



Financial Statement

The Corporation of the Village of Warfield

December 31, 2019

The Corporation of the Village of Warfield

December 31, 2019

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The Corporation of the Village of Warfield
Report from the Chief Administrative Officer

It is my pleasure to present the Corporation of the Village of Warfield's 2019 audited Financial Statements, which includes the Independent Auditors' Report.

The financial statements are prepared by management in compliance with Section 167 of the Community Charter and in accordance with generally accepted accounting principles, as recommended by the Public Sector Accounting Board ("PSAB"). Management is responsible for implementing and maintaining a system of internal controls to ensure that reliable financial statements and schedules are prepared, that the Village's assets are safeguarded, and that these financial statements are consistent with other reporting requirements of the Financial Information Act. Village Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and ensuring that internal controls are maximized.

These financial statements were audited by Grant Thornton LLP, Chartered Professional Accountants. Their responsibility is to express an opinion on the financial statements based on the results of their audit. Their report concludes that these financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2019. The external auditors have full and free access to Village Council.

Respectfully submitted,



Lila Cresswell
Chief Administrative Officer

Independent Auditor's Report

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To the Mayor and Council of
The Corporation of the Village of Warfield

Opinion

We have audited the financial statements of The Corporation of the Village of Warfield (the "Village"), which comprise the statement of financial position as at December 31, 2019, and the statements of operations, change 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 financial statements present fairly, in all material respects, the financial position of the Village as at December 31, 2019, and its results of operations 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 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 matter

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Exhibits included in the Supplemental Financial Information section are presented for purposes of additional analysis and are not a required part of the financial statements. Such supplemental information has not been subject to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on them.

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 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 liquidate the Village or 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.

Independent Auditor's Report (continued)

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 these 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Trail, Canada
December 22, 2020

Chartered Professional Accountants

The Corporation of the Village of Warfield

Statement of Financial Position

As at December 31, 2019

	2019	2018
Financial assets		
Cash (Note 2)	\$2,338,512	\$2,037,092
Accounts receivable (Note 3)	267,451	193,342
	\$2,605,963	\$2,230,434
Liabilities		
Accounts payable and accrued liabilities (Note 4)	\$ 116,573	\$ 200,928
Deposits and prepayments	114,367	106,426
Deferred revenue (Note 5)	1,066,945	847,027
Equipment finance - MFA (Note 6)	282,574	44,317
Debenture debt (Note 7)	707,225	809,747
	2,287,684	2,008,445
Net financial assets	318,279	221,989
Tangible capital assets (Note 8 and Schedule B)	7,324,768	7,213,827
Accumulated surplus (Note 10)	\$7,643,047	\$7,435,816

Contingent liabilities (Note 14)



Chief Financial Officer



Mayor

SEE ACCOMPANYING NOTES

The Corporation of the Village of Warfield

Statement of Operations Year ended December 31, 2019

	Budget (Note 13)	2019	2018
Revenue			
Taxation (Note 11)	\$1,305,978	\$ 1,387,370	\$ 1,246,542
Fees, rates and service charges	609,850	625,399	598,490
Grants	15,000	7,231	24,043
Penalties and interest on taxes	14,800	15,086	15,098
Investment income	15,000	57,251	47,363
Government transfers (Note 12)	540,500	562,260	718,511
Sundry	41,500	64,838	55,855
Cost recoveries	52,100	-	-
Gain on disposal of tangible capital assets	-	50,000	-
	2,594,728	2,769,435	2,705,902
Expenses			
Protective services	71,000	90,425	64,903
Water utility	277,360	282,352	313,201
Sewer utility	259,832	211,424	217,816
Parks, recreation and culture	423,350	421,592	398,505
General government	557,339	539,995	468,534
Transportation services	494,800	474,872	461,257
Environmental development	198,650	151,658	187,155
Debt interest, fiscal services and other	132,862	58,019	58,539
Amortization	-	331,867	310,183
	2,415,193	2,562,204	2,480,093
Annual surplus	179,535	207,231	225,809
Accumulated surplus, beginning of year	7,435,816	7,435,816	7,210,007
Accumulated surplus, end of year (Note 10)	\$7,615,351	\$7,643,047	\$7,435,816

