

2018 Annual Report

District of Tumbler Ridge



FOR THE YEAR ENDING DECEMBER 31, 2018

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District of Tumbler Ridge Municipal Office



305 Iles Way

PO Box 100

Tumbler Ridge, BC V0C 2W0

Telephone: (250) 242-4242

Fax: (250) 242-3993

Website: www.districtoftumblerridge.ca

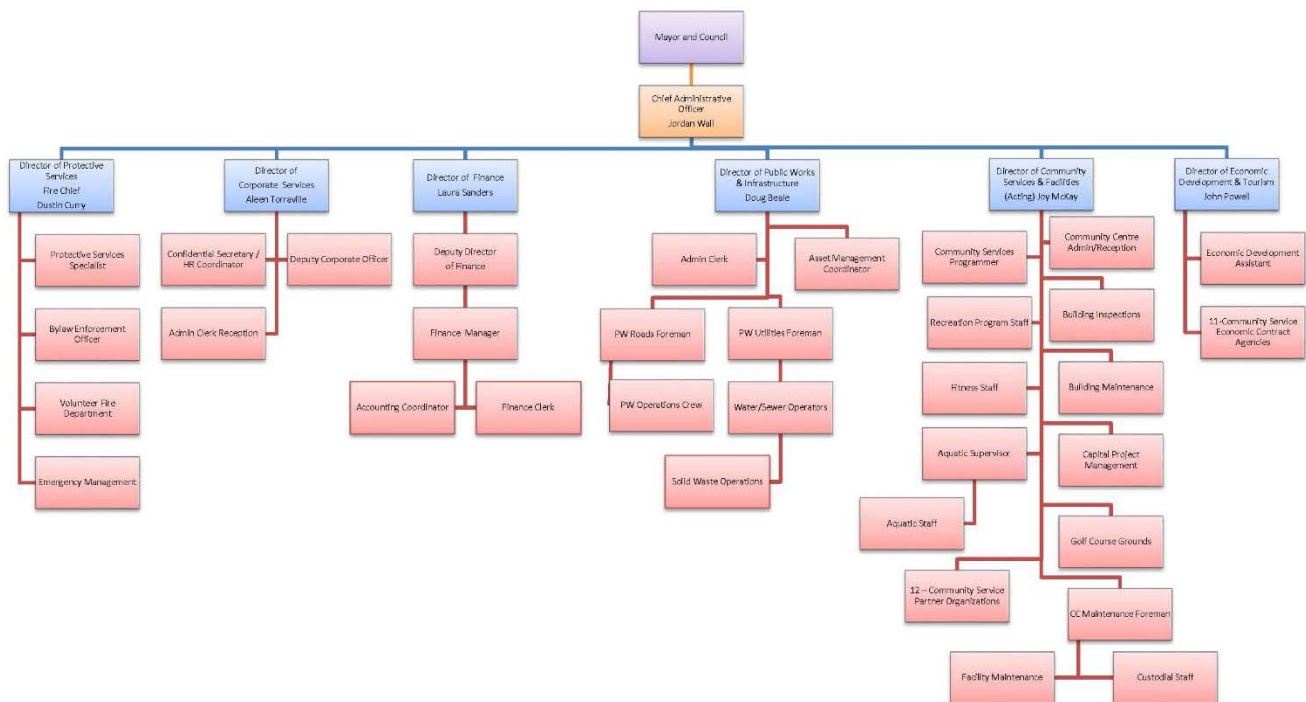
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MISSION STATEMENT

Council is committed to excellence in government that reflects our citizens' interests, values and goals. We will strive to deliver quality public services in a proactive and responsible manner while ensuring our objectives are clearly communicated to our citizens. We will strive to strengthen and diversify our economy by balancing public safety, industrial development, environmental responsibility and sustainability.

ORGANIZATIONAL CHART



INTRODUCTION

The *Community Charter* requires municipalities in British Columbia to prepare an “Annual Report” for its stakeholders. The Annual Report shall outline the following:

- ❖ A report respecting municipal services and operations for the previous year;
- ❖ A progress report respecting the previous year in relation to the objectives and measures established for that year;
- ❖ A statement of municipal objectives, and the measures that will be used to determine progress respecting those objectives, for the current year and next year(s);
- ❖ Any declarations of disqualification made under the *Community Charter* in the previous year, including identification of a Council member or former Council member involved and the nature of the disqualification;
- ❖ For each permissive tax exemption provided by Council under the *Community Charter*, the amount of property taxes that would have been imposed on the property in the previous year if it were not exempt from taxes; and,
- ❖ Any other information the Council considers advisable.

In addition, the Annual Report contains a copy of the Audited Annual Financial Statements for the municipality for the previous year.

We hope that the report will provide a meaningful overview of the District’s operations for 2018 and projected operations for 2019 and beyond.



MAYOR AND COUNCIL

It is the role of Council to act as the governing body of the municipal corporation. Council makes decisions necessary for the successful and continuing operation of the municipality and represents the best interests of the citizens of the municipality as a whole.

Council is a continuing body, notwithstanding changes in its membership by election or appointment, and exercises its powers through resolutions and bylaws passed in open meetings. Council acts as a collective body. It is important to note that the members of Council cannot make valid and binding decisions independently, unless expressed authority has been granted or legislated.

Council acts to foster economic and social opportunities for the community, and strives to advance the goals and objectives of the municipality.



