

*Consolidated Financial Statements of*

**THE CORPORATION OF THE VILLAGE OF NEW DENVER**

*December 31, 2018*

**THE CORPORATION OF THE VILLAGE OF NEW DENVER**  
**Index to Consolidated Financial Statements**  
**December 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council  
Corporation of the Village of New Denver

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Grant Thornton LLP  
513 Victoria Street  
Nelson, BC  
V1L 4K7  
T +1 250 352 3165  
F +1 250 352 7166

### Opinion

We have audited the consolidated financial statements of the Corporation of the Village of New Denver, ("the Village"), which comprise the statement of financial position as at December 31, 2018 and the statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Village of New Denver as at December 31, 2018, and its results of operations, its changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Village in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Matters

The consolidated financial statements of the Corporation of the Village of New Denver for the year ended December 31, 2017, were audited by Berg Lehmann Chartered Professional Accountants who expressed an unmodified opinion on those statements on March 27, 2018.

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

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

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

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

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## INDEPENDENT AUDITOR'S REPORT (continued)

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

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

Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the Village's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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, future events or conditions may cause the Village to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## **INDEPENDENT AUDITOR'S REPORT** (continued)

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.

Nelson, B.C.

**Chartered Professional Accountants**

March 26, 2019

**THE CORPORATION OF THE VILLAGE OF NEW DENVER**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As At December 31, 2018**

	2018	2017
<b>FINANCIAL ASSETS</b>		
Cash and short-term investments	\$ 818,463	\$ 1,259,856
Taxes and water user fees receivable	40,753	40,439
Accounts receivable	148,908	126,017
	<u>1,008,124</u>	<u>1,426,312</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	62,105	72,806
Deferred revenue - other grants	91,471	10,000
Long-term debt (note 3)	329,317	355,387
	<u>482,893</u>	<u>438,193</u>
<b>NET FINANCIAL ASSETS</b>	<u>525,231</u>	<u>988,119</u>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses and deposits (note 4)	138,215	258,347
Tangible capital assets (note 2)	3,951,183	3,438,673
	<u>4,089,398</u>	<u>3,697,020</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 4,614,629</u>	<u>\$ 4,685,139</u>
Represented by:		
Operating funds (note 7)	\$( 81,467)	\$ 594,835
Reserve funds (note 7)	1,074,230	1,007,018
Equity in capital assets (note 8)	3,621,866	3,083,286
	<u>\$ 4,614,629</u>	<u>\$ 4,685,139</u>
<b>CONTINGENT LIABILITIES (note 12)</b>		

  
 Acting Chief Financial Officer

**THE CORPORATION OF THE VILLAGE OF NEW DENVER**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**For the Year Ended December 31, 2018**

	2018 Budget	2018 Actual	2017 Actual
<b>REVENUE</b>			
Taxation and grants-in-lieu	\$ 271,441	\$ 272,585	\$ 261,842
Federal Gas Tax grant (note 5)	77,394	77,395	74,057
Other Federal government grants	9,255	12,164	6,866
Provincial and other grants	329,013	516,027	599,207
Fire services contract	78,685	78,686	76,916
Sale of services and rentals	199,670	238,147	222,952
Water user and connection fees	138,000	148,454	149,451
Interest on investments	1,400	14,527	16,411
Interest and penalties on taxes	5,550	3,455	5,484
Sundry	3,000	7,261	5,546
	<u>1,113,408</u>	<u>1,368,701</u>	<u>1,418,732</u>
<b>EXPENDITURES (note 9)</b>			
General government	342,142	323,157	330,443
Environment and public health	47,350	72,565	57,452
Planning and development	11,330	4,062	3,029
Protective services	76,610	321,057	285,265
Recreation and cultural services	203,344	250,826	329,744
Transportation services	208,208	260,166	245,883
Water services	90,620	77,368	110,886
Amortization	-	130,010	117,646
	<u>979,604</u>	<u>1,439,211</u>	<u>1,480,348</u>
<b>ANNUAL SURPLUS (DEFICIT) (note 13)</b>	133,804	( 70,510)	( 61,616)
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	4,685,139	4,685,139	4,746,755
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<u>\$ 4,818,943</u>	<u>\$ 4,614,629</u>	<u>\$ 4,685,139</u>