SEE ACCOMPANYING NOTES

The Corporation of the Village of Warfield

Statement of Change in Net Financial Assets

Year ended December 31, 2019

	Budget (Note 13)	2019	2018
Annual surplus	\$ 179,535	\$ 207,231	\$ 225,809
Acquisition of tangible capital assets	(25,000)	(442,808)	(321,323)
Amortization of tangible capital assets	-	331,867	310,183
Proceeds on sale of tangible capital assets	-	50,000	-
Gain on disposal of tangible capital assets	-	(50,000)	-
Increase in prepaid expenses	-	-	22,064
Increase in net financial assets	154,535	96,290	236,733
Net financial assets (net debt), beginning of year	221,989	221,989	(14,744)
Net financial assets, end of year	\$ 376,524	\$ 318,279	\$ 221,989

SEE ACCOMPANYING NOTES

The Corporation of the Village of Warfield

Statement of Cash Flows Year ended December 31, 2019

	2019	2018
Operating		
Annual surplus	\$ 207,231	\$ 225,809
Non-cash items:		
Amortization expense	331,867	310,183
Sinking fund actuarial earnings	(27,610)	(23,667)
Changes to non-cash working capital items:		
Decrease (increase) in accounts receivable	(74,109)	20,331
Increase (decrease) in accounts payable and accrued liabilities	(84,355)	61,154
Decrease in prepaids	-	22,064
Increase in deposits and prepayments	7,941	5,042
Increase in deferred revenue	219,918	66,534
	<hr/> 580,883	<hr/> 687,450
Financing		
Repayment of debenture debt	(74,912)	(74,912)
Repayment of equipment finance - MFA	(45,336)	(15,518)
Issuance of equipment finance - MFA	283,593	-
	<hr/> 163,345	<hr/> (90,430)
Capital		
Tangible capital asset additions	(442,808)	(321,323)
Proceeds from disposal of tangible capital assets	50,000	-
Gain on disposal of tangible capital assets	(50,000)	-
	<hr/> (442,808)	<hr/> (321,323)
Increase in cash	301,420	275,697
Cash, beginning of year	2,037,092	1,761,395
Cash, end of year (Note 2)	<hr/> \$ 2,338,512	<hr/> \$ 2,037,092

SEE ACCOMPANYING NOTES

The Corporation of the Village of Warfield

Notes to the Financial Statements

December 31, 2019

1. Significant accounting policies

The financial statements of the The Corporation of the Village of Warfield (the "Village") are the representations of management in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of CPA Canada. Significant aspects of the accounting policies adopted by the Village are as follows:

Reporting entity

The financial statements reflect the assets, liabilities, revenue, expenses, and changes in financial position of the Village. The Village is comprised of the municipal operations plus all of the organizations that are owned or controlled by the Village and are, therefore, accountable to the Village Council for the administration of their financial affairs and resources.

The disclosures relating to property taxes levied also includes requisitions for education and other external organizations that are not part of the municipal reporting entity.

Cash equivalents excludes trust assets that are administered for the benefit of external parties.

Basis of accounting

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Management uncertainty (use of estimates)

The preparation of the financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Where measurement uncertainty exists, the financial statements have been prepared within the reasonable limits of materiality. Actual results could differ from those estimates.

Management's estimates include accounts receivable which are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided, where considered necessary, and amortization that is based on the estimated useful lives of tangible capital assets.

The Corporation of the Village of Warfield

Notes to the Financial Statements

December 31, 2019

1. Significant accounting policies - continued

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 all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Village is directly responsible and accepts responsibility; and
- a reasonable estimate of the amount can be determined.

