

2018 ANNUAL REPORT





Introduction to the 2018 Annual Report

Section 98 of the Community Charter requires the District of Barriere to prepare an annual report regarding financial and operational information.

This annual report includes a progress report respecting the previous year in relation to objectives and measures established for that year. The report also sets out current and future year objectives and measures. This results in a rolling three, and as of the new term of Council in 2018, now four-year reporting cycle for identifying our achievement of objectives for the previous year, and then setting objectives and measures for the current and following year.

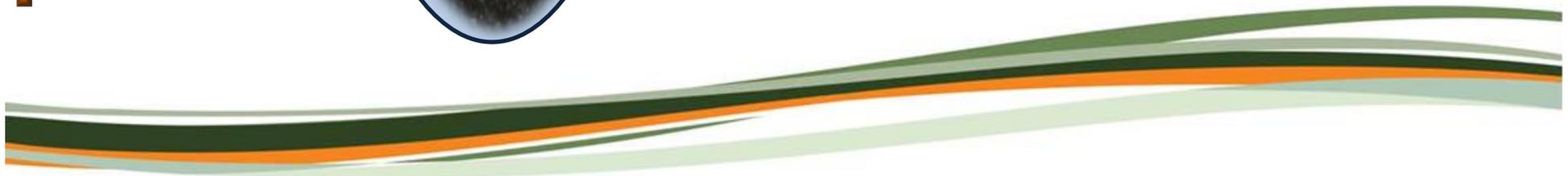
Section 99 of the Community Charter requires that the Municipal Council annually consider, at a council meeting or other public meeting, the municipal annual report and any submissions or questions from the public.

We would like to “thank you” in advance for taking the time to review the District of Barriere’s 2018 Annual Report. Comments and feedback regarding this report or any other items that pertain to the District of Barriere are welcomed and encouraged and may be directed to our Administration or Finance Departments by calling 250.672.9751 or by email to inquiry@barriere.ca.

TABLE OF CONTENTS



INTRODUCTION	1
COMMUNITY OVERVIEW	3
MESSAGE FROM THE MAYOR	4
COUNCIL	5
STANDING & SELECT COMMITTEES	7
ACTIVITIES & HIGHLIGHTS	10
VOLUNTEER FIRE DEPARTMENT UPDATE	17
GOALS & HIGHLIGHTS BY DEPARTMENT	19
PERMISSIVE TAX EXEMPTIONS	28
CONSOLIDATED FINANCIAL STATEMENTS	30





COMMUNITY OVERVIEW

Barriere, British Columbia is a growing, friendly and affordable community that currently boasts 1713 residents who enjoy an urban yet rural lifestyle. Located on the Yellowhead Highway, just 45 minutes north of Kamloops, BC, Barriere became a District Municipality on December 4, 2007. Barriere Council consists of the Mayor and six (6) Councillors. Local Government elections are now held every four years. This year was an election year with this new Council elected on October 20, 2018.

Recreational opportunities are plentiful for enthusiasts of many activities including great fishing, spectacular hiking, canoeing and cross country skiing. Downhill skiing is very close at Sun Peaks Resort south of Barriere. Gentle walking and cycling trails are accessible from the town centre. Fadedear park is now home to a Splash Pad and a skate park is in the early planning stages.

The North Thompson Fall Fair and Rodeo Association (NTFFRA) has been held in the Barriere area every Labour Day weekend since 1950. The overall content and success of the Fair is fueled by hundreds of volunteer hours logged all year round to make this the largest single event in the North Thompson Valley. Recent statistics reveal almost 10,000 visitors over the three-day affair. There are many events including, but not limited to, exhibits, live music, a logging show, 4H judging, pony chariot racing, a full rodeo and heavy horse exhibitions. The primary focus, however, is on agriculture making the NTFFR the largest agricultural show in B.C.'s interior. The recent construction of the Agri-Plex building built, in large part by community donations, by the NTFFRA, has enabled Barriere to welcome the *Provincial Winter Fair* and other highly anticipated events.

The District has continued its efforts to finalize the completion of the massive 6.7 million dollar construction undertaking of the *Solar Aquatics Water Reclamation Centre* project in the downtown core. The exciting new infrastructure began servicing the properties hooked up to the system last year.

The year 2018 also marked the construction completion of two new dual production wells in Bradford Park, along with a brand new reservoir that will greatly assist in ensuring adequate water supply for the community, especially in the hot and dry summer months.

Upgrading of the District of Barriere parks and trails are an ongoing objective for Council. Areas for leisure activities for our community residents and welcomed visitors are being improved and developed. The Barriere Bandshell hosted its sixth season of *Barriere Bandshell Fridays* showcasing many of the valley's incredible musical talent. The Bandshell will continue to host many community celebrations over the years where local talent and entertainment can bring individuals and families together to enjoy the festivities, create traditions and make lasting memories.

Council Strategic Plan

VISION

To nurture a safe, healthy and sustainable community through leadership that is inclusive and balanced.

MISSION

To provide municipal services that meet the growing needs and enrich the quality of life within our community.

VALUES

To conduct the business of the community with integrity, accountability and transparency.

Message from the Mayor



2018 was a very good year for the District of Barriere.

Our new 4.5 million dollar water system grant allowed the completion of two new production wells in Bradford Park, a new Reservoir at the south end of the District, substantial upgrades to our distribution network and an overall increase in our water capacity for future growth. Barriere elected a new Council in October with three incumbent Councillors and three first time Councillors.

On a personal note, I would like to thank everyone for allowing me the privilege to be elected your new Mayor. This Council, along with an incredible staff of dedicated professionals and community volunteers throughout the District, continue to work on behalf of the citizens of Barriere to provide a number of critical services including water, fire protection, solid waste & recycling, roads, sewer, administrative, parks, community organizations and everything in between. Our motto is “Grow With Us” and Barriere is growing. Building permits are steady and new business and industrial activity is increasing.

Together we will continue to make Barriere such a great place to live, work and play.

Ward Stamer

Mayor, District of Barriere

Council



*L-R: Councillor Donna Kibble,
Councillor Rob Kerslake,
Councillor Scott Kershaw,
Councillor Al Fortin,
Councillor Judy Armstrong,
Not pictured: Councillor Amanda
Sayban*

FRONT: Mayor Ward Stamer

Our citizens are represented by an elected Council consisting of the Mayor and six Councillors. Council also meets to discuss civic matters in a more informal Committee structure. Members of the public join Council representatives on other Select Committees, as well.

