

The Corporation of the Village of Clinton
Financial Statements
For the year ended December 31, 2016

The Corporation of the Village of Clinton
Financial Statements
For the year ended December 31, 2016

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Management's Responsibility for Financial Reporting

The accompanying financial statements of the Corporation of the Village of Clinton are the responsibility of management and have been approved by the Mayor and Council of the Village.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Corporation of the Village of Clinton maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Village's assets are appropriately accounted for and adequately safeguarded.

The Corporation of the Village of Clinton is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council carries out this responsibility principally through its Finance committee.

The Mayor and Council review the Village's financial statements and recommend their approval. The Mayor and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report. The Mayor and Council takes this information into consideration when approving the financial statements for issuance to the ratepayers. The Mayor and Council also appoint the engagement of the external auditors.

The financial statements have been audited by BDO Canada LLP in accordance with Canadian public sector accounting standards on behalf of the ratepayers. BDO Canada LLP has full access to the Council and management.



CFO



Mayor



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Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Village of Clinton

We have audited the accompanying financial statements of the Corporation of the Village of Clinton as at December 31, 2016, which comprise the statement of financial position and the statements of operations, change in net financial assets and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation of the Village of Clinton as at December 31, 2016 and the results of its operations, change in net financial assets, remeasurement gains and losses and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BDO Canada LLP

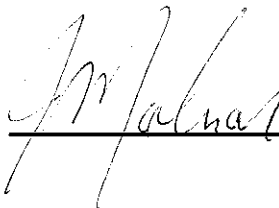
Chartered Professional Accountants

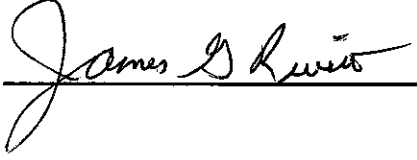
Kamloops, British Columbia
March 22, 2017

The Corporation of the Village of Clinton
Statement of Financial Position

As at December 31	2016	2015
Financial assets		
Cash	\$ 600,962	\$ 530,074
Portfolio investments (Note 3)	745,060	737,256
Taxes and utilities receivable	132,659	111,426
Accounts receivable	151,121	97,019
Investment in Community Forest Company (Note 5)	286,846	172,824
	1,916,648	1,648,599
Liabilities		
Accounts payable and accrued liabilities	118,277	156,018
Long-term debt (Note 6)	182,120	219,008
Obligations under capital lease (Note 7)	41,720	64,833
Silviculture liability	11,345	11,255
	353,462	451,114
Net financial assets	1,563,186	1,197,485
Non-financial assets		
Tangible capital assets (Note 8)	8,593,901	8,738,235
Prepaid expenses	35,197	26,399
	8,629,098	8,764,634
Accumulated surplus (Note 9)	\$ 10,192,284	\$ 9,962,119

Contingent liabilities (Note 12)
Commitments (Note 13)


 _____ CFO


 _____ Mayor

The Corporation of the Village of Clinton
Statement of Operations

For the year ended December 31	Budget 2016	2016	2015
	(Note 15)		
Revenue (Schedule 1)			
Municipal taxation and grants-in-lieu of taxes (Note 10)	\$ 627,171	\$ 644,778	\$ 596,617
Sales of services	291,850	303,575	222,968
Revenue from own sources	92,095	125,251	162,760
Transfers from other governments	630,662	620,577	691,207
Actuarial adjustment on debenture debt	1,150	711	1,149
Equity income in Community Forest Company (Note 5)	200,000	114,022	172,823
	<u>1,842,928</u>	<u>1,808,914</u>	<u>1,847,524</u>
Expenses (Schedule 2)			
General administration and legislative services	620,404	563,721	576,360
Protective services	188,932	106,457	110,032
Public Works	522,257	381,045	365,079
Environmental and health services	306,805	341,795	376,282
Recreation and cultural services	225,517	180,531	168,810
Interest on long term debt	6,491	5,200	14,811
	<u>1,870,406</u>	<u>1,578,749</u>	<u>1,611,374</u>
Annual surplus (deficit)	(27,478)	230,165	236,150
Accumulated surplus, beginning of year	-	9,962,119	9,725,969
Accumulated surplus (deficit), end of year	\$ (27,478)	\$ 10,192,284	\$ 9,962,119

The Corporation of the Village of Clinton
Statement of Change in Net Financial Assets

