



## DISTRICT OF 100 MILE HOUSE



Photo- 100 Mile Marsh-courtesy of Shannon Sund

Annual Report for the Period January 1, 2017 to December 31, 2017

*Handcrafted Log Home Capital of North America*

# *Table of Contents*

History of 100 Mile House .....	3
Message from the Mayor .....	4
2017 Municipal Council .....	5
Organizational Structure .....	10
Municipal Services & Operations .....	11
 <b><u>Statistical Information</u></b>	
Schedule “A” - Tax Collection .....	21
Revenue Source .....	22
Expenditure Distribution .....	23
Salaries/Wages Costs .....	24
Schedule “B” - Permissive Tax Exemptions .....	25
Schedule “C” - Development Cost Charges .....	27
Schedule “D” - Consolidated Financial Statements .....	28

## 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 to Cariboo Wagon Road from Lillooet, aiming their way north into Cariboo country.

Throughout this gold fever, certain roadhouses, because of their favourable 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 the surrounding area.

The District of 100 Mile House is worldily 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.



## *A Message from the Mayor*



### *An Open Letter to the Citizens of the District of 100 Mile House from Mayor Mitch Campsall*

On behalf of Council, I am pleased to present the 2017 report of the District of 100 Mile House.

#### Highlights from 2017

- Alpine Water Loop project nearing completion (\$1,850,000)
- Completed Fleet/Equipment Upgrades (\$210,000+/-)
- Contributed almost \$1M to Capital Reserves in 2017
- Minor Capital project Financial System Upgrade; Picnic Shelters; (\$100,000+/-)
- New Water Plant & Service Improvements - design, contract awards (\$6,500,000)
- New SCBA/Compressor system for Fire Dept. \$225,000+/-

**The District and the Region were impacted by the worst wildfire season in the history of British Columbia. It is important to recognize the District Employees and volunteers that responded to this disaster. Myself and Council are extremely proud of the selfless dedication and unparalleled commitment to the community, by each and every individual that responded to the needs of the community during this time. Thank you from the bottom of my heart !!**



## 2017 Municipal 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 the second and fourth Tuesday of each month.

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



Left to right: Councilor Dave Mingo, Councilor Ralph Fossum, Mayor Mitch Campsall, Councilor Spence Henderson, Councilor Bill Hadden.

## 2017 *Municipal Council*



### *Mayor Mitch Campsall*

Mayor Campsall was re-elected in November 2014 for his third term of office. Prior to serving as Mayor, Mitch served as a Councilor for 11 years. He also served as a Director on NDI for 6 years and has served as the District director on the Cariboo Beetle Action Committee.

Mitch has been a resident and business owner in 100 Mile House for over 30 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. He 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 is a past member of the 100 Mile House Fire Department and past President of the South Cariboo Fire Fighters Association. When on Council, Mitch held the position of Chair of the Public Works Committee (now known as Community Services) for 10 years, was a member of the South Cariboo Recreation Commission for 6 years and Chair for Community Schools for 5 years.

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.

### *Committees*

- ❖ Cariboo Regional District (Director)
- ❖ Administration Committee
- ❖ Cariboo-Chilcotin Beetle Action Coalition
- ❖ Economic Development Committee
- ❖ Emergency Executive Committee
- ❖ Forest Advisory Committee
- ❖ And other community boards as invited.

## 2017 Municipal Council

### *Councilor Dave Mingo*

Councilor Mingo was also re-elected in November 2014 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 100.

### Committees

- ❖ A/Mayor January/May/September
- ❖ Budget Committee
- ❖ Administration/Operations Liaison
- ❖ Cariboo Regional District Board
- ❖ Treaty Advisory Committee
- ❖ Community Forest Management Committee
- ❖ 100 Mile & District Safety Committee

### *Councilor Ralph Fossum*

Ralph Fossum has lived in the 100 Mile House area for over 35 years. Ralph was previously on 100 Mile Council for three terms in the 1990's. Ralph is an active member of the Rotary Club, a Director of the South Cariboo Health Foundation, and part of the South Cariboo Community Concerts. Since retiring from his career as a notary public and property manager, Ralph has been active with tutoring and community events. Ralph loves duplicate bridge and the great outdoors!

### Committees

- ❖ A/Mayor March/July/November
- ❖ Budget Committee
- ❖ Chamber of Commerce Representative
- ❖ Collective Bargaining
- ❖ Age Friendly Society of the South Cariboo
- ❖ South Cariboo Community Planning Council

## 2017 Municipal Council

### *Councilor Spence Henderson*

Spence has lived in the 100 Mile area since 1977 and served 2 previous terms on District Council. He worked for Cariboo Radio (CKBX) for almost 24 years. Spence went back to school to become a Counselor and he plans to open his own practice in the South Cariboo.

Spence is the club captain of the 108 golf club , a referee for minor and old timer's hockey and goes to the Cariboo Christian Life Fellowship Church. Spence is an ardent supporter of Wrangler Hockey, acting as the colour commentator for local broadcasts.

Spence has loved the area for a long time and plans on spending most of his time here with his new wife, Deb.

### *Committees*

- ❖ A/Mayor April/August/December
- ❖ Budget Committee
- ❖ Chamber of Commerce Representative
- ❖ Community Forest Management Committee
- ❖ Education Committee
- ❖ 100 Mile & District Safety Committee
- ❖ Woodlot



## *2017 Municipal Council*

### *Councilor Bill Hadden*

Councilor Hadden was re-elected in November 2014 for a third term and looks forward to continuing to serve the residents of 100 Mile House.

Bill and his wife of 30 years, Maureen, live in the 100 Mile House area and have 3 grown daughters and three beautiful grandchildren. The Hadden family live on a farm and Bill is also employed in the forest industry.

### *Committees*

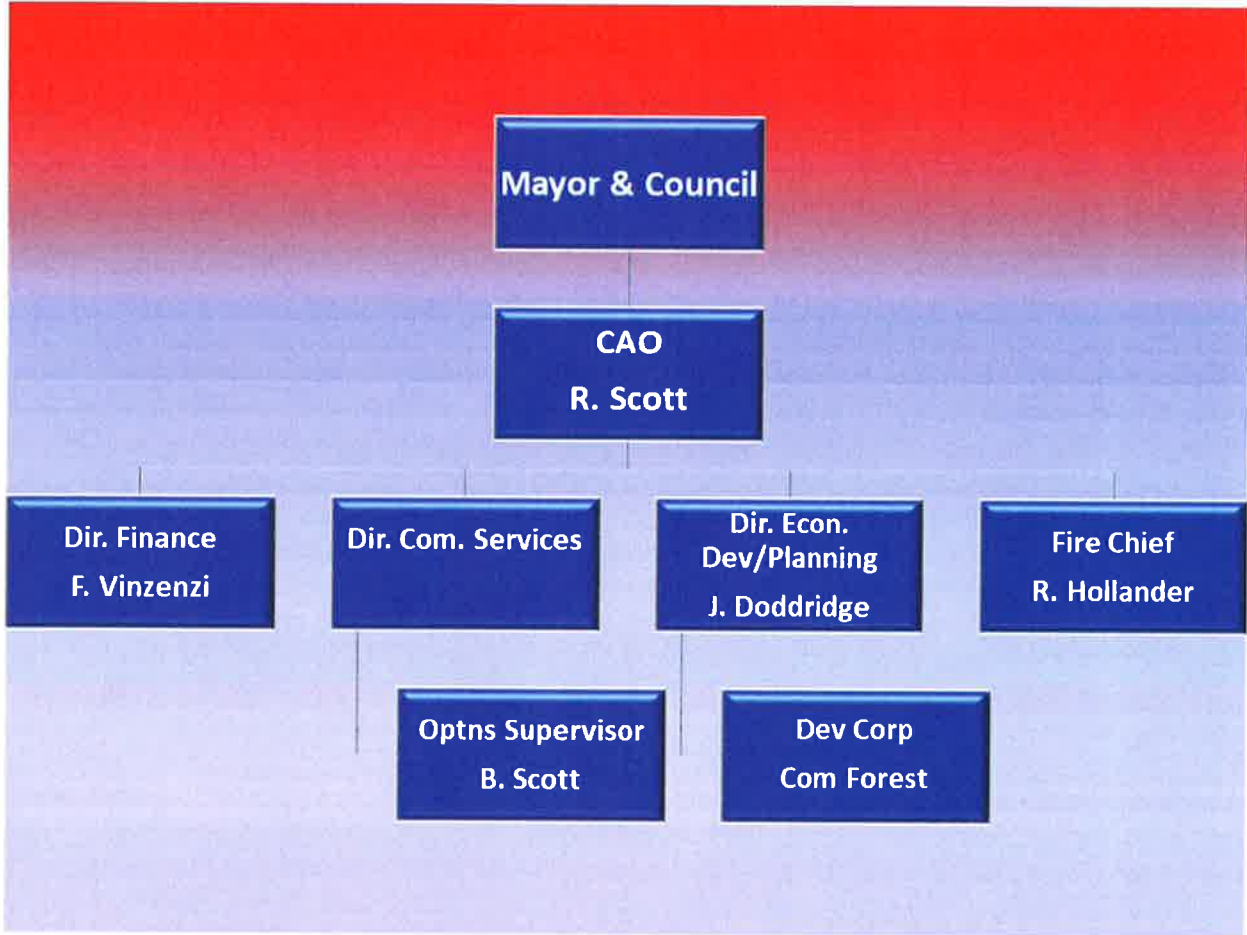
- ❖ A/Mayor February/June/October
- ❖ Budget Committee
- ❖ Community Forest Management Committee
- ❖ Woodlot
- ❖ Martin Exeter Hall Upgrade Committee