Regular Council meetings are held at the District office at 7:00 pm on the first and third Monday of each month, unless otherwise advised. Committee meetings are held throughout the year as needed.

Please visit www.bARRIERE.ca for up to date meeting agendas and minutes.



Standing Committees

Committee of the Whole

A Committee of the Whole (C.O.W) comprises all members of Council. At the beginning of 2013, Council delegated administrative power to the Committee of the Whole, meaning, decisions made during its meetings would no longer require being reported back to Council for final approval.

Either the Mayor or the Acting Mayor of the month in which the Committee of the Whole Meeting is to be held, presides as Chair. No Bylaws can be formally read or adopted in Committee of the Whole (C.O.W).



2018 Select Committees of Council

Wellhead Protection Committee

Chair: Mayor Stamer

Members: Chris Matthews, Jim Warman, David Thomson, Doug Borrill, Colleen Hannigan

2018 – Photo Scrapbook



Ballfields



Exercise Equipment



Splash Pad Shade Structure



Splash in the Past Sign



Bike Park



ToolCat Mower/
Utility Work
Machine

PARKS & RECREATION

The Parks Department is largely seasonal having up to a half dozen crew members during peak season. Obviously, much of their time is spent on the weekly mowing and maintenance of 30 acres of various grass covered parks and public spaces, but there are a variety of other activities tasked to the department. Some of those activities include: Spring start up and winterization of our parks irrigation systems, splashpad, concession and public washrooms. There's also various cemetery related duties, roadside vegetation management, maintenance of 64 flower beds and planters, maintenance of public washrooms, management of noxious weeds, upkeep of ball fields, community garden, bike park, multi-use court, playgrounds, bandshell, and wildfire monument. Outside of routine duties, the department also is involved in a number of projects every year. Some examples from 2018 include landscaping, memorial program installations, irrigation and pavers around the splash pad and installation of new basketball hoop in Fadear Park.

PARKS

2018 – Photo Scrapbook



SAWRC

SOLAR AQUATICS WATER RECLAMATION CENTRE

The 2018 SAWRC (Solar Aquatics Water Reclamation Center) Agri-Entrepreneurs had a successful season and learned a lot. Four Entrepreneurs each brought their ideas and experiences. Vegetables, flowers, hanging baskets and herbs were grown, and for the most part, a success. The summer heat was a factor and adapting to these conditions was necessary. The sales were good and the feedback received was both positive and constructive to use for the 2019 season.

As residents and businesses in the downtown core steadily hook into the system, staff also continue to work on improving the functionality and production of the unique system. Fats, oils and grease entering the collection basins is a huge challenge that can threaten the system's optimum effectivity. Public education becomes a focus.

2018 Administrative Activities & Highlights

Council Highlights

- 1 Inaugural Meeting was held
- 20 Regular Council meetings were held
- 1 Special Council meeting was held
- 4 Committee meetings were held
- 3 Public Budget Discussion meetings were held
- 0 Public Hearings were conducted
- 0 Development Variance Permits (DVP) were submitted.
- 0 Board of Variance Applications (BOV's) were submitted.
- 3 Development Permit Applications were submitted.
- 3 Subdivision applications were submitted.
- 0 Temporary Use Permits applications were submitted.
- 15 Bylaws were passed.
- 32 Bylaw complaint files were opened and responded to.
- 2 Advanced Voting Opportunities were held
- 1 General Election was held



Plans and Grant Applications

The following list shows the status of studies/plans and grants that have been applied for in 2018:

Grants

1. Rural Dividend – *Pilot Project*
2. 2018 Canada Day Celebration
3. Asset Management Training

Status

- Successful – Extended and in progress
- Successful – Completed
- Successful – In progress

Water Utility

Monthly Water Usage

Month	2017 US Gallons	2018 US Gallons	2017 Litres	2018 Litres
January	7,629,400	7,132,300		
February	6,897,000	5,822,600		
March	6,292,600	3,922,100		
April	6,602,600	7,672,500		
May	13,297,400	15,431,300		
June	22,539,545	19,346,900		
July	35,465,600	25,568,800		
August	22,934,300	22,099,500		
September	15,454,700	11,090,200		
October	7,513,400	9,413,900		
November	4,662,400	7,024,900		
December	5,135,500	9,361,000		
TOTAL	154,424,445	143,885,400	584,560,114	544,665,881

Barriere- Average Consumption per person, per day* in 2018: 224 US Gallons/ 848/L

Clearwater- Average Consumption per person, per day in 2018: 301 US Gallons/ 1,131/L

Logan Lake- Average Consumption per person, per day in 2018: 268 US Gallons/ 996/L

*per person average based on population as recorded in the 2016 Canadian Census

2018 Administrative Activities & Highlights

Building Permits Issued

	2015	2016	2017	2018
Barriere:				
Total Permits Issued	18	36	49	36
Construction Value	\$478,000	\$488,00	\$2,688,200	\$2,118,000
Clearwater:				
Total Permits Issued	21	32	25	29
Construction Value	\$1,919,680	\$3,800,000	\$1,918,735	\$7,810,120
Logan Lake:				
Total Permits Issued	23	12	17	27
Construction Value	\$2,382,343	\$4,310,000	\$2,837,750	\$4,994,920

2018 Administrative Activities & Highlights

Solid Waste and Recycling Programs

The District of Barriere is committed to our environment and is proud to have been the second community in the area to implement a curbside recycling program. We offer the following services and products to our community members:

- Weekly curbside solid waste removal
- Weekly curbside recycling pick-up
- Household battery recycling
- Household composters (\$25 to purchase at the TNRD Eco Depot)

In April of 2013, the Thompson Nicola Regional District closed the Barriere Landfill, indefinitely, and opened the Louis Creek Eco Depot located on Agate Bay Road. Residents are encouraged to use the Blue Bag program as each tonne of recycling is free to haul to the Eco Depot as opposed to garbage that incurs a tipping fee of \$80 per tonne. In the summer of 2018, the TNRD signed onto the Provincial Recycling Program under Recycle BC. While the District of Barriere awaits acceptance of its own application to onboard with Recycle BC, recycling collection changes were implemented in order to meet the requirements of Recycle BC as per the TNRD's contract. Residents were asked to sort their recycling into two categories: "Paper & Boxboard Products" and "Container (Plastic & Tin) Products". Each category is now collected on an alternating week basis with the District hauler tearing open each bag at the Eco Depot in an effort to ensure low contamination.

