

THE CORPORATION OF THE VILLAGE OF ASHCROFT

FINANCIAL STATEMENTS

December 31, 2014

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**The Corporation
Village of Ashcroft**

MANAGEMENT'S RESPONSIBILITY FOR REPORTING

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.

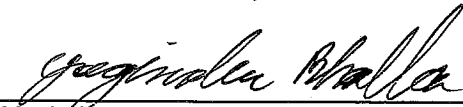
The Village maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Village's assets are appropriately accounted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

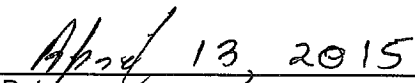
The Village Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The Audit Committee reviews the Village's financial statements and recommends their approval to Village Council. The Audit Committee meets 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 financial statements and the external auditors' report. The Mayor and Council take this information into consideration when approving the financial statements for issuance to the ratepayers. The Mayor and Council also consider the engagement of the external auditors.

The financial statements have been audited by Daley & Company Chartered Accountants LLP in accordance with Canadian auditing standards on behalf of the ratepayers. Daley & Company Chartered Accountants LLP has full access to the Council and management.

On behalf of The Corporation of the Village of Ashcroft


Yoginder Bhalla, CFO


Date



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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council,
THE CORPORATION OF THE VILLAGE OF ASHCROFT

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of THE CORPORATION OF THE VILLAGE OF ASHCROFT, which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statement of accumulated surplus, consolidated statement of operations, consolidated statement of change in net financial assets and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation 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 overall presentation of the consolidated 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of THE CORPORATION OF THE VILLAGE OF ASHCROFT as at December 31, 2014, and the results of its consolidated operations, consolidated changes in its net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Daley & Company LLP
Chartered Accountants

Kamloops, BC
April 13, 2015

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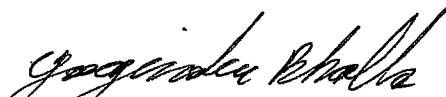
These consolidated financial statements were examined and this Audit Opinion issued solely for the use of THE CORPORATION OF THE VILLAGE OF ASHCROFT. Daley & Company Chartered Accountants LLP makes no representations of any kind to any other person in respect of these consolidated financial statements and accepts no responsibility for their use by any other person in the absence of the written consent of Daley & Company Chartered Accountants LLP.

**THE CORPORATION OF THE VILLAGE OF ASHCROFT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
December 31, 2014**

FINANCIAL ASSETS	2014	2013
Cash (Note 4)	\$ 1,889,843	\$ 1,913,474
Restricted cash (Note 4)	2,296,677	2,009,984
Accounts receivable	56,522	213,462
Taxes and utilities receivable	<u>162,563</u>	<u>165,356</u>
	<u>4,405,605</u>	<u>4,302,276</u>
 LIABILITIES		
Accounts payable and accrued liabilities	273,198	282,708
Deferred revenue (Note 5)	377,524	384,930
Long-term debt (Note 6)	<u>18,551</u>	<u>36,551</u>
	<u>669,273</u>	<u>704,189</u>
NET FINANCIAL ASSETS	<u>3,736,332</u>	<u>3,598,087</u>
 NON-FINANCIAL ASSETS		
Tangible capital assets (Note 7)	6,033,176	6,262,996
Prepaid expenses	<u>49,674</u>	<u>38,329</u>
	<u>6,082,850</u>	<u>6,301,325</u>
ACCUMULATED SURPLUS (Note 8)	<u>\$ 9,819,182</u>	<u>\$ 9,899,412</u>

COMMITMENTS AND CONTINGENCIES (Note 9)

APPROVED ON BEHALF OF MAYOR AND COUNCIL:


Yoginder Bhalla, CFO

**THE CORPORATION OF THE VILLAGE OF ASHCROFT
CONSOLIDATED STATEMENT OF ACCUMULATED SURPLUS
Year ended December 31, 2014**

	2014	2013
ACCUMULATED SURPLUS, beginning of year	\$ 9,899,413	\$ 9,183,482
EXCESS (DEFICIENCY) REVENUES OVER EXPENSES	<u>(80,230)</u>	<u>715,931</u>
ACCUMULATED SURPLUS, end of year	<u>\$ 9,819,183</u>	<u>\$ 9,899,413</u>

See accompanying notes to financial statements.

THE CORPORATION OF THE VILLAGE OF ASHCROFT
CONSOLIDATED STATEMENT OF OPERATIONS
Year ended December 31, 2014

	Budget	2014	2013
REVENUES:			
Municipal taxation (Note 11)	\$ 1,225,344	\$ 1,261,907	\$ 1,225,719
Sales of services	709,360	692,074	667,219
Government grants	745,834	618,946	1,225,277
Borrowings, licences, permits, penalties and fines	108,900	163,393	156,634
	<u>2,789,438</u>	<u>2,736,320</u>	<u>3,274,849</u>
EXPENSES:			
General government services	435,188	351,326	375,352
Protective services	110,062	112,405	92,551
Transportation services	550,201	549,685	515,023
Environmental and public health services	258,947	210,780	166,449
Recreational and cultural services	736,472	714,049	682,191
Water and sewer services	951,151	878,305	727,352
	<u>3,042,021</u>	<u>2,816,550</u>	<u>2,558,918</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (252,583)	\$ (80,230)	\$ 715,931

See accompanying notes to financial statements.