The liability would include all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. To date, the Village does not have reason to believe any such liability exists.

Cash

Cash includes balances with banks and short-term investments with maturities of three months or less.

Non-financial assets

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations.

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital asset is amortized on a straight-line basis over the estimated useful life as follows:

Buildings	20 to 60 years
Machinery, equipment and vehicles	5 to 20 years
Computer hardware	3 to 5 years
Engineering structures:	
Roads, bridges and other transportation structures	20 to 50 years
Water and drainage infrastructure	8 to 60 years
Sewer Infrastructure	20 to 60 years

Assets under construction are not amortized until the asset is available for productive use.

The Corporation of the Village of Warfield

Notes to the Financial Statements

December 31, 2019

1. Significant accounting policies - continued

Debenture debt

Interest is charged against revenue in the period in which it is accrued. Actuarial adjustments on debenture debt are recorded on the accrual basis.

Revenue recognition

- i) Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year.
- ii) Sale of services and user fees revenue are recognized when the service or product is rendered by the Village.
- iii) Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. The Village recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Village recognizes revenue as the liability is settled.
- iv) Grant revenues are recognized when the funding is received or receivable.
- v) Investment income is recorded on the accrual basis and recognized when earned.

Segments

The Village conducts its business through a number of reportable segments. These operating segments are established by senior management to facilitate the achievement of the Village's long-term objectives to aid in resource allocation decisions and to assess operational performance.

Funds of the Village

The operations of the Village are divided into a number of funds with specific purposes. Fund statements are presented as supplementary information to the financial statements. The basic funds are briefly described as follows:

Capital Funds - These funds are used to reflect tangible capital assets offset by related long-term debt and equity in tangible capital assets.

General Operating Fund - This fund is the main fund of the Village and is used to reflect the normal municipal operating activities including collection of taxation, administering operations, roads, servicing general debt, etc.

Reserve Funds - These funds have been created to hold assets, in the manner of a trust, and to provide monies for specific future requirements.

Water and Sewer Operating Funds - The water and sewer funds have been established as self-liquidating funds to cover the costs of operating these utilities. The capital funds hold the tangible capital assets and long-term debt related to these functions.

The Corporation of the Village of Warfield

Notes to the Financial Statements

December 31, 2019

2. Cash

	2019	2018
Cash	\$2,173,696	\$1,877,301
MFA Bond and Money Market Fund	164,816	159,791
	\$2,338,512	\$2,037,092

Cash includes \$172,392 (2018 - \$169,404) of reserve funds which are not available to fund the day-to-day operations of the Village.

3. Accounts receivable

	2019	2018
Property taxes	\$ 142,286	\$ 119,124
Accrued receivables	318	14,074
GST rebate recoverable	114,535	56,066
British Columbia Home Owner grants	10,312	4,078
	\$ 267,451	\$ 193,342

4. Accounts payable and accrued liabilities

	2019	2018
Trade payables	\$ 21,129	\$ 87,723
Alpine performance bond	30,138	30,138
Post-employment benefits	31,900	38,200
Employee accrued liabilities	33,406	44,867
	\$ 116,573	\$ 200,928

The Corporation of the Village of Warfield

Notes to the Financial Statements

December 31, 2019

4. Accounts payable and accrued liabilities - continued

Post-employment benefits

Employees are entitled to earned benefits related to non-vested accumulating sick leave. The liability and expense for these post-employment benefits and compensated absences is recognized in the financial statements in the period in which employees render services and on the basis that the benefits are expected to be provided when the employees are no longer providing active service.

The post-employment benefit liabilities are based on an actuarial valuation as at December 31, 2019 using the following valuation assumptions:

	2019	2018
Discount rate	2.70 %	3.30 %

	2019	2018
Beginning of year	\$ 38,200	\$ 34,600
Current service cost	2,600	2,600
Interest cost	1,200	1,000
Benefits paid	-	-
Actuarial gain	(10,100)	-
End of year	\$ 31,900	\$ 38,200

The Village manages the payment of these future benefit obligations as they come due in the current operating budget.