### *Statement of Council Disqualification For Period Ending December 31, 2017*

There were no Councilors disqualified in 2017.

*Organizational Structure*



## *Municipal Services & Operations*



In accordance with Section 98 of the *Community Charter*, an Annual Municipal Report must be prepared and made available to the public before June 30<sup>th</sup> each year. The report provides information on the District's financial position and results of operations.

### *Administration/Corporate Services*

The Administration Department provides administrative support to Council, with the Chief Administrative Officer acting as liaison between the Mayor, members of Council, District staff and the community.

The *Chief Administrative Office (CAO)* is appointed by and reports directly to Council. As the leader of the senior management team, the CAO sets the overall strategic direction for short and long term administrative goals. Duties include the overall management of the operations of the municipality; ensuring that the policies, programs and other directions of Council are implemented; and advising and informing Council on the operation and affairs of the municipality.

*Financial Administration* performs statutory functions in accordance with the *Local Government Act* and the *Community Charter*. Other 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.

*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.

## *Municipal Services & Operations*

### 2017/18 Administration/Corporate Services Objectives and Progress Measures

Objective	Strategies	Measures
Budget for future equipment replacement and capital projects	Build fiscal capacity for future equipment and capital projects to limit incurred debt and negative impact to rate payers as these projects come on line	Ongoing priority; contributions to reserves. Infrastructure deficit reduced by
Build more capacity within Administrative staff.	Encourage & support staff training by development of individual professional development plans.	Ongoing progress in this area; staff uptake to training has been excellent
To be debt free within five years.	Commit a portion of annual operating surpluses (when available) to debt retirement.	100% of funding now identified and set aside for retirement of Hwy 97 Debenture (2019)
Transition Plan for Senior Management	Review retirement plans of senior management staff and identify transition options for Council.	Ongoing Dir of Finance Trainee - assume responsibility January 2019  CAO position plan proposed and approved by Council

## *Municipal Services & Operations*

### *Planning & Development*

Planning & Development Services key function areas are:

*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 trail 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.



## 2017 Planning & Development Objectives & Measures

Objective	Strategies	Measures
Update Economic Development Strategy	-Identify steps to work toward updated ED strategy	-ED Strategy updated -presented to Council May 2018
Cariboo Strong Support	-Advisory Group role - Provide support for initiatives	Cariboo Strong project dissolved
Host 2 <sup>nd</sup> Annual Business Walks	-Mirror the process from 2016	-Hosted 2 <sup>nd</sup> annual business walks Nov 2017
55+ Housing Report	-Liaise with Age Friendly to provide oversight for compilation of data & production of report	-ongoing make available the completed report to developers, investors
Update Sign Bylaw	-Work with other staff to draft bylaw -Hold public input session	-project deferred to 2018
99 Mile Recreation Area Master Plan	-Identify funding -Issue RFP -Coordinate stakeholders -Project management	-Plan completed March 2018 - presented to Council
Rogue Bike Park Plan – Centennial Park	-Issue RFP -Project management	-Completed Plan & presented to Council April 2018



## 2018 Planning & Development Objectives & Measures

Objective	Strategies	Measures
Update Sign Bylaw	-Work with other staff to draft bylaw -Hold public input session	- Updated Sign bylaw adopted 2018
Host 3 <sup>rd</sup> Annual Business Walks	-Mirror the process from 2016 / 17	-Undertake fall 2018 -prepare summary report
Update Economic Development Web Page	-funding identified -engage consultant -prepare content	- webpage online end of 2018
Zoning Project: Cannabis Regulation	-conduct research -prepare discussion memo -prepare bylaw	- cannabis regulation bylaw to Council by end of 2018
Policy Project: Secondary Suite policy	-conduct research -prepare discussion memo -prepare policy	-secondary suite policy endorsed by Council by end of 2018



## Municipal Services & Operations

### 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 338 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.

### 2017 Highlights

- During the summer of 2017 there was a major focus on response to the 2017 wildfires across the region. The Dept. aggressively worked the Gustaffson fire with 24/7 protection of West Fraser and Norboard plants. The Dept also provided assistance to area FDs.





- Additional Firefighters obtained their National Fire Protection Association (NFPA) 1001 certification
- Three members obtained NFPA Fire Officer 1 certification



### Department Objectives and Progress Measures

Objectives	Strategies	Measures
Training	Ongoing with more than half of the Det. NFPA 1001 "full service" certified and multiple members Officer 1 & 2 Certified.	Council establish level of service for playbook.  Dept. plan training to meet service levels - Ongoing
Fire Prevention	Complete the fire inspection frequency policy	Reviewing solution with existing resources in 2018.
Administration	Amend Fire Service Bylaw	Goal is completion in 2017
Personnel	Annual Recruitment of new members	Maximize paid on call staffing

## *Municipal Services & Operations*

### *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 falls within the Community Service Department.

The District is excited to move forward with a major capital project to replace its water treatment facilities. The project will see the District move to an aquifer for its long term water source. The project will improve both capacity and quality of water for the community. Design and construction will begin in 2016.

## *Municipal Services & Operations*

### 2017 Community Services Objectives and Progress Measures

Objectives	Strategies	Measures
Long Term Water Quality Improvement Plan	Design, tender and construction of new water plant and distribution system.	Project near completion – anticipate commissioning of new water plant in summer of 2018.
Continue Sidewalk Implementation Plan	Design and tender N side Horse Lake Road from Cedar to Birch	Project deferred to 2018 construction season.
Horse Lake Bridge Upgrade	Identify funding to support replacement of Horse Lake Bridge within five-(5) years	Funding application not successful. Project will be re-submitted when funding opportunities arise.
Alpine water main loop is proposed to facilitate adequate fire flow to the 99 Mile area.	Submission of grant application – approved. District contribution identified. Design and tender.	Ongoing – anticipate completion fall of 2018.
Fleet Upgrades	Replace Ford L8000 and one pick up in 2017	Tenders issued and equipment purchased.