THE CORPORATION OF THE VILLAGE OF ASHCROFT
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
Year ended December 31, 2014

	Budget	2014	2013
EXCESS (DEFICIENCY) REVENUES OVER EXPENSES	\$ (252,583)	\$ (80,230)	\$ 715,931
Acquisition of tangible capital assets	-	(61,266)	(859,749)
Amortization of tangible capital assets	292,765	291,086	292,765
Change in prepaid expenses	-	(11,345)	(970)
INCREASE IN NET FINANCIAL ASSETS	40,182	138,245	147,977
NET FINANCIAL ASSETS, beginning of year	3,598,088	3,598,088	3,450,111
NET FINANCIAL ASSETS, end of year	\$ 3,638,270	\$ 3,736,333	\$ 3,598,088

See accompanying notes to financial statements.

THE CORPORATION OF THE VILLAGE OF ASHCROFT
CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended December 31, 2014

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Excess (deficiency) revenues over expenses	\$ (80,230)	\$ 715,931
Non-cash changes to operations:		
Amortization	291,086	292,765
(Increase) decrease in:		
Accounts receivable	156,940	(86,397)
Taxes and utilities receivable	2,793	(54,223)
Increase (decrease) in:		
Accounts payable	(9,509)	54,442
Deferred revenue	(7,406)	(288,488)
Prepaid expenses	(11,345)	(970)
Cash flows from operations	<u>342,329</u>	<u>633,060</u>
CASH FLOWS FROM CAPITAL ACTIVITIES:		
Acquisition of tangible capital assets	<u>(61,266)</u>	(859,749)
Cash flows used in capital	<u>(61,266)</u>	<u>(859,749)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of long-term debt	<u>(18,000)</u>	(18,000)
Cash flows used in financing	<u>(18,000)</u>	<u>(18,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Statutory reserve fund	(228,107)	(152,038)
Reserve for future expenditures	(58,586)	(50,374)
Cash flows used in investing	<u>(286,693)</u>	<u>(202,412)</u>
DECREASE IN CASH RESOURCES	(23,630)	(447,101)
CASH RESOURCES, beginning of year	<u>1,913,474</u>	<u>2,360,575</u>
CASH RESOURCES, end of year	<u>\$ 1,889,844</u>	<u>\$ 1,913,474</u>

See accompanying notes to financial statements.

THE CORPORATION OF THE VILLAGE OF ASHCROFT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

NOTE 1. ENTITY:

The Corporation of the Village of Ashcroft was incorporated in 1952 under the Municipal Act, a 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 services include administrative, protective, transportation, environmental, recreational, water, sewer and fiscal services.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation:

These consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for governments established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. These consolidated financial statements include the operations of the General, Water, Sewer, and Reserve Funds.

Basis of Accounting:

The resources and operations of the Village have been separated for accounting and financial reporting purposes into four funds. Each fund is treated as a separate entity which is identified in its statements of financial position and where applicable, its statements of operations and accumulated surplus. Fund statements are presented as supplementary information to the consolidated financial statements.

a) General Revenue Fund:

The purpose of the General Revenue Fund is to reflect the operating activities, administration, protection, transportation, environmental & public health, recreation, and recreation and cultural services functions of the Village.

b) Water Revenue Fund:

The purpose of the Water Revenue Fund is to reflect the operating activities related to the treatment and distribution of water throughout the Village.

c) Sewer Revenue Fund:

The purpose of the Sewer Revenue Fund is to reflect the operating activities related to the treatment of sewage and transportation network of sewer mains and pump stations.

d) Reserve Funds:

Under the Community Charter of British Columbia, the Council may, by bylaw, establish reserve funds for specified purposes. Money in a reserve fund, and interest earned thereon, must be expended by bylaw only for the purpose for which the fund was established. If the amount in a reserve fund is greater than required, the Council may, by bylaw, transfer all or part of the amount to another reserve fund.

Principles of Consolidation:

The consolidated financial statements include the accounts of all funds of the Village. Interfund balances and transactions have been eliminated.

Cash and Short-term Investments:

The Village's cash equivalents and pooled bond funds are recorded at cost, which approximates net realizable value. Short-term investments are held with the Municipal Finance Authority and are held in short term bonds and a money market fund.

THE CORPORATION OF THE VILLAGE OF ASHCROFT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued):

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. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

a) **Tangible Capital Assets:**

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

Major Asset Category

Buildings	20 to 70 years
Machinery and equipment	5 to 15 years
Pool, arena and other	50 to 100 years
Roads	25 to 75 years
Storm sewer	100 years
Plants and facilities	20 to 70 years
Underground networks	100 years

The Village reviews the useful lives and the carrying values of its tangible capital assets at least annually or more frequently if events or changes in circumstances indicate that the assets might be impaired, by reference to the assets' contribution to the Village's ability to provide services. When assets no longer have any long-term service potential to the Village, the assets are considered to be impaired. An impairment loss is measured at the amount by which the carrying amount of the assets exceeds their fair value, which is estimated as the expected service potential of the assets.

b) **Contributions of Tangible Capital Assets:**

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt.

c) **Leases:**

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Revenue Recognition:

Property taxes and interest are recorded on the accrual basis and are recognized when they are earned. Government grants are recorded when they are receivable and amounts can be reasonably determined. All other sources of revenue are recorded as services are provided.