5. Deferred revenue

The Village receives Federal Gas Tax ("FGT") funds provided by the Government of Canada. The use of funding is established by a funding agreement between the Village and The Union of British Columbia Municipalities. FGT funding may be used towards designated public transit, community energy water, wastewater, solid waste, and capacity building projects, as specified in the funding agreements. The Village accounts for the funding received as deferred revenue and recognizes the revenue when an approved project is undertaken in the year. The following provides a summary of funds received that are included in deferred revenue on the statement of financial position.

	2019	2018
Opening balance of unspent FGT funds	\$ 847,027	\$ 780,493
Add: Amount received during the year	256,082	130,241
Interest earned	15,623	14,008
Less: Amount spent on approved projects	(59,806)	(77,715)
Closing balance of unspent FGT funds	1,058,926	847,027
Columbia Basin Trust	8,019	-
Total deferred revenue	\$ 1,066,945	\$ 847,027

The Corporation of the Village of Warfield
Notes to the Financial Statements
December 31, 2019

6. Equipment finance - MFA

Municipal Finance Authority of BC equipment financing loan on equipment; repayable in monthly installments of \$1,393 with interest at a variable rate; maturing in August 2021.	\$ 29,162	\$ 44,317
Municipal Finance Authority of BC capital lease on equipment; repayable in monthly installments of \$5,030 with interest at a variable rate; maturing in May 2024.	253,412	-
	\$ 282,574	\$ 44,317

7. Debenture debt

The Village issues debt instruments through the Municipal Finance Authority, pursuant to security issuing bylaws under authority of the Local Government Act, to finance certain capital expenditures. The maturity date on these debt instruments is October 2025.

Future principal requirements and actuarial adjustments on outstanding debenture debt over the remaining term to maturity are as follows:

	WATER FUND
2020	\$ 106,623
2021	110,887
2022	115,323
2023	119,936
2024	124,733
Subsequent	129,723
	\$ 707,225

Interest rate on debenture debt is 3.73% per annum.

The Corporation of the Village of Warfield
Notes to the Financial Statements
December 31, 2019

8. Tangible capital assets

	2019	2018
Land	\$ 77,240	\$ 77,240
Buildings	994,815	1,029,505
Machinery, equipment and vehicles	897,591	653,791
Engineering structures		
Roads	976,028	1,040,382
	2,945,674	2,800,918
Water Capital Fund		
Engineering structures	3,806,878	3,822,178
Sewer Capital Fund		
Engineering structures	572,216	590,731
	\$7,324,768	\$7,213,827

For additional information, see the Statement of Tangible Capital Assets (Schedule B).

9. Municipal Finance Authority debt reserve

The Village issues its debt instruments through the Municipal Finance Authority. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority as a debt reserve fund.

The Village also executes demand notes in connection with each debenture whereby the Village may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent in nature and are not reflected in the accounts.

The detail of the cash deposits and demand notes at year end are as follows:

	Demand Notes	Cash Deposits	2019	2018
Water Fund	\$ 50,431	\$ 19,599	\$ 70,030	\$ 69,584

The Corporation of the Village of Warfield
Notes to the Financial Statements
December 31, 2019

10. Accumulated surplus

The accumulated surplus is represented by:

	2019	2018
Unappropriated surplus	\$ 878,918	\$ 728,123
Capital funds	177,407	177,407
Reserve funds (Exhibit E)	251,753	170,523
Equity in tangible capital assets (Exhibit F)	6,334,969	6,359,763
Total accumulated surplus	\$7,643,047	\$7,435,816

