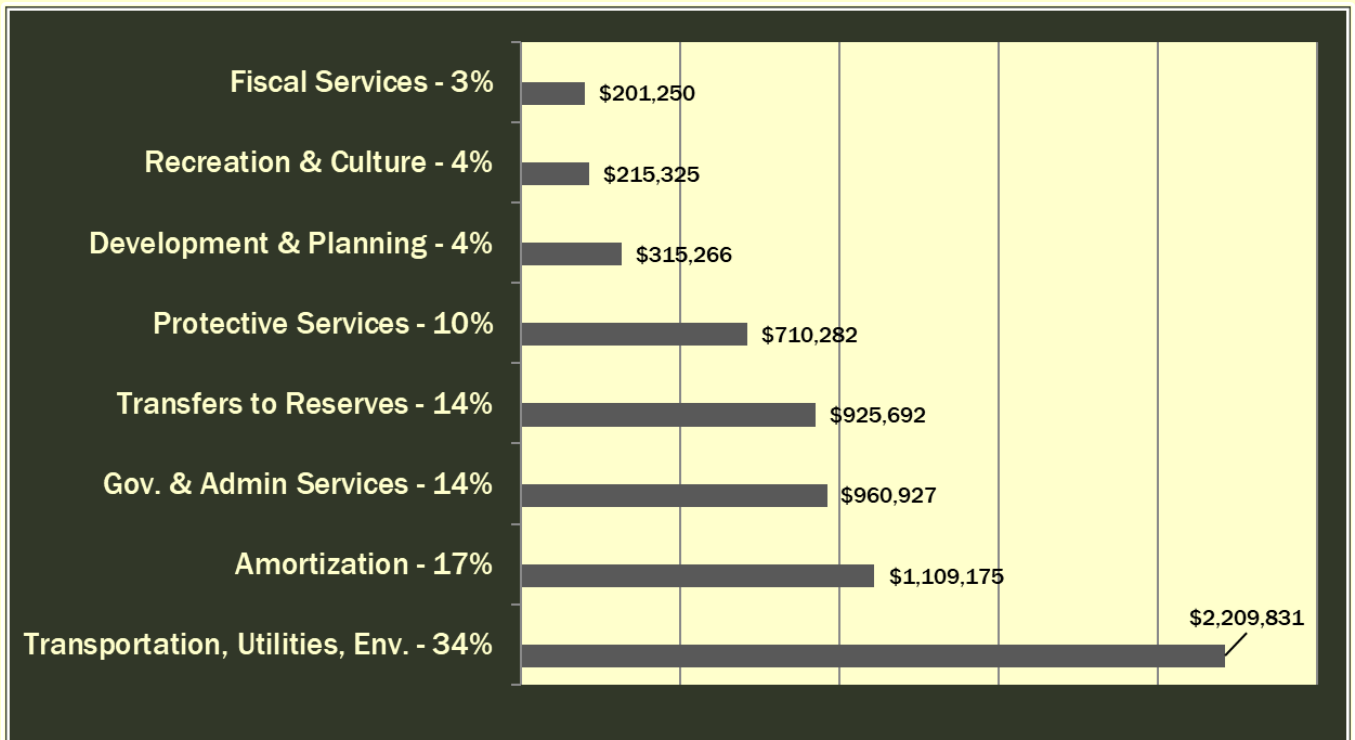


remained fairly static in recent years. Council and staff have worked hard to reduce overall operating costs; thereby maintaining minimal increases to the annual “revenue from taxation” requirement.

2018 Revenue Distribution



2018 Expense Distribution



Gross Salaries / Wages (\$,000)



Over the past two terms, Council has held the line on wage/benefit expenditures. Capacity building, training & development of staff have created efficiencies and greater overall productivity for the District. Council will continue its strong fiscal stewardship and support management practices to continue improving services to our residents.

We are proud of our workforce. They are a dedicated group of men, women and students that often go above and beyond the normal requirements of the District.

Permissive Tax Exemptions

A permissive tax exemption (PTE) is an exemption from the payment of municipal tax which is granted by Council to help support organizations that provide services that are deemed to contribute to the well-being of the community. In accordance to the *Community Charter*, the following is a listing of organizations granted a permissive tax exemption in 2018, along with the amount of municipal taxes that would have been imposed on the property if it were not considered exempt.

Organization	Property Value	Tax Class	Tax* Exemption
100 Mile House United Church	\$ 101,100	8	\$ 400
Evangelical Free Church of America	188,800	8	747
Christ the King Lutheran Church	74,900	8	296
Bethal Chapel Society	1,731,800	8	6,850
Bethal Chapel Society	33,700	6	338
Fraser Basin Property Society	130,400	8	516
100 Mile House Sikh Society	122,700	8	485
Emissaries Of Divine Light - Leesee	8,631	6	87
Cedar Crest Soceity for Community Living	165,200	8	653
Nature Trust of BC	165,400	6	1,660
Cedar Crest Soceity for Community Living	619,400	1	2,766
Canadian Red Cross	165,200	6	1,658
100 Mile House Community Club	57,400	6	576
100 Mile House Community Club	242,000	6	2,428
100 Mile House Nordic Ski Society	63,600	8	252
Cariboo Elders Building & Rec Society	431,000	6	4,325
100 Mile House Snowmobile Club	102,000	8	403
100 Mile House Snowmobile Club	102,000	6	1,023
The Board of Education of School District #27	110,285	6	1,107
TOTAL	\$ 4,615,516		\$ 26,570

Development Cost Charges

New development typically triggers need for expansion of services like roads, sewer, drainage and water systems. The level of investment needed to support new development is significant and one of the mechanisms available to municipalities to help finance this investment is Development Cost Charges (DCCs).