  
 Acting Chief Financial Officer



**THE CORPORATION OF THE VILLAGE OF NEW DENVER**  
**CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
For the Year Ended December 31, 2018

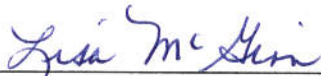
	2018	2017
<b>ANNUAL DEFICIT</b>	<b>\$ ( 70,510)</b>	<b>\$ ( 61,616)</b>
Acquisition of tangible capital assets	( 642,520)	( 97,344)
Amortization	130,010	117,646
Net change in prepaid expenses	120,132	( 126,296)
<b>DECREASE IN NET FINANCIAL ASSETS</b>	<b>( 462,888)</b>	<b>( 167,610)</b>
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	<b>988,119</b>	<b>1,155,729</b>
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 525,231</b>	<b>\$ 988,119</b>

  
Acting Chief Financial Officer



**THE CORPORATION OF THE VILLAGE OF NEW DENVER**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2018

	2018	2017
<b>OPERATING TRANSACTIONS</b>		
Cash receipts from taxation and grants-in-lieu	\$ 276,637	\$ 284,099
Cash receipts from grants and own sources	1,134,739	1,096,807
Cash paid to employees and suppliers	(1,184,516)	(1,479,984)
Interest and finance fees paid	( 15,255)	( 15,259)
Interest received	9,886	13,414
<b>Cash Provided By (Applied to) Operating Transactions</b>	<b>221,491</b>	<b>( 100,923)</b>
<b>CAPITAL TRANSACTIONS</b>		
Purchase of tangible capital assets	( 642,520)	( 97,344)
<b>FINANCING TRANSACTIONS</b>		
Repayment of long-term debt	( 20,364)	( 20,364)
<b>DECREASE IN CASH AND SHORT-TERM INVESTMENTS</b>	<b>( 441,393)</b>	<b>( 218,631)</b>
<b>CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR</b>	<b>1,259,856</b>	<b>1,478,487</b>
<b>CASH AND SHORT-TERM INVESTMENTS, END OF YEAR</b>	<b>\$ 818,463</b>	<b>\$ 1,259,856</b>



Acting Chief Financial Officer

## **1. SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of the significant accounting policies of The Corporation of the Village of New Denver.

### **Basis of Presentation**

It is the Village's policy to follow the Canadian Public Sector accounting standards and to apply such standards consistently. The consolidated financial statements include the accounts of all funds for the Village. All interfund transfers have been eliminated. They have been prepared using guidelines issued by the Public Sector Accounting Board (PSAB) CPA Canada. In addition, financial statements for each fund on a segregated basis have been presented under "Other Financial Information".

### **Basis of Accounting**

The resources and operations of the Village are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it.

The Village has the following funds:

Operating funds - these funds are used to report operating activities of the Village. The Village has a general operating fund and water operating fund.

Capital funds - these funds are used to record the acquisition and financing of the capital assets. Capital funds have been established for each of general operations and the water utility.

Reserve funds - these funds have been established to hold funds for specific future requirements. The use of these funds is governed by the Community Charter and Municipal resolutions and by-laws.

The consolidated financial statements include the amounts of all the funds of the Village. Inter-fund transactions and balances have been eliminated.

### **Financial Instruments**

The Village's consolidated financial instruments consist of cash, short-term investments, accounts receivable, accounts payable, and long-term debt. It is management's opinion that the Village is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

### **Revenue Recognition**

Revenue is recognized using the accrual method of accounting. Taxes and utility fees are recognized in the fiscal year to which they relate. Service revenues and grants are recognized in the period in which the Village's service delivery obligations are discharged. Government transfers are recognized as revenue in the period that the transfer is authorized, eligibility criteria, if any, has been met by the Village, and a reasonable estimate of the amount to be received can be made.

**THE CORPORATION OF THE VILLAGE OF NEW DENVER**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**As At December 31, 2018**

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**1. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Tangible Capital Assets**

Tangible capital assets, comprised of capital assets and capital work in progress, are recorded at cost less accumulated amortization and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing the year the asset is put to service. Donated tangible capital assets are reported at fair value at the time of donation. Estimated useful lives by category are as follows:

Buildings	40 - 75 years
Building improvements	15 - 40 years
Engineering Structures	10 - 100 years
Machinery and Equipment	5 - 15 years
Roads - Paving	40 years
Water Infrastructure	10 - 100 years

**Budget Figures**

The budget figures are based on the Five-Year Financial Plan for the year 2018, bylaw No. 714, adopted May 14, 2018.