11. Taxation revenue

	2019	2018
Taxation, grants in lieu, assessments		
Property taxes	\$ 740,000	\$ 697,619
Grants in lieu of taxes	20,991	19,877
Water parcel taxes	548,680	529,024
Infrastructure replacement reserve	78,300	-
Collections for other authorities:		
Province of BC - school taxes	461,114	438,404
Province of BC - police taxes	70,432	67,894
Regional District of Kootenay Boundary	332,287	317,722
West Kootenay-Boundary Regional Hospital District	50,631	48,166
BC Assessment Authority	8,332	7,834
Municipal Finance Authority	39	35
	2,310,806	2,126,575
Payments for other authorities	923,436	880,033
Taxation for Village purposes	\$1,387,370	\$1,246,542

The Village is not reliant upon the revenue from any specific large property taxpayers or business.

12. Government Transfers

	2019	2018
Federal government	\$ 59,806	\$ 213,781
Provincial government	471,277	497,824
Other	31,177	6,906
	\$ 562,260	\$ 718,511

The Corporation of the Village of Warfield
Notes to the Financial Statements
December 31, 2019

13. Budget data

The reconciliation of the approved budget Bylaw #841 for the current year to the budget figures reported in these financial statements is as follows:

Budget surplus per Statement of Operations	\$ 179,535	350,712
Capital expenditures	(25,000)	(40,000)
Repayment of equipment finance - MFA	(16,712)	(16,712)
Transfer from water fund	(137,823)	(294,000)
	<hr/>	<hr/>
	\$ -	-

14. Contingent liabilities

The Village, as a member of the Regional District of Kootenay Boundary ("RDKB"), is jointly and severally liable for the borrowing of this authority and also in the functions shared by the Village with other surrounding municipalities who are members of the RDKB.

Claims for Damages - In the normal course of a year the Village is faced with lawsuits and claims for damages of a diverse nature. The outcome of these claims cannot be reasonably determined at this time. Accordingly, no provision has been made in the accounts for these actions.

The Village is a member of the Municipal Insurance Association of B.C. ("M.I.A.B.C."). M.I.A.B.C. is licensed to operate a reciprocal insurance exchange under section 302 of the Insurance Act. M.I.A.B.C. is a municipal self insurance program, supplying general liability coverage to their members up to a maximum of thirty five million dollars. Members are liable for their deductible and a pro-rated share of any claims exceeding their deductible.

The amount of loss, if any, arising from these contingent liabilities will be recorded in the accounts in the period in which the loss is realized. The Village has insurance policies to offset the associated risk.

The Corporation of the Village of Warfield

Notes to the Financial Statements

December 31, 2019

15. Pension liability

The employer 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 Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. At December 31, 2018, the Plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 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 combine 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. The rate is then adjusted to the extent there is amortization of any funding deficit.

The most recent actuarial valuation as at December 31, 2018 indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The the Village paid \$ 37,450 (2018 - \$ 33,663) for employer contributions to the plan in fiscal 2019.

The next valuation will be as at December 31, 2021 with results available in 2022.

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.

16. Segments

The Village provides a range of services to its ratepayers. For each reported segment, the revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