Expense Recognition:

Expenses are recorded on the accrual basis and are recognized as they are incurred as a result of the receipt of goods and services or the creation of a legal obligation to pay.

Deferred Revenue:

Grants, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs, in the completion of specific work or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible capital assets are acquired.

**THE CORPORATION OF THE VILLAGE OF ASHCROFT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued):

Use of Estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. A significant area requiring management estimates includes the recoverable amount of tangible capital assets. Management reviews these estimates on a periodic basis and, where necessary, makes adjustments prospectively.

NOTE 3. FINANCIAL INSTRUMENTS:

Fair Values of Financial Assets and Financial Liabilities:

The carrying values of cash and restricted cash, accounts receivable, and accounts payable and accruals approximate their fair value due to the relatively short periods to maturity of these items. Unless otherwise noted, it is management's opinion that the Village is not exposed to significant currency or credit risks arising from its financial instruments.

It is management's opinion that the Village is not exposed to significant interest rate risk by its long-term debt, due to it being interest free. The carrying value of the long-term debt would approximate its fair value due to the terms and conditions.

NOTE 4. CASH AND RESTRICTED CASH:

	2014	2013
Statutory Reserve Fund	\$ 1,085,071	\$ 856,964
Reserve for future expenditures	<u>1,211,606</u>	<u>1,153,020</u>
Restricted cash	2,296,677	2,009,984
Unrestricted cash	<u>1,889,843</u>	<u>1,913,474</u>
	\$ 4,186,520	\$ 3,923,458
Consists of:		
Cash	\$ 2,816,917	\$ 2,591,739
Investments in pooled bond funds	<u>1,369,603</u>	<u>1,331,719</u>
	\$ 4,186,520	\$ 3,923,458

**THE CORPORATION OF THE VILLAGE OF ASHCROFT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014**

NOTE 5. DEFERRED REVENUE:	2014	2013
Federal Gas Tax Agreement - Community Works Fund:		
Opening balance of unspent funds	\$ 246,023	\$ 420,466
Add: Amount received during the year	117,229	117,047
Interest earned	3,152	5,192
Less: Amount spent during the year	-	(296,682)
Closing balance of unspent funds	366,404	246,023
Other Funding:		
Strategic Community Investment Fund	-	113,976
New Horizon's for Seniors	6,120	19,931
Northern Development Initiative Trust	5,000	5,000
	11,120	138,907
Total	\$ 377,524	\$ 384,930

Community Works Fund:

Community Works funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the local government and the Union of British Columbia Municipalities. 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 agreements.

Other Funding:

New Horizon's for Seniors:

\$24,930 was received under the New Horizon's for Seniors Program for the creation of an Ashcroft Seniors Historical Data Library. Balance for 2014 consists of the unexpended funds expected to be used in 2015.

Northern Development Initiative Trust (NDIT):

\$5,000 was received from NDIT in 2008 for the Economic Development Funding Program. Approval has been obtained to use the funds toward a collaborative Economic Development Program.

NOTE 6. LONG-TERM DEBT:	2014	2013
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Northern Development Initiative Trust, loan, repayable in annual installments of \$18,000 starting November 30, 2012, non-interest bearing, due November 30, 2016	\$ 18,551	\$ 36,551
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Principal repayments due in the ensuing 2 years are approximately as follows:

2015	\$ 18,000
2016	551
	\$ 18,551

THE CORPORATION OF THE VILLAGE OF ASHCROFT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

NOTE 7. TANGIBLE CAPITAL ASSETS:	2014	2013
Tangible capital assets consist of the following:		
Land	\$ 570,530	\$ 545,562
Pool, arena and other	826,509	850,864
Buildings	408,315	421,867
Machinery and equipment	601,666	631,313
Roads	924,302	1,051,129
Storm sewer	397,547	402,784
Plants and facilities	1,256,530	1,291,177
Underground networks	1,047,777	1,068,300
	<u>\$ 6,033,176</u>	<u>\$ 6,262,996</u>

For additional information, see the Consolidated Schedule of Tangible Capital assets (Appendix 1).

NOTE 8. ACCUMULATED SURPLUS:	2014	2013
Accumulated surplus consists of individual fund surpluses and reserves as follows:		
Surplus from operations	<u>\$ 1,507,880</u>	<u>\$ 1,662,983</u>
Invested in tangible capital assets	<u>6,014,625</u>	<u>6,226,445</u>
Statutory reserve funds:		
Capital works reserve	1,023,808	806,454
Machinery and equipment replacement reserve	61,263	50,510
	<u>1,085,071</u>	<u>856,964</u>
Reserves for future expenditure:		
General	329,500	298,500
Fire department	196,582	189,110
Curling club	47,627	42,187
Transit	14,674	-
Water	600,428	600,428
Sewer	22,795	22,795
	<u>1,211,606</u>	<u>1,153,020</u>
	<u>\$ 9,819,182</u>	<u>\$ 9,899,412</u>

NOTE 9. COMMITMENTS AND CONTINGENCIES:

- a) Lease Commitment:
The Village has operating lease agreements for the rental of equipment.