In 2017, an amount of 510 tonnes of total refuse & 128 tonnes of recycling was collected by the District and hauled to the Eco Depot. In 2018, an amount of 522 tonnes of total refuse & 133.5 tonnes of recycling was collected by the District and hauled to the Eco Depot.



2018 Administrative Activities & Highlights

Climate Action Charter

Greenhouse Gas (GHG) Emission Reduction

In 2007, the Provincial Government passed Bill 44- the *Greenhouse Gas Reduction Targets Act*- thereby committing the Province to reduce GHG emissions by 33% below 2007 levels by the year 2020 and 80% below 2007 levels by the year 2050. In order to help achieve this commitment, the Province enacted the *Local Government (Green Communities) Statutes Amendment Act* ("Bill 27"). Under this legislation and Section 877(3) of the *Local Government Act*, Official Community Plans are now required to include targets for the reduction of GHG emissions as well as policies and actions to support the reduction targets.

As signatory to the BC Climate Action Charter, the District of Barriere has voluntarily agreed to develop strategies and take actions to achieve the following goals:

- being carbon neutral in respect of corporate operations by 2012
- measuring and reporting on the community's GHG emissions profile; and
- creating complete, compact, and more energy efficient community

Targets

The Province is providing each local government with a Community Energy & Emissions Inventory (CEEI) report to track and report annual community-wide energy consumption and GHG emissions. Reducing transportation emissions is a challenge in rural communities therefore additional Provincial and Federal Government policies, actions and initiatives will be needed to support the community-wide GHG reduction targets set by the District.

Recognizing the challenges of reducing GHG emissions in rural communities, the District of Barriere sets the following community-wide GHG reduction targets:

- **10% by 2020 from 2007 levels**
- **33% by 2050 from 2007 levels**

We look forward to working with our community members on these initiatives and hope that by our pledging to the Charter, our residents will be inspired to do their part for the environment as well.

Each year, we are required to audit and report our advancements towards this goal. The Provincial Government provides a rebate to each community involved in the amount of 100 per cent of the carbon costs incurred on fuel purchases. The District of Barriere received a Climate Action Revenue Incentive grant in the amount of \$1,656.00 for such purchases.

For more information on the Climate Action Charter, please visit www.cd.gov.bc.ca

2018 – Photo Scrapbook



Mayor Stamer
"Santa" visits
Daycare children
in the Ridge



Ward Stamer is sworn in as
Mayor



Family Fun Night



A New Council



Canada Day 2018



100 Mile Presentation
of Wildfire Assistance
Gratitude to
outgoing Mayor
Virginia Smith

EVENTS

COMMUNITY EVENTS

The year 2018 was an election year and in October, the District of Barriere went to the polls and elected a new Mayor, Ward Stamer who served previously since incorporation as a Councillor. Three new Councillors were also elected to the table: Judy Armstrong, Scott Kershaw and Rob Kerlake. Councillors Al Fortin, Donna Kibble and Amanda Sabyan all retained their seats for the new term.

The Interior Savings Movie Night raised funds for Barriere Youth Soccer and residents old and young alike enjoyed the annual Halloween fireworks and tree lighting events.

Family Fun Night hosted in February at the Ridge was yet another well attended success.

The Fire Department hosted a Fire Smart Open House at the Fire Hall in June and a Fire Prevention Open House in October.

2018 – Photo Scrapbook



New Reservoir Construction



Valve Upgrades



New Well Pump



View from New Reservoir

WATER UTILITY

WATER UTILITY

This year was an extremely busy year for the water department that consists of three full-time staff and 2 on-call, part-time labourers. In addition to the standard, daily water sample testing that takes an average of 1.5hrs to complete, 52 water samples were sent for Interior Health testing; all coming back in full compliance. A total of 23 seasonal water meters were serviced.

The community's waterline system gained a massive boost in value in 2017 with applications for 100% funding from the Province successful, resulted in close to \$1M in upgrades. But it didn't stop there! Two new production wells were drilled and tested in Bradford Park along with construction completion in 2018 of a brand new Reservoir at the south end of town. These improvements will make a significant difference to the water security of Barriere.

Barriere Volunteer Fire Department



The Fire Department consists of a Fire Chief, Deputy Chief, Assistant Deputy Chief, Captains, Safety Officer, Training Officer and approximately fourteen (14) firefighters. In August, long time serving local Fire Fighter, Ashley Wohlgemuth, was appointed as Fire Chief.

The Department is dedicated to offering the best equipment and training for the firefighters to ensure the safety of our residents and properties.

The services area of the Fire Department includes a portion of the TNRD Electoral Area O. The Electoral Area pays approximately 35% of the Fire Department's operating costs.



Summary of Calls

	2017	2018
Fires	43	52
False Alarms	4	9
Fatalities	0	1
Mutual Aid	1	2
Practices	52	46
TOTAL FIRE	97	110

2018 – Photo Scrapbook



Fire Response Fleet



In a repeat of 2017, Barriere once again endures smoke filled skies



Volunteer Fire Fighter, Johnathan Baggio, takes to the BBQ at the Annual Fire Smart Open House



Mayor Smith bestows the Fire Chief pin to Ashley Wohlgemuth

FIRE DEPARTMENT

BARRIERE VOLUNTEER FIRE DEPARTMENT

The year 2018 was a particularly busy one for our local volunteer fire department. Record high temperatures and very little rain resulted in yet another intense wildfire season for the area and in many parts of the Province. The entire town of Burns Lake was put on Evacuation Order in August and Barriere responded with aid. Many of our members fought to protect the homes and properties of our neighbours in the North West. The District of Barriere invoiced the Province for the aid in the amount of \$74,912.48.

In December 2017, the Volunteer Fire Department welcomed Mr. Kent Readman from Ontario who took the position of Volunteer Fire Chief until relocating back to Ontario for a paid position. Mr. Readman was an excellent Fire Chief and Barriere wishes him all the best in his new post. In August, long term local fire fighter, Ashley Wohlgemuth, was appointed the position of Fire Chief.