For the year ended December 31	Budget 2016	2016	2015
Annual surplus (deficit)	\$ (27,478)	\$ 230,165	\$ 236,150
Acquisition of tangible capital assets	(218,625)	(221,246)	(326,139)
Amortization of tangible capital assets	240,000	357,180	345,772
Loss on sale of tangible capital assets	-	7,450	-
Proceeds on sale of tangible capital assets	-	950	-
	<u>(6,103)</u>	<u>374,499</u>	<u>255,783</u>
Change in prepaid expenses	-	(8,798)	7,153
Increase in net financial assets	(6,103)	365,701	262,936
Net financial assets, beginning of year	<u>1,197,485</u>	<u>1,197,485</u>	<u>934,549</u>
Net financial assets, end of year	\$ 1,191,382	\$ 1,563,186	\$ 1,197,485

The Corporation of the Village of Clinton
Statement of Cash Flows

For the year ended December 31	2016	2015
Operating transactions		
Annual surplus	\$ 230,165	\$ 236,150
Items not involving cash		
Amortization	357,180	345,772
Loss on disposal of tangible capital assets	7,450	-
Actuarial adjustment on long-term debt	(711)	(1,149)
Changes in non-cash operating balances		
Taxes and utilities receivable	(21,233)	3,238
Accounts receivable	(54,102)	488,923
Prepaid expenses	(8,798)	7,153
Accounts payable and accrued liabilities	(37,741)	22,684
Equity change in CDFC	(114,022)	(172,825)
Solid waste closure and post closure liabilities	90	11,255
	<u>358,278</u>	<u>941,201</u>
Capital transactions		
Acquisition of tangible capital assets	(221,246)	(326,139)
Proceeds on sale of tangible capital assets	950	-
	<u>(220,296)</u>	<u>(326,139)</u>
Investing transaction		
Acquisition of portfolio investments	<u>(7,804)</u>	<u>(505,084)</u>
Financing transactions		
Increase in capital lease obligations	-	55,000
Proceeds on issuance of long-term debt	12,187	-
Repayment of long-term debt	(48,364)	(30,769)
Repayment of obligations under capital lease	(23,113)	(13,831)
	<u>(59,290)</u>	<u>10,400</u>
Net change in cash	70,888	120,378
Cash, beginning of year	<u>530,074</u>	<u>409,696</u>
Cash, end of year	<u>\$ 600,962</u>	<u>\$ 530,074</u>
Supplementary cash flow information		
Interest paid	<u>\$ 5,468</u>	<u>\$ 14,812</u>

The Corporation of the Village of Clinton

Notes to Financial Statements

December 31, 2016

1. Significant accounting policies

Basis of Presentation

The financial statements of the Corporation of the Village of Clinton (the "Village") are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Cash and Cash Equivalents

Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.

Portfolio Investments

Portfolio investments are recorded at cost unless there has been a decline in the market value which is other than temporary in nature in which case the investments are written down to market value.

Investment in Government Business Enterprises

The Village accounts for its 100% interest in the Clinton and District Community Forest of BC Limited (the "Company") using the modified equity method as the Company is a self-sustaining subsidiary of the Village. Under the modified equity method, the cost of the investment is adjusted by the earnings or losses of the Company.

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Engineering Structures	10 to 70 years
Buildings	10 to 60 years
Furniture and equipment	5 to 10 years
Sewer system and equipment	25 to 80 years
Water system and equipment	25 to 80 years

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2016

1. Significant accounting policies (continued)

Leased Assets Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the Village, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

**Collection of Taxes on
Behalf of Other Taxation
Authorities** The Village collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of entities are not reflected in these financial statements.

Reserve Funds Reserves represent amounts set aside for specific or future expenditures. Statutory reserves require the passing of a by-law before funds can be expended. Reserve accounts require an approved council budget and resolution.

Trust Funds Trust funds held in trust by the Village, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately.

**Retirement Benefits and
Other Employee
Benefit Plans** The Village's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred. The costs of other pensions and other retirement benefits that accumulate over the period of service provided by employees are actuarially determined using the projected benefit method prorated on services based on management's best estimate of retirement ages, inflation rates, investment returns, wage and salary escalation, insurance and health care costs trends, employee turnover and discount rates. Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the employee group.

