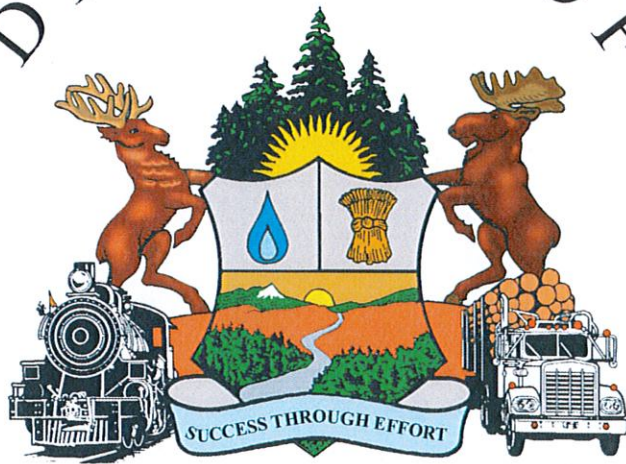


DISTRICT OF



CHETWYND

Financial Statements

December 31, 2018



CHETWYND

December 31, 2018

CONTENTS

	<u>Page</u>
Financial Statements	
Management Statement of Responsibility	
Independent Audit Report	1
Statement of Financial Position	3
Statement of Operations	4
Statement of Cash Flows	5
Statement of Net Financial Assets	6
Notes to the Financial Statements	11
Supplementary Information Report	17
Schedule of Operations (unaudited)	
Schedule 1	18
Schedule of Capital Fund Operations (unaudited)	
Schedule 2	19
Schedule of Reserve Fund Operations (unaudited)	
Schedule 3	20

Management Statement of Responsibility

These financial statements and accompanying schedules are the responsibility of the management of the District of Chetwynd and have been prepared in accordance with generally accepted accounting principles for local governments as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Management is responsible for implementing and maintaining a system of internal controls that are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are regularly monitored and evaluated by management.

These financial statements have been audited by Sander Rose Bone Grindle LLP, Chartered Professional Accountants, independent external auditors appointed by the District of Chetwynd. The following Independent Auditor's Report describes their responsibilities, scope of examination and opinion on the District's financial statements. The external auditors have full access to Council.



Kevin Franson
Director of Financial Administration
March 22, 2019



Carol Newsom
Chief Administrative Officer
March 22, 2019

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of District of Chetwynd

Qualified Opinion

We have audited the financial statements of District of Chetwynd, which comprise the statement of financial position as at December 31, 2018, the statement of operations, the statement of cash flows and changes in net financial assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of District of Chetwynd as at December 31, 2018 and the result of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for Public Sector.

Basis for Qualified Opinion

The District has not adopted the new Section PS 3260, Liability for Contaminated Sites, of the Public Sector Accounting Board handbook which establishes how to account for and report a liability associated with the remediation of contaminated sites. The effects on the financial statements as a result of not adopting the new section are that liabilities and expenditures could be understated and accumulated surplus could be overstated, the amounts, if any, are not know at this time.

We conduct 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 Financial Statements* section of our report. We are independent of the Municipality in accordance with the ethical requirements that are relevant to our audit of the 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 qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for Public Sector, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Municipality financial reporting process. Independent Auditor's Report to the Mayor and Council of District of Chetwynd.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 the financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipality'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 Municipality'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 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, further events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statement 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.