DCCs are monies collected from developers to help offset the costs of the infrastructure investments needed to service new development. They are imposed by bylaw, pursuant to the *Local Government Act*, and provide the Municipality with a way to finance capital investment related specifically to roads, sewers, drainage, water and parks.

In 2018, there was considerable development activity, as evidenced by strong building permit values. Much of this development included residential construction which is not subject to DCCs at the time of building, but rather at the time of subdivision. Still, DCCs were collected for one commercial development and 10 new residential lots which came online in 2018, resulting in the projected increased DCC collection over the previous several years.

2019 is anticipated to be another busy construction year, and new residential subdivision is expected.

The following provides some information about DCC collections and expenditures from 2018 for each of the infrastructure types.

	<u>Sewer</u>	<u>Water</u>	<u>Drainage</u>	<u>Roads</u>	<u>Total</u>
Opening Balances	\$ 124,849	\$ 185,962	\$ 13,590	\$ 16,736	\$ 341,139
Collections	0	2,801	0	17,532	20,332
Interest	2,192.21	3,265	239	294	5,990
Expenditure	-	-	-	-	-
	<u>\$ 127,041</u>	<u>\$ 192,028</u>	<u>\$ 13,829</u>	<u>\$ 34,562</u>	<u>\$ 367,461</u>
Waivers & Reductions	\$ -	\$ -	\$ -	\$ -	\$ -

Note:

Collections are reported net of Waivers & Reductions.

In some instances, a developer will undertake work that would otherwise be done by the Municipality and funded by DCC's. When this occurs, the amount of DCC's related to those works may be forgiven. The amounts forgiven are reported as Waivers & Reductions.

Tammy Boulanger
Director of Finance



Consolidated Financial Statements
ATTACHED

DISTRICT OF 100 MILE HOUSE
Consolidated Financial Statements
Year Ended December 31, 2018

DISTRICT OF 100 MILE HOUSE
Index to Consolidated Financial Statements
Year Ended December 31, 2018

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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of The District of 100 Mile House (the "District") 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. The significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of 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 District's management maintains systems of internal accounting and administrative controls, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the District's assets are appropriately accounted for and adequately safeguarded.

The District's Council is responsible for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

PMT Chartered Professional Accountants LLP, the auditors appointed by the Council, have reviewed the systems of internal control and examined the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express an independent opinion on the financial statements. Their report accompanies these statements.

The District of 100 Mile House's Council reviews and approves the financial statements. The District's management meets periodically with the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities. They review the financial statements and the external auditor's report, as well as the engagement of the external auditors.



Tammy Boulanger, Director of Financial
Administration



Roy Scott, Chief Administrative Officer



INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the District of 100 Mile House

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the District of 100 Mile House (the District), which comprise of the consolidated statement of financial position as at December 31, 2108 and the consolidated statements of financial activities, changes in net financial assets and cash flow for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2018, and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the District's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the District's financial reporting process.

(continues)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 District'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 District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.

100 Mile House, BC
April 11, 2019


PMT CHARTERED PROFESSIONAL
ACCOUNTANTS LLP

DISTRICT OF 100 MILE HOUSE
Consolidated Statement of Financial Position
Year Ended December 31, 2018

	2018	(Restated) (Note 20) 2017
Financial Assets		
Cash and short term investments (Note 3)	\$ 12,867,902	\$ 12,501,073
Accounts receivable (Note 4)	742,098	2,356,969
Dividend receivable from 100 Mile Development Corporation (Note 5)	-	250,000
Investment in 100 Mile Development Corporation (Note 5)	308,651	282,542
MFA deposits (Note 7)	113,110	112,364
Other assets	-	8,554
	<u>14,031,761</u>	<u>15,511,502</u>
Financial Liabilities		
Accounts payable and accrued liabilities (Note 8)	760,800	1,424,777
Deferred revenue (Note 9)	1,054,003	1,296,887
Development cost charges (Note 9)	367,461	341,139
MFA debt reserve (Note 7)	113,110	112,364
Long term debt (Note 10)	1,396,752	1,517,616
Other liabilities	1,924	-
	<u>3,694,050</u>	<u>4,692,783</u>
Net Financial Assets	<u>10,337,711</u>	<u>10,818,719</u>
Non-Financial Assets		
Tangible capital assets (Note 11)	34,853,125	31,179,219
Supply inventory	73,783	64,271
Prepays	41,927	92,515
	<u>34,968,835</u>	<u>31,336,005</u>
	<u>45,306,546</u>	<u>42,154,724</u>
Represented by		
Operating fund (Note 15)	10,443,820	8,631,879
Statutory reserves (Note 15)	8,768,276	8,659,636
Equity in tangible capital assets (Note 16)	26,094,450	24,863,209
	<u>\$ 45,306,546</u>	<u>\$ 42,154,724</u>

Contingent liabilities and commitments (Note 18)

The accompanying notes are an integral part of this statement.