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2016

1. Significant accounting policies (continued)

Deferred Revenue	Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.
Government Transfers	Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.
Revenue Recognition	<p>Taxes are recognized as revenue in the year they are levied.</p> <p>Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.</p> <p>Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.</p> <p>Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.</p> <p>Sales of service and other revenue is recognized on an accrual basis.</p>
Financial Instruments	Unless otherwise noted, it is management's opinion that the Village is not exposed to significant interest, currency or credit risk arising from its financial instruments. The fair value of its financial instruments approximate their carrying values, unless otherwise noted.
Use of Estimates	The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2016

2. Nature of Operations

The Village was incorporated on July 16, 1963 under the Municipal Act, a former statute of the Province of British Columbia. Its principal activities include the provision of local government services to the residents of the incorporated area. These include administrative, protective, transportation, environmental, recreational, water, sewer, and fiscal services.

3. Portfolio Investments

	<u>2016</u>	<u>2015</u>
Bonds	\$ 66,242	\$ 65,004
Money market investments	<u>678,818</u>	<u>672,252</u>
	<u>\$ 745,060</u>	<u>\$ 737,256</u>

The income from portfolio investments for the year was \$12,068 (2015 - \$10,951). The carrying value and market value of the Village's marketable securities was \$745,060 (2015 - \$737,256).

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2016

4. Employee Future Benefits

Municipal Employees Retirement System

The Village and its employees contribute to the Municipal Pension Plan (Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2015, the Plan has about 189,000 active members and approximately 85,000 retired members. Active members include 8 contributors from the Village.

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

The most recent valuation for the Municipal Pension Plan as at December 31, 2015 indicated a \$2,224 million funding deficit for basic pension benefits on a going concern basis.

The Village paid \$46,131 (2015 - \$43,235) for employer contributions while employee contributions totaled \$38,104 (2015 - \$34,672) to the plan in fiscal 2016.

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 the individual employers participating in the Plan.

Sick Leave Benefits

The Village provides for sick leave to its employees. Employees hired prior to 1984 accumulate sick leave entitlement on a monthly basis to a maximum of 150 days and can only use this entitlement for paid time off under certain circumstances. The accrued benefit obligation of \$9,374 (2015 - \$6,658) is included as part of accounts payable and accrued liabilities on the statement of financial position. Employees hired subsequent to 1984 do not accumulate sick leave benefits beyond one year unless specified by contract.

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2016

5. Investments

	2016	2015
Investment in Clinton & District Community Forest of BC Ltd.	\$ 286,846	\$ 172,824

Summary of the audited financial statements of the Clinton & District Community Forest of BC Ltd. for the year ended December 31, 2016 are as follows:

Statement of Financial Position

	2016	2015
Cash	14,098	221,483
Term deposit	360,000	-
Short term investments	-	26
Accounts receivable	-	62,756
Property, plant and equipment	5,633	1,140
Prepaid expenses	233	-
	379,964	285,405
Accounts payable and accrued liabilities	13,817	28,581
Silviculture liability	79,300	84,000
Share capital	1	1
Shareholder's equity (deficiency)	286,846	172,823
	\$ 379,964	\$ 285,405

Statement of Operations

Revenue	563,598	858,014
Expenses	(449,575)	(672,517)
	114,023	185,497
Net income (loss) for the year	114,023	185,497
Retained earnings (deficit), beginning of the year	172,823	(12,674)
	\$ 286,846	\$ 172,823
Retained earnings (deficit), end of the year	\$ 286,846	\$ 172,823

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2016

6. Long-term Debt

Long-term debt reported on the statement of financial position is comprised of the following:

	2016	2015
Water, Municipal Finance Authority, Bylaw 395, annual principle payments of \$1,679, interest at 4.4%, due 2027	\$ 29,841	\$ 32,231
Municipal Finance Authority, Fire Truck, interest at 1.35%, with blended monthly payments of \$2,889, maturing February 2020	106,834	139,815
Municipal Finance Authority, Chevrolet Silverado, interest at 1.35%, with blended monthly payments of \$952, maturing March 2020	36,104	46,962
Municipal Finance Authority, Chevrolet Silverado, interest at 1.39%, with blended monthly payments of \$724, maturing February 2018	9,341	-
	\$ 182,120	\$ 219,008

Principal repayments and sinking fund contributions relating to long-term debt of \$182,120 outstanding are due as follows:

	Principal Repayments	Actuarial Adjustments	Total
2017	\$ 54,740	\$ 806	\$ 55,546
2018	47,445	906	48,351
2019	47,337	1,009	48,346
2020	9,474	1,117	10,591
2021	1,679	1,228	2,907
Thereafter	21,445	7,984	29,429
	\$ 182,120	\$ 13,050	\$ 195,170

Included in long term debt are outstanding debentures of \$1,444 (2015 - \$1,444) secured by sinking fund assets with a carrying value of \$686 (market value - \$686) (2015 - \$669 (market value - \$669)).