**Fort St. John, BC
May 13, 2019**

Sandra Rose Bone Brindle CMA
Chartered Professional Accountants

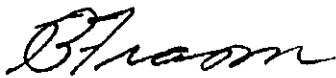
District of Chetwynd

Statement of Financial Position

December 31, 2018

	Note	2018	2017
Financial Assets			
Cash and cash equivalents	2.	\$ 7,930,033	\$ 5,792,161
Accounts receivable	3.	1,446,389	2,470,401
Deposit - Municipal Finance Authority	4.	134,341	96,114
Land held for resale		350,050	350,050
		9,860,813	8,708,726
Liabilities			
Accounts payable and accrued liabilities	5.	937,470	1,604,297
Deferred revenue	6.	528,236	906,842
Reserve - Municipal Finance Authority	4.	134,341	96,114
Short term debt		-	1,082,000
Long term debt	9.	3,949,624	2,983,415
		5,549,671	6,672,668
Net Financial Assets		4,311,142	2,036,058
Non-Financial Assets			
Inventory		45,448	35,924
Prepaid expenses		83,081	54,867
Tangible capital assets	8.	50,030,373	48,281,341
		50,158,902	48,372,132
Accumulated surplus		\$ 54,470,044	\$ 50,408,190

Approved by:



Kevin Franson

Director of Financial Administration

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

District of Chetwynd

Statement of Operations

For the Year Ended December 31, 2018

	2018	2018 Budget (unaudited)	2017
Revenue			
Property taxes	\$ 3,053,473	\$ 3,051,537	\$ 3,119,247
Services provided to other governments	194,404	197,984	160,555
Sale of services	1,546,002	1,460,194	1,496,181
Other revenue from own sources	641,520	358,445	606,456
Government transfers	6,145,280	6,405,002	6,837,022
Gain (Loss) on disposal of assets	(196,008)	-	(64,511)
	11,384,671	11,473,162	12,154,950
Expenditures			
General Government Services	1,517,041	1,449,096	1,619,094
Protective Services	517,127	317,939	463,611
Transportation Services	2,397,616	1,447,135	2,358,911
Utility Services	1,935,279	1,443,434	1,869,010
Public Health Services	131,442	91,292	164,508
Community Development	824,312	906,399	870,151
	7,322,817	5,655,295	7,345,285
	4,061,854	5,817,867	4,809,665
Accumulated Surplus, beginning of year	50,408,190	50,408,190	45,598,525
	\$ 54,470,044	\$ 56,226,057	\$ 50,408,190

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

District of Chetwynd

Statement of Cash Flows

For the Year Ended December 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Net income (loss) for the period	\$ 4,061,854	\$ 4,809,665
Depreciation, depletion and amortization	1,714,346	1,546,610
Loss on disposal of assets	196,008	64,511
(Increase) decrease in		
Accounts receivables	1,024,012	729,127
Prepaid expense	(28,214)	(1,074)
Inventory	(9,523)	(2,266)
Increase (decrease) in		
Accounts payable and accrued liabilities	(666,827)	(267,360)
Deferred revenue	(378,606)	750,286
TOTAL OPERATING ACTIVITIES	5,913,050	7,629,499
CAPITAL ACTIVITIES:		
Acquisition of tangible capital assets	(3,682,137)	(6,406,562)
Proceeds from disposal of tangible capital assets	22,750	2,406
TOTAL CAPITAL ACTIVITIES	(3,659,387)	(6,404,156)
FINANCING ACTIVITIES:		
Proceeds from short-term debt	-	1,082,000
Repayments of short-term debt	(1,082,000)	-
Proceeds from issuance of long-term debt	1,086,921	1,500,000
Repayments of long-term debt	(120,712)	(58,558)
TOTAL FINANCING ACTIVITIES	(115,791)	2,523,442
Net cash increase (decreases) in cash and cash equivalents	2,137,872	3,748,785
Cash and cash equivalents at beginning of period	5,792,161	2,043,376
Cash and cash equivalents at end of period	\$ 7,930,033	\$ 5,792,161

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

District of Chetwynd

Statement of Net Financial Assets

For the Year Ended December 31, 2018

	2018	2017
Current Year Surplus	\$ 4,061,854	\$ 4,809,665
Acquisition of capital assets	(3,682,137)	(6,406,562)
Amortization	1,714,346	1,546,610
loss on disposal of assets	196,008	64,511
Proceeds on disposal of assets	22,750	2,406
(Increase) decrease in inventory	(9,523)	(2,266)
(Increase) decrease in prepaids	(28,214)	(1,074)
Increase (decrease) in Net Financial Assets	2,275,084	13,290
Net Financial Assets, beginning of year	2,036,058	2,022,768
Net Financial Assets, end of year	\$ 4,311,142	\$ 2,036,058