(Left to Right)

Councillor Will Howe, Councillor Darryl Krakowka, Councillor Chris Norbury, Mayor Keith Bertrand, Councillor Bernie Lehmann, Councillor Joanne Kirby, Councillor Curtis Miedzinski

MAYOR'S ROLE

The Mayor is the Head and Chief Executive Officer of the Municipality. In addition to the Mayor's responsibilities as a member of Council, the Mayor is responsible to provide leadership to Council, including recommending bylaws, resolutions and other measure that, in the Mayor's opinion, may assist the peace, order and good government of the municipality. The Mayor's role is also to communicate information to Council, general direction to municipal officers respecting implementation of municipal policies, programs and other directions of the Council and to represent the best interested of the citizens of the Municipality.



COUNCILLOR'S ROLE

Every Council member is responsible to contribute to the development and evaluation of the policies and programs of the Municipality respecting its services and other activities; to participate in Council meetings, Committee meetings and meetings of other bodies to which a member is appointed; to carry out the duties assigned by Council; to consider the well-being and interested of the corporation; and to represent the best interests of the citizens of the Municipality

Declarations of Disqualification

There were no declarations or disqualifications made under Section III of the *Community Charter* in 2018.

2018 STRATEGIC PRIORITIES

CHIEF ADMINISTRATIVE OFFICER

Succession Planning
Asset Management Progress
Site 18

CORPORATE ADMINISTRATION

Municipal Election
Holding Bank Policy

FINANCE

Succession Candidate for Retiring CFO
Produce the SOFI Report
Produce Consolidated Financial Plan
Audit Financial Statements

OPERATIONS

Cemetery Phase 2
Waste Water System Repairs
Share Shack
Interpretive Trail
Pave Approved Areas
Bearwalk Assessments

PROTECTIVE SERVICES

Expand Locker at Fire Department
Recruit New Members
Review & Update Emergency Response Plan

ECONOMIC DEVELOPMENT

Land Sale Data Base Creation
Rural Residential Lot Creation
Entrance Signs

COMMUNITY SERVICES

Recreation and Parks Master Plan
Curling Rink Piping
Golf Course Boundary Issues
Design for Town Hall & Other Buildings
Golf Course Repairs and Updates
Install TR Raptors Logo at Centre Ice
Repair Public Works & Fire Hall Buildings
Phone System Upgrade
Advertising Policy
Golf Course Weddings
Hockey Tournament & Camp Attraction



CHIEF ADMINISTRATIVE OFFICER'S REPORT

The Administration for the District of Tumbler Ridge is overseen by the Chief Administrative Officer (CAO), who reports to Mayor and Council and serves as the link between Council and staff. The CAO is responsible for service delivery within the District as well as policy developments and governance advice to Mayor and Council.

2018 saw a great move forward with a number of important initiatives within the District that will help assist with further growth moving into the future. A major initiative for Council was the development of rural residential lots and the District submitted two applications to the Province. It is expected that it will still be over a year before parcels are brought to market but the District also implemented an online land sale database to encourage further investment into the community.

The year also saw another major step forward in the District's asset management process with a large part of the downtown's pavement removed and replaced along with repairs on the curling rink, upgrades to communication systems, and a completion of cemetery upgrades.

The biggest change seen in the year was the change in Mayor and Council. Mayor Keith Bertrand took over as the municipality's mayor and saw Councillors Darryl Krakowka, Joanne Kirby, and Will Howe return to their posts. The city also welcomed a number of new faces with Chris Norbury, Bernie Lehmann, and Curtis Miedzinski elected to Council for the first time.

Respectfully,



Jordan Wall, CAO



MUNICIPAL SERVICES

Taxpayers and residents often overlook the sheer volume and value of services provided by their local governments. While a great number of services are provided by local governments, often less than half of the property tax bill goes to the local government.



Some of the services provided by the District of Tumbler Ridge include:

- | | |
|-------------------------------|--|
| Road Maintenance | ❖ Including paving, pot hole patching and crack repairs; maintenance of sidewalks and shoulders; maintenance and installation of signage; line painting; maintenance of public parking areas; snow removal; street sweeping; ditch and storm drainage maintenance. |
| Water Systems | ❖ Provision of drinking water; provision of water and hydrants for fire protection purposes; water conservation initiatives. |
| Sewer Systems | ❖ Collection, treatment and disposal of domestic sanitary sewage. |
| Solid Waste Collection | ❖ Residential and commercial solid waste (garbage) collection and disposal through contract service. |
| Parks Facilities | ❖ Maintenance of community owned parks and facilities; parks equipment maintenance and upgrading. |
| Cemetery Services | ❖ Maintenance and operation of the community cemetery. |
| Animal Control | ❖ Provision of animal control services (primarily dog control and licensing). |
| Building Inspection | ❖ Provision of building inspection services to provide compliance with Provincial building, plumbing and fire code regulations. |

- Subdivision Approvals** ❖ Subdivision approvals to ensure compliance with local land development regulations to ensure a level of consistency in land servicing.

- Zoning and Land Use** ❖ Provision of regulations to ensure a level of consistency and advance indication of land uses.

- Bylaw Enforcement** ❖ Enforcement of local land use, noise, nuisance and related regulations. *Enforcement initiated upon complaint.*

- Economic Development** ❖ Attraction of economic development interests and new business opportunities as well as business retention promotion.

- Tourism Development** ❖ Promotion of tourism development and tourism attraction opportunities.