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2016

7. Obligations under Capital Lease

	2016	2015
Municipal Finance Authority, Fire Truck, interest at 2.00%, with blended monthly payments of \$561, secured by the leased asset, maturing February 2019	\$ 41,720	\$ 47,689
Municipal Finance Authority, Chevy Truck, repaid during the year	-	17,144
	\$ 41,720	\$ 64,833

Interest paid relating to the above obligations on capital leases was \$766 (2015 - \$5,534).
The future minimum lease payments for the next four years are:

2017	\$ 6,735
2018	6,735
2019	29,943
	43,413
Less imputed interest:	(1,693)
	\$ 41,720

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2016

						2016	
	Land	Buildings	Engineering structures	Furniture and equipment	Sewer systems	Water systems	Total
Cost, beginning of year	\$ 729,595	\$ 2,879,629	\$ 3,623,389	\$ 1,177,397	\$ 831,483	\$ 4,156,380	\$ 13,397,873
Additions	-	100,371	87,591	-	29,146	4,138	221,246
Disposals	-	-	-	(21,000)	-	-	(21,000)
Cost, end of year	\$ 729,595	\$ 2,980,000	\$ 3,710,980	\$ 1,156,397	\$ 860,629	\$ 4,160,518	\$ 13,598,119
Accumulated amortization, beginning of year	-	\$ 1,264,661	\$ 1,665,564	\$ 602,865	\$ 299,411	\$ 827,137	\$ 4,659,638
Amortization	-	78,207	98,751	67,110	16,841	96,271	357,180
Disposals	-	-	-	(12,600)	-	-	(12,600)
Accumulated amortization, end of year	-	\$ 1,342,868	\$ 1,764,315	\$ 657,375	\$ 316,252	\$ 923,408	\$ 5,004,218
Net carrying amount, end of year	\$ 729,595	\$ 1,637,132	\$ 1,946,665	\$ 499,022	\$ 544,377	\$ 3,237,110	\$ 8,593,901

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2016

8. Tangible Capital Assets (continued)	2015						
	Land	Buildings	Engineering structures	Furniture and equipment	Sewer systems	Water systems	Total
Cost, beginning of year	\$ 725,222	\$ 2,879,629	\$ 3,619,270	\$ 1,009,003	\$ 831,483	\$ 4,007,127	\$13,071,734
Additions	4,373	-	4,119	168,394	-	149,253	326,139
Cost, end of year	\$ 729,595	\$ 2,879,629	\$ 3,623,389	\$ 1,177,397	\$ 831,483	\$ 4,156,380	\$13,397,873
Accumulated amortization, beginning of year	\$ -	\$ 1,189,201	\$ 1,576,525	\$ 534,355	\$ 282,862	\$ 730,923	\$ 4,313,866
Amortization	-	75,460	89,039	68,510	16,549	96,214	345,772
Accumulated amortization, end of year	\$ -	\$ 1,264,661	\$ 1,665,564	\$ 602,865	\$ 299,411	\$ 827,137	\$ 4,659,638
Net carrying amount, end of year	\$ 729,595	\$ 1,614,968	\$ 1,957,825	\$ 574,532	\$ 532,072	\$ 3,329,243	\$ 8,738,235

Assets held under capital leases in the amount of \$124,597 (2015 - \$148,709) with related accumulated amortization in the amount of \$94,694 (2015 - \$113,822) are included in furniture and equipment. The Village holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2016

9. Accumulated Surplus

The Village segregates its accumulated surplus in the following categories:

	2016	2015
Investment in tangible capital assets	\$ 8,423,722	\$ 8,508,765
General Fund	472,758	256,399
Sewer Fund	137,046	134,923
Water Fund	146,726	81,336
Equity in Community Forest Company	286,846	172,823
	9,467,098	9,154,246
 Reserve Funds		
Transit reserve	\$ 30,296	\$ 21,791
General capital reserve	111,427	131,427
General sewer reserve	52,736	50,000
Land replacement	55,000	55,000
Gas tax reserve	311,923	376,985
Recreation	2,663	2,813
Small community grants reserve	75,277	75,277
Roadway Surfaces/Paving reserve	-	25,881
Woodlot general reserve	31,274	34,277
Sidewalk reserve	4,500	-
Spirit of Clinton reserve	1,767	2,518
Communities in Bloom reserve	2,763	2,483
Equipment reserve	1,895	1,895
Fire department statutory reserve	43,665	27,526
	725,186	807,873
	\$10,192,284	\$ 9,962,119

The investment in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Reserve funds represent funds set aside by bylaw or council resolution for specific purposes.