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

District of Chetwynd

Significant Accounting Policies

For the Year Ended December 31, 2018

1. Significant Accounting Policies

The District of Chetwynd is incorporated under the Local Government Act of British Columbia. The District's principal activities include the provision of local government services to residents and businesses of the incorporated area. These services include general government, protective, transportation, public health and welfare, environmental development, recreation and culture and water and sewer utilities.

The financial statements of the District of Chetwynd are the representation of management prepared in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants. The significant accounting policies area as follows:

The financial statements reflect a combination of the District's Operating, Capital and Reserve Funds. Interfund transactions and balances have been eliminated.

Operating Funds - Operating funds are established for general, water and sewer operations of the District. Operating funds are used to record the costs associated with providing District services.

Capital Funds - Capital funds are established for general, water and sewer capital. Capital funds are used to record the acquisition of capital assets.

Portfolio Investments - as the District does not effect any influence over the portfolio investment, they are recorded at cost.

Reserve Funds - These funds hold assets necessary to finance future capital expenditures and are subject to the statutory restrictions of the Community Charter of British Columbia. Restrictions include the requirement that funds and interest thereon may only be expended for specific purposes and these expenditures be approved by a bylaw passed by the District Council.

Cemetery Care Trust Fund - This fund is intended to provide earnings that can be used for the upkeep of the cemetery and has been established pursuant to the Cemetery Care Act. The Cemetery Care Trust Fund is excluded from the District's Financial Statements, per PSAB guidelines.

The District follows the accrual method of accounting for revenues and expenses. Revenues recognized in the period in which the transactions or events occurred that gave rise to the revenues and expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due. Prior year balances have been restated to reflect current year presentation.

The District's financial instruments consist of cash, receivables, short term deposits, Municipal Finance Authority (MFA) money market fund deposits, payables and accruals. Unless otherwise noted, it is managements's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments. MFA unit cost investments are reported at market value as at December 31.

Inventory of supplies for resale are valued at the lower of cost and net realizable value.

Properties available for sale include real estate properties which are ready and available to be sold and for which there is a market. They are valued at the lower of cost or expected net realizable value.

District of Chetwynd

Significant Accounting Policies

For the Year Ended December 31, 2018

1. Significant Accounting Policies continued

Receipts that are restricted by legislation or direction of senior governments or by agreement with external parties are deferred when received. When qualifying expenditures are incurred the realized revenue is realized.

Revenue received in advance of services to be provided in a later period are recorded as deferred revenue until those services are provided.

The District has determined that the estimated fair value of the financial assets and liabilities do not differ considerably from their book value.

Sales revenue is recognized in accordance with industry practice which is when all the risks and benefits of ownership of products have been transferred to customers under executed sales agreements.

The budget approved in April 2018 is presented in the financial statements, any subsequent amendments have not been included and have not been audited. The budget has been adjusted to remove internal equipment charges. The effect of this adjustment is to reduce "Revenue from own sources" from \$866,164 to \$358,445 and to reduce operation expenses from \$6,163,014 to \$5,655,295.

Included in prepaid expenses are unexpired insurance premiums, support contracts and deposits which are amortized over the term of the respective policies or as they are used.

The preparation of financial statements in accordance with Canadian public accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Property, plant and equipment is carried at cost. Depreciation is calculated using the straight-line method over estimated useful lives ranging from 5 to 60 years. Depreciation expense for December 31, 2018 was \$ 1,734,146 (2017 - \$ 1,546,610).

Tangible capital assets and other non-financial assets are accounted for as assets by the municipality because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge liabilities of the municipality unless they are sold.