DISTRICT OF 100 MILE HOUSE
Consolidated Statement of Financial Activities
Year Ended December 31, 2018

	Budget (Unaudited) (Note 21) 2018	2018	(Restated) (Note 20) 2017
Revenue			
Property taxation & grants in lieu (Note 12)	\$ 3,044,760	\$ 3,031,606	\$ 3,026,418
Government transfers (Note 13)	4,873,444	2,983,076	5,256,611
Sale of services (Note 14)	1,578,380	1,718,144	1,462,662
Other revenue	374,940	596,030	359,356
Investment income	51,000	241,373	133,990
Earnings of 100 Mile Development Corporation (Note 5)	-	26,109	230,578
Development cost charges	4,090	-	-
Gain on disposal of assets	-	44,453	4,325
	9,926,614	8,640,791	10,473,940
Direct costs			
General government	998,587	886,895	784,090
Protective services	815,337	785,443	1,082,179
Solid waste management and recycling	123,315	124,241	120,498
Public health	34,330	37,508	24,565
Planning and development	524,266	473,932	194,649
Transportation	2,030,876	1,948,396	1,811,839
Parks, recreation and culture	292,140	198,840	184,055
Water services	571,825	500,792	505,527
Sewer services	485,820	393,970	410,325
Debt financing	81,560	81,552	85,514
Loss from sale/write down of tangible capital assets	-	57,400	1,337
	5,958,056	5,488,969	5,204,578
Annual surplus	3,968,558	3,151,822	5,269,362
Net financial assets, beginning of year	36,885,362	37,847,489	36,885,362
Restatement of government transfers (Note 20)	-	4,307,235	-
Net financial assets, beginning of year, as restated	36,885,362	42,154,724	36,885,362
Accumulated surplus, end of year	\$ 40,853,920	\$ 45,306,546	\$ 42,154,724

The accompanying notes are an integral part of this statement.

DISTRICT OF 100 MILE HOUSE
Consolidated Statement of Changes in Net Financial Assets
Year Ended December 31, 2018

	Budget (Unaudited) 2018	2018	(Restated) (Note 20) 2017
Annual surplus (deficit)	\$ 3,633,858	\$ 3,151,822	\$ 5,269,362
Acquisition of tangible capital assets	(2,352,886)	(2,470,628)	(497,359)
Amortization	1,109,175	1,186,441	1,189,774
Loss on disposal of tangible capital assets	-	57,400	1,337
Gain on disposal of tangible capital assets	-	(44,453)	(4,325)
Proceeds on disposal of tangible capital assets	-	160,863	7,450
	(1,243,711)	(1,110,377)	696,877
	2,390,147	2,041,445	5,966,239
Acquisition of supply inventory	-	(73,783)	(64,271)
Acquisition of prepaid expenses	-	(41,927)	(92,515)
Consumption of inventories of supplies	-	64,271	45,800
Use of prepaid expenses	-	92,515	70,123
Net change in work-in-progress	-	(2,563,529)	(3,985,373)
	-	(2,522,453)	(4,026,236)
	2,390,147	(481,008)	1,940,003
Net financial assets, beginning of year	8,878,716	6,511,484	8,878,716
Restatement of government transfers (Note 20)	-	4,307,235	-
Net financial assets, beginning of year, as restated	8,878,716	10,818,719	8,878,716
Net financial assets, end of year	\$ 11,268,863	\$ 10,337,711	\$ 10,818,719

The accompanying notes are an integral part of this statement.

DISTRICT OF 100 MILE HOUSE
Consolidated Statement of Cash Flow
Year Ended December 31, 2018

	2018	2017
Operating activities		
Annual surplus (Note 20)	\$ 3,151,822	\$ 5,269,362
Items not affecting cash:		
Amortization	1,186,441	1,189,774
Gain on disposal of assets	(44,453)	(4,325)
Loss from sale/write down of tangible capital assets	57,400	1,337
Earnings of 100 Mile Development Corporation	(26,109)	(230,578)
	<u>4,325,101</u>	<u>6,225,570</u>
Changes in non-cash working capital:		
Accounts receivable	1,614,871	(1,908,309)
Supply inventory	(9,512)	(18,471)
Accounts payable and accrued liabilities	(663,973)	817,343
Deferred revenue	(216,561)	457,552
Prepays	50,588	(22,392)
Other liabilities	10,478	6,350
	<u>785,891</u>	<u>(667,927)</u>
Cash flow from operating activities	<u>5,110,992</u>	<u>5,557,643</u>
Investing and capital activity		
Acquisition of tangible capital assets and work in progress	(5,034,162)	(4,482,732)
Proceeds on disposal of tangible capital assets	160,863	7,450
Dividend paid from 100 Mile Development Corporation	250,000	1,500,000
	<u>(4,623,299)</u>	<u>(2,975,282)</u>
Cash flow used by investing and capital activity	<u>(4,623,299)</u>	<u>(2,975,282)</u>
Financing activity		
Debt repayment	(120,864)	(126,049)
	<u>(120,864)</u>	<u>(126,049)</u>
Increase in cash flow	366,829	2,456,312
Cash - beginning of year	<u>12,501,073</u>	<u>10,044,761</u>
Cash - end of year	\$ 12,867,902	\$ 12,501,073

The accompanying notes are an integral part of this statement.