Goals & Highlights

RECREATION 2018 Goals:

Item	Status	Comment
1. Complete approved transfer of lots 34, 35 and 36 from the Province for park facilities	Complete	Approved. Waiting for transfer at Land Titles
2. Identify and secure River Access for the public	Ongoing	
3. Community Events at Bandshell	Ongoing	- 6 th year of Bandshell Fridays
4. Identify and secure River Access for the public	In process	
5. Continue to fundraise for Skate Park	Ongoing	
6. Rehab areas to regain mowable status	In process	
7. Continue to develop trail system	Ongoing	



Goals & Highlights

RECREATION 2019 Goals:



Item	Status
1. Rehab areas to regain mowable status	In process
2. Continue to design and fundraise for Skate Park	In process
3. Identify and secure River Access for the public	Ongoing
4. Community Events at Bandshell	Ongoing
5. Continue to improve park amenities	Ongoing
6. Continue to develop trail system	Ongoing



Goals & Highlights



INFRASTRUCTURE
2018 Goals:

Item	Status
1. Complete Wastewater System – Downtown Core	In operation. Continue to promote hook-in to system. Users & potential users all pay monthly fees.
2. Construct water upgrades north end of Barriere Town Road	Complete
3. Downtown Revitalization Plan	In process
4. Highway Signage	New MOTI signage installed
5. Construct new deep wells & reservoir	Reservoir complete
6. Develop Asset Management Plan	Strategy complete
7. 2016 Application to Rural Dividend for Operational Sustainability Plan for Solar Aquatics Water Reclamation Centre	Extended to October 2019



Goals & Highlights

INFRASTRUCTURE 2019 Goals:



Item	Status	Comments
1. Complete Wastewater System – Downtown Core	In operation	Minor adjustments to process ongoing
2. Construct water upgrades south end of Barriere Town Road	In process	Funding dependent
3. Downtown Revitalization Plan	In process	
4. Develop Bradford Park Wells to full operational capacity.	In process	
5. Continue to develop Asset Management Plan	In process	

2017 Highlights- Infrastructure

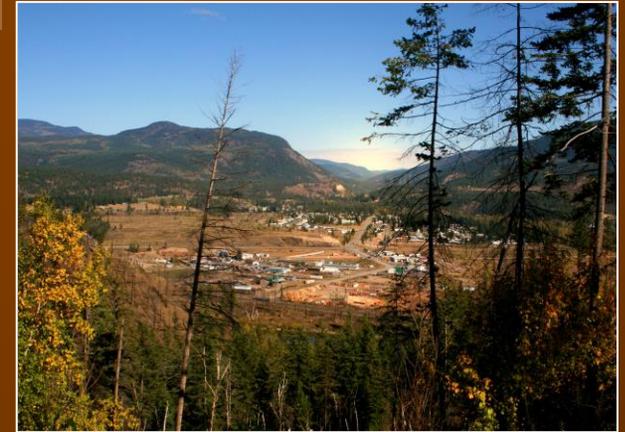
- Construction of the \$4.8 million “Innovation Fund” Grant project for the construction of water upgrades, 2 new deep wells and a south reservoir nears completion.
- 50% of properties hook into the Solar Aquatics Wastewater Reclamation System

Goals & Highlights

ECONOMIC DEVELOPMENT & DIVERSIFICATION

2018 Goals:

Item	Status
1. Market Louis Creek Industrial Park Properties with local Real Estate Agents	2 Lots sold
2. Promote tourism in conjunction with Barriere and District Chamber of Commerce & Lower North Thompson Tourism Society	Ongoing
3. Work with the Barriere and District Chamber of Commerce to retain existing businesses and to attract new businesses	Ongoing



2019 Goals:

Item	Status	Comments
1. With local Real Estate Agents, market Louis Creek Industrial Park properties	Ongoing	
2. Promote tourism through the Lower North Thompson Tourism Society	Ongoing	Sub-Regional contract in place
3. Work with the Barriere and District Chamber of Commerce to retain existing businesses and to attract new businesses	Ongoing	
4. Explore potential entrepreneur talent through the Provincial PNP Immigration Pilot Program	Ongoing	Multiple applications being reviewed.

2018 Highlights- Economic Development & Diversification

- Multiple Lots located in the Louis Creek Industrial Park, receive offers to purchase.
- Over 100 Business Licences were approved in 2018

Goals & Highlights

LIVABILITY

2018 Goals:

Item	Status
1. Initiate review of DCC Bylaw	On Hold
2. Research options and their feasibility to address Provincially mandated recycling changes	Awaiting acceptance to Recycle BC Program
3. Become a green community	Ongoing
4. Community Cleanup & Beautification	Ongoing



2019 Goals:

Item	Status	Comments
1. Become an approved and contracted collector under Recycle BC	In process	Agreement signed with Recycle BC Program - Onboarding
2. Support Healthy Living for All Ages	Ongoing	Continue to entertain non-gov't partnerships
3. Become a green community	Ongoing	
4. Community Cleanup & Beautification	Ongoing	
5. Research alternative collection options to prepare for future Recycling Legislation Changes	In process	
6. Explore Affordable Housing Funding Opportunities	In process	

Goals & Highlights

GOOD GOVERNMENT / COMMUNICATION

2018 Goals:

Item	Status
1. Work toward effective and ongoing communications with business community, government and social groups	Ongoing
2. Apply for all grants that will add value to the community	Ongoing
4. Explore options to further engage and communicate the public	Ongoing
5. Continue to utilize "the Bear" Radio station to disseminate information to citizens	Ongoing



2019 Goals:

Item	Status	Comments
1. Work toward effective and ongoing communications with business community, government & social groups	Ongoing	Working online with Star Journal, Radio Station & NTACS to provide ongoing updates and information provision to residents & visitors
2. Apply for all grants that will add value to the community	Ongoing	
3. Continue review and revision of old bylaws	In process	
4. Explore Options to further engage and communicate with the public	In process	
5. Begin OCP review process		

Goals & Highlights

FINANCIAL SUSTAINABILITY

2018 Goals:

Item	Status
1. Review the current taxation policy	Ongoing
2. Council, through staff, will seek out new revenue opportunities which include grant opportunities	Ongoing
3. Budget for Asset Replacement	Ongoing
4. Review User Fees to ensure sustainability and fairness	Ongoing
5. Explore Alternate Revenue Sources	Ongoing
6. Succession training for upcoming retirement of CFO	In process