New Picnic Shelters in Centennial Park

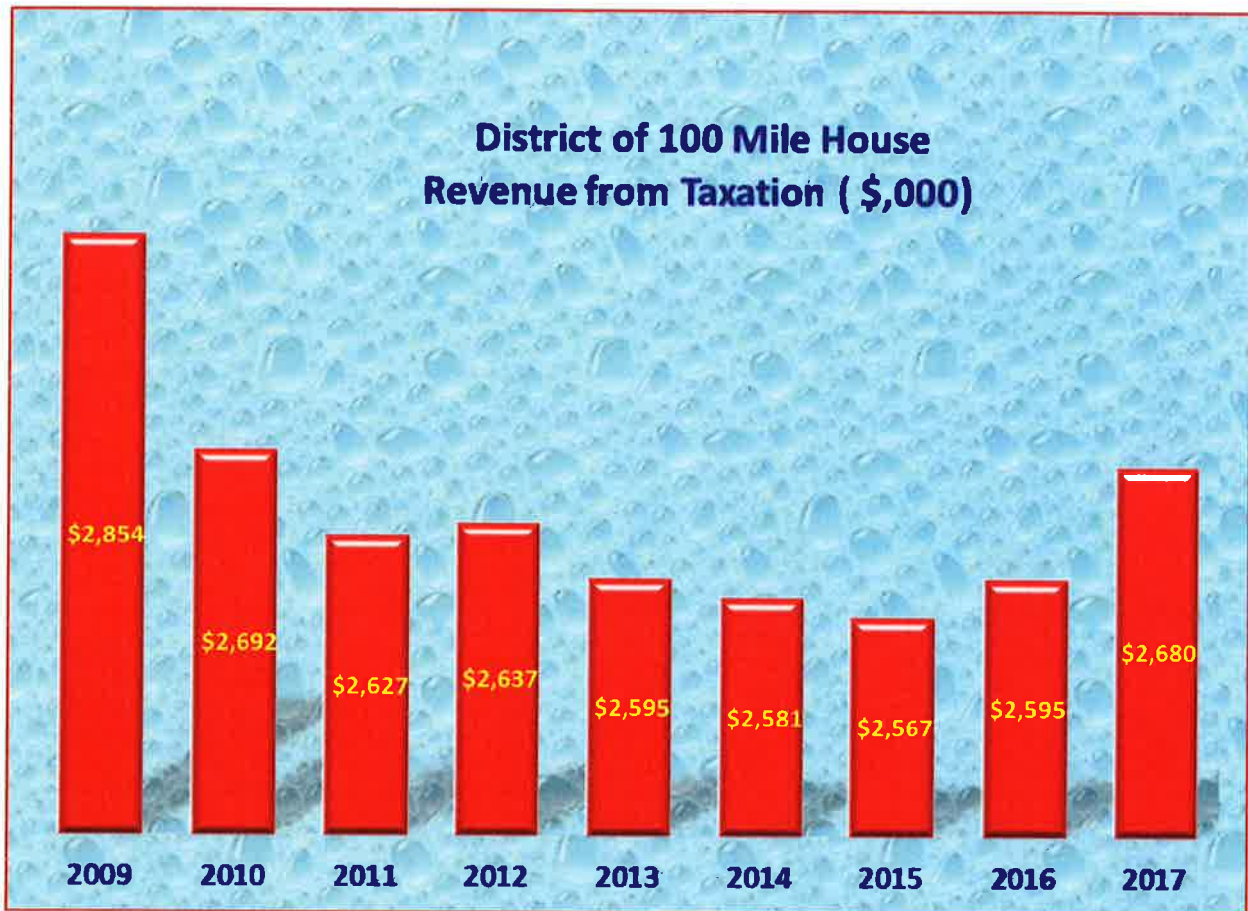
2018 Community Services Objectives and Progress Measures

Objectives	Strategies	Measures
Long Term Water Quality Improvement Plan	Design, tender and construction of new water plant and distribution system.	Commissioning of new water plant and system upgrades summer of 2018.
Continue Sidewalk Implementation Plan	Design and tender N side Horse Lake Road from Cedar to Birch  Design and tender W side of Cedar Ave from First St to Fifth St.	Project completion summer of 2018.
Horse Lake Bridge Upgrade	Identify funding to support replacement of Horse Lake Bridge within five-(5) years	Design and tender project subject to identification of third party funding.
Centennial Park Lift Station	Design and tender for new lift station.	Project completion summer of 2018.
Fleet Upgrades	Replace one pick up in 2018 and purchase multi-passenger golf cart for special events.	Issue tender and procure vehicles.
Paving Program	Paving at various locations – Exeter Truck Route, Centennial Park, Cemetary, Jen St, 8 <sup>th</sup> Street and more minor areas.	Tender and complete 2018 paving program.
Children’s Spray Park	Installation of spray park in Centennial Park	Design, tender and project completion in 2018.
Marten Exeter Hall Expansion	Design and Tender Expansion Project	Project completion in 2018

## Statistical Information

### SCHEDULE "A"

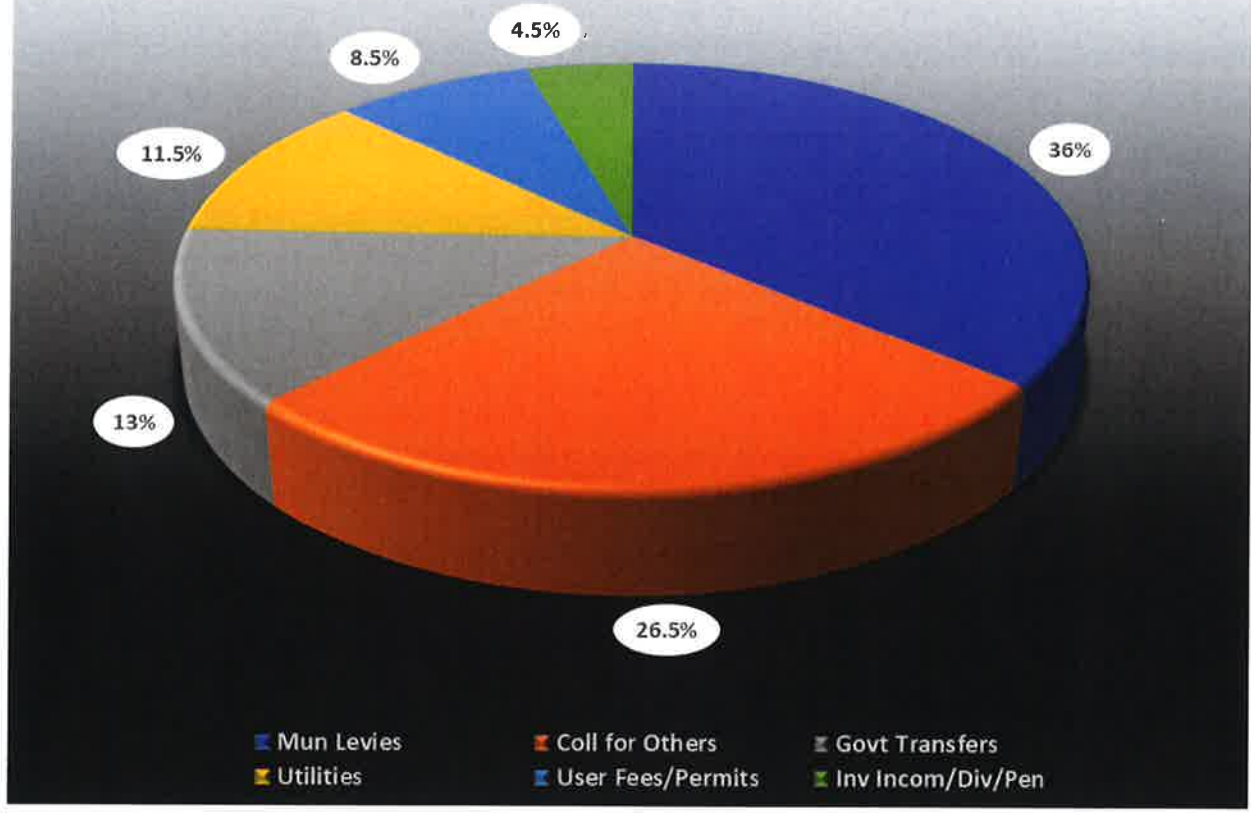
#### Tax Collection - Revenues/Expenditures



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. Inflation between 2012 and 2017 increased 6.71% and although tax rates were reduced in 2017 by 1% revenue from taxation increased, which was due to an increase in taxable assessment.