Refer to Schedule A - Schedule of Segmented Disclosure

The Corporation of the Village of Warfield

Schedule A - Segmented disclosure

As at December 31, 2019

	General Government	Protective Services	Public Works	Environmental Development Services	Recreation and Cultural Services	Water Utility	Sewer Utility	2019 Total	2018 Total
Revenue									
Taxation	\$ 885,030	\$ -	\$ -	\$ -	\$ -	\$ 156,100	\$ 346,240	\$ 1,387,370	\$ 1,246,542
Fees and charges	-	-	-	98,360	139,795	357,839	29,405	625,399	598,490
Government transfers	406,921	-	-	95,533	-	59,806	-	562,260	718,511
Grants	7,231	-	-	-	-	-	-	7,231	24,043
Investment income	57,251	-	-	-	-	-	-	57,251	47,363
Penalties and interest on taxes	15,086	-	-	-	-	-	-	15,086	15,098
Sundry	48,571	16,267	-	-	-	-	-	64,838	55,855
Gain on disposal of TCA	50,000	-	-	-	-	-	-	50,000	-
	1,470,090	16,267	-	193,893	139,795	513,939	375,645	2,769,435	2,705,902
Expenses									
Salaries and benefits	311,004	5,120	244,981	16,744	185,097	28,343	11,606	802,895	769,689
Contracts and professional services	93,082	64,082	74,298	97,694	45,229	178,784	199,245	752,414	748,869
Supplies, materials and equipment	135,909	21,223	155,593	37,220	191,266	75,225	573	617,009	592,813
	539,995	90,425	474,872	151,658	421,592	282,352	211,424	2,172,318	2,111,371
Debt and interest	2,069	-	-	-	-	55,950	-	58,019	58,539
Amortization	215,569	-	-	-	-	97,783	18,515	331,867	310,183
	757,633	90,425	474,872	151,658	421,592	436,085	229,939	2,562,204	2,480,093
Excess (deficiency) of revenue over expenses	\$ 712,457	\$ (74,158)	\$ (474,872)	\$ 42,235	\$ (281,797)	\$ 77,854	\$ 145,706	\$ 207,231	\$ 225,809

The Corporation of the Village of Warfield
Schedule B - Schedule of Tangible Capital Assets
As at December 31, 2019

	Engineering Structures							2019	2018
	Land	Buildings	Machinery & Equipment	Water	Sewer	General	Computer		
Cost									
Balance, beginning of year	\$ 77,240	\$ 1,924,770	\$ 1,849,007	\$ 5,443,748	\$ 1,103,852	\$ 2,987,030	\$ 32,319	\$ 13,417,966	\$ 13,096,643
Acquisition of tangible capital assets	-	26,732	333,593	82,483	-	-	-	442,808	321,323
Disposal of tangible capital assets	-	-	(161,780)	-	-	-	-	(161,780)	-
Balance, end of year	77,240	1,951,502	2,020,820	5,526,231	1,103,852	2,987,030	32,319	13,698,994	13,417,966
Accumulated amortization									
Balance, beginning of year	-	895,265	1,195,216	1,621,570	513,121	1,946,648	32,319	6,204,139	5,893,956
Annual amortization	-	61,422	89,793	97,783	18,515	64,354	-	331,867	310,183
Accumulated amortization on disposals	-	-	(161,780)	-	-	-	-	(161,780)	-
Balance, end of year	-	956,687	1,123,229	1,719,353	531,636	2,011,002	32,319	6,374,226	6,204,139
Net book value	\$ 77,240	\$ 994,815	\$ 897,591	\$ 3,806,878	\$ 572,216	\$ 976,028	\$ -	\$ 7,324,768	\$ 7,213,827
2018 net book value	\$ 77,240	\$ 1,029,505	\$ 653,791	\$ 3,822,178	\$ 590,731	\$ 1,040,382	\$ -	\$ 7,213,827	\$ -

The Corporation of the Village of Warfield
Exhibit A - Statement of Financial Position by Fund
(Unaudited)