2019 Goals:

Item	Status
1. Review the current taxation policy	Ongoing
2. Council, through staff, will seek out new revenue opportunities which include grant opportunities	Ongoing
3. Explore Alternative Revenue Sources	Ongoing
4. Asset Management Planning	Ongoing
5. Prepare for full retirement of current Finance Officer	In process
6. Review User Fees to ensure sustainability & fairness	Ongoing
7. Research funding requirements for new Fire Engine	In process

2018 Highlights – Financial Sustainability

- Chelsea Young is appointed “Deputy Finance Officer” for the District of Barriere

Goals & Highlights

BUDGET PROCESS / TAX

2018 Goals:

Item	Status
1. Continue a financial planning process that reflects sound fiscal management and works toward lessening the portion of taxes paid by residential properties.	Ongoing
2. Council will increase public knowledge on assessments and taxation	Ongoing
3. Explore additional ways to further engage the public	Ongoing

2019 Goals:

Item	Status
1. Continue to refine financial planning process that reflects sound fiscal management and works toward lessening the portion of taxes paid by residential properties.	Ongoing
2. Council will increase public knowledge on assessments and taxation	Ongoing
3. Explore additional ways to further engage the public	Ongoing



2018 Highlights- Budget Process/ Tax

- A number of Public Meetings provided citizens with an opportunity to comment on the District of Barriere's annual budget

Permissive Tax Exemptions

District of Barriere
Section 224 (2)(a) Community Charter
Tax Exemption Bylaw No.126, 2015

Societies / Non Profit	2017	2018
Barriere & District Heritage Society Assessed under Roll No. 1245.667	\$1,964.08	\$1,567.25
Barriere & District Senior's Society Assessed under Roll No. 1245.408	\$2,769.55	\$2,559.72
Barriere & District Food Bank Assessed under Roll No. 1470.362	\$4,829.78	\$4,392.39
Provincial Rental Housing Corp Yellowhead Residence Assessed under Roll No. 1390.370	\$2,019.25	\$2,619.29
North Thompson Fall Fair Assessed under Roll No. 1465.058	\$3,642.54	\$3,034.01
North Thompson Fall Fair Assessed under Roll No. 1465.080	\$15,008.87	\$10,483.13
North Thompson Fall Fair Assessed under Roll No. 1465.200	-	2,106.96
Barriere Curling Club Assessed under Roll No. 1465.200	\$11,333.62	\$9,254.39
Interior Community Services Assessed under Roll No. 1245.420	\$2,170.61	\$2,335.54
North Thompson Legion #242 Assessed under Roll No. 1270.085	\$1,164.82	\$1,537.26
Lower North Thompson Community Forest Society under Roll No. 1470.007	\$6,735.00	\$5,575.31

Permissive Tax Exemptions

District of Barriere
Section 220 (1)(h) Community Charter
Tax Exemption Bylaw No. 125, 2015

Churches	2017	2018
Trustee of the Barriere BC Congregation Jehovah's Witness Assessed under Roll No. 1225.248	\$625.38	\$558.64
Roman Catholic Bishop of Kamloops Assessed under Roll No. 1470.430 (church)	\$718.12	\$734.85
United Church Assessed under Roll No. 1245.386	\$599.00	\$534.76
Baptist Church Assessed under Roll No. 1390.060	\$418.62	\$374.48
Pentecostal Church Assessed under Roll No. 1470.514	\$700.25	\$567.47

Financial Statements of

DISTRICT OF BARRIERE

Year ended December 31, 2018

DISTRICT OF BARRIERE

Financial Statements

Year ended December 31, 2018

Financial Statements

Management's Responsibility for the Financial Statements	1
Independent Auditors' Report	
Statement of Financial Position	5
Statement of Operations and Accumulated Surplus	6
Statement of Change in Net Financial Assets	7
Statement of Cash Flows	8
Notes to Financial Statements	9

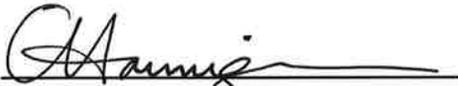
MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of District of Barriere (the "District") are the responsibility of 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 financial statements. The preparation of 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.

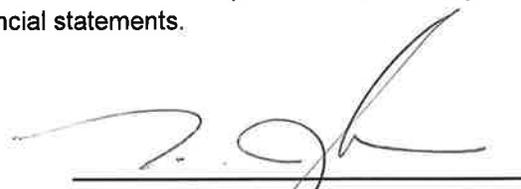
The District's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely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

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

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



Chief Administrative Officer



Finance Officer



KPMG LLP
560 Victoria Street
Kamloops BC V2C 2B2
Canada
Tel (250) 372-5581
Fax (250) 828-2928

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of District of Barriere

Opinion

We have audited the financial statements of the District of Barriere (the "District"), which comprise:

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

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

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**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.
- 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

Kamloops, Canada

April 15, 2019

DISTRICT OF BARRIERE

Statement of Financial Position

December 31, 2018, with comparative information for 2017

	2018	2017
Financial assets:		
Cash and investments (note 2)	\$ 2,871,759	\$ 3,544,091
Accounts receivable (note 3)	420,232	1,452,659
Land held for resale	436,273	492,022
	<u>3,728,264</u>	<u>5,488,772</u>
Liabilities:		
Accounts payable and accrued liabilities	355,066	1,026,257
Deferred revenue (note 4)	350,269	215,260
Short-term debt	-	1,500,000
	<u>705,335</u>	<u>2,741,517</u>
Net financial assets	3,022,929	2,747,255
Non-financial assets:		
Inventory of supplies	19,804	19,412
Prepaid expenses and deposits	8,104	6,789
Tangible capital assets (note 5)	26,862,629	26,961,388
	<u>26,890,537</u>	<u>26,987,589</u>
Commitments (note 7)		
Trust funds (note 14)		
Accumulated surplus (note 6)	\$ 29,913,466	\$ 29,734,844

See accompanying notes to financial statements.