- Recreation Centre and Programs** ❖ Provision of recreational facilities and programs.
- Protective Services (Fire Department)** ❖ Provision of fire protection services in and around Tumbler Ridge.

- Municipal Emergency Plan** ❖ Provision of guidelines to meet the local government's responsibilities to prepare for, respond to and recover from disasters or emergencies.

- Airport** ❖ Provision of airport services for small aircraft and helicopters.



DEPARTMENTAL SERVICES

Office of the Chief Administrative Officer

The Chief Administrative Officer provides advice to the Municipal Council related to policies and emerging issues as well as provides leadership and manages internal operations to assist departments in meeting their responsibilities. The Chief Administrative Officer ensures that all departments utilize effective and efficient management principles, and challenges each department to strive for better performance.

Programs & Services

The CAO is responsible to Council for the efficient management of the municipal workforce, and for seeing that Council's directions and policies are carried out. The CAO provides leadership to the Corporate Management Team in the discharge of their responsibilities.

The CAO oversees the following function areas:

- ❖ Building Services
- ❖ Corporate Administration Services;
- ❖ Financial & IT Services;
- ❖ Fire & Bylaw Enforcement Services;
- ❖ Economic Development & Tourism;
- ❖ Recreational Services;
- ❖ Operational Services; and
- ❖ Planning



2018 TAX EXEMPTIONS

The purpose of these exemptions is to exempt various religious and recreational/not-for-profit

Registered Owner	Roll Number	Civic Address	Exempt Tax Values 2018
PERMISSIVE EXEMPTIONS			
DTR - TR Museum	575.531	255 Murray Drive	\$ 38,441
DTR - TR Community Garden	575.532	255 Murray Drive	\$ 445
DTR - TR Municipal Library	517.004	340 Front Street	\$ 4,990
DTR - TR Youth Services Society	517.005	340 Front Street	\$ 1,063
DTR - TR Children Centre Society	517.006	340 Front Street	\$ 1,108
DTR - TR Arts Council	517.007	340 Front Street	\$ 80
DTR - TR Curling Club	517.001	340 Front Street	\$ 918
DTR - TR Lions Club	517.003	340 Front Street	\$ 122
DTR - Grizzly Valley Saddle Club	624.000	MacKenzie Way	\$ 4,490
DTR - TR Old Timers Hockey Club	517.002	340 Front Street	\$ 405
DTR - TR Snowmobile Club	520.010	Becker Road	\$ 20
TR Branch Royal Canadian Legion	645.000	380 Pioneer Loop	\$ 409
DTR - TR Sportsman's Association (Outdoor Gun Range)	50066.000	Crown Land File #8003743	\$ 2,408
STATUTORY EXEMPTIONS			
TR Fellowship Baptist Church	543.001	115 Commercial Park	\$ 1,396
Roman Catholic Episcopal Corporation	590.100	103 Commercial Park	\$ 3,421
Pentecostal Assemblies of Canada	575.525	275 Murray Drive	\$ 3,529
Seventh Day Adventist	637.001	107 Commercial Park	\$ 671
TOTAL EXEMPTIONS			\$ 63,916

Consolidated Financial Statements of

THE DISTRICT OF TUMBLER RIDGE

Year ended December 31, 2018



THE DISTRICT OF TUMBLER RIDGE

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DISTRICT OF TUMBLER RIDGE

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS


The accompanying consolidated financial statements of The District of Tumbler Ridge (the "District") are the responsibility of the District's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The District's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Mayor and Council meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the District. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the District's consolidated financial statements.


Mr. Jordan Wall, Chief Administrative Officer


Ms. Laura Sanders, Chief Financial Officer

Municipal Hall, Box 100, Tumbler Ridge, BC V0C 2W0 Phone: (250) 242-4242
Fax: (250) 242-3993 Website: www.TumblerRidge.ca



KPMG LLP
177 Victoria Street, Suite 400
Prince George BC V2L 5R8
Canada
Tel (250) 563-7151
Fax (250) 563-5693

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of The District of Tumbler Ridge

Opinion

We have audited the consolidated financial statements of The District of Tumbler Ridge (the "District"), which comprise:

- the consolidated statement of financial position as at December 31, 2018
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2018 and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the District 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.



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

Management is responsible for the preparation and fair presentation of the 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 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 District'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 liquidate the District or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 judgment and maintain professional skepticism 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 District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- 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.

KPMG LLP

Chartered Professional Accountants

Prince George, Canada

April 15, 2019



THE DISTRICT OF TUMBLER RIDGE

Consolidated Statement of Financial Position

December 31, 2018, with comparative information for December 31, 2017

	2018	2017
Financial assets:		
Cash and cash equivalents	\$ 9,065,999	\$ 13,404,902
Accounts receivable (note 2)	1,076,226	977,275
Investments	18,414,754	13,257,130
Municipal Finance Authority deposit	30,537	29,889
Investment in Tumbler Ridge Community Forest Corp. (note 3)	2,629,855	1,989,306
	<u>31,217,371</u>	<u>29,658,502</u>
Financial liabilities:		
Accounts payable and accrued liabilities (note 4)	366,048	564,311
Deferred revenue	254,682	331,427
Deposits and holdbacks (note 5)	1,395,525	1,076,651
Long-term debt, net of sinking funds (note 6)	1,080,938	1,283,241
	<u>3,097,193</u>	<u>3,255,630</u>
Net financial assets	28,120,178	26,402,872
Non-financial assets:		
Tangible capital assets (note 7)	57,500,331	55,561,622
Inventories	51,065	59,688
Prepaid expenses	105,708	68,566
	<u>57,657,104</u>	<u>55,689,876</u>
Commitments and contingencies (note 8)		
Accumulated surplus (note 8)	\$ 85,777,282	\$ 82,092,748