Future minimum lease payments as at December 31, 2014, are as follows:

2015	\$ 10,657
2016	9,052
2017	1,059
	<u>\$ 20,768</u>

THE CORPORATION OF THE VILLAGE OF ASHCROFT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

NOTE 9. COMMITMENTS AND CONTINGENCIES (continued):

- b) The Village is a participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible the Village, along with other participants, would be required to contribute towards the deficit.
- c) The Village, as a member of the Thompson Nicola Regional District, is liable for its proportion of any operating deficits or long-term debt related to functions in which it participates.
- d) The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 11 contributors from The Village.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015, with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual entities participating in the Plan.

The Village paid \$75,044 (2013 - \$67,727) for employer contributions to the Plan in 2014.

NOTE 10. PERPETUAL CARE TRUST FUND:

The Village operates a cemetery in accordance with the Cemetery and Funeral Services Act. The Village is required to maintain a trust fund which is not included in these financial statements in accordance with Canadian generally accepted accounting principles for governments established by the Public Sector Accounting Board of the Certified Professional Accountants of Canada. Details of the trust funds are as follows:

	2014	2013
BALANCE, beginning of year	\$ 46,608	\$ 44,450
Add:		
Proceeds from sale of plots and monuments	693	1,750
Interest earned	1,013	408
	\$ 48,314	\$ 46,608
BALANCE, end of year	\$ 48,314	\$ 46,608
The perpetual care trust fund is represented by:		
Cash and short-term investments	\$ 48,214	\$ 46,508
Due from General Revenue Fund	100	100
	\$ 48,314	\$ 46,608
	\$ 48,314	\$ 46,608

THE CORPORATION OF THE VILLAGE OF ASHCROFT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

NOTE 11. TAXATION REVENUE:

2014 2013

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

Tax collected:

General purposes	\$ 1,261,907	\$ 1,225,719
Collections for other governments	<u>1,021,465</u>	<u>1,023,652</u>
	<u>2,283,372</u>	<u>2,249,371</u>

Less transfers to other governments:

Province of BC - school taxes	622,107	634,229
Thompson Nicola Regional District	236,387	239,752
Thompson Regional Hospital District	82,320	69,796
Municipal Finance Authority	35	36
BC Assessment Authority	12,517	12,713
Policing	<u>68,099</u>	<u>67,126</u>
	<u>1,021,465</u>	<u>1,023,652</u>
	<u>\$ 1,261,907</u>	<u>\$ 1,225,719</u>

NOTE 12. EXPENDITURE BY OBJECT:

2014 2013

Amortization	\$ 291,086	\$ 292,765
Insurance	69,944	69,781
Office and administration	147,715	154,565
Other	140,612	84,027
Repairs and maintenance	617,860	501,551
Salaries and benefits	1,232,617	1,170,166
Supplies and materials	154,566	121,495
Utilities and telephone	<u>162,150</u>	<u>164,568</u>
	<u>\$ 2,816,550</u>	<u>\$ 2,558,918</u>

NOTE 13. SEGMENTED INFORMATION:

The Village of Ashcroft is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed. The nature of the segments and the activities they encompass are as follows:

Government Services – Mayor & Council, Finance, and Human Resources:

The Departments within General Government Services are responsible for adopting bylaws; adopting administrative policy; levying taxes; acquiring, disposing and managing Village assets; ensuring effective financial management; monitoring performance and ensuring that high quality service standards are met.

Protective Services – Fire Protection:

Fire Protection includes all of the operating activities for fire prevention and suppression.

Transportation Services - Public Transit and Street Maintenance:

Public Transit and Street Maintenance involve the repair and maintenance of the road network and traffic services.

THE CORPORATION OF THE VILLAGE OF ASHCROFT
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2014

NOTE 13. SEGMENTED INFORMATION (continued):

Environmental and Public Health Services - Waste Management:

Waste Management includes all of the revenue and expenses related to the collection and disposal of solid waste and community development, tourism and promotional activities.

Recreational and Cultural Services - Parks, Recreation and Culture:

The Parks, Recreation and Culture Department is responsible for providing, facilitating the development of, and maintaining high quality parks, recreation facilities, and cultural services.

Water Services - Water Department:

The Water Department includes all the operating activities related to the treatment and distribution of water throughout the Village.

Sewer Services - Sewer Department:

The Sewer Department operates network sewer mains and pump stations.

Reserve Funds - Statutory Reserve Funds:

The Statutory Reserve Fund is comprised of the machinery and equipment replacement reserve and capital works reserve.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2. For additional information see the Statement of Financial Activities - Segmented (Appendix 2).

NOTE 14. CASH FLOW INFORMATION:

During the year, the Village received \$72,392 (2013 - \$41,722) in interest income.