DISTRICT OF 100 MILE HOUSE
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

The District of 100 Mile House was incorporated in 1965 and operates under the provision of the *Local Government Act* and the *Community Charter of British Columbia*. The District provides municipal services such as administrative, protective, transportation, environmental, recreational, water, sewer and fiscal management.

1. Significant Accounting Policies

The consolidated financial statements of the District have been prepared in accordance with Canadian generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board (PSAB) of Chartered Professional Accountants of Canada. Significant aspects of the accompanying policies adopted by the District are as follows:

a) Reporting Entity

The consolidated financial statements reflect a combination of the assets, liabilities, revenues, expenditures, and changes in fund balances and in financial position of the District's General, Water, Sewer and Reserve Funds. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the District and which are owned or controlled by the District except for the District's government business enterprise, 100 Mile Development Corporation which is accounted for on the modified equity basis of accounting.

The Perpetual Care fund is excluded from the consolidated financial statements.

b) Basis of Accounting

The District 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.

Funds within the consolidated financial statements consist of General, Water, Sewer and Reserve Funds. Transfers between funds are recorded as adjustments to the appropriate fund balance.

The resources and operations of the District have been separated for accounting and financial reporting purposes into eight Funds. Each Fund is treated as a separate centre of operations responsible for the resources or activities allocated to it.

- i. **Capital Funds:**
The purpose of the Capital Funds is to reflect capital assets and the related financing and equity therein.
- ii. **Operating Funds:**
The purpose of the Operating Funds is to reflect the operating activities, administration and debt servicing functions of the District.
- iii. **Trust and Reserve Funds:**
The purpose of these funds is to hold assets of a trust nature and funds provided to finance future capital expenditures.

The Capital Funds and Operating Funds have been segregated into the functions of sewer, water and general operations.

DISTRICT OF 100 MILE HOUSE
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

1. Significant Accounting Policies continued

c) Cash and Short Term Investments

Cash and short term investments consist of cash on hand less outstanding cheques and deposits with a maturity of less than three months at the time of purchase, term deposits with a maturity of less than one year, and investments in the Municipal Finance Authority of British Columbia pooled investments that can be liquidated on demand. When outstanding cheques are in excess of cash on hand, the excess is reported in bank indebtedness.

d) Investment in Government Business Enterprise

The investment in 100 Mile Development Corporation ("Corporation"), a government business enterprise, is accounted for on a modified equity basis, consistent with Canadian generally accepted accounting principles as recommended by PSAB for investments in Government Business Enterprises. Under the modified equity basis, the Corporation's accounting policies are not adjusted to conform with those of the municipality and inter-organizational transactions and balances are not eliminated. The District recognizes its equity interest in the annual income or loss of the Corporation in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends that the District may receive from the Corporation will be reflected as reductions in the investment asset account.

e) Deferred Revenue

Deferred revenue includes grants, contributions and other amounts received from third parties pursuant to legislation, regulation and agreement which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired.

f) Long-Term Debt

Debt charges, including principal, interest and foreign exchange losses, are charged against current revenue in the periods in which they are paid.

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 and are not intended for sale in the ordinary course of operations.

I. Tangible Capital Assets

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 set out in the Capital Asset Policy. Estimated useful lives are as follows:

<u>Asset Category</u>	<u>Useful Life Range</u>
Buildings	40 to 75 years
Building Improvements	10 to 40 years
Furniture, Equipment & IT Technology	4 to 20 years
Machinery, Equipment & Vehicles	5 to 20 years
Roads	10 to 100 years
Underground & Other Engineered Structures	10 to 100 years

DISTRICT OF 100 MILE HOUSE
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

1. Significant Accounting Policies continued

II. Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also recorded as revenue.

III. Leased Assets

Leases which transfer substantially all of the benefits and risk incidental to ownership of property, are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are included in expenses as incurred.

IV. Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined using average costing.

h) Government Transfers

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Transfers received for which expenses are not yet incurred are included in deferred revenue.

i) Investment Income

The District follows the practice of investing individually significant unspent funds within individual funds. Interest earned is allocated on the basis of actual earnings from the specific instruments. Excess funds or temporary borrowings of all functions and capital projects are pooled and interest income or expense is allocated to the individual function on a monthly basis.

j) Management Uncertainty

The preparation of consolidated financial statements in conformity with PSAB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure on contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenditures during the reporting period. Significant areas requiring use of management estimates relate to valuation of inventory and the collectability of accounts receivable and amortization of capital assets. Actual results could differ from those estimates.

k) Budget Reporting

Unaudited budget figures shown represent the Financial Plan Bylaw adopted by Council on March 27, 2018. These figures do not reflect subsequent amendments made by the Board of Directors to reflect changes in the budget throughout the year.

l) Employee Future Benefits

The cost of multi-employer defined contribution pension plan benefits, such as the Municipal Pension Plan pensions, are the employer's contributions due to the plan in the period.