**Liability for Contaminated Sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met;

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Village is directly responsible or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized at management's estimate of the cost of post remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for the contaminated site. The Village has no liabilities under this standard as at December 31, 2018 and 2017.

**Use of Estimates**

The preparation of financial statements in accordance with public sector 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 expenditures during the reporting period. Significant areas requiring estimates include the determination of accruals, provisions for contingencies and the useful lives of assets for amortization. Actual results could differ from management's best estimates as additional information becomes available in the future.

**THE CORPORATION OF THE VILLAGE OF NEW DENVER**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**As At December 31, 2018**

**2. TANGIBLE CAPITAL ASSETS**

	2018	2017
<b>General Capital Fund</b>		
Land and improvements	\$ 1,221,201	\$ 1,221,201
Buildings	646,865	661,733
Engineering structures	162,532	173,622
Machinery and equipment	768,644	213,455
Roads - Paving	428,584	446,009
	<u>3,227,826</u>	<u>2,716,020</u>
<b>Water Capital Fund</b>		
Engineering structures	717,064	712,568
Machinery and equipment	6,293	10,085
	<u>723,357</u>	<u>722,653</u>
	<u>\$ 3,951,183</u>	<u>\$ 3,438,673</u>

**3. LONG-TERM DEBT**

	Balance, Beginning of Year	Additions	Payment of Principal	Actuarial Adjustment	Balance, End of Year
MFA - Bylaw #577	\$ 114,097	\$ -	\$ 6,654	\$ 411	\$ 107,032
MFA - Bylaw #696	241,290	-	13,710	5,295	222,285
<b>TOTAL</b>	<u>\$ 355,387</u>	<u>\$ -</u>	<u>\$ 20,364</u>	<u>\$ 5,706</u>	<u>\$ 329,317</u>

Interest is paid monthly based on a 5% sinking fund capitalization rate. The requirements for future repayments of principal on existing debt for the next five years are estimated as follows:

2019	\$ 20,364
2020	\$ 20,364
2021	\$ 20,364
2022	\$ 20,364
2023	\$ 20,364

**4. PREPAID EXPENSES AND DEPOSITS**

Included in prepaid expenses and deposits are amounts paid by the Village towards the purchase of new capital equipment.

**5. FEDERAL GAS TAX GRANT**

Gas Tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Village and the Union of British Columbia Municipalities. The Village transfers the annual grant received under this agreement into the Community Works Gas Tax Reserve Fund. Council may authorize use of these funds for eligible expenditures.



**THE CORPORATION OF THE VILLAGE OF NEW DENVER**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**As At December 31, 2018**

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**6. MUNICIPAL PENSION PLAN**

The Village and its employees contribute to the Municipal Pension Plan (the plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided 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 government.

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 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 a rate 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 with the result that there is no consistent and reliable basis for allocating the obligation, assets, and cost to the individual employers participating in the plan.

The Village paid \$30,019 (2017 - \$26,130) for employer contributions to the plan in fiscal 2018.

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**7. FINANCIAL EQUITY**

The consolidated financial equity represents all Municipal equity that is not equity in tangible capital assets. The balance is comprised of the following:

	2018	2017
General Operating Fund equity (deficit)	\$( 249,015)	\$ 179,627
General Capital Fund	7,340	255,000
Water Operating Fund	<u>160,208</u>	<u>160,208</u>
	( 81,467)	594,835
Reserve Funds	<u>1,074,230</u>	<u>1,007,018</u>
	<u>\$ 992,763</u>	<u>\$ 1,601,853</u>

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**THE CORPORATION OF THE VILLAGE OF NEW DENVER**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**As At December 31, 2018**

**8. EQUITY IN TANGIBLE CAPITAL ASSETS**

The consolidated equity in tangible capital assets represents total tangible capital assets less the long-term debt issued to acquire the assets. The balance is comprised of the following:

	2018	2017
General Capital Fund	\$ 2,898,509	\$ 2,360,633
Water Capital Fund	<u>723,357</u>	<u>722,653</u>
	<u>\$ 3,621,866</u>	<u>\$ 3,083,286</u>

**9. EXPENDITURES BY OBJECT**

	2018	2017
Interest on long-term debt	\$ 15,255	\$ 15,255
Grants	7,985	5,177
Materials, supplies and other office and maintenance costs	671,793	676,072
Council indemnities	17,495	16,290
Wages and benefits	596,673	649,908
Amortization	<u>130,010</u>	<u>117,646</u>
	<u>\$ 1,439,211</u>	<u>\$ 1,480,348</u>

**10. COLLECTION FOR OTHER GOVERNMENTS**

The Village collected and remitted the following taxes on behalf of other Governments. These are not included in the Village's financial statements.

Provincial Government - School Taxes	\$ 193,519
Provincial Government - Police Tax Levy	23,624
British Columbia Assessment Authority	3,418
Regional Hospital	21,785
Municipal Finance Authority	15
Regional District of Central Kootenay	<u>80,539</u>
	<u>\$ 322,900</u>

**THE CORPORATION OF THE VILLAGE OF NEW DENVER**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**As At December 31, 2018**

**11. RESERVE - MUNICIPAL FINANCE AUTHORITY**

The Municipal Finance Authority of British Columbia (the Authority) provides capital financing for regional districts and their member municipalities. The Authority is required to establish a Debt Reserve Fund. The Authority 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.

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 financing agreements. The interest earned on the Debt Reserve Fund, less administrative expenses, becomes an obligation of the Authority to the regional districts.

Upon maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the Municipality. The proceeds from these discharges will be credited to income in the year they are received. As of December 31, the total of the Debt Reserve Fund was comprised of:

	Demand Notes	Cash Deposits	2018	2017
General Capital Fund	\$ 18,586	\$ 5,650	\$ 24,236	\$ 24,116

**12. CONTINGENT LIABILITIES**

The Village, as a member of the Regional District of Central Kootenay, is jointly and severally liable for the future capital liabilities of the Regional District. The loan agreements with the Municipal Finance Authority provide that if the Authority does not have sufficient funds to meet its payments and obligations, it shall make payments from the debt reserve fund which is in turn established by a similar debt reserve fund of the Village and all other borrowing participants. If the debt reserve fund is deficient, the Authority's obligations become a liability of the Regional District, and may become a liability of the participating municipalities.

In the normal course of the year, the Village may be faced with claims for damages of a diverse nature. The merits and outcome of these claims cannot be reasonably determined at this time and no amounts have been accrued in these financial statements.

**13. RECONCILIATION OF BUDGETED ANNUAL DEFICIT TO BUDGET BYLAW**

Reconciliation of annual budgeted deficit as presented on the Consolidated Statement of Operations to the Financial Plan Bylaw No 714, 2018.

Budgeted annual deficit	133,804
Debt repayment	( 25,718)
Capital expenditures	( 311,761)
Transfers from reserve funds	131,000
Transfers to reserve funds	( 129,709)
Budgeted transfer to general operating from accumulated surplus	202,384
	<u>\$ -</u>

**THE CORPORATION OF THE VILLAGE OF NEW DENVER**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**As At December 31, 2018**

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**14. TRUST FUND**

Funds held in trust and administered by the Village are as follows:

	2018	2017
Assets		
Cash	\$ 9,810	\$ 9,686
Due from the General Operating Fund	<u>1,719</u>	<u>1,537</u>
	<u>\$ 11,529</u>	<u>\$ 11,223</u>
Trust Fund Balance		
Cemetery care	<u>\$ 11,529</u>	<u>\$ 11,223</u>

Trust funds are not included in the Village's financial statements.