Property, plant and equipment is stated at cost less accumulated amortization. Cost includes all charges directly attributable to placing the asset in its intended location and condition of use. Contributed tangible capital assets are recorded at fair market value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land	not amortized
Land improvements	
Buildings	60 years
Vehicles	
Equipment	5 - 30 years
Infrastructure	15 - 75 years

District of Chetwynd

Significant Accounting Policies

For the Year Ended December 31, 2018

1. Significant Accounting Policies continued

In the event that facts and circumstances indicate that the District's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required. The District considers that no circumstances exist that would require such an evaluation.

Government transfers are recognized in the financial statements as revenue in the period that the 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.

The District owns one third of the Little Prairie Community Forest Inc., a company incorporated in the Province of British Columbia. The Board of Directors of the company are comprised of two representatives from each of the District, West Moberly First Nations and Sauteau First Nations. The District does not have any control over the corporation and therefore reports the investment as a portfolio investment.

The District, West Moberly First Nations and Sauteau First Nations are limited partners with the Little Prairie Community Forest Inc., the unlimited partner. The partnership operates as Little Prairie Community Forest LLP and was created in an economic and environmentally responsible manner. All management functions are provided by the Little Prairie Community Forest Inc. and its board of directors. The district accounts for the partnership through proportionate consolidation.

Certain amounts, as approved by the District Council, are set aside in reserves for future operating and capital expenditures. Transfers to and/or from these reserves are shown as interfund transfers in various fund operations schedules.

District of Chetwynd

Significant Accounting Policies

For the Year Ended December 31, 2018

1. Significant Accounting Policies continued

The District's operations and activities are organized and reported by funds and departments. The General Fund reports on operations which include services provided by the District such as general government, protective services, transportation services, utility services, public health services and community development services. Operating results are reported by the following segments included in Note 12.

General Government

General Government operations are primarily funded by property taxation. The expenses within the department are for legislative, general administration, community service grants and rental property operating costs within the municipality.

Protective Services

Protective services are comprised of fire protection, building inspection and bylaw enforcement services as well as Provincial Emergency Program services.

Transportation Services

Transportation services are responsible for the delivery of municipal public works services related to engineering services, maintenance of streets and roads, bridges, drainage systems, street lighting and airport maintenance as well as the maintenance of workshops, yards and other buildings.

Utility Services

Utility services include the operating and maintenance of the District's water and wastewater systems as well as the collection and disposal of solid waste.

Public Health Services

Public Health services include the operation and maintenance of the cemetery and community health initiatives.

Community Development

Community Development services include economic development, tourist information services, recreation and leisure services including the grounds, boulevard, trails and wood carving maintenance.

District of Chetwynd

Notes to the Financial Statements

For the Year Ended December 31, 2018

2. Cash and cash equivalents

	2018	2017
Cash on hand	\$ 1,865	\$ 1,865
Bank	1,647,737	2,113,499
Short term and MFA money market deposits	6,280,431	3,676,797
Total	\$ 7,930,033	\$ 5,792,161

3. Receivables

Accounts receivable consist of the following:

	2018	2017
Trade accounts receivable	\$ 147,886	\$ 142,875
Due from Other Governments	682,432	1,596,744
Property taxes receivable	209,755	273,733
Utilities receivable	406,316	457,049
Total	\$ 1,446,389	\$ 2,470,401

4. MFA Debt Reserve

The details of the cash deposits and demand notes are as follows:

	2018	2017
Demand Note	\$ 90,274	\$ 63,799
Cash Deposit	44,067	32,315
General Operations	\$ 134,341	\$ 96,114

District of Chetwynd

Notes to the Financial Statements

For the Year Ended December 31, 2018

5. Accounts payable and accrued expenses

Accounts payable consist of the following:

	2018	2017
Trade accounts payable	\$ 369,280	\$ 978,255
Holdbacks and trust funds payable	285,559	346,487
Wages and employee benefits payable	240,270	223,371
Other governments and agencies	42,361	56,184
Total	\$ 937,470	\$ 1,604,297