DISTRICT OF BARRIERE

Statement of Operations and Accumulated Surplus

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

	Budget (note 12)	2018	2017
Revenue:			
Tax requisition (note 8)	\$ 830,160	\$ 829,841	\$ 791,494
Service revenue	780,180	892,602	942,811
Government transfers (note 9)	756,427	780,129	4,058,368
Grants in lieu of taxes	38,000	38,762	35,924
Other income	12,500	281,763	25,745
Total revenue	2,417,267	2,823,097	5,854,342
Expenses:			
General government	657,825	740,986	665,017
Protective services	171,310	220,231	219,602
Transportation services	322,950	574,275	548,864
Environmental services	120,450	158,490	146,004
Development services	28,000	93,681	24,763
Parks and recreation	103,574	149,690	143,433
Water utility	322,650	329,452	304,954
Sewer utility	198,186	377,670	356,665
Total expenses	1,924,945	2,644,475	2,409,302
Annual surplus	492,322	178,622	3,445,040
Accumulated surplus, beginning of year	29,734,844	29,734,844	26,289,804
Accumulated surplus, end of year	\$ 30,227,166	\$ 29,913,466	\$ 29,734,844

See accompanying notes to financial statements.

DISTRICT OF BARRIERE

Statement of Change in Net Financial Assets

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

	Budget (note 12)	2018	2017
Annual surplus	\$ 492,322	\$ 178,622	\$ 3,445,040
Acquisition of tangible capital assets	(462,223)	(524,494)	(3,655,275)
Loss on disposal of tangible capital assets	-	5,003	-
Amortization of tangible capital assets	-	618,250	604,101
	(462,223)	98,759	(3,051,174)
Acquisition of prepaid expenses	-	(8,104)	(6,789)
Acquisition of inventories	-	(19,804)	(19,412)
Use of prepaid expenses	-	6,789	6,825
Use of inventories	-	19,412	30,022
	-	(1,707)	10,646
Net change in net financial assets	30,099	275,674	404,512
Net financial assets, beginning of year	2,747,255	2,747,255	2,342,743
Net financial assets, end of year	\$ 2,777,354	\$ 3,022,929	\$ 2,747,255

See accompanying notes to financial statements.

DISTRICT OF BARRIERE

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	\$ 178,622	\$ 3,445,040
Items not involving cash:		
Amortization of tangible capital assets	618,250	604,101
Loss on disposal of tangible capital assets	5,003	-
Change in non-cash operating assets and liabilities:		
Accounts receivable	1,032,427	(1,034,894)
Inventory	(392)	10,610
Prepaid expenses	(1,315)	36
Accounts payable and accrued liabilities	(671,191)	494,545
Deferred revenue	135,009	118,477
Land held for resale	55,749	-
	1,352,162	3,637,915
Capital activities:		
Acquisition of tangible capital assets	(524,494)	(3,655,275)
	(524,494)	(3,655,275)
Investing activities:		
Increase in investments	(815,776)	(20,047)
Financing activities:		
Proceeds on debt	-	1,500,000
Repayment of debt	(1,500,000)	-
	(1,500,000)	1,500,000
(Decrease) increase in cash	(1,488,108)	1,462,593
Cash, beginning of year	2,281,607	819,014
Cash, end of year	\$ 793,499	\$ 2,281,607
Supplemental cash flow information:		
Cash paid for interest	\$ 2,545	\$ 6,734
Cash received from interest	10,645	4,489

See accompanying notes to financial statements.

DISTRICT OF BARRIERE

Notes to Financial Statements

Year ended December 31, 2018

District of Barriere (the "District") is incorporated and operates under the provisions of the Local Government Act and the Community Charter of British Columbia.

The District provides municipal services to residents of the incorporated area. These include protective services, transportation services, environmental services, development services, water utilities, sewer utilities, parks and recreation, and general government services.

1. Significant accounting policies:

The financial statements of District of Barriere (the "District") are prepared by management 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 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.

(b) Revenue recognition:

Property taxes, parcel taxes, frontage taxes, special assessments and grants in lieu of taxes are recognized as revenue in the year in which they are assessable.

Service revenue, such as water and sewer user rates, connection fees, sale of services, and interest and penalties are recognized as revenue in the year the related service is provided.

Investment income is reported as revenue in the period earned.

(c) Government transfers:

Government transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made unless the transfer contains stipulations that create a liability in which case the transfers are recognized as revenue in the period that the liability is extinguished.

(d) Investments:

Investments are comprised of term deposits with maturity dates greater than 90 days after acquisition as well as savings accounts. Investments are recorded at cost.

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2018

1. Significant accounting policies (continued):

(e) Statutory reserves:

The statutory reserves include various funded reserves to be used to fund specified expenditures, as authorized by Council. These statutory reserves are set up by bylaw under the authority of the Community Charter. Each year Council evaluates the statutory reserve funds, reallocating balances between reserves, from accumulated surplus, and from reserve accounts.

(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 which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Rate
Equipment	5-12 years
Vehicles	10-15 years
Roads and bridges	50-80 years
Wastewater infrastructure	20-60 years
Waterworks infrastructure	20-100 years
Buildings	50 years

No amortization is charged in the year of acquisition or in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(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.

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2018

1. Significant accounting policies (continued):

(iii) Natural resources:

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

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

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

(v) Interest capitalization:

The District capitalizes interest costs associated with the acquisition or construction of a tangible capital asset when they are directly attributable to the asset.

(vi) Inventory of supplies:

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

(vii) Land held for resale:

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.

(g) Use of estimates:

The preparation of financial statements in accordance with PSAB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Significant estimates include the useful lives of tangible capital assets.

Management reviews these estimates on a periodic basis and, where necessary, makes adjustments prospectively.

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2018

1. Significant accounting policies (continued):

(h) Taxes collected on behalf of other agencies:

The District collects taxes on behalf of the Regional District, the Regional Hospital District, British Columbia Assessment Authority, Municipal Finance Authority ("MFA"), and School and Police taxes on behalf of the Province. The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the Regional District and School Board are not reflected in these financial statements.

(i) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of 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:

- a) an environmental standard exists
- b) contamination exceeds the environmental standard
- c) the organization is directly responsible or accepts responsibility for the liability
- d) future economic benefits will be given up, and
- e) a reasonable estimate of the liability can be made.