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

Chief Administrative Officer

Chief Financial Officer



THE DISTRICT OF TUMBLER RIDGE

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2018, with comparative information for 2017

	2018 Budget	2018 Actual	2017 Actual
Revenue:			
Net taxation revenue (note 12)	\$ 9,472,437	\$ 9,497,608	\$ 9,310,243
Grants-in-lieu	102,016	86,365	106,697
Government transfers (note 13)			
Provincial	3,164,759	3,056,711	2,940,445
Federal	255,000	186,111	173,509
Regional District	15,000	-	-
Return on investments	403,500	575,054	441,740
Licenses, fines, and rentals	209,950	244,274	218,321
Sale of services	621,750	782,481	677,485
Water and sewer	1,014,000	1,010,841	1,007,401
Gain on sale of tangible capital assets	-	22,161	58,376
Equity in earnings of Tumbler Ridge Community Forest Corp.	-	640,549	1,101,558
Total revenues	15,258,412	16,102,155	16,035,775
Expenses:			
General government services	2,550,384	2,285,347	2,162,941
Protective services	638,861	505,851	506,826
Transportation services	1,996,486	1,576,659	1,616,971
Environmental health services	361,516	429,805	416,833
Economic development services	585,915	331,226	386,453
Parks and recreation	3,080,381	2,968,361	2,772,707
Sanitary sewer services	216,451	210,382	189,856
Water services	445,369	358,539	398,670
Grants to other community organizations	428,600	311,133	580,423
Cemetery care	-	13,075	6,083
Interest	113,103	124,517	127,488
Amortization	-	3,016,267	2,832,286
Other projects	7,200	286,458	405,708
Total expenditures	10,424,266	12,417,620	12,403,245
Annual surplus	4,834,146	3,684,535	3,632,530
Accumulated surplus, beginning of year	82,092,744	82,092,747	78,460,217
Accumulated surplus, end of year	\$ 86,926,890	\$ 85,777,282	\$ 82,092,747

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



THE DISTRICT OF TUMBLER RIDGE

Consolidated Statement of Changes In Net Financial Assets

Year ended December 31, 2018, with comparative information for 2017

	Budget	Total 2018	Total 2017
Annual surplus	\$ 4,834,146	\$ 3,684,535	\$ 3,632,530
Acquisition of tangible capital assets	(7,057,644)	(4,999,767)	(7,163,407)
Amortization of tangible capital assets	-	3,016,267	2,832,286
Proceeds on sale of tangible capital assets	-	66,952	96,277
Gain on sale of tangible capital assets	-	(22,161)	(58,376)
	(2,223,498)	1,745,826	(660,690)
Acquisition of inventories	-	(51,065)	(59,688)
Acquisition of prepaid expenses	-	(105,708)	(68,566)
Consumption of inventories	-	59,688	48,796
Use of prepaid expenses	-	68,566	66,125
	-	(28,519)	(13,333)
Change in net financial assets	(2,223,498)	1,717,307	(674,023)
Net financial assets, beginning of year	26,402,871	26,402,871	27,076,894
Net financial assets, end of year	\$ 24,179,373	\$ 28,120,178	\$ 26,402,871

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



THE DISTRICT OF TUMBLER RIDGE

Consolidated Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 3,684,535	\$ 3,632,530
Items not involving cash:		
Amortization of tangible capital assets	3,016,267	2,832,286
Gain on sale of tangible capital assets	(22,161)	(58,376)
Equity in earnings of Tumbler Ridge Community Forest Corp.	(640,549)	(1,101,557)
Changes in non-cash operating working capital:		
Accounts receivable	(98,951)	39,420
Deposits - Municipal Finance Authority	(648)	(587)
Accounts payable and accrued liabilities	(198,264)	(40,462)
Deferred revenue	(76,745)	296,374
Deposits and holdbacks	318,874	588,767
Inventories	8,623	(10,892)
Prepaid expenses	(37,142)	(2,441)
Net change in cash from operating activities	5,953,839	6,175,062
Capital activities:		
Proceeds on sale of tangible capital assets	66,952	96,277
Acquisition of tangible capital assets	(4,999,767)	(7,163,407)
Net change in cash from capital activities	(4,932,815)	(7,067,130)
Financing activities:		
Repayment of long term debt	(202,303)	(80,676)
Repayment of obligations under capital lease	-	(107,208)
(Purchase) redeem guaranteed investment certificates	(5,157,624)	8,619,478
Net change in cash from financing activities	(5,359,927)	8,431,594
Decrease (increase) in cash and cash equivalents	(4,338,903)	7,539,526
Cash and cash equivalents, beginning of year	13,404,902	5,865,376
Cash and cash equivalents, end of year	\$ 9,065,999	\$ 13,404,902

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



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements

Year ended December 31, 2018

Nature of operations:

The District of Tumbler Ridge (the "District") was incorporated on April 9, 1981 as a District Municipality under the Community Charter, formerly the Municipal Act, a statute of the Province of British Columbia. Its principal activities include the provision of local government services to residents of the incorporated area. These include administrative, protective, transportation, environmental, recreational, water, sanitary sewer and fiscal services.