*Statistical Information*

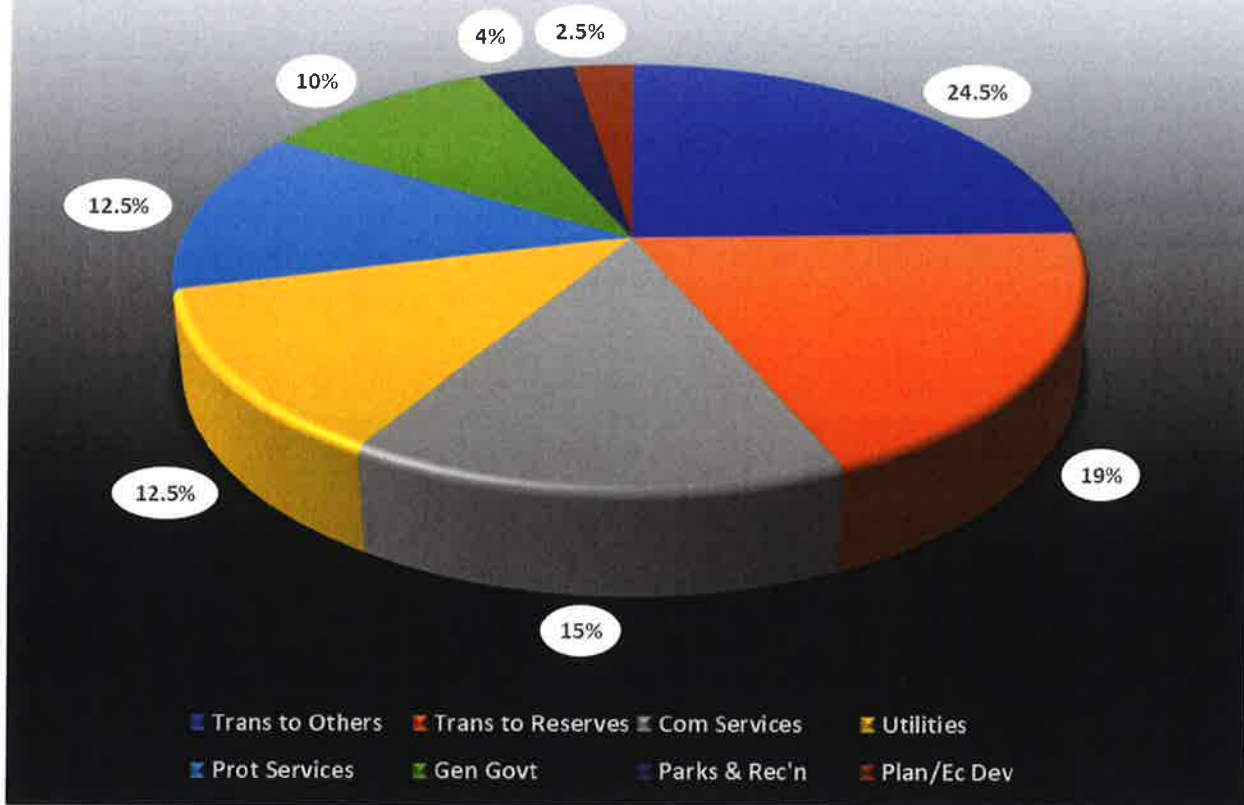
**Dist. of 100 Mile House-2017 Revenue Distn**



36% of total municipal revenues are derived from direct taxation and user fees. 27% of total revenue is collected on behalf of other governments or agencies (CRD, Police, BC Assessment, etc.)

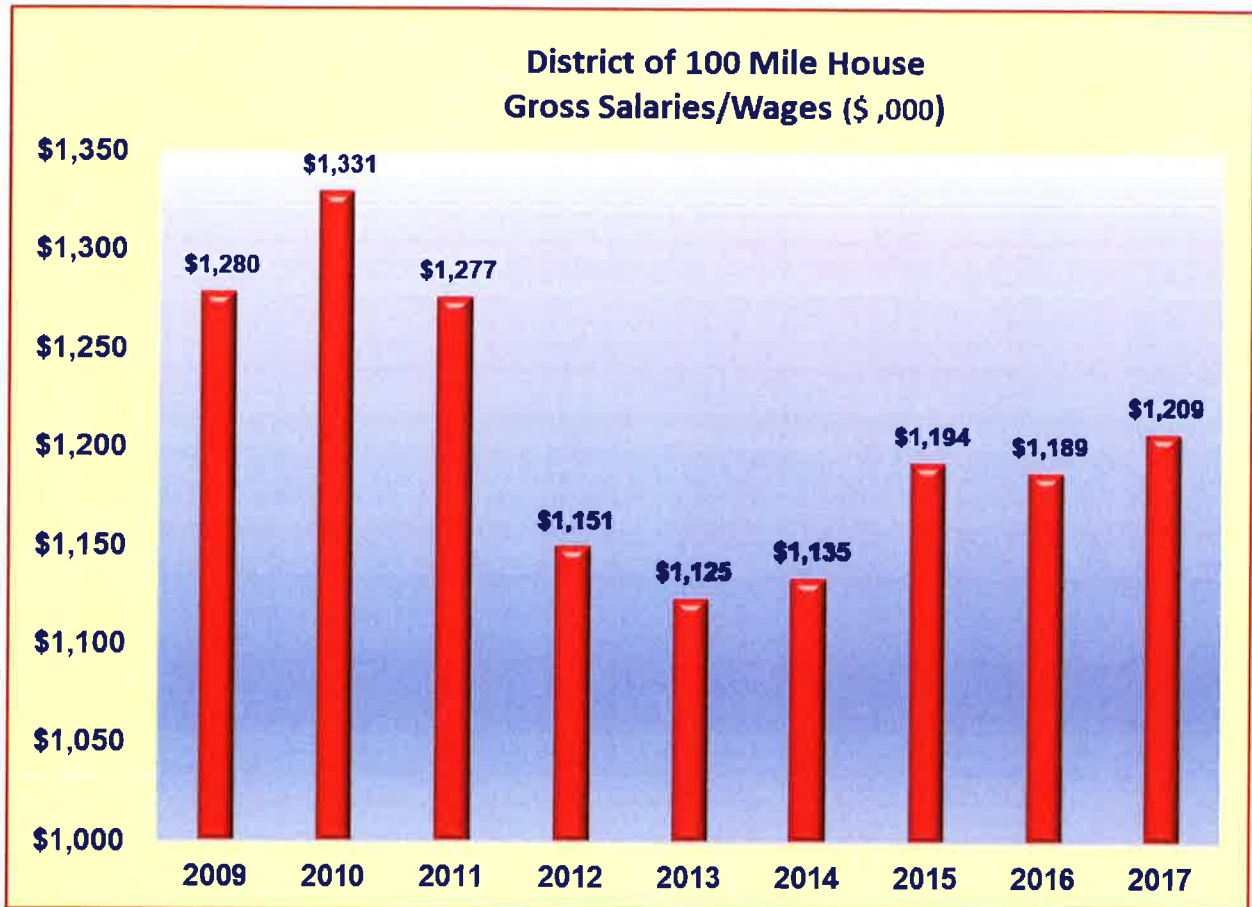
## Statistical Information

### Dist. 100 Mile House - Expense Distn



Transfer to others – School Board, CRD, Police, MFA, Hospital, BC Assessment

## Statistical Information



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. There was an increase in gross salaries/wages in 2017 primarily due to the addition of a Deputy Fire Chief position. It's also important to note that the Dir. of Community Services was vacant during 2017.