6. Deferred revenue

	2018	2017
Capital grants	\$ 358,550	\$ 663,922
Planning grants	-	81,593
Lease revenue	11,319	11,319
Utility charges	42,114	41,645
Other deferred revenue	116,253	108,363
Deferred revenue, end of period	\$ 528,236	\$ 906,842

7. Line of Credit

The District holds a line of credit which includes a demand operating facility of up to \$300,000 at Scotiabank Prime Lending Rate and a revolving equipment financing loan of up to \$500,000 at Scotiabank Leasing's Base Rate plus 1.25%. The balance of the credit facilities at December 31, 2018 was approximately \$ NIL(2017 -\$ NIL).

District of Chetwynd

Notes to the Financial Statements

For the Year Ended December 31, 2018

8. Tangible Capital Assets

	Land	Buildings	Machinery, Equipment	General Infrastructure	Utility Infrastructure	Work in Progress	2018	2017
Cost								
Balance, beginning of year	\$ 1,107,551	\$ 12,321,066	\$ 9,114,246	\$ 22,058,232	\$ 25,740,720	\$ 491,808	\$ 70,833,623	\$ 65,205,743
Additions	107,296	40,102	386,437	379,085	3,068,876	163,317	4,145,113	7,092,599
Disposals	-	-	(109,384)	(73,733)	(599,433)	(462,976)	(1,245,526)	(1,464,719)
Balance, end of year	1,214,847	12,361,168	9,391,299	22,363,584	28,210,163	192,149	73,733,210	70,833,623
Accumulated Amortization								
Balance, beginning of year	-	2,570,065	5,922,510	7,175,356	6,884,351	-	22,552,282	21,717,437
Amortization	-	223,725	436,651	553,714	500,257	-	1,714,347	1,546,610
Disposals	-	-	(109,384)	(73,733)	(380,675)	-	(563,792)	(711,765)
Balance, end of year	-	2,793,790	6,249,777	7,655,337	7,003,933	-	23,702,837	22,552,282
	\$ 1,214,847	\$ 9,567,378	\$ 3,141,522	\$ 14,708,247	\$ 21,206,230	\$ 192,149	\$ 50,030,373	\$ 48,281,341

District of Chetwynd

Notes to the Financial Statements

For the Year Ended December 31, 2018

9. Long-term debt

	Balance, beginning of year	Proceeds	Sinking fund payments	Actuarial adjustment	Balance, end of year
General capital fund					
MFA Issue 131	\$ 1,483,415	\$ -	\$ (60,607)	\$ (3,051)	\$ 1,419,757
Sewer capital fund					
MFA Issue 141	1,500,000	-	(55,824)	(1,225)	1,442,951
MFA Issue 145	-	1,086,921	-	-	1,086,921
	1,500,000	1,086,921	(55,824)	(1,225)	2,529,872
	\$ 2,983,415	\$ 1,086,921	\$ (116,431)	\$ (4,276)	\$ 3,949,629

Principal repayment on long term debt required in each of the next five years is as follows:

	Effective Interest Rate	Total	2019	2020	2021	2022	2023	Subsequent
MFA Issue 131	2.19%	\$ 961,822	\$ 56,578	\$ 56,578	\$ 56,578	\$ 56,578	\$ 56,578	\$ 678,932
MFA Issue 141	2.80%	1,060,645	55,823	55,823	55,823	55,823	55,823	781,530
MFA Issue 145	3.15%	809,011	40,451	40,451	40,451	40,451	40,451	606,756
Total		\$ 2,831,478	\$152,852	\$152,852	\$152,852	\$152,852	\$152,852	\$ 2,067,218

10. Property taxes

	2018	2017
Municipal property taxes	\$ 6,149,497	\$ 6,441,876
Remitted to other governments		
School & Police taxes	1,468,952	1,499,457
PRRD taxes	1,165,101	1,335,370
PRRHD taxes	356,498	382,628
Joint boards and commissions	105,473	105,174
	3,096,024	3,322,629
Total	\$ 3,053,473	\$ 3,119,247

District of Chetwynd

Notes to the Financial Statements

For the Year Ended December 31, 2018

11. Pension liability

The District of Chetwynd and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2017, the plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local governments.

