
JUMBO GLACIER MOUNTAIN RESORT MUNICIPALITY

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

JUMBO GLACIER MOUNTAIN RESORT MUNICIPALITY

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2018

TABLE OF CONTENTS

Management's Responsibility for Financial Reporting	2
Independent Auditor's Report	3-4
Financial Statements	
Statement of Financial Position	5
Statement of Operations	6
Statement of Changes of Cash Flows	7
Statement of Changes in Net Financial Assets	8
Summary of Significant Accounting Policies	9-11
Notes to Financial Statements	12-15
Operations by Segment – Schedule I	16

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To Mayor and Council:

In accordance with Section 814 of the Local Government Act and Section 167 of the Community Charter, I am pleased to submit the 2018 financial statements for the Jumbo Glacier Mountain Resort Municipality, together with the report of our auditor, BDO Canada LLP.

The preparation of the financial statements and schedules is the responsibility of the Municipality's management. The statements have been prepared in accordance with Canadian generally accepted accounting principles for governments in the Province of British Columbia. These principles are based upon recommendations of the Public Sector Accounting Board ("PSAB") of CPA Canada.

Financial statements are not precise since they include certain amounts based on estimates and judgements. 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 Municipality 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 Municipality's assets are appropriately accounted for and adequately safeguarded.

The Mayor and Council are responsible for ensuring that management fulfills their responsibilities for financial reporting and are ultimately responsible for reviewing and approving the financial statements.

The financial statements have been audited by BDO Canada LLP Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards on behalf of the taxpayers. The auditor's report expresses their opinion on these financial statements. The auditor has full and free access to the accounting records.



Karen Sharp
Acting Chief Financial Officer

February 19, 2019

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of the Jumbo Glacier Mountain Resort Municipality

We have audited the accompanying financial statements of the Jumbo Glacier Mountain Resort Municipality, which comprise the statement of financial position as at December 31, 2018, and the statements of operations, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Municipality 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 these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Municipality'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 Municipality or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report (Continued)

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 Municipality'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 Municipality's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Municipality to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

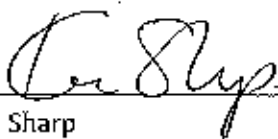
BDO Canada LLP

Chartered Professional Accountants

Cranbrook, BC
February 19, 2019

JUMBO GLACIER MOUNTAIN RESORT MUNICIPALITY
STATEMENT OF FINANCIAL POSITION

December 31	2018	2017
Financial assets		
Cash (Note 1)	\$ 302,256	\$ 262,921
Accounts receivable (Note 2)	940	1,022
	<u>303,196</u>	<u>263,943</u>
Liabilities		
Accounts payable (Note 3)	5,399	6,094
Net financial assets	297,797	257,849
Non-financial assets (Note 4)		
Tangible capital assets (Note 5)	177,020	181,446
Prepaid expenses	987	8,749
	<u>178,007</u>	<u>190,195</u>
Accumulated surplus	\$ 475,804	\$ 448,044



Karen Sharp
Acting Chief Financial Officer

JUMBO GLACIER MOUNTAIN RESORT MUNICIPALITY
STATEMENT OF OPERATIONS

For the year ended December 31	2018	2018	2017
	Budget	Actual	Actual
Revenues			
Taxation	\$ 5,000	\$ 5,000	\$ 5,000
Government transfers (Note 6)	250,000	55,125	52,500
Fees, permits & penalties	-	2,005	2,823
Investment income	1,000	2,148	1,794
	<u>256,000</u>	<u>64,278</u>	<u>62,117</u>
Expenses (Note 7)			
Council services	22,100	8,201	8,611
Administration & office services	90,100	28,219	31,268
Development services	24,765	98	1,874
	<u>136,965</u>	<u>36,518</u>	<u>41,753</u>
Annual surplus	119,035	27,760	20,364
Accumulated surplus, beginning of year	448,044	448,044	427,680
Accumulated surplus, end of year	<u>\$ 567,079</u>	<u>\$ 475,804</u>	<u>\$ 448,044</u>

**JUMBO GLACIER MOUNTAIN RESORT MUNICIPALITY
STATEMENT OF CHANGES IN CASH FLOW**

For the year ended December 31

2018

2017

Cash provided by (Used in):

Operating transactions

Annual surplus	\$	27,760	\$	20,364
Non-cash items included in annual surplus:				
Amortization expense		4,426		4,447
Change in non-cash operation items:				
Increase (decrease) in accounts receivable		82		1,243
Decrease (increase) in prepaids		7,762		2,059
Increase (decrease) in accounts payable		(695)		(2,074)
		<u>39,335</u>		<u>26,039</u>
Net change in cash		39,335		26,039
Cash, beginning of year		262,921		236,882
Cash, end of year	\$	<u>302,256</u>	\$	<u>262,921</u>