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2016

10. Taxation - Net

	Budget 2016 (Note 15)	2016	2015
Property taxes and payments-in-lieu	\$ 627,171	\$ 644,823	\$ 596,763
Collections for other governments			
Province of British Columbia - school tax	215,000	205,672	210,320
Regional Hospital District	43,000	41,633	43,024
Thompson Nicola Regional District	125,000	115,515	124,864
Municipal Finance Authority	20	18	18
British Columbia Assessment Authority	9,000	8,208	8,958
Police Tax	35,500	34,353	35,388
	<u>1,054,691</u>	<u>1,050,222</u>	<u>1,019,335</u>
Transfers			
Province of British Columbia - school tax	(215,000)	(205,672)	(210,291)
Regional Hospital District	(43,000)	(41,648)	(43,062)
Thompson Nicola Regional District	(125,000)	(115,545)	(124,966)
Municipal Finance Authority	(20)	(18)	(19)
British Columbia Assessment Authority	(9,000)	(8,208)	(8,963)
Police Tax	(35,500)	(34,353)	(35,417)
	<u>(427,520)</u>	<u>(405,444)</u>	<u>(422,718)</u>
Available for general municipal purposes	<u>\$ 627,171</u>	<u>\$ 644,778</u>	<u>\$ 596,617</u>

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2016

11. Expenses by Object

	Budget 2016 (Note 15)	2016	2015
Amortization	\$ 327,000	\$ 357,180	\$ 345,772
Insurance	44,605	43,244	43,347
Interest on long-term debt	2,215	2,515	2,757
Interest on capital lease obligation	4,276	2,685	12,055
Office and administration	362,210	304,616	296,577
Repairs and maintenance and supplies	440,120	238,185	300,087
Salaries and benefits	689,980	630,324	610,779
	<u>\$ 1,870,406</u>	<u>\$ 1,578,749</u>	<u>\$ 1,611,374</u>

12. Contingent Liabilities

Debts of the Thompson-Nicola Regional District (TNRD) are, under the provisions of the British Columbia Community Charter, a direct, joint and several liability of the TNRD and each member municipality within the TNRD, including the Corporation of the Village of Clinton.

13. Commitments

The Village has an operating lease agreement for a photocopier. Future minimum lease payments until maturity are as follows:

2017	\$ 1,846
2018	1,846
2019	461
	<u>\$ 4,153</u>

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2016

14. Funds Held in Trust

The Village operates a cemetery in accordance with the Cremation, Interment and Funeral Services Act. These funds are not included in these financial statements. The Village holds the assets for the benefit of and stand in fiduciary relationship to the beneficiaries.

	2016	2015
Balance, beginning of year	\$ 12,335	\$ 12,035
Transfers from operating	1,171	300
	\$ 13,506	\$ 12,335

15. Budget

The Financial Plan (Budget) By-Law adopted by Council on May 6, 2016 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. In addition, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of financial activities and change in net financial assets represent the Financial Plan adopted by Council on May 6, 2016 with adjustments as follows:

	2016
Financial Plan (Budget) By-Law surplus for the year	\$ -
Add:	
Capital expenditures	143,000
Community Forest equity adjustment	200,000
Principal lease payments	23,575
Transfers to operating	107,597
Less:	
Amortization	(327,000)
Transfers from operating	(174,650)
	\$ (27,478)

The Corporation of the Village of Clinton

Notes to Financial Statements

December 31, 2016

16. Segmented Information

The Village is a diversified municipal government institution that provides a wide range of services to its citizens such as transit, police, fire and water. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Administrative and Legislative Services

This item relates to the revenues and expenses that relate to the operations of the Village itself and cannot be directly attributed to a specific segment.

Protective Services

Protective services is comprised of police services and fire protection. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. The members of the fire department consist of volunteers.

Transportation Services

Transportation is responsible for providing the Village's transit services.

Environmental and Public Health

Environmental and public health services are comprised of water, sewer, waste removal, and health services. Water provides the Village's drinking water. The Village processes and cleans sewage and ensures the water system meets all Provincial standards. Waste removal services consists of providing waste disposal to citizens. Health services are comprised of public health services which works to improve the overall health of the population and overcome health inequalities by providing services to individuals and communities.