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

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

The District of Chetwynd paid \$277,301 (2017 - \$ 290,002) for employer contributions to the plan in fiscal 2017.

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

Employers participating in the plan record their pension expense as the amount 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.

District of Chetwynd

Notes to the Financial Statements

For the Year Ended December 31, 2018

12. Segmented Information

	General Government	Protective Services	Transportation Services	Utility Services	Public Health	Community Development	2018 Budget (unaudited)	2017
Property taxes	\$ 3,020,070	\$ -	\$ -	\$ 33,403	\$ -	\$ -	\$ 3,053,473	\$ 3,119,247
Services provided to other governments	3,515	81,179	-	-	-	109,710	194,404	160,555
Sale of services	10,000	28,771	155	1,451,509	17,170	38,397	1,546,002	1,496,181
Other revenue from own sources	405,986	43,428	186,406	700	-	5,000	641,520	606,456
Government transfers	4,132,673	13,560	-	1,762,162	30,000	206,885	6,145,280	6,837,022
Gain (Loss) on disposal of assets	4,750	-	18,000	(218,758)	-	-	(196,008)	(64,511)
	7,576,994	166,938	204,561	3,029,016	47,170	359,992	11,384,671	12,154,950
Salaries, wages & benefits	741,573	131,531	858,663	488,331	55,829	433,671	2,709,598	2,727,755
Travel & training	76,041	39,907	9,848	5,331	-	11,838	142,965	134,117
Contracted services	231,743	113,816	228,821	486,072	4,138	93,078	1,157,668	1,499,519
Materials & supplies	91,820	74,738	329,889	108,386	3,601	99,622	708,056	618,119
Insurance, licenses & dues	30,119	9,211	93,629	9,134	-	1,153	143,246	138,139
Utilities & telephone	77,437	19,525	143,160	163,646	424	23,710	427,902	423,958
Other expenditures	136,150	2,405	2,264	74,071	35,340	68,806	319,036	257,068
Amortization	132,158	125,994	731,342	600,308	32,110	92,434	1,714,346	1,546,610
	1,517,041	517,127	2,397,616	1,935,279	131,442	824,312	7,322,817	7,345,285
	\$ 6,059,953	\$ (350,189)	\$ (2,193,055)	\$ 1,093,737	\$ (84,272)	\$ (464,320)	\$ 4,061,854	\$ 4,809,665

AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Mayor and Council of the District of Chetwynd

We have audited the consolidated financial statements of the District of Chetwynd, which comprise the consolidated statements of financial position as at December 31, 2018 and consolidated statements of operations, change in net financial debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. This report contained a qualified opinion on the consolidated financial statements as a whole. The following supplemental financial information is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the consolidated financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting records and other records used to prepare the consolidated financial statements or the consolidated financial statements.

Fort St. John, BC
May 13, 2019

Sander Rose Bone Brindle LLP
Chartered Professional Accountants

District of Chetwynd

Schedule of Operations (unaudited)