JUMBO GLACIER MOUNTAIN RESORT MUNICIPALITY
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

For the year ended December 31	2018	2018	2017
	Budget	Actual	Actual
Annual surplus	\$ 119,035	\$ 27,760	\$ 20,364
Amortization expense	7,000	4,426	4,447
Acquisition of prepaid expenses	-	7,762	(2,059)
Change in net financial assets for the year	126,035	39,948	26,870
Net financial assets, beginning of year	257,849	257,849	230,979
Net financial assets, end of year	\$ <u>383,884</u>	\$ <u>297,797</u>	\$ <u>257,849</u>

**JUMBO GLACIER MOUNTAIN RESORT MUNICIPALITY
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Jumbo Glacier Mountain Resort Municipality ("JGMRM") was incorporated on February 19th, 2013 under the Local Government Act, a statute of the Provincial Government of British Columbia, and its principal activities include the provision of local government services.

Basis of Presentation:

JGMRM follows accounting principles generally accepted for British Columbia municipalities and applies such principles consistently. The financial statements have been prepared using the guidelines issued by the Public Sector Accounting Board ("PSAB") of CPA Canada.

Reporting Entity:

The financial statements include the assets, liabilities, revenues, and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Municipality. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Municipality. The controlled organizations are after adjusting their accounting policies to a basis consistent with the accounting policies of the Municipality. Inter-fund and inter-company balances and transactions have been eliminated. Currently there are no controlled organizations to be included.

Reserve Funds:

The statutorily restricted reserve is a reserve restricted by the province in accordance with the Community Charter. The legislation defines the funding source for the reserve and its usage.

Government Transfers:

Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

Revenue and Expenses Recognition:

Unrestricted revenues, which include taxation revenues, fees, rates and sales of service and penalties levied on late-paid taxes, are recognized under the accrual basis when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Expenses are recognized when goods or services have been received.

**JUMBO GLACIER MOUNTAIN RESORT MUNICIPALITY
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Restricted and Deferred Revenue:

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.

Tangible Capital Assets:

Purchased or constructed tangible capital assets are recorded at cost. The cost of a tangible capital asset includes the purchase price and other acquisition costs such as installation costs, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation, insurance costs and duties. Tangible capital assets donated are recorded at fair value at the date of the contribution. Infrastructure which is contributed by developers is recorded at fair market value.

Tangible capital asset expenditures exceeding the following thresholds per major category are capitalized. Amortization is provided on a straight-line basis over their estimated useful lives, as follows:

Asset	Threshold*	Useful Life
Land	All	n/a
Land improvements	\$50	15 - 50 years
Buildings and other structures	\$50	10 - 75 years
Furniture, equipment, and technology	\$50	3 - 50 years
Motor vehicles	\$50	5 - 20 years
Infrastructure assets		
Transportation	\$50	10 - 100 years
Water	\$50	10 - 100 years
Sanitary sewer	\$50	10 - 100 years
Storm sewer	\$50	10 - 100 years

* Threshold values will be reviewed annually.

Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset and enhance the service potential of tangible capital assets are capitalized.

When a tangible capital asset no longer contributes to the Municipality's ability to provide services, its carrying amount is written down to its residual value with no reversals of such write downs in subsequent periods. Deferred capital contributions associated with tangible capital assets that have been written down are recognized as revenue if all restrictions have been complied with.

**JUMBO GLACIER MOUNTAIN RESORT MUNICIPALITY
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Use of Estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates. Adjustments, if any, are reflected in the financial statements in the period of settlement.

JUMBO GLACIER MOUNTAIN RESORT MUNICIPALITY
NOTES TO FINANCIAL STATEMENTS

1. Cash

	2018	2017
Cash and cash equivalents	\$ 88,358	\$ 105,669
Community Works fund (Note 7)	<u>213,898</u>	<u>157,252</u>
	<u>\$ 302,256</u>	<u>\$ 262,921</u>

2. Accounts receivable:

	2018	2017
Federal government	\$ 921	\$ 1,005
Tax receivable	<u>19</u>	<u>17</u>
	<u>\$ 940</u>	<u>\$ 1,022</u>

3. Accounts payable:

	2018	2017
Regional government	\$ 149	\$ 94
Other payable	<u>5,250</u>	<u>6,000</u>
	<u>\$ 5,399</u>	<u>\$ 6,094</u>

4. Non-financial assets:

Tangible capital assets and other non-financial assets are accounted for as assets by the government because they can be used to provide government services in future periods. These assets do not normally provide resources to discharge the liabilities of the government unless they are sold.