2. Cash and investments:

Cash and investments reported on the statement of financial position have costs that approximates market value. Cash and investments consist of the following:

	2018	2017
Cash	\$ 793,499	\$ 2,281,607
Investments	2,078,260	1,262,484
	<u>\$ 2,871,759</u>	<u>\$ 3,544,091</u>

Investments include term deposits and savings accounts bearing interest at rates between 0.70% to 3.15%.

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2018

3. Accounts receivable:

Accounts receivable consists of amounts receivables for the following sources:

	2018	2017
Government transfers	\$ 12,069	\$ 896,852
Property taxes	181,644	172,680
Goods and services tax	95,553	265,287
Other amounts	130,966	117,840
	<u>\$ 420,232</u>	<u>\$ 1,452,659</u>

4. Deferred revenue:

Deferred gas tax revenue consists of Community Works Funding, which is a portion of Gas Tax funding provided by the Government of Canada. Community Works Funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding arrangements.

	2018	2017
Deferred gas tax:		
Opening balance	\$ 128,402	\$ -
Funding received	133,467	128,333
Revenues recognized	(10,240)	-
Interest earned	396	69
	<u>252,025</u>	<u>128,402</u>
Prepaid property taxes	31,120	25,789
Other prepaid deposits	11,400	15,000
Restricted funds	21,910	12,255
Development cost charges	33,814	33,814
	<u>\$ 350,269</u>	<u>\$ 215,260</u>

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2018

5. Tangible capital assets:

2018	Land	Roads and bridges	Buildings	Equipment	Vehicles	Wastewater infrastructure	Waterworks infrastructure*	Total 2018
Cost:								
Balance, beginning of year	\$ 4,945,629	\$ 7,079,609	\$ 1,280,376	\$ 967,697	\$ 923,469	\$ 8,738,688	\$ 8,148,477	\$ 32,083,945
Additions	-	72,289	-	7,700	-	7,691	436,814	524,494
Disposals	-	(101,150)	-	-	-	-	(37,450)	(138,600)
Transfers	-	-	-	(8,094)	-	-	8,094	-
Balance, end of year	\$ 4,945,629	\$ 7,050,748	\$ 1,280,376	\$ 967,303	\$ 923,469	\$ 8,746,379	\$ 8,555,935	\$ 32,469,839
Accumulated amortization:								
Balance, beginning of year	\$ -	\$ 2,447,083	\$ 264,638	\$ 560,784	\$ 543,227	\$ 157,966	1,148,859	\$ 5,122,557
Disposals	-	(96,147)	-	-	-	-	(37,450)	(133,597)
Amortization	-	247,193	38,564	54,860	59,152	137,896	80,585	618,250
Balance, end of year	-	2,598,129	303,202	615,644	602,379	295,862	1,191,994	5,607,210
Net book value, end of year	\$ 4,945,629	\$ 4,452,619	\$ 977,174	\$ 351,659	\$ 321,090	\$ 8,450,517	\$ 7,363,941	\$ 26,862,629

*Contains assets under construction - see note (a)

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2018

5. Tangible capital assets (continued):

2017	Land	Roads and bridges	Buildings	Equipment	Vehicles	Wastewater infrastructure*	Waterworks infrastructure*	Total 2017
Cost:								
Balance, beginning of year	\$ 4,945,629	\$ 7,079,609	\$ 1,280,376	\$ 945,469	\$ 899,697	\$ 8,738,688	\$ 4,549,347	\$ 28,438,815
Additions	-	-	-	26,884	23,772	-	3,604,619	3,655,275
Disposals	-	-	-	(4,656)	-	-	(5,489)	(10,145)
Balance, end of year	\$ 4,945,629	\$ 7,079,609	\$ 1,280,376	\$ 967,697	\$ 923,469	\$ 8,738,688	\$ 8,148,477	\$ 32,083,945
Accumulated amortization:								
Balance, beginning of year	\$ -	\$ 2,196,976	\$ 226,074	\$ 513,659	\$ 486,452	\$ 20,069	\$ 1,085,370	\$ 4,528,600
Disposals	-	-	-	(4,656)	-	-	(5,488)	(10,144)
Amortization expense	-	250,107	38,564	51,781	56,775	137,897	68,977	604,101
Balance, end of year	-	2,447,083	264,638	560,784	543,227	157,966	1,148,859	5,122,557
Net book value, end of year	\$ 4,945,629	\$ 4,632,526	\$ 1,015,738	\$ 406,913	\$ 380,242	\$ 8,580,722	\$ 6,999,618	\$ 26,961,388

*Contains assets under construction - see note (a)

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2018

5. Tangible capital assets (continued):

(a) Assets under construction:

Assets under construction, consisting of waterworks infrastructure having a cost of \$1,172,329 (2017 - \$1,050,427) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Works of art and historical treasures:

The District manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at District sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

(c) Write-down of tangible capital assets:

No write-down of tangible capital assets occurred during the year.

6. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2018	2017
Unrestricted surplus	\$ 1,552,003	\$ 3,027,822
Equity in tangible capital assets	26,862,629	25,461,389
Reserve funds:		
Roads	477,379	549,145
Fire protection	64,331	156,619
Water	211,405	145,395
Louis Creek Industrial Site	390,089	150,900
Municipal hall	182,370	151,344
Environmental	42,135	21,640
Land sales	42,448	41,514
Highway signs	25,942	25,584
Community hall	6,313	3,300
First responders	192	192
Highway rescue	1,653	-
Wildfires	54,577	-
Total reserve funds	1,498,834	1,245,633
	\$ 29,913,466	\$ 29,734,844

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2018

7. Commitments:

- a) The District has entered into a contract for snow removal services ending in 2021 with annual payments for the next 3 years as follows:

2019	\$	156,000
2020		156,000
2021		78,000
	\$	390,000

8. Taxation and grants in lieu:

General fund taxation revenues comprises the following amounts raised less transfers:

	2018	2017
Municipal and school property taxes levied	\$ 1,791,683	\$ 1,770,808
	1,791,683	1,770,808
Less: Collections on behalf of other governments:		
Province of B.C. - School taxes	468,700	481,357
Thompson-Nicola Regional District ("TNRD")	290,142	295,412
Thompson Regional Hospital District	108,670	111,321
Police taxes	79,721	76,166
B.C. Assessment Authority	11,239	11,401
Payment in lieu of taxes	3,324	3,614
Municipal Finance Authority	46	43
	961,842	979,314
	\$ 829,841	\$ 791,494

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2018

9. Government transfers:

The District recognizes the transfer of government funds as expenses or revenues in the period that the events giving rise to the transfer occurred. The government transfers reported on the statement of operations are:

	2018	2017
Small community grant	\$ 427,021	\$ 416,788
Strategic priorities (gas tax funding)	314,911	3,592,283
Rural dividend grant	22,816	46,214
Gas tax funding	10,240	-
Other grants and transfers	5,141	3,083
	<u>\$ 780,129</u>	<u>\$ 4,058,368</u>

10. Contingent liabilities:

Under the Local Government Act, all monies borrowed by a Regional District shall be upon its credit at large and shall, in the event of any default, constitute an indebtedness of the member municipalities for which they are jointly and severally liable. Therefore, the District is responsible for its share of any operating deficits or capital debt related to functions in which it participates.