DISTRICT OF 100 MILE HOUSE
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

2. Financial Instruments

The District is exposed to various risks through the financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the District's risk exposure and concentration as of December 31, 2018.

a) Fair Value

Assets and liabilities designated as available-for-sale include cash, short term deposits and investments are measured in the statement of financial position at fair value where it is practical to determine the fair value. The fair value for accounts receivable, accounts payable and accrued liabilities approximate their carrying value due to the relatively short-term to maturity of these instruments. The carrying value of long-term debt approximates the fair value as the interest at rates consistent with the current rates offered to the District for debt with similar terms.

b) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the District manages exposure through its normal operating and financing activities. The District is exposed to interest rate risk primarily through its term deposits and long-term debt where the interest rates are based on market rates.

c) Credit Risk

It is management's opinion that the District is not subject to significant credit risk associated with its financial instruments.

3. Cash and Short Term Investments

	2018		2017
Bank	\$ 12,426,205	\$	12,066,621
Short Term Investments	441,697		434,452
	\$ 12,867,902	\$	12,501,073

Short Term Investments consist of investments with the Municipal Finance Authority of BC in a Money Market Fund and Bond Fund.

4. Accounts Receivable

	2018		2017
Property Taxes and Utilities	\$ 304,764	\$	333,756
Other Governments	81,312		131,177
Trade and Other	356,022		1,892,035
Less Allowance for Doubtful Accounts	-		-
Total Accounts Receivable	\$ 742,098	\$	2,356,969

DISTRICT OF 100 MILE HOUSE
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

5. Investment in 100 Mile Development Corporation

The Corporation is owned and controlled by the District and is considered a Government Business Enterprise. As such, the Corporation is accounted for on the modified equity basis in these consolidated financial statements. The Corporation is charged with responsibility for economic development activities, operation of the Visitor Information Centre and management of the Community Forest.

	<u>2018</u>		<u>2017</u>	
100 Mile Development Corporation 100 Class A Shares (100%)	\$	100	\$	100
Opening retained earnings		282,442		301,864
Net income for the year		26,109		230,578
Dividend payable/ paid to the District		-		(250,000)
Closing Retained Earnings	\$	308,551	\$	<u>282,442</u>
Investment in the Corporation	\$	308,651	\$	<u>282,542</u>

The following provides condensed supplementary financial information for the Corporation for the year ended December 31:

Financial Position

Assets:

	<u>2018</u>		<u>2017</u>	
Current		362,330		563,432
Tangible Capital Assets		1,696		2,224
Total Assets	\$	364,026	\$	<u>565,676</u>

Liabilities:

Current		55,375		283,134
Total Liabilities	\$	55,375	\$	<u>283,134</u>

Equity:

Share Capital		100		100
Retained Earnings		308,551		282,442
Total Equity	\$	308,651	\$	<u>282,542</u>
Total Liabilities and Equity	\$	364,026	\$	<u>565,676</u>

Operations:

Revenue		559,433		620,588
Expenses		533,324		390,010
Net Income	\$	26,109	\$	<u>230,578</u>
Dividend		-		250,000
Change In Equity	\$	26,109	\$	<u>(19,422)</u>

DISTRICT OF 100 MILE HOUSE
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

6. Related party transactions

During the year, the District provided operational funding of \$25,000 (2017 - \$25,000) to the 100 Mile Development Corporation, a wholly owned subsidiary. The District also charged rent of \$17,985 (2017 - \$17,985) to the 100 Mile Development Corporation for the Visitor Information Center.

The District and the Cariboo Regional District signed a 3-year agreement commencing January 1, 2017 to support the operation of the Martin Exeter Hall Complex through the District up to a maximum of \$55,000 annually. This complex is owned by the District but operated by the 100 Mile Development Corporation. This contribution is recognized in the subsidiary's revenue.

The 100 Mile Development Corporation did not declare a dividend payable (2017 - \$250,000) to the District on December 31, 2018 (2017 payable December 31, 2017, paid on January 10, 2018)

Included in accounts receivable at December 31, 2018 is \$3,976 (2017 - \$2,037) due from the 100 Mile Development Corporation. Included in accounts payable at December 31, 2018 is \$184 (2017 - \$184) due to the 100 Mile Development Corporation.

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

7. Deposit and Reserve Municipal Finance Authority

The Municipal Finance Authority of British Columbia (MFA) provides capital financing for regional districts and their member municipalities. MFA is required to establish a Debt Reserve Fund. Each regional district, through its member municipalities who share in the proceeds of a debt issue, is required to pay into the Debt Reserve Fund certain amounts set out in the debt agreements. MFA pays into the Debt Reserve Fund these monies from which interest earned thereon less administration expenses becomes an obligation to the regional districts. It must then use this Fund, if at any time there are insufficient funds, to meet payments on its obligations. If this occurs, the regional districts may be called upon to restore the Fund.

Upon the maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the District. The District has estimated that there is only a remote possibility that these funds will not be paid to it and therefore these funds have been included in other assets. As at December 31, the total of the Debt reserve fund was comprised of:

	2018		2017
Cash Deposits	\$ 35,029	\$	34,283
Demand Notes	78,081		78,081
	\$ 113,110	\$	112,364

8. Accounts Payable & Accrued Liabilities

	2018		2017
Other Government	\$ 13,434	\$	14,717
Accrued Wages & Benefits	147,036		53,631
Trade & Other	600,330		1,356,429
	\$ 760,800	\$	1,424,777