Schedule 1

For the Year Ended December 31, 2018

	General	Water	Sewer	2018	2018 Budget	2017
Revenues						
Property Taxes	\$ 3,020,070	\$ 20,165	\$ 13,238	\$ 3,053,473	\$ 3,051,537	\$ 3,119,247
Sale of Services	590,277	728,801	421,328	1,740,406	1,658,178	1,656,736
Other Revenue	533,558	-	-	533,558	358,445	549,840
Government Transfers	4,306,622	-	-	4,306,622	3,923,260	4,058,221
	8,450,527	748,966	434,566	9,634,059	8,991,420	9,384,044
Expenses						
General Government	1,384,883	-	-	1,384,883	1,449,096	1,474,229
Protective Services	391,133	-	-	391,133	317,939	357,762
Transportation Services	1,666,274	-	-	1,666,274	1,447,135	1,686,807
Utility Services	409,520	624,584	300,867	1,334,971	1,443,434	1,359,803
Public Health Services	99,332	-	-	99,332	91,292	131,115
Community Development	731,878	-	-	731,878	906,399	788,958
	4,683,020	624,584	300,867	5,608,471	5,655,295	5,798,674
Current year surplus (deficit)	3,767,507	124,382	133,699	4,025,588	3,336,125	3,585,370
Transfer - Operating Funds	(46,665)	18,786	27,879	-	38,085	-
Transfer - Capital Funds	-	-	-	-	-	1,443,423
Transfer - Reserve Funds	(3,557,955)	-	122,975	(3,434,980)	(3,071,746)	(3,326,515)
	162,887	143,168	284,553	590,608	302,464	1,702,278
Accumulated Surplus, beginning of year	1,274,604	331,477	200,745	1,806,826	(151,975)	70,044
Accumulated Surplus, end of year	\$ 1,437,491	\$ 474,645	\$ 485,298	\$ 2,397,434	\$ 150,489	\$ 1,772,322

District of Chetwynd

Schedule of Capital Fund Operations (unaudited)

Schedule 2

For the Year Ended December 31, 2018

	2018	2018 Budget	2017
Revenue			
Donations	\$ 5,000	\$ -	\$ 12,600
	-	-	1,980
Government transfers - capital	1,838,658	2,481,742	2,778,801
Gain (Loss) on disposal of assets	(196,008)	-	(64,511)
	1,647,650	2,481,742	2,728,870
Expenses			
Amortization			
General Government	132,158	-	144,868
Protective Services	125,994	-	105,848
Transportation Services	731,342	-	672,102
Utility Services	600,308	-	509,207
Public Health Services	32,110	-	33,393
Community Development	92,434	-	81,193
	1,714,346	-	1,546,611
	(66,696)	2,481,742	1,182,259
Interfund Transfers			
Reserves to Capital	1,815,732	-	2,533,162
Capital to Operations	-	-	(1,443,423)
	1,815,732	-	1,089,739
Change in Accumulated Surplus	1,749,036	2,481,742	2,271,998
Accumulated Surplus, beginning of year	44,211,005	-	41,973,486
Accumulated Surplus, end of year	\$ 45,960,041	\$ 2,481,742	\$ 44,245,484

District of Chetwynd

Schedule of Reserve Fund Operations (unaudited)

Schedule 3

For the Year Ended December 31, 2018

	2018	2017
Revenue		
Interest	\$ 102,962	\$ 42,036
Interfund Transfers		
Reserves from (to) Operations	3,434,980	3,326,515
Reserves to Capital	(1,815,732)	(2,533,162)
	1,619,248	793,353
Change in Reserve Funds	1,722,210	835,389
Reserve funds, beginning of year	4,390,384	3,554,995
Reserve funds, end of year	6,112,594	4,390,384
Balance Represented by:		
Reserves set aside by Council:		
Administration Reserve	2,194	1,170
Finance Reserve	10,825	5,699
Snow Removal Reserve	1,365	1,342
Recreation Site Reserve	205,135	201,733
Gas Tax Reserve	511,783	448,183
Council Reserve	352,029	50,022
Sustainability Reserve	984,909	904,876
Water Capital Reserve	583,141	556,059
Debt Retirement Reserve	81,735	-
Peace River Agreement Reserve	1,893,018	1,023,605
	4,626,134	3,192,689
Restricted Reserves		
Capital Equipment Reserve	261,524	127,733
Fire Equipment Reserve	471,442	311,027
Medical Clinic Reserve	261,654	275,252
Land Sale Reserve	426,811	419,733
Tax Sale Land Reserve	65,029	63,950
	1,486,460	1,197,695
	\$ 6,112,594	\$ 4,390,384