Recreation and Cultural Services

This service area provides services meant to improve the health and development of the Village's citizens. Recreational programs and cultural programs like swimming and skating lessons and English as a second language are provided at arenas, aquatic centres and community centres. Also, the Village provides library services to assist with its citizens' informational needs.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis as follows:

Taxation, fees and user charges	Allocated to those segments that are funded by these amounts based on the net surplus for the year
Grants	Based on percent of budgeted expenses

The Corporation of the Village of Clinton
Schedule 1: Fund Revenue

December 31, 2016

	General Operating	Sewer	Water	2016 Total	2015 Total
Tax levies					
Real property taxes	\$ 592,606	\$ -	\$ -	\$ 592,606	\$ 546,316
Grants in lieu of taxes	52,172	-	-	52,172	50,301
	644,778	-	-	644,778	596,617
Sale of services					
Cemetery care	7,133	-	-	7,133	2,885
User fees	-	93,443	202,999	296,442	220,083
	7,133	93,443	202,999	303,575	222,968
Revenues from own sources					
Licences and permits	8,474	-	-	8,474	8,148
Leases, contracts and other rentals	46,401	-	-	46,401	42,166
Committees of Council	1,795	-	-	1,795	2,881
Investment income	12,068	-	-	12,068	11,912
Woodlot revenue	-	-	-	-	50,383
Penalties and interest on taxes	15,819	-	-	15,819	10,955
Fees, donations and other	40,694	-	-	40,694	36,315
	125,251	-	-	125,251	162,760
Transfers from other governments					
Provincial	537,042	-	-	537,042	493,922
Federal	47,535	-	-	47,535	161,785
Thompson-Nicola Regional District	36,000	-	-	36,000	35,500
	620,577	-	-	620,577	691,207
Equity income in Community Forest Company	114,022	-	-	114,022	172,823
Actuarial adjustment on debenture debt	-	-	711	711	1,149
Total revenue	\$ 1,511,761	\$ 93,443	\$ 203,710	\$ 1,808,914	\$ 1,847,524

The Corporation of the Village of Clinton
Schedule 2: Fund Expenses

December 31, 2016

	General Operating	Sewer	Water	2016 Total	2015 Total
General administrative and legislative services					
Administration, building operations and maintenance	39,320	-	-	39,320	51,922
Amortization	18,398	-	-	18,398	17,564
Insurance	30,068	-	-	30,068	29,766
Legislative	49,375	-	-	49,375	52,586
Office	73,780	-	-	73,780	56,452
Professional fees	21,089	-	-	21,089	31,162
Salaries and employee benefits	331,691	-	-	331,691	336,908
	563,721	-	-	563,721	576,360
Protective services					
Amortization	40,396	-	-	40,396	38,566
Animal Pest Control	10,490	-	-	10,490	5,021
Building operations and maintenance	6,825	-	-	6,825	9,106
Equipment	14,780	-	-	14,780	27,021
Insurance	9,931	-	-	9,931	10,387
Salaries and employee benefits	24,035	-	-	24,035	19,931
	106,457	-	-	106,457	110,032
Public Works					
Amortization	85,645	-	-	85,645	81,765
Building operations and maintenance	10,122	-	-	10,122	11,141
Equipment operations and maintenance	23,379	-	-	23,379	29,480
Road and street maintenance	53,382	-	-	53,382	50,612
Para transit services	3,995	-	-	3,995	2,913
Salaries and employee benefits	204,522	-	-	204,522	189,168
	381,045	-	-	381,045	365,079
Environmental and public health					
Administration	-	38,796	80,171	118,967	160,804
Amortization	36,397	16,841	96,271	149,509	147,511
Capital projects	-	-	-	-	-
Insurance	-	690	2,555	3,245	3,194
Salaries and employee benefits	-	22,687	47,387	70,074	64,773
	36,397	79,014	226,384	341,795	376,282
Recreation and cultural services					
Amortization	63,231	-	-	63,231	60,366
Committees of council	18,625	-	-	18,625	35,876
Community development	23,847	-	-	23,847	7,270
Memorial hall	9,125	-	-	9,125	19,088
Recreation centre	58,589	-	-	58,589	39,696
Parks and playground	5,388	-	-	5,388	4,274
Museum	1,726	-	-	1,726	2,240
	180,531	-	-	180,531	168,810
Interest on long-term debt	2,810	-	2,390	5,200	14,811
Total expenses	\$ 1,270,961	\$ 79,014	\$ 228,774	\$ 1,578,749	\$ 1,611,374