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**THE CORPORATION OF THE VILLAGE OF NEW DENVER**  
**GENERAL OPERATING FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**As At December 31, 2018**

<b>FINANCIAL ASSETS</b>	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Cash	\$ 66,408	\$ 118,554
Due from Reserve Fund	-	113,291
Taxes receivable	13,139	17,190
Accounts receivable	148,908	126,017
	<b>228,455</b>	<b>375,052</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	62,105	72,806
Deferred revenue - other grants	91,471	10,000
Due to Capital Fund	7,340	8,539
Due to Water Operating Fund	182,600	115,966
Due to Reserve Fund	272,169	-
	<b>615,685</b>	<b>207,311</b>
<b>NET FINANCIAL ASSETS (DEBT)</b>	<b>( 387,230)</b>	<b>167,741</b>
<b>NON-FINANCIAL ASSETS</b>		
Prepaid expenses	138,215	11,886
<b>ACCUMULATED SURPLUS (DEFICIT)</b>	<b>\$( 249,015)</b>	<b>\$ 179,627</b>
<b>CHANGES IN ACCUMULATED SURPLUS (DEFICIT)</b>		
Accumulated surplus, beginning of year	\$ 179,627	\$ 271,378
Annual deficit	( 428,642)	( 91,751)
Accumulated surplus (deficit), end of year	<b>\$( 249,015)</b>	<b>\$ 179,627</b>

**THE CORPORATION OF THE VILLAGE OF NEW DENVER**  
**GENERAL CAPITAL FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**As At December 31, 2018**

	2018	2017
<b>FINANCIAL ASSETS</b>		
Due from General Operating Fund	\$ 7,340	\$ 8,539
<b>LIABILITIES</b>		
Long-term debt	329,317	355,387
<b>NET DEBT</b>	( 321,977)	( 346,848)
<b>NON-FINANCIAL ASSETS</b>		
Deposits	-	246,461
<b>TANGIBLE CAPITAL ASSETS</b>		
Land	1,221,201	1,221,201
Buildings	646,865	661,733
Engineering structures	162,532	173,622
Machinery and equipment	768,644	213,455
Roads - paving	428,584	446,009
	3,227,826	2,716,020
<b>EQUITY IN CAPITAL FUND</b>	\$ 2,905,849	\$ 2,615,633
<b>CHANGE IN EQUITY IN TANGIBLE CAPITAL ASSETS</b>		
Balance, beginning of year	\$ 2,360,633	\$ 2,332,252
Increase in equity from		
Tangible capital asset additions	618,962	97,344
General Operating Fund - repayment of debt	20,364	20,364
Actuarial adjustment on debt	5,706	4,726
Amortization	( 107,156)	( 94,053)
Balance, end of year	2,898,509	2,360,633
<b>FINANCIAL EQUITY</b>	7,340	255,000
	\$ 2,905,849	\$ 2,615,633

**THE CORPORATION OF THE VILLAGE OF NEW DENVER**  
**GENERAL OPERATING FUND**  
**STATEMENT OF OPERATIONS**  
For the Year Ended December 31, 2018

	2018	2017
<b>REVENUE</b>		
General taxation	\$ 272,585	\$ 261,842
Penalties and interest on taxes	3,455	5,484
Provincial and other grants	492,469	599,207
Federal Community Works Gas Tax grant	77,395	74,057
Other Federal Government grants	12,164	6,866
Fire services contract	78,686	76,916
Sale of services and rentals	238,147	222,952
Interest on investments	212	274
Sundry	7,261	5,546
	<u>1,182,374</u>	<u>1,253,144</u>
<b>EXPENDITURES</b>		
General governmental services	323,157	330,443
Environmental health services	54,685	51,321
Planning and development	4,062	3,029
Protective services	321,057	285,265
Public health and welfare services	17,880	6,131
Recreation and cultural services	250,826	329,744
Transportation and public works	260,166	245,883
	<u>1,231,833</u>	<u>1,251,816</u>
<b>EXCESS (DEFICIENCY) OF NET OPERATING REVENUES OVER EXPENDITURES</b>	<b>( 49,459)</b>	<b>1,328</b>
Transfer to General Capital Fund for capital expenditures	( 618,962)	( 97,344)
Transfer to General Capital Fund for debt repayment	( 20,364)	( 20,364)
Transfer to Reserve Funds	( 118,143)	( 117,057)
Transfer from Reserve Funds	130,626	141,686
Transfer of deposits from General Capital Fund	247,660	-
<b>ANNUAL DEFICIT</b>	<b><u>\$( 428,642)</u></b>	<b><u>\$( 91,751)</u></b>

**THE CORPORATION OF THE VILLAGE OF NEW DENVER**  
**WATER OPERATING FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**As At December 31, 2018**