1. Significant accounting policies:

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

(a) Basis of consolidation:

(i) Consolidated entities:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the District and which are owned or controlled by the District.

(ii) Accounting for Region and School Board Transactions:

The taxation, other revenues, expenses, assets and liabilities with respect to the operation of the Region and the School Board are not reflected in these consolidated financial statements.

(iii) Trust funds:

Trust funds and their related operations administered by the District are not included in these consolidated financial statements.



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

1. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

(iv) Investment in Government Business Enterprises:

The District's investment in the Tumbler Ridge Community Forest Corp., a wholly-owned subsidiary, is accounted for on a modified equity basis, consistent with Canadian generally accepted accounting principles as recommended by PSAB. Under the modified equity basis, the Tumbler Ridge Community Forest Corp.'s accounting policies are not adjusted to conform with those of the District and inter-organizational transactions and balances are not eliminated. The District recognizes its equity interest in the annual earnings or loss of the Tumbler Ridge Community Forest Corp. in its consolidated statement of operations and accumulated surplus with a corresponding increase or decrease in its investment asset account. Any dividends that the District may receive from the Tumbler Ridge Community Forest Corp. will be reflected as reductions in the investment asset account.

(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.

(c) Cash and cash equivalents:

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

(d) Investments:

Investments include guaranteed investment certificates with a term to maturity of 90 day or more at acquisition and are stated at the lower of cost and market value.

(e) Long-term debt:

Long-term debt is recorded net of related sinking fund balances.



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

1. Significant accounting policies (continued):

(f) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs that are directly attributable to acquisition, construction, development or betterment of the tangible capital asset. Amortization is recorded on a straight-line basis over the estimated useful life of tangible capital asset commencing in the first year of its productive use as follows:

Asset	Useful life - years
Building	1 - 80
Engineered infrastructure	1 - 100
Equipment	1 - 20
Furniture and fixtures	3 - 10
IT infrastructure	1 - 10
Land improvements	10 - 80
Vehicles	1 - 20

(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 are recorded as revenue.

(iii) Natural resources:

Natural resources that have not been purchased are not recognized as assets in these consolidated financial statements.

(iv) Works of art and cultural and historic assets:

Works of art and cultural and histories assets are not recorded as assets in these consolidated financial statements.



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

1. Significant accounting policies (continued):

(f) Non-financial assets (continued):

(v) Interest capitalization:

The District does not capitalize interest cost associated with the acquisition or construction of tangible capital assets.

(vi) Inventories:

Inventories of supplies held for consumption are recorded at the lower cost and replacement cost.

(g) Revenue recognition:

Taxation and user fee revenues are recognized in accordance with the provisions of the Community Charter. The District is required to act as an agent for the collection of certain taxes and fees imposed by the other authorities. Collections for other authorities are excluded from the District's taxation revenues.

Revenue unearned in the current period is reported on the consolidated statement of financial position as deferred revenue.

(h) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding agency or related Act, the income earned on deferred revenue is added to the investment and forms part of the deferred revenue balances.

(i) Government transfers:

Government transfers, which include legislative grants, are recognized as revenue in the financial statement when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized in the statements of operations as the stipulations for liabilities are settled.



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

1. Significant accounting policies (continued):

(j) Employee future benefits:

The District provides certain employee benefits which will require funding in future periods. These benefits include accrued wages, vacation, sick leave, and benefits under Worker's Compensation Board. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

The District and its employees participate in the Municipal Pension Plan. The costs of the multi-employer defined contribution pension plan are the employer's contributions due to the plan in the fiscal year.

(k) Budget:

The budget figures are from the Five Year Financial Plan Bylaw adopted by May 15 of each year. They have been allocated to conform to PSAB financial statement presentation. Subsequent amendments have been made by Council to reflect changes in the budget as required by the law.

(l) Use of estimates:

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the consolidated financial statements. Estimates include assumptions used in estimating grant revenues and receivables, and estimated historical cost and useful lives of tangible capital assets. Actual results could differ from these estimates.



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

1. Significant accounting policies (continued):

(m) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- i) an environmental standard exists,
- ii) contamination exceeds the environmental standard,
- iii) the organization is directly responsible or accepts responsibility for the liability,
- iv) future economic benefits will be given up, and
- v) a reasonable estimate of the liability can be made.

2. Accounts receivable:

	2018	2017
Sales tax	\$ 110,282	\$ 365,973
Provincial government	317,034	26,585
Taxation:		
Current	239,488	266,642
Arrears/delinquent	202,857	184,438
Tax sale properties	19,624	26,707
Accounts receivable - trade	186,941	106,930
	\$ 1,076,226	\$ 977,275



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

3. Investment in Tumbler Ridge Community Forest Corp.:

	2018	2017
Investment		
Investment in shares of the Corporation	\$ 200,000	\$ 200,000
Accumulated surplus	2,429,855	1,789,306
	<u>\$ 2,629,855</u>	<u>\$ 1,989,306</u>

The following provides condensed supplementary financial information for the Tumbler Ridge Community Forest Corp. (the "Corporation") for the year ended December 31:

	2018	2017
(i) Financial position:		
Assets:		
Current	\$ 3,484,174	\$ 2,850,451
	<u>\$ 3,484,174</u>	<u>\$ 2,850,451</u>
Liabilities:		
Current	\$ 98,190	\$ 156,109
Silviculture obligation	756,129	705,036
Total liabilities	854,319	861,145
Equity:		
Share capital	200,000	200,000
Retained earnings	2,429,855	1,789,306
Total equity	2,629,855	1,989,306
Total liabilities and equity	<u>\$ 3,484,174</u>	<u>\$ 2,850,451</u>
(ii) Operations:		
Revenue	\$ 1,378,080	\$ 1,794,904
Expenses	737,531	693,346
	<u>\$ 640,549</u>	<u>\$ 1,101,558</u>