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.



## *Statistical Information*

### *Schedule "B"*

#### *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 2016, along with the amount of municipal taxes that would have been imposed on the property if it were not considered exempt.

Organization	Property Value	Property Class	Exemption Amount
100 Mile United Church	\$ 96,700	8	\$ 379
Evangelical Free Church	188,800	8	739
Christ the King Lutheran	74,900	8	293
Bethal Chapel Society	1,779,800	8	6,971
Bethal Chapel Society	34,300	6	513
Fraser Basin Property Society	131,100	8	498
100 Mile Sikh Society	126,000	8	493
Cedar Crest Society	165,400	8	648
Nature Trust of BC	195,400	6	1,941
Cedar Crest Society	592,900	1	2,621
Canadian Red Cross	34,200	6	340
100 Mile House Community Club	53,000	6	527
	251,000	6	2,494
100 Mile House Nordic Ski Society	63,600	8	249
Cariboo Elders Building & Rec Society	302,000	6	3,000
100 Mile House Snowmobile Club	102,000	8	399
	115,000	6	1,142
Emissaries of Divine Light	8,300	8	82
Board of Ed SD 27	109,668	6	1,089
<b>TOTAL</b>	<b>\$ 4,424,068</b>		<b>\$ 24,261</b>

## Statistical Information

### Schedule "C" Development Cost Charges

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.

As in the previous several years, commercial development activity in 2017 took place in areas which are not subject to DCCs, while residential construction occurred on lots for which DCCs had already been collected at the time of subdivision. As a result only one 2-unit development incurred DCC charged in 2017.

The District adopted a new DCC Bylaw in December 2017. The new bylaw provides for a different method of capturing DCCs which will be municipal wide, and the rates are different from the former bylaw. 2018 is anticipated to be another busy construction year, and higher DCC collection is likely because of the new method of DCC capture and because new residential lots are expected to come on line.

The following provides some information about DCC collections and expenditures from 2017 for each of the infrastructure types:

	<u>Sewer</u>	<u>Water</u>	<u>Drainage</u>	<u>Roads</u>	<u>Total</u>
<b>Opening Balances</b>	\$ 123,217	\$ 182,892	\$ 12,303	\$ 15,273	\$ 333,685
<b>Collections</b>	774	1,752	108	156	2,790
<b>Interest</b>	851	1,318	1,179	1,307	4,663
<b>Expenditure</b>	--	--	--	--	--
	<b>\$ 123,217</b>	<b>\$ 182,892</b>	<b>\$ 12,303</b>	<b>\$ 15,273</b>	<b>\$ 333,685</b>
<b>Waivers &amp; Reductions</b>	\$ -	\$ -	\$ -	\$ -	\$ -

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.

F. Vincenzi, Dir. of Finance

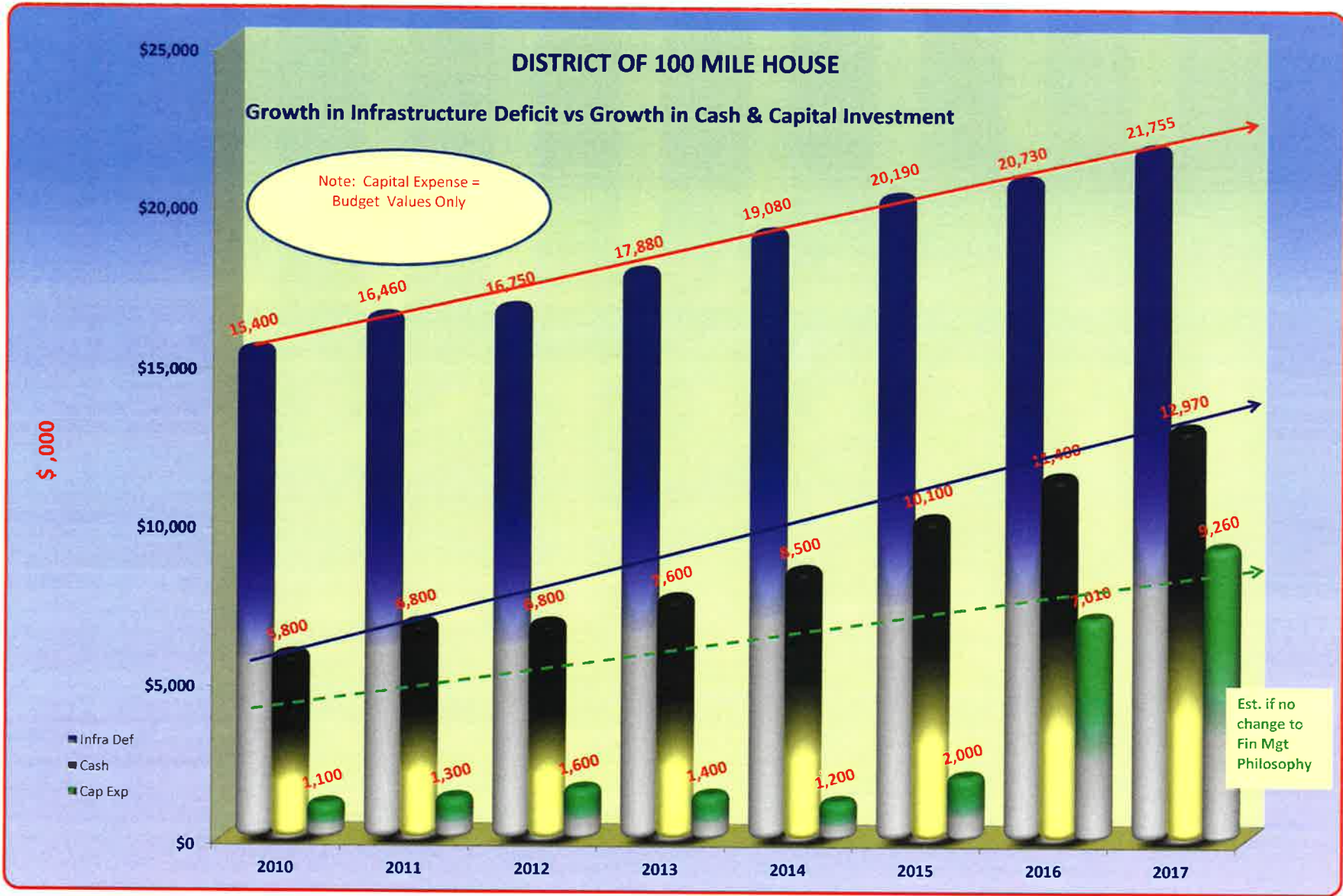
*Financial Statements*

*Schedule "D"*

*Consolidated Financial Statements*

*ATTACHED*





In 2010 cash/reserves were 37.6% of the accumulated amortization.

At the end of 2017 cash/reserves were 59.6% of the accumulated amortization.