DISTRICT OF 100 MILE HOUSE
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

9. Deferred Revenue

	2018	2017 restated
Federal Gas Tax Funds	\$ 944,353	\$ 798,728
Prepaid taxes	107,273	126,841
Capital projects	-	320,273
Miscellaneous	2,377	51,045
Total Deferred Revenue	<u>1,054,003</u>	<u>1,296,887</u>
Development Cost Charges	<u>367,461</u>	<u>341,139</u>
Total Deferred Revenue & Development Cost Charges	<u>\$ 1,421,464</u>	<u>\$ 1,638,026</u>

Balance, beginning of year:	2018	2017
Development Cost Charges – sewer utility fund	\$ 124,849	\$ 123,217
Development Cost Charges – water utility fund	185,963	182,892
Development Cost Charges – drainage utility fund	13,591	12,303
Development Cost Charges – roads utility fund	16,736	15,272
Federal Gas Tax Funds	798,728	659,518
Prepaid taxes	126,841	136,227
Capital projects	320,273	-
Miscellaneous	51,045	51,045
	<u>1,638,026</u>	<u>1,180,474</u>
Add:		
Gas Tax Agreement funds received	138,460	133,166
Interest income restricted for projects	13,156	10,709
Development Cost Charges	20,332	2,790
Capital projects	177,500	320,273
Other amounts received	107,684	126,841
Total contributions	<u>457,131</u>	<u>593,779</u>
Less: Amount spent on projects and recorded as revenue	673,693	136,227
Closing balance of unspent funds	<u>\$ 1,421,464</u>	<u>\$ 1,638,026</u>

Federal Gas Tax Funds

Gas Tax Agreement funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the local government and the Union of British Columbia Municipalities. Gas Tax Agreement funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects as specified in the funding agreements.

Development Cost Charges

Development Cost Charges are restricted revenue liabilities representing funds received from developers and deposited into a separate reserve fund for capital expenses. In accordance with generally accepted accounting principles, the District records these funds as restricted revenue which is then recognized as revenue when the related costs are incurred.

DISTRICT OF 100 MILE HOUSE
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

10. Long Term Debt

Regular payments are made in accordance with the loan terms. Final payment amounts are based on actuarial calculations. Interest paid on long-term debt is included in the General Revenue Fund, the Water Revenue Fund and the Sewer Revenue Fund is \$116,868 (2017 - \$122,032).

	Balance Beginning of Year	Additions	Principal Amount	Actuarial Adjustment	Balance End of Year
General Fund					
MFA Issue 73	47,692		7,359	7,844	32,489
MFA Issue 105	1,256,838		61,119	22,526	1,173,193
	\$ 1,304,530	\$ -	\$ 68,478	\$ 30,370	\$ 1,205,682
Water Fund					
MFA Issue 70	7,753		1,751	2,040	3,962
MFA Issue 105	124,303		6,045	2,228	116,030
	\$ 132,056	\$ -	\$ 7,796	\$ 4,268	\$ 119,992
Sewer Fund					
MFA Issue 85	81,030		5,278	4,674	71,078
	\$ 81,030	\$ -	\$ 5,278	\$ 4,674	\$ 71,078
Total	\$ 1,517,616	\$ -	\$ 81,552	\$ 39,312	\$ 1,396,752

MFA 73: Maturity Date 2020 Interest Rate 3.15% **MFA 105:** Maturity Date 2029 Interest Rate 4.90%
MFA 70: Maturity Date 2019 Interest Rate 3.15% **MFA 85:** Maturity Date 2024 Interest Rate 4.575%

The following principal amounts are payable over the next five years:

	2019	2020	2021	2022	2023
General Fund	68,478	68,478	61,119	61,119	61,119
Water Fund	7,796	6,045	6,045	6,045	6,045
Sewer Fund	5,278	5,278	5,278	5,278	5,278
	\$ 81,552	\$ 79,801	\$ 72,442	\$ 72,442	\$ 72,442

DISTRICT OF 100 MILE HOUSE
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

11. Tangible Capital Assets

2018	Land	Buildings	Vehicles, Furniture & Equipment	Transportation	Recreation Facilities	Water	Sewer	Assets Under Construction	Total
Cost									
Balance, beginning of year	\$ 1,286,507	\$ 2,815,843	\$ 4,547,929	\$ 21,087,317	\$ 1,750,937	\$ 8,550,245	\$ 7,888,695	\$ 5,007,342	\$ 52,934,815
Add: Acquisitions	291,654	548,619	383,507	774,948	355,989	-	115,912	2,563,529	5,034,157
Less: Disposals	-	-	366,757	-	-	-	-	-	366,757
Less: Writedowns	-	-	-	-	-	-	-	-	-
Balance, end of year	\$ 1,578,160	\$ 3,364,462	\$ 4,564,679	\$ 21,862,265	\$ 2,106,926	\$ 8,550,245	\$ 8,004,607	\$ 7,570,871	\$ 57,602,215
Accumulated amortization									
Balance, beginning of year	\$ -	\$ 2,176,440	\$ 2,522,219	\$ 8,918,259	\$ 693,519	\$ 3,977,571	\$ 3,467,588	\$ -	\$ 21,755,596
Add: Amortization	-	75,106	223,250	512,950	75,089	126,775	173,271	-	1,186,441
Less: Disposals	-	-	192,947	-	-	-	-	-	192,947
Balance, end of year	\$ -	\$ 2,251,546	\$ 2,552,522	\$ 9,431,209	\$ 768,608	\$ 4,104,346	\$ 3,640,859	\$ -	\$ 22,749,090
Net book value, end of year	\$ 1,578,160	\$ 1,112,916	\$ 2,012,157	\$ 12,431,056	\$ 1,338,318	\$ 4,445,899	\$ 4,363,748	\$ 7,570,871	\$ 34,853,125