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

4. Accounts payable and accrued liabilities:

	2018	2017
Accounts payable - trade	\$ 203,470	\$ 327,191
Due to other governments	17,132	4,919
Due to purchasers of tax sale properties	22,107	57,423
Other	25,443	25,678
Payroll wages and benefits	97,896	149,100
	<u>\$ 366,048</u>	<u>\$ 564,311</u>

5. Deposits and holdbacks:

	2018	2017
Building deposits	\$ 671,450	\$ 797,094
Holdbacks	723,880	276,624
Other	195	2,933
	<u>\$ 1,395,525</u>	<u>\$ 1,076,651</u>



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

6. Long-term debt, net of sinking funds:

The District issues debt instruments through the Municipal Finance Authority of British Columbia ("MFA"), pursuant to security issuing bylaws under authority of the Community Charter, to finance certain capital expenditures. Sinking fund balances, managed by the MFA, are used to reduce long-term debt.

Debt is reported net of sinking fund balances on the consolidated statement of financial position.

	Bylaw number	Interest rate	Year of maturity	Gross debt	Sinking funds assets	Net debt 2018	Net debt 2017
General:							
Community Centre	542	4.85%	2024	\$ 1,292,238	\$ 211,300	\$1,080,938	\$1,283,241

(a) Principal and sinking fund payments due within the next five years and onward are as follows:

	Total
2019	\$ 114,206
2020	114,206
2021	114,206
2022	114,206
2023	114,206
Onward	116,951
	687,981
Estimated sinking fund income	392,957
	\$ 1,080,938

(b) Sinking fund instalments are invested by the MFA and earn income which, together with principal payments, are expected to be sufficient to retire the sinking debt at maturity. For sinking fund agreements, the MFA has established either a normal sinking fund or a capital repayment equalization fund.



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

7. Tangible capital assets:

	2018							
	Engineered infrastructure	Vehicles	Buildings	Equipment	IT Infrastructure	Furniture & fixtures	Land & land improvements	Total
Cost:								
Balance, beginning of year	\$ 42,369,476	\$ 5,729,292	\$ 36,543,012	\$ 5,076,275	\$ 1,325,530	\$ 765,242	10,932,182	102,741,009
Additions	3,949,412	-	127,050	158,526	-	66,042	698,737	4,999,767
Disposals	-	-	(111,263)	(458,912)	(338,973)	(10,249)	-	(919,397)
Balance, end of year	46,318,888	5,729,292	36,558,799	4,775,889	986,557	821,035	11,630,919	106,821,379
Accumulated amortization:								
Balance, beginning of year	17,122,380	2,194,744	21,386,886	2,922,366	1,092,726	456,219	2,004,066	47,179,387
Amortization expense	1,011,678	308,266	1,001,454	322,660	123,006	69,586	179,616	3,016,266
Disposals	-	-	(73,070)	(452,313)	(338,973)	(10,249)	-	(874,605)
Balance, end of year	18,134,058	2,503,010	22,315,270	2,792,713	876,759	515,556	2,183,682	49,321,048
Net book value, end of year	\$ 28,184,830	\$ 3,226,282	\$ 14,243,529	\$ 1,983,176	\$ 109,798	\$ 305,479	\$ 9,447,237	\$ 57,500,331



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

7. Tangible capital assets (continued):

	2017							
	Engineered infrastructure	Vehicles	Buildings	Equipment	IT infrastructure	Furniture & fixtures	Land & land improvements	Total
Cost:								
Balance, beginning of year	\$ 38,276,443	\$ 5,281,649	\$ 36,214,101	\$ 4,491,978	\$ 1,325,530	\$ 615,923	\$ 10,790,112	\$ 96,995,736
Additions	4,159,221	1,548,186	362,063	762,547	-	149,319	182,070	7,163,406
Disposals	(66,188)	(1,100,543)	(33,152)	(178,250)	-	-	(40,000)	(1,418,133)
Balance, end of year	42,369,476	5,729,292	36,543,012	5,076,275	1,325,530	765,242	10,932,182	102,741,009
Accumulated amortization:								
Balance, beginning of year	16,277,000	2,973,564	20,411,136	2,784,189	996,143	392,428	1,892,885	45,727,345
Amortization expense	889,613	321,723	1,008,902	300,493	96,583	63,791	151,181	2,832,286
Disposal	(44,233)	(1,100,543)	(33,152)	(162,316)	-	-	(40,000)	(1,380,244)
Balance, end of year	17,122,380	2,194,744	21,386,886	2,922,366	1,092,726	456,219	2,004,066	47,179,387
	\$ 25,247,096	\$ 3,534,548	\$ 15,156,126	\$ 2,153,909	\$ 232,804	\$ 309,023	\$ 8,928,116	\$ 55,561,622



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

8. Commitments and contingencies:

(a) Peace River Regional District:

The District is responsible, as a member of the Peace River Regional District, for its proportional share of any operating deficits or capital debt related to functions in which it participates. Management does not consider payment under this contingency to be likely and therefore no amounts have been accrued.