**DISTRICT OF 100 MILE HOUSE**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2017**

**DISTRICT OF 100 MILE HOUSE**  
**Index to Consolidated Financial Statements**  
**Year Ended December 31, 2017**

---

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Financial Activities	5
Consolidated Statement of Changes in Net Financial Assets	6
Consolidated Statement of Cash Flow	7
Notes to Consolidated Financial Statements	8 - 21

---

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

---

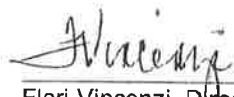
The accompanying consolidated financial statements of The District of 100 Mile House (the "District") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public 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.



Flori Vincenzi, 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

We have audited the accompanying consolidated financial statements of District of 100 Mile House, which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statements of operations, changes in net financial assets and cash flow 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.

### Auditor's 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 the auditor's 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, the auditor considers internal control relevant to the entity'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 entity'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 is sufficient and appropriate to provide a basis for our audit opinion.

*(continues)*

Independent Auditor's Report to the Mayor and Council of District of 100 Mile House *(continued)*

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the District of 100 Mile House as at December 31, 2017 and its consolidated results of operations, its changes in net consolidated financial assets and its consolidated cash flow for the year then ended in accordance with Canadian public sector accounting standards.

100 Mile House, BC  
April 24, 2018

  
PMT CHARTERED PROFESSIONAL  
ACCOUNTANTS LLP

**DISTRICT OF 100 MILE HOUSE**  
**Consolidated Statement of Financial Position**  
**Year Ended December 31, 2017**

	December 31 2017	December 31 2016
<b>Financial Assets</b>		
Cash and short term investments (Note 3)	\$ 12,501,073	\$ 10,044,761
Accounts receivable (Note 4)	2,356,969	448,660
Dividend receivable from 100 Mile Development Corporation (Note 5)	250,000	1,500,000
Investment in 100 Mile Development Corporation (Note 5)	282,542	301,964
MFA deposits (Note 7)	112,364	119,217
Other assets	8,554	14,904
	<u>15,511,502</u>	<u>12,429,506</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (Note 8)	1,424,777	607,434
Deferred revenue (Note 9)	5,604,122	846,789
Development cost charges (Note 9)	341,139	333,685
MFA debt reserve (Note 7)	112,364	119,217
Long term debt (Note 10)	1,517,616	1,643,665
Other liabilities	-	-
	<u>9,000,018</u>	<u>3,550,790</u>
<b>Net Financial Assets</b>	<u>6,511,484</u>	<u>8,878,716</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 11)	31,179,219	27,890,723
Supply inventory	64,271	45,800
Prepays	92,515	70,123
	<u>31,336,005</u>	<u>28,006,646</u>
	<u>37,847,489</u>	<u>36,885,362</u>
<b>Represented by</b>		
Operating fund (Note 15)	4,324,644	3,994,878
Statutory reserves (Note 15)	8,659,636	7,459,572
Equity in tangible capital assets (Note 16)	24,863,209	25,430,912
	<u>\$ 37,847,489</u>	<u>\$ 36,885,362</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, 2017**

	2017 Budget (unaudited) (Note 20)	2017	2016
<b>Revenue</b>			
Property taxation & grants in lieu (Note 12)	\$ 3,015,215	\$ 3,026,418	\$ 2,919,918
Sale of services (Note 13)	980,565	1,462,662	939,362
Government transfers (Note 14)	1,063,745	949,376	972,768
Other revenue	193,485	359,356	379,856
Investment income	51,000	133,990	87,889
Earnings of 100 Mile Development Corporation (Note 5)	-	230,578	1,632,434
Development cost charges	4,090	-	-
Gains (losses) on disposal of assets	-	4,325	7,500
	<u>5,308,100</u>	<u>6,166,705</u>	<u>6,939,727</u>
<b>Direct costs</b>			
General government	918,310	784,090	756,838
Protective services	758,560	1,082,179	654,768
Solid waste management and recycling	115,645	120,498	114,222
Public health	34,990	24,565	26,224
Planning and development	280,495	194,649	221,263
Transportation	2,053,485	1,811,839	1,872,960
Parks, recreation and culture	303,340	184,055	187,808
Water services	593,745	505,527	527,311
Sewer services	470,955	410,325	450,619
Debt financing	85,520	85,514	85,514
Loss from sale/write down of tangible capital assets	-	1,337	1,319
	<u>5,615,045</u>	<u>5,204,578</u>	<u>4,898,846</u>
<b>Annual surplus (deficit)</b>	(306,945)	962,127	2,040,881
Accumulated surplus, beginning of year	-	36,885,362	34,844,481
<b>Accumulated surplus, end of year</b>	<u>\$ (306,945)</u>	<u>\$ 37,847,489</u>	<u>\$ 36,885,362</u>

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, 2017**

	2017 Budget (unaudited)	2017	2016
<b>Annual surplus (deficit)</b>	\$ (306,945)	\$ 962,127	\$ 2,040,881
Acquisition of tangible capital assets	(1,775,900)	(497,359)	(484,785)
Amortization	1,116,635	1,189,774	1,238,946
Loss on disposal of tangible capital assets	-	1,337	1,319
Gain on disposal of tangible capital assets	-	(4,325)	(7,500)
Proceeds on disposal of tangible capital assets	-	7,450	7,500
	(659,265)	696,877	755,480
	(966,210)	1,659,004	2,796,361
Acquisition of supply inventory	-	(64,271)	(4,166)
Acquisition of prepaid expenses	-	(92,515)	(70,123)
Consumption of inventories of supplies	-	45,800	592
Use of prepaid expenses	-	70,123	54,698
Net change in work-in-progress	-	(3,985,373)	(1,002,510)
	-	(4,026,236)	(1,021,509)
Net financial assets, beginning of year	(966,210) 8,878,716	(2,367,232) 8,878,716	1,774,852 7,103,864
<b>Net financial assets, end of year</b>	<b>\$ 7,912,506</b>	<b>\$ 6,511,484</b>	<b>\$ 8,878,716</b>

The accompanying notes are an integral part of this statement.

**DISTRICT OF 100 MILE HOUSE**  
**Consolidated Statement of Cash Flow**  
**Year Ended December 31, 2017**

	2017	2016
<b>Operating activities</b>		
Annual surplus (deficiency)	\$ 962,127	\$ 2,040,881
Items not affecting cash:		
Amortization	1,189,774	1,238,946
Gain on disposal of assets	(4,325)	(7,500)
Loss from sale/write down of tangible capital assets	1,337	1,319
Earnings of 100 Mile Development Corporation	(230,578)	(1,632,434)
	<u>1,918,335</u>	<u>1,641,212</u>
Changes in non-cash working capital:		
Accounts receivable	(1,908,309)	(12,912)
Supply inventory	(18,471)	(3,574)
Accounts payable and accrued liabilities	817,342	(16,943)
Deferred revenue	4,764,787	164,176
Prepays	(22,392)	(15,425)
Other liabilities (assets)	6,350	(29,874)
	<u>3,639,307</u>	<u>85,448</u>
Cash flow from operating activities	<u>5,557,642</u>	<u>1,726,660</u>
<b>Investing and capital activity</b>		
Acquisition of tangible capital assets and work in progress	(4,482,731)	(1,487,295)
Proceeds on disposal of tangible capital assets	7,450	7,500
Dividend paid from 100 Mile Development Corporation	1,500,000	-
Cash flow used by investing and capital activity	<u>(2,975,281)</u>	<u>(1,479,795)</u>
<b>Financing activity</b>		
Debt repayment	(126,049)	(120,938)
<b>Increase in cash flow</b>	<u>2,456,312</u>	<u>125,927</u>
Cash - beginning of year	<u>10,044,761</u>	<u>9,918,834</u>
<b>Cash - end of year</b>	<u>\$ 12,501,073</u>	<u>\$ 10,044,761</u>

The accompanying notes are an integral part of this statement.