2017	Land	Buildings	Vehicles, Furniture & Equipment	Transportation	Recreation Facilities	Water	Sewer	Assets Under Construction	Total
Cost									
Balance, beginning of year	\$ 1,286,507	\$ 2,815,843	\$ 4,264,635	\$ 21,056,997	\$ 1,736,185	\$ 8,550,245	\$ 7,888,695	\$ 1,021,968	\$ 48,621,075
Add: Acquisitions	-	-	452,286	30,320	14,752	-	-	3,985,374	4,482,732
Less: Disposals	-	-	168,992	-	-	-	-	-	168,992
Less: Writedowns	-	-	-	-	-	-	-	-	-
Balance, end of year	\$ 1,286,507	\$ 2,815,843	\$ 4,547,929	\$ 21,087,317	\$ 1,750,937	\$ 8,550,245	\$ 7,888,695	\$ 5,007,342	\$ 52,934,815
Accumulated amortization									
Balance, beginning of year	\$ -	\$ 2,107,668	\$ 2,465,519	\$ 8,424,271	\$ 616,409	\$ 3,821,438	\$ 3,295,047	\$ -	\$ 20,730,352
Add: Amortization	-	68,772	221,230	493,988	77,110	156,133	172,541	-	1,189,774
Less: Disposals	-	-	164,530	-	-	-	-	-	164,530
Balance, end of year	\$ -	\$ 2,176,440	\$ 2,522,219	\$ 8,918,259	\$ 693,519	\$ 3,977,571	\$ 3,467,588	\$ -	\$ 21,755,596
Net book value, end of year	\$ 1,286,507	\$ 639,403	\$ 2,025,710	\$ 12,169,058	\$ 1,057,418	\$ 4,572,674	\$ 4,421,107	\$ 5,007,342	\$ 31,179,219

a) Contributed tangible capital asset
The value of contributed tangible capital assets during the year was \$49,672 (2017 - nil)

DISTRICT OF 100 MILE HOUSE
Notes to Consolidated Financial Statements
Year Ended December 31, 2018

12. Property Taxation and Grants in Lieu

Taxes Collected	2018	2017
Property taxes	\$ 4,805,155	\$ 4,908,171
Special assessments	163,785	156,208
1% Utility tax	84,977	85,745
Grants In Lieu of taxes	90,162	89,032
Penalties and interest on taxes	17,650	15,115
	\$ 5,161,729	\$ 5,254,271
Less transfers to other governments		
School District	1,036,499	1,110,248
Regional District	628,739	641,553
Regional Hospital District	293,940	303,857
Joint Boards & Commissions	30,244	32,134
Other	140,701	140,061
	\$ 2,130,123	\$ 2,227,853
Net Taxes available for municipal purposes	\$ 3,031,606	\$ 3,026,418

13. Government Transfers

<u>Provincial grants</u>	2018	2017 restated
Conditional: Union of BC Municipalities Well Upgrade	\$ 1,185,041	\$ 3,787,459
Clean Water and Wastewater Fund Upgrade	188,913	519,776
Martin Exeter Hall Renovation	386,986	-
Other	122,829	141,295
Unconditional: Small Community Protection	372,044	361,074
<u>Federal grants</u>		
Conditional and Unconditional:	-	-
<u>Regional & other grants</u>		
Unconditional: Regional	-	-
Conditional: Cariboo Regional District	692,522	427,603
NDI Trust	13,889	19,404
CCBAC	20,852	-
	\$ 2,983,076	\$ 5,256,611

DISTRICT OF 100 MILE HOUSE
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14. Sales of Services

	2018	2017
Water user rates	\$ 456,074	\$ 459,886
Sewer user rates	374,553	361,102
Garbage/Recycling	26,169	25,192
Wildfire season	38,528	479,484
Timber sales	676,620	-
Other	146,200	136,998
	\$ 1,718,144	\$ 1,462,662

15. Accumulated Surplus

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

Surplus	2017 restated	Project Costs	Transfers to/from Reserves	Surplus (Deficit)	2018
General operating fund	7,548,551	2,694	(1,362,493)	2,932,325	9,121,077
Sewer operating fund	563,069	52,413	(73,870)	175,101	716,713
Water operating fund	520,259	114,711	(73,337)	44,396	606,030
Operating fund surplus	8,631,879	169,818	(1,509,699)	3,151,822	10,443,820

Reserves	2017	Project Costs	Transfers from Surplus	Interest	2018
Municipal infrastructure	2,101,654	(790,664)	922,402	1,505	2,234,897
Utility infrastructure	2,332,044	-	148,888	-	2,480,932
Parkland	5,873	-	-	55	5,928
Machinery & Equipment	1,712,014	(205,143)	432,613	3,010	1,942,493
Woodlot	208,051	(45,492)	-	1,226	163,785
Community Forest	2,300,000	(359,760)	-	-	1,940,240
Total reserves	8,659,636	(1,401,059)	1,503,903	5,796	8,768,276

- a) Included in the General Operating Fund are internally restricted funds of \$1,290,000 (2017 - \$1,290,000) for the repayment of debenture debt in 2019.
- b) Included in the General Operating Fund are internally restricted funds of \$100,000 (2017 - \$100,000) for the purposes of planning.
- c) Included in the General Operating Fund are internally restricted funds of \$49,596 (2017 - \$60,128) to be used to fund Interior Health Transit expense.