**THE CORPORATION OF THE VILLAGE OF ASHCROFT
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
Year ended December 31, 2014**

	General						Water			Sewer			Totals	
	Land	Pool, Arena and Other	Buildings	Machinery & Equipment	Roads	Storm Sewer	Plants & Facilities	Underground Networks	Plants & Facilities	Underground Networks	2014	2013		
Cost														
Balance, beginning of year	\$ 545,562	\$ 1,916,553	\$ 1,674,611	\$ 1,767,330	\$ 7,268,341	\$ 530,323	\$ 1,723,394	\$ 1,305,053	\$ 1,539,523	\$ 771,997	\$ 19,042,687	\$ 18,331,923		
Add: Additions during the year	24,988	-	-	36,298	-	-	-	-	-	-	61,266	859,749		
Work in progress	-	-	-	-	-	-	-	-	-	-	-	-		
Less: Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	(148,985)		
Balance, end of year	570,550	1,916,553	1,674,611	1,803,628	7,268,341	530,323	1,723,394	1,305,053	1,539,523	771,997	19,103,953	19,042,687		
Accumulated amortization														
Balance, beginning of year	-	1,065,689	1,252,744	1,136,017	6,217,212	127,539	1,294,661	625,572	677,079	383,176	12,779,691	12,635,911		
Add: Amortization	-	24,355	13,552	65,945	126,827	5,237	11,652	12,803	22,995	7,720	291,086	282,765		
Less: Disposals during the year	-	-	-	-	-	-	-	-	-	-	-	(148,985)		
Balance, end of year	-	1,090,044	1,266,296	1,201,962	6,344,039	132,776	1,306,313	638,375	700,074	390,898	13,070,777	12,779,691		
Net Book Value of Tangible Capital Assets														
	\$ 570,550	\$ 826,509	\$ 408,315	\$ 601,666	\$ 924,302	\$ 397,547	\$ 417,081	\$ 666,678	\$ 839,449	\$ 381,099	\$ 6,033,176	\$ 6,262,996		

See accompanying notes to financial statements.

THE CORPORATION OF THE VILLAGE OF ASHCROFT
 STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED
 Year ended December 31, 2014

	Government Services	Protective Services	Transportation Services	Environmental & Public Health Services	Recreational & Cultural Services	Water Services	Sewer Services	Reserve Funds	Total 2014	Total 2013
REVENUES:										
Municipal taxation	\$ 1,093,426	\$ -	\$ -	\$ -	\$ -	\$ 84,930	\$ 83,551	\$ -	\$ 1,261,907	\$ 1,225,719
Sales of services	3,286	10,570	200	100,346	75,227	243,764	258,681	-	692,074	667,219
Government grants	419,427	9,420	1,649	188,450	-	-	-	-	618,946	1,225,277
Borrowings, licences, permits, penalties and fines	17,716	-	-	-	-	180	-	-	17,896	18,010
Interest income	42,498	-	-	-	-	15,050	1,037	13,807	72,392	41,720
Donations and miscellaneous	58,038	748	-	-	13,503	822	(6)	-	73,105	96,903
	<u>1,634,391</u>	<u>20,738</u>	<u>1,849</u>	<u>288,796</u>	<u>88,730</u>	<u>344,746</u>	<u>343,263</u>	<u>13,807</u>	<u>2,736,320</u>	<u>3,274,848</u>
EXPENSES:										
Consulting and professional	18,875	12,000	-	-	-	-	95,018	-	125,893	45,067
Grants	10,702	-	-	-	-	-	-	-	10,702	11,905
Insurance	20,331	2,230	6,757	-	21,645	9,216	9,765	-	69,944	69,781
Office and administration	133,517	233	166	13,191	449	159	-	-	147,715	154,565
Amortization and other	235,910	-	-	-	-	26,450	-	-	295,103	319,820
Repairs and maintenance	16,643	-	81,260	69,801	137,788	247,450	32,743	-	617,860	501,551
Salaries and benefits	362,599	1,009	323,014	85,274	313,099	71,077	64,918	-	1,232,617	1,170,166
Supplies and materials	-	64,820	71,485	778	15,351	337	1,795	-	154,566	121,495
Utilities and telephone	11,462	9,625	47,755	-	90,849	-	2,459	-	162,150	164,568
Overhead allocations	(458,712)	22,488	19,248	41,736	134,868	109,908	130,464	-	-	-
	<u>351,327</u>	<u>112,405</u>	<u>549,685</u>	<u>210,780</u>	<u>714,049</u>	<u>464,597</u>	<u>413,707</u>	<u>-</u>	<u>2,816,550</u>	<u>2,558,918</u>
EXCESS (DEFICIENCY)										
REVENUES OVER EXPENSES	1,283,064	(91,667)	(547,836)	78,016	(625,319)	(119,851)	(70,444)	13,807	(80,230)	715,930
INTERFUND TRANSFERS										
	(1,481,019)	91,667	547,836	(78,016)	625,319	40,000	40,000	214,213	-	-
ANNUAL SURPLUS (DEFICIT)	<u>\$ (197,955)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (79,851)</u>	<u>\$ (30,444)</u>	<u>\$ 228,020</u>	<u>\$ (80,230)</u>	<u>\$ 715,930</u>

See accompanying notes to financial statements.