(b) Municipal Finance Authority:

The District issues debt instruments through the MFA. As a condition of these borrowings, the MFA requires that 1% of gross proceeds are deposited by the District into a debt reserve fund. The District is also required to execute demand notes in connection with each debenture whereby the District may be required to loan certain amounts to the MFA. These demand notes are contingent in nature and are not reflected in the accounts. The demand notes issued at December 31, 2018 totaled \$90,701 (2017 - \$90,701).

(c) Municipal Insurance Association:

The District is a participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claim in excess of premiums received, it is possible that the District, along with other participants, would be required to contribute toward the deficit. Management does not consider external payment under this contingency to be likely and therefore no amounts have been accrued.

(d) Legal claims:

The District is the defendant in various lawsuits. In the opinion of management, the overall estimation of loss is not determinable. These claims have not been provided for in the consolidated financial statements. Settlement, if any, made with respect to these actions would be expected to be expensed in the period in which realization is known.



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

8. Commitments and contingencies (continued):

(e) Pension liability:

The District and its employees contribute to the Municipal Pension Plan (a jointly-trusted 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 Tumbler Ridge paid \$276,658 (2017 - \$298,906) for employer contributions to the plan in fiscal 2018.

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 TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

8. Commitments and contingencies (continued):

(f) Other government authorities:

The District is obligated to collect and transmit property taxes levied on Tumbler Ridge taxpayers in respect of the following bodies:

Ministry of Education, Province of British Columbia
Peace River Regional Hospital District
Peace River Regional District
British Columbia Assessment Authority
Municipal Finance Authority of British Columbia
Royal Canadian Mounted Police

(g) Revenue stabilization:

The District of Tumbler Ridge has a large natural resources based property taxation base. As such, the natural resource markets can affect the taxation base substantially and can impact the District's ongoing operations in economic downturns. The District has established a stabilization reserve that could provide short term assistance in the event of such circumstances.

The largest three property taxation accounts provides 45% of the District's property taxation revenue, whereas the largest ten property taxation accounts provides 60% of the District's property taxation revenue.

(h) Property taxes:

The District may be contingently liable to a taxpayer of the District whom is appealing the property value assessment with the British Columbia Assessment Authority. This could result in the District having retroactive taxes receivable from other governments and retroactive taxes payable to the taxpayer. The amount, and likelihood of the liability is unknown as of the date of these financial statements.



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

9. Accumulated surplus:

	2018	2017
Surplus:		
Invested in tangible capital assets	\$ 56,419,393	\$ 54,278,381
Operating funds	19,960,282	19,898,015
Total surplus	76,379,675	74,176,396
Reserve funds set aside for specific purposes by Council:		
Stabilization	2,496,287	2,390,565
Equipment replacement	1,181,243	791,969
Land sales	520,315	516,258
Municipal buildings	29,749	29,517
RCMP building	93,543	92,814
Drainage	911,976	904,865
Parking	29,908	29,675
Water	786,815	586,093
Sewer	1,225,809	1,216,252
Cemetery maintenance	1,251	1,241
General	1,872,564	1,186,290
Gas tax	248,147	170,812
Total reserves	9,397,607	7,916,351
	\$ 85,777,282	\$ 82,092,747



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

10. Segmented information:

Segmented information has been identified based upon lines of services provided by the District. District services are provided by departments and their activities are reported by functional area in the body of the consolidated financial statements. Certain line of services that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

a) General Government Services:

The general government services department provides the functions of corporate administration, finance and legislative services and any other functions categorized as non-departmental in the District.

b) Protective Services:

Protective services is comprised of emergency management, fire department, bylaw services, building inspection and regulatory services.

c) Transportation Services:

Transportation services is responsible for a wide variety of services including the development and maintenance of the District's roadway systems through the Public Works department, snow removal, and street lighting.

d) Environmental Health Services:

Environmental health services is responsible for the operations of the transfer station, including the collection of waste and the disposal of waste in partnership with the Peace River Regional District.

e) Economic Development Services:

Economic development services is responsible for the economic development activities to attract and grow business within the District, along with tourism and marketing initiatives.

f) Parks and Recreation:

Parks and recreation is responsible for the construction and maintenance of the District's parks, playgrounds and green spaces. It provides funding for the operation of the arena, pool and curling complex.



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

10. Segmented information (continued):

g) Water Services:

The water services installs and maintains water mains, pump stations and the water treatment plant. The treatment and distribution of water in the District through Public Works is included in this segment.

h) Sanitary Sewer Services:

The sewer services installs and maintains sewer mains, lift stations and the sewage treatment facility. The collection and treatment of sewage in the District through Public Works is included in this segment.

The following statement provides additional information for the foregoing functions. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