**DISTRICT OF 100 MILE HOUSE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2017**

---

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, 2017**

---

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



**DISTRICT OF 100 MILE HOUSE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2017**

---

Underground & Other Engineered Structures 10 to 100 years

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 April 25, 2017. 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, 2017**

**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, 2017.

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**

	<b>2017</b>		<b>2016</b>
Bank	\$ 12,066,621	\$	9,614,002
Short Term Investments	434,452		430,759
	<b>\$ 12,501,073</b>	<b>\$</b>	<b>10,044,761</b>

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

**4. Accounts Receivable**

	<b>2017</b>		<b>2016</b>
Property Taxes and Utilities	\$ 333,756	\$	315,678
Other Governments	131,177		41,311
Trade and Other	1,892,035		91,671
Less Allowance for Doubtful Accounts	-		-
<b>Total Accounts Receivable</b>	<b>\$ 2,356,969</b>	<b>\$</b>	<b>448,660</b>

**DISTRICT OF 100 MILE HOUSE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2017**

**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.

	<b>2017</b>		<b>2016</b>	
100 Mile Development Corporation 100 Class A Shares (100%)	\$	100	\$	100
Opening retained earnings		301,864		169,430
Net income for the year		230,578		1,632,434
Dividend payable/ paid to the District		(250,000)		(1,500,000)
<b>Closing Retained Earnings</b>	<b>\$</b>	<b>282,442</b>	<b>\$</b>	<b>301,864</b>

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

<u>Financial Position</u>	<b>2017</b>		<b>2016</b>	
<b>Assets:</b>				
Current		563,432		1,880,876
Tangible Capital Assets		2,244		6,540
<b>Total Assets</b>	<b>\$</b>	<b>565,676</b>	<b>\$</b>	<b>1,887,416</b>
<b>Liabilities:</b>				
Current		283,134		1,585,452
<b>Total Liabilities</b>	<b>\$</b>	<b>283,134</b>	<b>\$</b>	<b>1,585,452</b>
<b>Equity:</b>				
Share Capital		100		100
Retained Earnings		282,442		301,864
<b>Total Equity</b>	<b>\$</b>	<b>282,542</b>	<b>\$</b>	<b>301,964</b>
<b>Total Liabilities and Equity</b>	<b>\$</b>	<b>565,676</b>	<b>\$</b>	<b>1,887,416</b>
<b>Operations:</b>				
Revenue		620,588		1,936,763
Expenses		390,010		304,329
Net Income	<b>\$</b>	<b>230,578</b>	<b>\$</b>	<b>1,632,434</b>
Dividend		250,000		1,500,000
<b>Change In Equity</b>	<b>\$</b>	<b>(19,422)</b>	<b>\$</b>	<b>132,434</b>

**DISTRICT OF 100 MILE HOUSE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2017**

**6. Related party transactions**

During the year, the District provided operational funding of \$25,000 (2016 - \$25,000) to the 100 Mile Development Corporation, a wholly owned subsidiary. The District also charged rent of \$17,985 (2016 - \$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 declared a dividend payable of \$250,000 (2016 - \$1,500,000) to the District on December 31, 2017, which was paid on January 10, 2018 (2016 payable December 31, 2016, paid on January 20, 2017)

Included in accounts receivable at December 31, 2017 is \$2,037 (2016 - \$570) due from the 100 Mile Development Corporation. Included in accounts payable at December 31, 2017 is \$184 (2016 - \$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:

	<b>2017</b>	<b>2016</b>
Cash Deposits	\$ 34,283	\$ 36,632
Demand Notes	78,081	82,585
	<b>\$ 112,364</b>	<b>\$ 119,217</b>

**8. Accounts Payable & Accrued Liabilities**

	<b>2017</b>	<b>2016</b>
Other Government	\$ 14,717	\$ 16,416
Accrued Wages & Benefits	53,631	75,894
Trade & Other	1,356,429	515,124
	<b>\$ 1,424,777</b>	<b>\$ 607,434</b>

**DISTRICT OF 100 MILE HOUSE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2017**

**9. Deferred Revenue**

	2017		2016
Federal Gas Tax Funds	\$ 798,728	\$	659,518
Prepaid Taxes	126,841		136,227
Miscellaneous	4,678,553		51,044
Total Deferred Revenue	5,604,122		846,789
Development Cost Charges	341,139		333,685
Total Deferred Revenue & Development Cost Charges	<b>\$ 5,945,261</b>	<b>\$</b>	<b>1,180,474</b>

**Balance, beginning of year:**

	2017		2016
Development Cost Charges – sewer utility fund	\$ 123,217	\$	121,612
Development Cost Charges – water utility fund	182,892		179,845
Development Cost Charges – drainage utility fund	12,303		11,068
Development Cost Charges – roads utility fund	15,273		13,917
Federal Gas Tax Funds	659,518		521,482
Prepaid Taxes	136,227		112,756
Miscellaneous	51,044		55,617
	1,180,474		1,016,297
Add:			
Gas Tax Agreement funds received	133,166		132,060
Interest income restricted for projects	10,709		10,429
Development Cost Charges	2,790		2,790
Capital projects	4,627,508		-
Other amounts received	126,841		136,227
Total contributions	4,901,014		281,506
Less: Amount spent on projects and recorded as revenue	136,227		117,329
<b>Closing balance of unspent funds</b>	<b>\$ 5,945,261</b>	<b>\$</b>	<b>1,180,474</b>

**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, 2017**

**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 \$123,001 (2016 - \$123,001).

	<b>Balance Beginning of Year</b>	<b>Additions</b>	<b>Principal Amount</b>	<b>Actuarial Adjustment</b>	<b>Balance End of Year</b>
<b>General Fund</b>					
MFA Issue 66	10,013	-	3,963	6,050	-
MFA Issue 73	62,241		7,359	7,190	47,692
MFA Issue 105	1,337,266		61,118	19,310	1,256,838
	<b>\$ 1,409,520</b>	<b>\$ -</b>	<b>\$ 72,440</b>	<b>\$ 32,550</b>	<b>\$ 1,304,530</b>
<b>Water Fund</b>					
MFA Issue 70	11,380		1,751	1,876	7,753
MFA Issue 105	132,257		6,045	1,909	124,303
	<b>\$ 143,637</b>	<b>\$ -</b>	<b>\$ 7,796</b>	<b>\$ 3,785</b>	<b>\$ 132,056</b>
<b>Sewer Fund</b>					
MFA Issue 85	90,508		5,278	4,200	81,030
	<b>\$ 90,508</b>	<b>\$ -</b>	<b>\$ 5,278</b>	<b>\$ 4,200</b>	<b>\$ 81,030</b>
<b>Total</b>	<b>\$ 1,643,665</b>	<b>\$ -</b>	<b>\$ 85,514</b>	<b>\$ 40,535</b>	<b>\$ 1,517,616</b>

**MFA 66:** repaid during the year **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 2019 Interest Rate 4.575%

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

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
General Fund	68,478	68,478	68,478	61,119	61,119
Water Fund	7,796	7,796	6,045	6,045	6,045
Sewer Fund	5,278	5,278	5,278	5,278	5,278
	<b>\$ 81,552</b>	<b>\$ 81,552</b>	<b>\$ 79,801</b>	<b>\$ 72,442</b>	<b>\$ 72,442</b>

**DISTRICT OF 100 MILE HOUSE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2017**

**11. Tangible Capital Assets**

<b>2017</b>	<b>Land</b>	<b>Buildings</b>	<b>Vehicles, Furniture &amp; Equipment</b>	<b>Transportation</b>	<b>Recreation Facilities</b>	<b>Water</b>	<b>Sewer</b>	<b>Assets Under Construction</b>	<b>Total</b>
<b>Cost</b>									
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
<b>Accumulated amortization</b>									
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