THE CORPORATION OF THE VILLAGE OF ASHCROFT
 STATEMENT OF FINANCIAL ACTIVITIES - SEGMENTED
 Year ended December 31, 2013

	Government Services	Protective Services	Transportation Services	Environmental & Public Health Services	Recreational & Cultural Services	Water Services	Sewer Services	Reserve Funds	Total 2013
REVENUES:									
Municipal taxation	\$ 1,057,238	\$ -	\$ -	\$ -	\$ -	\$ 84,930	\$ 83,551	\$ -	\$ 1,225,719
Sales of services	9,799	9,072	-	74,526	72,555	241,080	260,207	-	667,219
Government grants	474,767	9,420	1,222	149,315	-	-	590,553	-	1,225,277
Borrowings, licences, permits, penalties and fines	18,010	-	-	-	-	-	-	-	18,010
Interest income	25,792	-	-	-	-	7,994	551	7,383	41,720
Donations and miscellaneous	77,717	917	-	-	14,147	551	3,571	-	96,903
	<u>1,663,323</u>	<u>19,409</u>	<u>1,222</u>	<u>223,841</u>	<u>86,682</u>	<u>334,555</u>	<u>938,433</u>	<u>7,383</u>	<u>3,274,848</u>
EXPENSES:									
Consulting and professional	22,361	12,080	-	-	-	-	10,626	-	45,067
Grants	11,905	-	-	-	-	-	-	-	11,905
Insurance	19,954	2,230	9,808	-	17,113	10,366	10,310	-	69,781
Office and administration	131,616	869	(482)	20,104	282	181	2,015	-	154,565
Amortization and other	237,590	-	22,972	-	-	26,416	32,842	-	319,820
Repairs and maintenance	52,268	-	58,027	43,644	122,997	167,743	56,872	-	501,551
Salaries and benefits	367,152	711	285,717	58,424	314,755	53,856	89,551	-	1,170,166
Supplies and materials	-	43,964	67,233	778	6,956	1,284	1,280	-	121,495
Utilities and telephone	10,546	9,273	47,952	-	79,566	-	17,231	-	164,568
Overhead allocations	(478,044)	23,424	23,796	43,500	140,544	113,052	133,728	-	-
	<u>375,348</u>	<u>92,551</u>	<u>515,023</u>	<u>166,450</u>	<u>682,193</u>	<u>372,898</u>	<u>354,455</u>	<u>-</u>	<u>2,558,918</u>
EXCESS (DEFICIENCY)									
REVENUES OVER EXPENSES	1,287,975	(73,142)	(513,801)	57,391	(595,511)	(38,343)	583,978	7,383	715,930
INTERFUND TRANSFERS									
	(1,349,718)	73,142	513,801	(57,391)	595,511	40,000	40,000	144,655	-
ANNUAL SURPLUS (DEFICIT)	\$ (61,743)	\$ -	\$ -	\$ -	\$ -	\$ 1,657	\$ 623,978	\$ 152,038	\$ 715,930

See accompanying notes to financial statements.



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INDEPENDENT AUDITORS' COMMENTS ON SUPPLEMENTARY INFORMATION

To the Mayor and Council,
THE CORPORATION OF THE VILLAGE OF ASHCROFT

We have audited and reported separately herein on the consolidated financial statements of THE CORPORATION OF THE VILLAGE OF ASHCROFT as at and for the year ended December 31, 2014.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information included in Schedules 1 through 8 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Daley & Company LLP
Chartered Accountants

Kamloops, BC
April 13, 2015

Disclaimer of Liability

The financial information was examined and this Audit Opinion issued solely for the use of THE CORPORATION OF THE VILLAGE OF ASHCROFT. Daley & Company Chartered Accountants LLP makes no representations of any kind to any other person in respect of the financial information and accepts no responsibility for its use by any other person in the absence of the written consent of Daley & Company Chartered Accountants LLP.

**THE CORPORATION OF THE VILLAGE OF ASHCROFT
GENERAL REVENUE FUND
STATEMENT OF FINANCIAL POSITION
December 31, 2014**

FINANCIAL ASSETS	2014	2013
Cash	<u>\$ 2,816,917</u>	<u>\$ 2,591,739</u>
Investments in pooled bond funds	<u>291,076</u>	<u>283,172</u>
Receivables:		
Property taxes	162,563	165,356
Provincial Government	10,712	117,641
General	<u>45,810</u>	<u>95,821</u>
	<u>219,085</u>	<u>378,818</u>
	<u>3,327,078</u>	<u>3,253,729</u>
LIABILITIES		
Trade accounts and accrued liabilities	140,818	171,569
Accrued wages and employee benefits	132,380	111,141
Deferred revenue	377,524	384,930
Long-term debt	18,551	36,551
Due to (from) Own Funds:		
Water Revenue Fund	1,098,987	1,169,434
Sewer Revenue Fund	318,615	319,366
Machinery and Equipment Replacement Reserve Fund	(31,032)	(60,419)
Perpetual Care Trust Fund	100	100
Capital Works Reserve Fund	<u>564,711</u>	<u>379,884</u>
	<u>2,620,654</u>	<u>2,512,556</u>
NET FINANCIAL ASSETS	<u>706,424</u>	<u>741,173</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	3,728,872	3,903,520
Prepaid expenses	<u>49,674</u>	<u>38,329</u>
	<u>3,778,546</u>	<u>3,941,849</u>
ACCUMULATED SURPLUS	<u>\$ 4,484,970</u>	<u>\$ 4,683,022</u>

See accompanying notes to financial statements.