DISTRICT OF 100 MILE HOUSE
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16. Equity in Tangible Capital Assets

Equity in tangible capital assets (TCA) represents the net book value (NBV) of total capital assets less long term obligations assumed to acquire those assets. The change in consolidated equity in tangible capital assets is as follows:

	2018		2017
Equity in TCA, beginning of year	\$ 24,863,209	\$	25,430,912
Add: Capital acquisitions	2,470,628		497,359
Debt principal repayment	81,552		85,514
Actuarial adjustment	39,312		40,535
Less: Proceeds from the issue of debt	-		-
Disposition at NBV	173,810		1,337
Amortization	1,186,441		1,189,774
Equity in TCA, end of year	\$ 26,094,450	\$	24,863,209

17. Expenses by Object

	2018		2017
Goods and services	\$ 2,074,195	\$	1,719,959
Salary, wages and benefits	1,971,284		2,084,766
Amortization	1,186,441		1,189,774
Interest and finance charges	118,097		123,228
Debenture debt payments	81,552		85,514
Loss from sale/write down of tangible capital assets	57,400		1,337
	\$ 5,488,969	\$	5,204,578

18. Contingent Liabilities and Commitments

a) Municipal Pension Plan

The District of 100 Mile House 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 the 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.

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18. Contingent Liabilities and Commitments continued

The most recent actuarial valuation for the Municipal Pension Plan as of 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 stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

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 District of 100 Mile House paid \$100,491 for employer contributions to the Plan in fiscal 2018 (2017 - \$107,594)

b) Joint and Several Liability

The District of 100 Mile House, as a member of the Cariboo Regional District, is jointly and severally liable under the provisions of Sections 815 and 816 of the Local Government Act for any default on monies borrowed by the Cariboo Regional District.

c) Tangible Capital Asset

The District has entered into a contract with ITB – Intercontinental Truck Body on December 18, 2018 for a Fire Rescue Apparatus costing \$389,539 plus tax. Time of completion is October 31, 2019.

d) Alpine Loop Water System Upgrade Project

The District entered a contract with the Province of British Columbia, Minister of Community, Sport and Cultural Development and the Minister Responsible for Translink on March 8, 2017 for this project. Work in progress as of December 31, 2018 is \$1,895,047 and is 95% complete; deadline to complete is March 31, 2019. The total cost for the project is estimated to be \$1,968,850. The project costs are financed to a maximum of \$1,634,145 by contribution from the Clean Water and Wastewater Fund Funding Agreement (CWWFA) and \$334,705 from capital reserves.

e) Well #4 and Exeter Water System Upgrade Project

The District entered a contract with the Union of British Columbia Municipalities on March 1, 2016 for this project. Work in progress as of December 31, 2018 is \$5,599,833 and is 85% complete; deadline to complete is December 31, 2019. The total cost for the project is estimated to be \$6,500,000. The project costs are financed to a maximum of \$5,850,000 by contribution from the Strategic Priorities Fund under the Administrative Agreement on the Federal Gas Tax Fund (GTF) in British Columbia and \$650,000 from capital reserves.

DISTRICT OF 100 MILE HOUSE
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19. Trust

The District operates the 100 Mile Cemetery and maintains a Cemetery Perpetual Care Fund in trust, in accordance with the Cremation, Internment and Funeral Services Act of British Columbia. The funds held in trust amount to \$173,984 (2017 - \$170,945) and have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations.

20. Restatement of Government Transfers

During the year, the District reviewed its treatment of government transfers received for Capital Projects. Previously, the District had treated these transfers as deferred revenue until the project was completed. As a result of the review, the District changed its reporting of these transfers to record them as revenue when the payments are received.

The result of this restatement is to increase government transfers and annual surplus in 2017 by \$4,307,235 and reduce deferred revenue by \$4,307,235.

21. Budget data

The budget data presented in these consolidated financial statements is based upon the 2018 operating and capital budgets approved as the 2018 to 2022 Financial Plan by Council on March 27, 2018. The legislative requirements for the Financial Plan are that the cash inflows for the period must equal planned cash outflows.

Cash inflows and outflows budgeted for include such items as transfers to and from reserves, transfers to and from operating surpluses and proceeds on sale of assets. These items are not recognized as revenues and expenses in the Statement of Operations as they do not meet the definition of such under public sector accounting standards. PSAB requires that budget figures be presented on the same basis of accounting as actual figures.

The chart below reconciles the budget figures reported in these consolidated financial statements

Budget surplus per Statement of Financial Activities	<u>Budget Amount</u> \$ 3,968,558
Adjust for budgeted items not included in Statement of Financial Activities:	
Transfers from reserve funds	(809,332)
Transfer from operating surplus	(324,860)
Acquisition of tangible capital assets	(3,943,541)
Non-cash items - amortization	1,109,175
Financial Plan (Budget) Bylaw surplus for the year	<u>\$ -</u>