<b>2016</b>	<b>Land</b>	<b>Buildings</b>	<b>Vehicles, Furniture &amp; Equipment</b>	<b>Transportation</b>	<b>Recreation Facilities</b>	<b>Water</b>	<b>Sewer</b>	<b>Assets Under Construction</b>	<b>Total</b>
<b>Cost</b>									
Balance, beginning of year	\$ 1,262,560	\$ 2,815,843	\$ 4,303,183	\$ 20,846,511	\$ 1,666,254	\$ 8,550,245	\$ 7,888,695	\$ 19,458	\$ 47,352,749
Add: Acquisitions	23,947	-	142,134	248,773	69,931	-	-	1,002,510	1,487,295
Less: Disposals	-	-	180,682	38,287	-	-	-	-	218,969
Less: Writedowns	-	-	-	-	-	-	-	-	-
Balance, end 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
<b>Accumulated amortization</b>									
Balance, beginning of year	\$ -	\$ 2,038,897	\$ 2,450,369	\$ 7,935,489	\$ 539,594	\$ 3,665,308	\$ 3,079,399	\$ -	\$ 19,709,056
Add: Amortization	-	68,771	194,513	527,069	76,815	156,130	215,648	-	1,238,946
Less: Disposals	-	-	179,363	38,287	-	-	-	-	217,650
Balance, end of year	\$ -	\$ 2,107,668	\$ 2,465,519	\$ 8,424,271	\$ 616,409	\$ 3,821,438	\$ 3,295,047	\$ -	\$ 20,730,352
Net book value, end of year	\$ 1,286,507	\$ 708,175	\$ 1,799,116	\$ 12,632,726	\$ 1,119,776	\$ 4,728,807	\$ 4,593,648	\$ 1,021,968	\$ 27,890,723

**DISTRICT OF 100 MILE HOUSE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2017**

**12. Property Taxation and Grants in Lieu**

<b>Taxes Collected</b>	<b>2017</b>	<b>2016</b>
Property taxes	\$ 4,908,171	\$ 4,788,643
Special assessments	156,208	149,213
1% Utility tax	85,745	86,278
Grants In Lieu of taxes	89,032	77,369
Penalties and interest on taxes	15,115	16,322
	<b>\$ 5,254,271</b>	<b>\$ 5,117,825</b>
<b>Less transfers to other governments</b>		
School District	1,110,248	1,113,961
Regional District	641,553	625,253
Regional Hospital District	303,857	286,823
Joint Boards & Commissions	32,134	33,217
Other	140,061	138,653
	<b>\$ 2,227,853</b>	<b>\$ 2,197,907</b>
<b>Net Taxes available for municipal purposes</b>	<b>\$ 3,026,418</b>	<b>\$ 2,919,918</b>

**13. Sales of Services**

	<b>2017</b>	<b>2016</b>
Water user rates	\$ 459,886	\$ 443,815
Sewer user rates	361,102	339,715
Garbage/Recycling	25,192	24,891
Wildfire season	479,484	-
Other	136,998	130,941
	<b>\$ 1,462,662</b>	<b>\$ 939,362</b>

**14. Government Transfers**

<u>Provincial grants</u>		<b>2017</b>	<b>2016</b>
Conditional:	Age Friendly Planning	\$ 2,001	\$ 4,900
	Other	139,294	161,325
	Gas Tax: Long Term Water Improvement Plan	-	-
Unconditional:	Small Community Protection	361,074	354,787
<u>Federal grants</u>			
Conditional:		-	-
Unconditional:		-	-
<u>Regional &amp; other grants</u>			
Conditional:	Cariboo Regional District and NDI Trust	447,007	451,756
		<b>\$ 949,376</b>	<b>\$ 972,768</b>



**DISTRICT OF 100 MILE HOUSE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2017**

**15. Accumulated Surplus**

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

<b>Surplus</b>	<b>2016</b>	<b>Project Costs</b>	<b>Transfers to/from Reserves</b>	<b>Surplus (Deficit)</b>	<b>2017</b>
General operating fund	3,140,119	559,225	(1,350,826)	892,798	3,241,316
Sewer operating fund	445,491	163,063	(75,890)	30,405	563,069
Water operating fund	409,268	144,552	(72,485)	38,924	520,259
<b>Operating fund surplus</b>	<b>3,994,878</b>	<b>866,840</b>	<b>(1,499,201)</b>	<b>962,127</b>	<b>4,324,644</b>

<b>Reserves</b>	<b>2016</b>	<b>Project Costs</b>	<b>Transfers from Surplus</b>	<b>Interest</b>	<b>2017</b>
Municipal infrastructure	1,193,290	(25,072)	932,556	880	2,101,654
Utility infrastructure	2,180,610	-	151,434	-	2,332,044
Parkland	3,799	-	2,030	44	5,873
Machinery & Equipment	1,803,912	(253,982)	160,325	1,759	1,712,014
Woodlot	227,961	(20,083)	-	173	208,051
Community Forest	2,050,000	-	250,000	-	2,300,000
<b>Total reserves</b>	<b>7,459,572</b>	<b>(299,137)</b>	<b>1,496,345</b>	<b>2,856</b>	<b>8,659,636</b>

- a) Included in the General Operating Fund are internally restricted funds of \$1,290,000 (2016 - \$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 (2016 - \$100,000) for the purposes of planning.
- c) Included in the General Operating Fund are internally restricted funds of \$49,596 (2016 - \$60,128) to be used to fund Interior Health Transit expense.

**DISTRICT OF 100 MILE HOUSE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2017**

**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:

	2017		2016
Equity in TCA, beginning of year	\$ 25,430,912	\$	26,065,454
Add: Capital acquisitions	497,359		484,785
Debt principal repayment	85,514		85,514
Actuarial adjustment	40,535		35,424
Less: Proceeds from the issue of debt	-		-
Disposition at NBV	1,337		1,319
Amortization	1,189,774		1,238,946
Equity in TCA, end of year	<u>\$ 24,863,209</u>	<u>\$</u>	<u>25,430,912</u>

**17. Expenses by Object**

	2017		2016
Goods and services	\$ 1,719,959	\$	1,631,430
Salary, wages and benefits	2,084,766		1,816,043
Amortization	1,189,774		1,238,946
Interest and finance charges	123,228		125,594
Debenture debt payments	85,514		85,514
Loss from sale/write down of tangible capital assets	1,337		1,319
	<u>\$ 5,204,578</u>	<u>\$</u>	<u>4,898,846</u>

**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, 2016, 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 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

**DISTRICT OF 100 MILE HOUSE**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2017**

---

**18. Contingent Liabilities and Commitments continued**

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 \$107,594 for employer contributions to the Plan in fiscal 2017 (2016 - \$104,270)

**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) Rental Agreement**

The District has entered into the following rental agreement:

	<u>Term</u>	<u>Expiry Date</u>	<u>Annual Lease Cost</u>
Photocopier	3 year	January 31/2019	\$ 5,460

**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, 2017 is \$410,565 and is 25% 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, 2017 is \$4,544,535 and is over 51% complete; deadline to complete is December 31, 2018. 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**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2017**

---

**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 \$170,945 (2016 - \$169,920) 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. Budget data**

The budget data presented in these consolidated financial statements is based upon the 2017 operating and capital budgets approved as the 2017 to 2021 Financial Plan by Council on April 25, 2017. 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

	<u>Budget Amount</u>
Deficit – Statement of Operations	\$ (306,945)
Adjust for budgeted items not included in Statement of Operations:	
Transfers from reserve funds	(512,690)
Transfer from operating surplus	(297,000)
Acquisition of tangible capital assets	-
Principal repayments on borrowing	-
Non-cash items - amortization	1,116,635
Total Adjustments	306,945
Financial Plan Balance	<u>\$ -</u>