JUMBO GLACIER MOUNTAIN RESORT MUNICIPALITY
NOTES TO FINANCIAL STATEMENTS

5. Tangible capital assets:

For the year ended December 31, 2018

	Transportation	Furniture Equipment Technology	Total
Cost			
Opening balance	\$ 199,149	\$ 106	\$ 199,255
Closing balance	<u>199,149</u>	<u>106</u>	<u>199,255</u>
Accumulated amortization			
Opening balance	17,703	106	17,809
Add: Amortization	<u>4,426</u>	<u>-</u>	<u>4,426</u>
Closing balance	<u>22,129</u>	<u>106</u>	<u>22,235</u>
Net book value, end of year	<u>\$ 177,020</u>	<u>\$ -</u>	<u>\$ 177,020</u>

For the year ended December 31, 2017

	Transportation	Furniture Equipment Technology	Total
Cost			
Opening balance	\$ 199,149	\$ 106	\$ 199,255
Closing balance	<u>199,149</u>	<u>106</u>	<u>199,255</u>
Accumulated amortization			
Opening balance	13,278	84	13,362
Add: Amortization	<u>4,425</u>	<u>22</u>	<u>4,447</u>
Closing balance	<u>17,703</u>	<u>106</u>	<u>17,809</u>
Net book value, end of year	<u>\$ 181,446</u>	<u>\$ -</u>	<u>\$ 181,446</u>

JUMBO GLACIER MOUNTAIN RESORT MUNICIPALITY
NOTES TO FINANCIAL STATEMENTS

6. Community Works fund:

	2018		2017
Opening balance	\$ 157,252	\$	103,710
Contributions from Union of BC Municipalities	55,125		52,500
Interest	1,521		1,042
	<u>\$ 213,898</u>	<u>\$</u>	<u>157,252</u>

7. Expense by object:

	2018		2017
Administration	\$ 4,642	\$	5,372
Council expenses	8,201		8,611
Goods and services	19,249		23,323
Amortization	4,426		4,447
	<u>\$ 36,518</u>	<u>\$</u>	<u>41,753</u>

8. Segment disclosure:

The JGMRM has identified the General Government and Planning and Development Services as distinguishable activities of the Municipality. The nature and activities of these identified segments are as follows:

The General Government function provides for the ongoing daily operations for the Municipality.

The Planning and Development function includes land use and zoning processes.

9. Statement of Remeasurement Gains and Losses:

There are no investments within the organization which capture gains or losses thus a Statement of Remeasurement Gains and Losses has not been included.

JUMBO GLACIER MOUNTAIN RESORT MUNICIPALITY
NOTES TO FINANCIAL STATEMENTS

10. Budget:

The Budget adopted by Council on April 17, 2018 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$ zero. In addition, the budget recognized a revenue item equal to the budgeted amortization expense. As a result, the budget figures presented in the statements of operations and net financial assets (debt) represent the Budget adopted by Council on April 17, 2018 with adjustments as follows:

	2018
Budgeted surplus for the year	\$ -
Less:	
Net transfers to reserves	<u>119,035</u>
	\$ <u>119,035</u>

JUMBO GLACIER MOUNTAIN RESORT MUNICIPALITY
OPERATIONS BY SEGMENT – SCHEDULE I

For the year ended December 31, 2018

	General Government	Development Services	2018	2018 Budget
Revenue				
Taxation	\$ 5,000	\$ -	\$ 5,000	\$ 5,000
Government transfers	55,125	-	55,125	250,000
Fees, permits, & penalties	-	2,005	2,005	-
Investment income	2,148	-	2,148	1,000
	<u>62,273</u>	<u>2,005</u>	<u>64,278</u>	<u>256,000</u>
Expenses				
Administration	4,642	-	4,642	35,000
Council expenses	8,201	-	8,201	22,100
Goods and services	19,151	98	19,249	72,865
Amortization	4,426	-	4,426	7,000
	<u>\$ 36,420</u>	<u>\$ 98</u>	<u>\$ 36,518</u>	<u>\$ 136,965</u>

For the year ended December 31, 2017

	General Government	Development Services	2017	2017 Budget
Revenue				
Taxation	\$ 5,000	\$ -	\$ 5,000	\$ 5,000
Government transfers	52,500	-	52,500	250,000
Fees, permits, & penalties	-	2,823	2,823	-
Investment income	1,794	-	1,794	1,000
	<u>59,294</u>	<u>2,823</u>	<u>62,117</u>	<u>256,000</u>
Expenses				
Administration	5,160	212	5,372	35,000
Council expenses	8,611	-	8,611	22,100
Goods and services	21,661	1,662	23,323	72,865
Amortization	4,447	-	4,447	7,000
	<u>\$ 39,879</u>	<u>\$ 1,874</u>	<u>\$ 41,753</u>	<u>\$ 136,965</u>