**THE CORPORATION OF THE VILLAGE OF ASHCROFT
GENERAL REVENUE FUND
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
Year ended December 31, 2014**

	Budget	2014	2013
REVENUES:			
Municipal taxation	\$ 1,056,844	\$ 1,093,426	\$ 1,057,238
Sales of services	199,360	189,629	165,932
Government Grants:			
Unconditional transfers from Provincial Government	384,097	382,415	384,097
Unconditional transfers from Local Government	150,000	188,450	149,315
Conditional transfers from regional and other governments	211,737	48,081	101,312
Borrowings, licences, permits, penalties and fines:			
Professional and business licences	9,000	9,740	9,045
Other	700	713	917
Animal violation	150	35	-
Municipal auto plates	400	-	420
Interest received	30,000	42,498	32,338
Penalties and interest on taxes	15,000	17,920	18,010
Rentals	10,000	11,465	11,954
Donations and other	26,350	49,870	70,444
Collections from other governments	-	163	-
	<u>2,093,638</u>	<u>2,034,405</u>	<u>2,001,022</u>
EXPENSES (Schedule 3)	<u>2,090,870</u>	<u>1,938,244</u>	<u>1,831,566</u>
EXCESS (DEFICIENCY) REVENUES OVER EXPENSES	2,768	96,161	169,456
TRANSFER OF UNCONDITIONAL GRANT	(80,000)	(80,000)	(80,000)
TRANSFER TO STATUTORY RESERVE FUNDS	<u>(234,775)</u>	<u>(214,213)</u>	<u>(144,655)</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ (312,007)</u>	<u>(198,052)</u>	<u>(55,199)</u>
ACCUMULATED SURPLUS, beginning of year		<u>4,683,022</u>	<u>4,738,221</u>
ACCUMULATED SURPLUS, end of year		<u>\$ 4,484,970</u>	<u>\$ 4,683,022</u>

See accompanying notes to financial statements.

THE CORPORATION OF THE VILLAGE OF ASHCROFT
GENERAL REVENUE FUND
STATEMENT OF EXPENSES
Year ended December 31, 2014

	Budget	2014	2013
General Government Services:			
Legislative Expense:			
Council indemnities and expenses	\$ 43,806	\$ 43,726	\$ 36,802
General Administration Expenses:			
Office	66,800	36,515	36,882
Building operation and maintenance	52,500	30,111	62,814
Legal and professional	37,000	18,875	22,361
Salaries and employee benefits	351,249	362,812	367,152
Other General Government Expenses:			
Amortization	237,595	235,915	237,595
Travel	8,000	5,801	5,306
Insurance	19,954	20,331	19,954
Election and referendum	7,500	8,063	4,432
Grants to organizations	14,200	10,702	11,905
Sundry	55,300	37,186	48,193
Less amounts transferred to other services	(458,716)	(458,712)	(478,044)
	<u>435,188</u>	<u>351,325</u>	<u>375,352</u>
Protective Services:			
Administration	22,496	21,734	23,175
Volunteer stipends and benefits	25,900	25,356	17,505
Building operation and maintenance	9,500	9,625	9,273
Equipment	24,041	26,421	18,481
Emergency measures	2,200	1,115	1,190
Building inspection	4,414	4,414	4,414
Animal pest control	8,000	7,586	7,666
Sundry	13,511	16,154	10,847
	<u>110,062</u>	<u>112,405</u>	<u>92,551</u>
Transportation Services:			
Administration	287,681	305,649	263,555
Equipment operation and maintenance	74,073	56,646	64,901
Building operation and maintenance	47,850	41,512	42,250
Road and street maintenance	88,397	88,940	76,956
Street lighting	36,000	39,985	37,200
Traffic services	14,200	16,953	7,189
Sundry	2,000	-	22,972
	<u>550,201</u>	<u>549,685</u>	<u>515,023</u>
Environmental and Public Health Services:			
Garbage and waste collection	81,277	72,270	73,650
Cemetery	25,874	31,899	20,822
Planning and zoning	2,500	-	-
Community development	110,000	73,141	29,109
Natural resource development	10,452	7,439	9,385
Tourism and promotion	3,000	1,260	500
Sundry	25,844	24,771	32,983
	<u>258,947</u>	<u>210,780</u>	<u>166,449</u>
Recreational and Cultural Services:			
Administration	197,717	223,798	225,389
Community hall	37,900	42,875	25,307
Lady Minto building	40,500	32,525	12,607
Swimming pool	134,858	127,559	138,423
Arena	153,075	142,264	126,018
Parks and playgrounds	83,900	79,173	86,909
Historic sites	8,613	2,227	9,030
Museum	56,199	45,471	42,167
Curling club	23,710	18,157	16,341
	<u>736,472</u>	<u>714,049</u>	<u>682,191</u>
TOTAL EXPENSES	\$ 2,090,870	\$ 1,938,244	\$ 1,831,566

See accompanying notes to financial statements.