Year ended December 31, 2019

	Operating funds			Capital funds			Reserve	2019	2018
	General	Water	Sewer	General	Water	Sewer	Funds		
Financial assets									
Cash	\$ 2,001,304	\$ -	\$ -	\$ 164,816	\$ -	\$ -	\$ 172,392	\$ 2,338,512	\$ 2,037,092
Accounts receivable	270,233	(2,782)	-	-	-	-	-	267,451	193,342
Due (to) from other funds	(693,159)	340,836	260,371	12,591	-	-	79,361	-	-
	1,578,378	338,054	260,371	177,407	-	-	251,753	2,605,963	2,230,434
Liabilities									
Accounts payable and accrued liabilities	116,573	-	-	-	-	-	-	116,573	200,928
Deposits and prepayments	114,367	-	-	-	-	-	-	114,367	106,426
Deferred revenue	1,066,945	-	-	-	-	-	-	1,066,945	847,027
Long term debt	-	-	-	-	707,225	-	-	707,225	809,747
Long term lease obligation	-	-	-	282,574	-	-	-	282,574	44,317
	1,297,885	-	-	282,574	707,225	-	-	2,287,684	2,008,445
Net Financial Assets	280,493	338,054	260,371	(105,167)	(707,225)	-	251,753	318,279	221,989
Tangible Capital assets	-	-	-	2,945,674	3,806,878	572,216	-	7,324,768	7,213,827
Accumulated surplus	\$ 280,493	\$ 338,054	\$ 260,371	\$ 2,840,507	\$ 3,099,653	\$ 572,216	\$ 251,753	\$ 7,643,047	\$ 7,435,816
Equity, financial									
Unappropriated surplus	\$ 280,493	\$ 338,054	\$ 260,371	\$ -	\$ -	\$ -	\$ -	\$ 878,918	\$ 728,123
Capital funds	-	-	-	177,407	-	-	-	177,407	177,407
Reserve funds	-	-	-	-	-	-	251,753	251,753	170,523
	280,493	338,054	260,371	177,407	-	-	251,753	1,308,078	1,076,053
Equity in tangible capital assets	-	-	-	2,663,100	3,099,653	572,216	-	6,334,969	6,359,763
Total equity	\$ 280,493	\$ 338,054	\$ 260,371	\$ 2,840,507	\$ 3,099,653	\$ 572,216	\$ 251,753	\$ 7,643,047	\$ 7,435,816

The Corporation of the Village of Warfield

Exhibit B - Statement of Operations

- General Operating Fund

(Unaudited)

Year ended December 31, 2019

	Budget	2019	2018
Revenue			
Taxation for village purposes	881,841	885,030	841,998
Fees, rates and service charges	236,798	238,155	246,097
Investment income	15,000	29,641	23,696
Sundry	41,500	64,838	55,855
Grants	15,000	7,231	24,043
Transfers from other governments	458,500	502,454	456,536
Penalties and interest on taxes	14,800	15,086	15,098
Gain on sale of tangible capital assets	-	50,000	-
Cost recoveries	52,100	5,500	21,182
	1,715,539	1,797,935	1,684,505
Expenses			
Protective services	71,000	90,425	64,903
Leisure, parks and cultural	423,350	421,592	398,505
General government	557,339	539,995	468,534
Public works	494,800	474,872	461,257
Environmental development	198,650	151,658	187,155
Debt interest, fiscal services and other	2,000	2,069	2,589
	1,747,139	1,680,611	1,582,943
Excess of revenue over expenses	(31,600)	117,324	101,562
Debt, transfers and other			
Equipment financing proceeds	-	283,593	-
Transfers to reserve	-	(81,231)	(5,700)
Transfers to general capital fund	(25,000)	(360,325)	-
Repayment of lease obligation	(16,712)	(45,336)	(15,518)
	(41,712)	(203,299)	(21,218)
Fund surplus (deficit)	(73,312)	(85,975)	80,344
Accumulated surplus, beginning of year	366,463	366,463	286,119
Accumulated surplus, end of year	\$ 293,151	\$ 280,488	\$ 366,463

The Corporation of the Village of Warfield

Exhibit C - Statement of Operations

- Water Operating Fund

(Unaudited)