10. Segmented information (continued):

	2018								
	General Government	Protective Services	Transportation Services	Parks and Recreation	Environmental Health Services	Economic Development Services	Water Services	Sanitary Sewer Services	Total
Revenue:									
Taxation	\$ 9,497,608	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,497,608
Grants in lieu	86,365	-	-	-	-	-	-	-	86,365
Sale of services	171,233	-	-	457,845	-	-	-	-	629,078
Investment income	575,054	-	-	-	-	-	-	-	575,054
Government transfers	3,396,225	-	-	-	-	-	-	-	3,396,225
Other	906,984	-	-	-	-	-	691,850	318,991	1,917,825
Total revenue	14,633,469	-	-	457,845	-	-	691,850	318,991	16,102,155
Expenses:									
Salaries, wages and employee benefits	886,312	317,495	891,957	1,900,235	252,983	176,434	159,371	92,881	4,677,668
Operating	1,658,792	179,349	684,510	994,708	-	154,792	184,716	103,263	3,960,130
Legislature	109,574	-	-	-	-	-	-	-	109,574
Amortization	3,016,267	-	-	-	-	-	-	-	3,016,267
Interest	124,517	-	-	-	-	-	-	-	124,517
Insurance	18,359	9,007	-	73,418	821	-	14,452	14,238	130,295
Professional fees	222,976	-	-	-	-	-	-	-	222,976
Garbage	-	-	192	-	176,001	-	-	-	176,193
Total expenses	6,036,797	505,851	1,576,659	2,968,361	429,805	331,226	358,539	210,382	12,417,620
Annual surplus (deficit)	\$ 8,596,672	\$ (505,851)	\$ (1,576,659)	\$ (2,510,516)	\$ (429,805)	\$ (331,226)	\$ 333,311	\$ 108,609	\$ 3,684,535



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

10. Segmented information (continued):

	2017								
	General Government	Protective Services	Transportation Services	Parks and Recreation	Environmental Health Services	Economic Development Services	Water Services	Sanitary Sewer Services	Total
Revenue:									
Taxation	\$ 9,310,243	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,310,243
Grants in lieu	106,697	-	-	-	-	-	-	-	106,697
Sale of services	261,120	-	-	416,365	-	-	-	-	677,485
Investment income	441,740	-	-	-	-	-	-	-	441,740
Government transfers	3,113,954	-	-	-	-	-	-	-	3,113,954
Other	1,378,255	-	-	-	-	-	692,019	315,382	2,385,656
Total revenue	14,612,009	-	-	416,365	-	-	692,019	315,382	16,035,775
Expenses:									
Salaries, wages and employee benefits	970,134	317,061	912,869	1,882,509	234,679	221,506	171,623	100,396	4,810,777
Operating	1,886,137	181,444	692,071	823,374	-	164,947	212,439	75,177	4,035,589
Legislature	100,973	-	-	-	-	-	-	-	100,973
Amortization	2,832,286	-	-	-	-	-	-	-	2,832,286
Interest	127,488	-	-	-	-	-	-	-	127,488
Insurance	18,524	8,321	12,031	66,824	857	-	14,608	14,283	135,448
Professional fees	179,387	-	-	-	-	-	-	-	179,387
Garbage	-	-	-	-	181,297	-	-	-	181,297
Total expenses	6,114,929	506,826	1,616,971	2,772,707	416,833	386,453	398,670	189,856	12,403,245
Annual surplus (deficit)	\$ 8,497,080	\$ (506,826)	\$ (1,616,971)	\$ (2,356,342)	\$ (416,833)	\$ (386,453)	\$ 293,349	\$ 125,526	\$ 3,632,530



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

11. Trust fund:

The District of Tumbler Ridge administers the Alaska Challenge Snowmobile Safari '92 account funds on behalf of the Ridge Riders Snowmobile Club. The fund was created by excess revenue generated by the Alaska Challenge ride in 1992, organized by the Ridge Riders Snowmobile Club and the District. The fund is to be used to pay for groomer repairs and maintenance. The fund balance has not been incorporated into the consolidated financial statements of the District.

The District holds in trust the Cemetery Perpetual Care Fund as required by the Cremation, Interment and Funeral Services Act. The fund balance or liability has not been incorporated into the consolidated financial statements of the District.

	2018		2017
Alaska Challenge account	\$ 2,040	\$	2,000
Cemetery Perpetual Care account	297		291
	\$ 2,337	\$	2,291



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

12. Net taxation revenue:

The District is required to collect taxes on behalf of and transfer these amounts to the government agencies noted below:

	2018	2017
Taxes collected:		
General purposes	\$ 9,468,781	\$ 9,310,243
Collection of other governments	2,413,930	2,510,285
	11,882,711	11,820,528
Transfers to other governments:		
Ministry of Education, Province of British Columbia	1,338,848	1,437,528
Peace River Regional Hospital District	447,814	458,229
Peace River Regional District	318,237	325,526
British Columbia Assessment Authority	68,812	71,153
Municipal Finance Authority of British Columbia	153	157
Royal Canadian Mounted Police	211,239	217,692
	2,385,103	2,510,285
	\$ 9,497,608	\$ 9,310,243



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

13. Government transfers:

The government transfers reported on the Consolidated Statement of Operations and Accumulated Surplus are:

	2018	2017
Provincial grants:		
Unconditional	\$ 407,646	\$ 418,790
Stimulus	1,453,351	2,379,065
Miscellaneous	307,116	142,590
Sewer upgrades	888,598	-
Subtotal provincial grants	3,056,711	2,940,445
Federal grants:		
Gas tax	174,869	168,409
Miscellaneous	11,242	5,100
Subtotal federal grants	186,111	173,509
	\$ 3,242,822	\$ 3,113,954

14. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2018 operating and capital budgets approved by Council on May 7, 2018. Amortization was not contemplated on development of the budget and, as such, has not been included. The table below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget amount
Revenue:	
Operating budget	\$ 15,889,775
Less:	
Site 18 funding	(631,363)
Total revenue	15,258,412
Expense:	
Operating budget	11,055,629
Less:	
Site 18 funding	(631,363)
	10,424,266
	\$ 4,834,146



THE DISTRICT OF TUMBLER RIDGE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2018

15. Comparative figures:

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