**THE CORPORATION OF THE VILLAGE OF ASHCROFT
WATER REVENUE FUND
STATEMENT OF FINANCIAL POSITION
December 31, 2014**

FINANCIAL ASSETS	2014	2013
Investments in pooled bond funds	\$ 493,163	\$ 478,114
Due from Own Funds: General Revenue Fund	<u>1,098,987</u>	<u>1,169,434</u>
NET FINANCIAL ASSETS	1,592,150	1,647,548
NON-FINANCIAL ASSETS		
Tangible capital assets	<u>1,083,759</u>	<u>1,108,214</u>
ACCUMULATED SURPLUS	\$ 2,675,909	\$ 2,755,762

See accompanying notes to financial statements.

THE CORPORATION OF THE VILLAGE OF ASHCROFT
WATER REVENUE FUND
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
Year ended December 31, 2014

	Budget	2014	2013
REVENUES:			
Municipal taxation - water levy	\$ 85,000	\$ 84,930	\$ 84,930
Sale of services	245,000	243,764	241,080
Government grants	-	-	-
Other revenues	14,300	16,052	8,545
	<u>344,300</u>	<u>344,746</u>	<u>334,555</u>
EXPENSES:			
Maintenance and administration	468,706	440,144	348,442
Amortization	24,455	24,455	24,455
	<u>493,161</u>	<u>464,599</u>	<u>372,897</u>
DEFICIENCY REVENUES OVER EXPENSES	(148,861)	(119,853)	(38,342)
TRANSFER OF UNCONDITIONAL GRANT	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ (108,861)</u>	<u>(79,853)</u>	1,658
ACCUMULATED SURPLUS, beginning of year		<u>2,755,762</u>	<u>2,754,104</u>
ACCUMULATED SURPLUS, end of year		<u>\$ 2,675,909</u>	<u>\$ 2,755,762</u>

See accompanying notes to financial statements.

THE CORPORATION OF THE VILLAGE OF ASHCROFT
SEWER REVENUE FUND
STATEMENT OF FINANCIAL POSITION
December 31, 2014

FINANCIAL ASSETS	2014	2013
Investments in pooled bond funds	\$ 33,972	\$ 32,935
Due from Own Funds:		
General Revenue Fund	<u>318,601</u>	<u>319,366</u>
NET FINANCIAL ASSETS	352,573	352,301
NON-FINANCIAL ASSETS		
Tangible capital assets	<u>1,220,547</u>	<u>1,251,262</u>
ACCUMULATED SURPLUS	\$ 1,573,120	\$ 1,603,563

See accompanying notes to financial statements.

THE CORPORATION OF THE VILLAGE OF ASHCROFT
SEWER REVENUE FUND
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
Year ended December 31, 2014

	Budget	2014	2013
REVENUES:			
Municipal taxation - sewer levy	\$ 83,500	\$ 83,551	\$ 83,551
Sale of services	265,000	258,681	260,207
Government grants	-	-	590,553
Other revenues	3,000	1,031	4,122
	<u>351,500</u>	<u>343,263</u>	<u>938,433</u>
EXPENSES:			
Maintenance and administration	427,275	382,991	323,740
Amortization	30,715	30,715	30,715
	<u>457,990</u>	<u>413,706</u>	<u>354,455</u>
EXCESS (DEFICIENCY) REVENUES OVER EXPENSES	(106,490)	(70,443)	583,978
TRANSFER OF UNCONDITIONAL GRANT	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>
ANNUAL SURPLUS (DEFICIT)	<u>\$ (66,490)</u>	(30,443)	623,978
ACCUMULATED SURPLUS, beginning of year		<u>1,603,563</u>	<u>979,585</u>
ACCUMULATED SURPLUS, end of year		\$ 1,573,120	\$ 1,603,563

See accompanying notes to financial statements.

THE CORPORATION OF THE VILLAGE OF ASHCROFT
STATUTORY RESERVE FUND
STATEMENT OF FINANCIAL POSITION
December 31, 2014

FINANCIAL ASSETS

	Machinery and Equipment Replacement Reserve	Capital Works Reserve	Total 2014	Total 2013
Investments in pooled bond funds	\$ 112,695	\$ 438,698	\$ 551,393	\$ 537,500
Due (to) from General Revenue Fund	<u>(31,032)</u>	<u>564,711</u>	<u>533,679</u>	<u>319,465</u>
	<u>\$ 81,663</u>	<u>\$ 1,003,409</u>	<u>\$ 1,085,072</u>	<u>\$ 856,965</u>

RESERVES

BALANCE, beginning of year	<u>\$ 50,511</u>	<u>\$ 806,454</u>	<u>\$ 856,965</u>	<u>\$ 704,927</u>
REVENUE: Interest earned	<u>1,765</u>	<u>12,127</u>	<u>13,892</u>	<u>7,383</u>
TRANSFERS: (To) General Revenue	(33,713)	-	(33,713)	(103,119)
From General Revenue	<u>63,100</u>	<u>184,828</u>	<u>247,928</u>	<u>247,774</u>
	<u>29,387</u>	<u>184,828</u>	<u>214,215</u>	<u>144,655</u>
BALANCE, end of year	<u>\$ 81,663</u>	<u>\$ 1,003,409</u>	<u>\$ 1,085,072</u>	<u>\$ 856,965</u>

See accompanying notes to financial statements.