Year ended December 31, 2019

	Budget	2019	2018
Revenue			
Parcel taxes	\$ 78,000	\$ 156,100	\$ 78,000
Water user fees	351,222	357,839	331,798
Transfers from other governments	82,000	59,806	261,975
Actuarial interest	-	27,610	23,667
	511,222	601,355	695,440
Expenses			
Administration	20,000	46,596	19,073
Water supply	1,500	1,314	1,400
Distribution supply	52,700	61,085	89,644
Treatment plant operations	203,160	176,893	218,658
Debt interest, fiscal services and other	130,862	55,950	55,950
	408,222	341,838	384,725
Excess of revenue over expenses	103,000	259,517	310,715
Debt, transfers and other			
Transfer to reserves	-	(27,610)	(23,667)
Transfers to water capital funds	(137,823)	(82,483)	(321,323)
Repayment of debenture debt	-	(74,912)	(74,912)
	(137,823)	(185,005)	(419,902)
Fund surplus (deficit)	(34,823)	74,512	(109,187)
Accumulated surplus, beginning of year	263,542	263,542	372,729
Accumulated surplus, end of year	\$ 228,719	\$ 338,054	\$ 263,542

The Corporation of the Village of Warfield

Exhibit D - Statement of Operations

- Sewer Operating Fund

(Unaudited)

Year ended December 31, 2019

	Budget	2019	2018
Revenue			
Parcel tax and other general revenue	\$ 346,137	\$ 346,240	\$ 326,544
Sewer user fees	21,830	29,405	20,594
	367,967	375,645	347,138
Expenses			
Administration	5,000	-	5,000
Collection and disposal	61,250	14,622	41,930
RDKB sewage assessment	193,582	198,766	176,494
	259,832	213,388	223,424
Fund surplus	108,135	162,257	123,714
Accumulated deficit, beginning of year	98,115	98,115	(25,599)
Accumulated surplus (deficit), end of year	\$ 206,250	\$ 260,372	\$ 98,115

The Corporation of the Village of Warfield

Exhibit E - Reserve Funds

(Unaudited)

As at December 31, 2019

	Water Reserve	Equipment Reserve	General Capital	Community Hall	2019	2018
Assets						
Cash	\$ 106,287	\$ -	\$ 64,418	\$ 1,685	\$ 172,390	\$ 169,403
Due to general operating fund	78,243	1,119	-	-	79,362	1,119
	\$ 184,530	\$ 1,119	\$ 64,418	\$ -	\$ 251,752	\$ 170,522
Equity						
Balance, beginning of year	\$ 104,445	\$ 1,119	\$ 63,302	\$ 1,656	\$ 170,522	\$ 167,585
Add: Interest received	1,785	-	1,116	29	2,930	2,937
Transfers from general operating	78,300	-	-	-	78,300	-
	\$ 184,530	\$ 1,119	\$ 64,418	1,685	\$ 251,752	\$ 170,522

The Corporation of the Village of Warfield

Exhibit F - Equity in Tangible Capital Assets

(Unaudited)

Year ended December 31, 2019

	General Capital	Water Capital	Sewer Capital	2019	2018
Equity in tangible capital assets, beginning of year	\$2,934,008	\$3,012,431	\$ 590,731	\$6,537,170	\$6,409,169
Contributions to tangible capital assets	360,325	82,483	-	442,808	321,323
Change in market value	-	-	-	-	2,764
Proceeds of equipment financing	(283,593)	-	-	(283,593)	-
Repayment of equipment financing	45,336	-	-	45,336	15,518
Repayment of debt	-	74,912	-	74,912	74,912
Sinking fund actuarial earnings	-	27,610	-	27,610	23,667
Amortization of tangible capital assets	(215,569)	(97,783)	(18,515)	(331,867)	(310,183)
Equity in tangible capital assets, end of year	\$2,840,507	\$3,099,653	\$ 572,216	\$6,512,376	\$6,537,170
Equity in tangible capital assets is comprised of the following:					
Financial equity	\$ 177,407	\$ -	\$ -	\$ 177,407	\$ 177,407
Physical equity	2,663,100	3,099,653	572,216	6,334,969	6,359,763
	\$2,840,507	\$3,099,653	\$ 572,216	\$6,512,376	\$6,537,170