From time to time, the District is brought forth as a defendant in various lawsuits. The District reviews its exposure to any potential litigation for which it would not be covered by insurance and assesses whether a successful claim would materially affect the financial statements of the District. The District is currently not aware of any claims brought against it that if not defended successfully would result in a material change to the financial statements.

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2018

11. Pension liability:

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

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

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

The District of Barriere paid \$43,465 (2017 - \$37,432) for employer contributions while employees contributed \$37,952 (2017 - \$32,519) 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.

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2018

12. Budget:

The Financial Plan (Budget) bylaw adopted by Council on May 7, 2018 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget figures anticipated using 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 asset additions rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the Financial Plan adopted by Council on May 7, 2018 with adjustments as follows:

	2018
Annual surplus - statement of operations	\$ 492,322
Adjust for budgeted cash items not included in statement of operations:	
Acquisition of tangible capital assets	(462,223)
Transfer to reserves	(30,099)
Total adjustments	(492,322)
Financial plan balance	\$ -

13. Segmented information:

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

(a) General government:

The General Government operations provide the functions of Building Services and Maintenance, Corporate Administration, Finance, Human Resources, Legislative Services, Bylaw enforcement services and any other functions categorized as non-departmental.

(b) Protective services:

Protective Services is comprised of fire protection, emergency services and building inspection services.

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2018

13. Segmented information (continued):

(c) Transportation services:

Transportation Services is responsible for roads and snow removal within the District boundaries.

(d) Environmental services:

The Environmental Health Department consists of landfill maintenance and garbage collection and processing.

(e) Parks and recreation:

Parks and recreation is responsible for parks and playgrounds, recreation programming, cemetery services, and cultural buildings and programs.

(f) Water utility:

The District is responsible for environmental programs including the engineering and operation of the potable water system.

(g) Sewer utility:

The District is responsible for environmental programs including the engineering and operation of the wastewater system.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the presentation of segmented financial information. The accounting policies used in these statements are consistent with those followed in the preparation of the financial statements.

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2018

13. Segmented information (continued):

2018	Protective services	Transportation services	Environmental services	Development services	Parks and recreation	Water utility	Sewer utility	General government	Total
Revenue:									
Tax requisition	\$ 101,075	\$ 189,038	\$ 71,200	\$ 16,514	\$ 61,657	\$ -	\$ -	\$ 390,357	\$ 829,841
Grants in lieu	-	-	-	-	-	-	-	38,762	38,762
Sales of services	122,359	49,428	133,982	44,720	16,410	381,321	73,392	70,990	892,602
Government transfers	-	-	-	-	-	314,911	33,056	432,162	780,129
Other	-	-	-	239,000	9,689	-	-	33,074	281,763
Total revenue	223,434	238,466	205,182	300,234	87,756	696,232	106,448	965,345	2,823,097
Expenses:									
Operating	142,313	281,327	69,778	81,632	55,855	126,501	134,898	263,192	1,155,496
Salaries and benefits	35,937	39,059	65,881	12,049	60,189	123,717	104,875	429,022	870,729
Amortization	41,981	253,889	22,831	-	33,646	79,234	137,897	48,772	618,250
Total expenses	220,231	574,275	158,490	93,681	149,690	329,452	377,670	740,986	2,644,475
Annual surplus (deficit)	\$ 3,203	\$ (335,809)	\$ 46,692	\$ 206,553	\$ (61,934)	\$ 366,780	\$ (271,222)	\$ 224,359	\$ 178,622

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2018

13. Segmented information (continued):

2017	Protective services	Transportation services	Environmental services	Development services	Parks and recreation	Water utility	Sewer utility	General government	Total
Revenue:									
Tax requisition	\$ 80,337	\$ 189,088	\$ 69,572	\$ 20,421	\$ 57,542	\$ -	\$ -	\$ 374,534	\$ 791,494
Grants in lieu	-	-	-	-	-	-	-	35,924	35,924
Sales of services	198,836	48,819	119,106	39,094	12,494	386,096	58,360	80,006	942,811
Government transfers	-	-	-	-	-	3,592,283	46,214	419,871	4,058,368
Other	-	-	-	-	6,208	-	-	19,537	25,745
Total revenue	279,173	237,907	188,678	59,515	76,244	3,978,379	104,574	929,872	5,854,342
Expenses:									
Operating	157,239	259,121	61,587	10,057	54,813	117,678	142,595	206,846	1,009,936
Salaries and benefits	20,382	37,943	62,358	14,706	55,514	115,712	76,173	412,477	795,265
Amortization	41,981	251,800	22,059	-	33,106	71,564	137,897	45,694	604,101
Total expenses	219,602	548,864	146,004	24,763	143,433	304,954	356,665	665,017	2,409,302
Annual surplus (deficit)	\$ 59,571	\$ (310,957)	\$ 42,674	\$ 34,752	\$ (67,189)	\$ 3,673,425	\$ (252,091)	\$ 264,855	\$ 3,445,040

DISTRICT OF BARRIERE

Notes to Financial Statements (continued)

Year ended December 31, 2018

14. Trust funds:

The District operates the Barriere Cemetery and maintains a cemetery perpetual care fund in accordance with the Cemetery and Funeral Services Act. Trust fund assets and related reserve balance have been excluded from the financial statements, as the assets are only held beneficially in trust for unrelated third parties. At December 31, 2018, the District held \$15,920 (2017 - \$15,459) in trust.