<b>FINANCIAL ASSETS</b>	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Cash	\$ 21,080	\$ 20,993
Accounts receivable	27,614	23,249
Due from General Operating Fund	182,600	115,966
	<u>231,294</u>	<u>160,208</u>
<b>LIABILITIES</b>		
Due to Water Works Capital Reserve Fund	71,086	-
<b>NET FINANCIAL ASSETS</b>	<u>\$ 160,208</u>	<u>\$ 160,208</u>
<b>CHANGES IN ACCUMULATED SURPLUS</b>		
Accumulated surplus, beginning of year	\$ 160,208	\$ 121,643
Annual surplus	-	38,565
Accumulated surplus, end of year	<u>\$ 160,208</u>	<u>\$ 160,208</u>



**THE CORPORATION OF THE VILLAGE OF NEW DENVER**  
**WATER CAPITAL FUND**  
**STATEMENT OF FINANCIAL POSITION**  
**As At December 31, 2018**

	2018	2017
<b>TANGIBLE CAPITAL ASSETS</b>	<b>\$ 723,357</b>	<b>\$ 722,653</b>
<b>EQUITY IN CAPITAL ASSETS</b>		
Balance, beginning of year	\$ 722,653	\$ 746,246
Water capital fund - Tangible capital asset expenditures	23,558	-
Amortization	( 22,854)	( 23,593)
Balance, end of year	<b>\$ 723,357</b>	<b>\$ 722,653</b>

# THE CORPORATION OF THE VILLAGE OF NEW DENVER

## WATER OPERATING FUND

### STATEMENT OF OPERATIONS

For the Year Ended December 31, 2018

	2018	2017
<b>REVENUE</b>		
Water connections and user fees	\$ 148,454	\$ 149,451
Provincial grants	23,558	-
	<u>172,012</u>	<u>149,451</u>
<b>EXPENDITURES</b>		
Administration and other fiscal services	25,886	25,130
Maintenance and operations	40,483	64,207
Pumping	10,999	21,549
	<u>77,368</u>	<u>110,886</u>
<b>EXCESS OF NET OPERATING REVENUES OVER EXPENDITURES</b>	<b>94,644</b>	<b>38,565</b>
Transfer to Water Capital Reserve Fund	( 71,086)	-
Transfer to Water Capital Fund for capital expenditures	( 23,558)	-
<b>ANNUAL SURPLUS</b>	<b>\$ -</b>	<b>\$ 38,565</b>

# THE CORPORATION OF THE VILLAGE OF NEW DENVER

## RESERVE FUNDS STATEMENT OF FINANCIAL POSITION As At December 31, 2018

	2018	2017
<b>FINANCIAL ASSETS</b>		
Cash	\$ 730,975	\$ 1,120,309
Due to General Operating Fund	272,169	( 113,291)
Due from Water Operating Fund	71,086	-
<b>NET FINANCIAL ASSETS</b>	<b>\$ 1,074,230</b>	<b>\$ 1,007,018</b>
<b>FUND POSITION</b>		
General Capital Reserve Funds	\$ 786,804	\$ 791,834
Water Capital Reserve Fund	287,426	215,184
	<b>\$ 1,074,230</b>	<b>\$ 1,007,018</b>

# THE CORPORATION OF THE VILLAGE OF NEW DENVER

## RESERVE FUND

### STATEMENT OF TRANSACTIONS

For the Year Ended December 31, 2018

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	Balance, Beginning of Year	Transfers From Other Funds	Transfers to Other Funds	Interest Earned	Balance, End of Year
Capital Works Machinery and Equipment	\$ 136,410	\$ 1,514	\$ -	\$ 893	\$ 138,817
Community Works Gas Tax	393,141	77,395	( 120,000)	4,422	354,958
Fire Department	175,093	39,234	( 10,626)	1,438	205,139
Heritage Preservation and Maintenance and Restoration	87,190	-	-	700	87,890
Water Utility Capital Works	215,184	71,086	-	1,156	287,426
	<u>\$ 1,007,018</u>	<u>\$ 189,229</u>	<u>\$ ( 130,626)</u>	<u>\$ 8,609</u>	<u>\$ 1,074,230</u>

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