



CORPORATION OF THE VILLAGE OF POUCE COUPE

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ANNUAL REPORT 2011

An Open Letter to the Citizens of Pouce Coupe from Mayor Larry Fynn

January 16, 2011

On behalf of Council, I would like to take this opportunity to thank the citizens of Pouce Coupe for their support as we enter our first year of the election term.

Council operates under the guidance of our MISSION STATEMENT as follows:

Council aims to develop the Village of Pouce Coupe as a friendly, safe, and affordable place to live; maintaining small town values while providing opportunities for growth. We strive to respect the needs of our citizens.

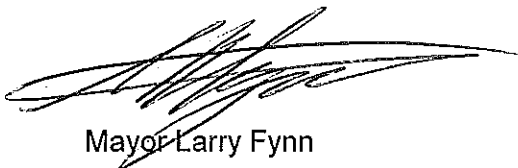
Councils' goal is to put the Village in a position to benefit from this upcoming time of prosperity in the Peace River Region. We wanted to take advantage of the times by encouraging residential and commercial development in the Village. The previous Councils have done a very good job in positioning us by securing the new school, library, and community centre for the Village. They have developed industrial land and sold all but one property, and also developed the Pederson subdivision in the interest of bringing more families into the Village.

The 2011 capital budget major projects has us completing a new Water reservoir and valves critical to completion, road upgrades, and updating the Official Community Plan and Zoning Bylaw.

As reported in the annual Audit, Pouce Coupe is in a sound financial position.

The Peace River Haven will be shutting its doors in 2012/2013, whenever the new facility is opened in Fort St. John. Council will be working with the Northern Health authority to ensure that the de-commissioning of that facility will be managed in a manner that is in the best interest of the Village. The Village is seeking opportunities for future development and the vacant Care Home is one example.

Council is very open to hear the ideas of the constituency. Your thoughts and suggestions are welcome. Thank you to all those who are attending the Council meetings. Please feel free to contact myself or any Council member if you have any concerns, so that we may address them promptly and effectively. Council encourages the public to get involved in your community. Your involvement is what makes our Village a Community.



Mayor Larry Fynn

AUDITED FINANCIAL STATEMENTS

Copies of the audited financial statements are available at the Municipal office, located at 5011-49th Avenue, Pouce Coupe, BC.

STATEMENT OF PROPERTY TAX EXEMPTIONS

In accordance with Section 98 (2) (b) of the Community Charter, the following properties in the Village of Pouce Coupe were provided permissive property tax exemptions by the Council in 2010:

Legal Description	Civic Address	Organization	Value of Permissive Exemption
Lot 9, Block 2, Section 32, Township 77, Range 14, W6M, PRD	5000-48 th Avenue	Senior Citizen's Association of BC	\$ 780.83
Lot 22, Block 6, Plan 2252 Section 32, Township 77 Range 14, W6M, PRD	4919-48 th Avenue	Anglican Synod Diocese of Caledonia	\$351.74
Lot A, Plan PGP48604 Section 32, Township 77 Range 14, W6M, PRD	5000-49 th Avenue	Pouce Coupe Community Church	\$1,103.05

PROGRESS REPORT RESPECTING 2010 MUNICIPAL SERVICES AND OPERATIONS

CEMETARY/COLUMBARIUM:

Objective: Enhance the appearance of the cemetery, Columbarium plans being completed

Status: The perimeter fence was repainted, walkways neatened, and regular grass cutting maintenance was carried out. All manageable sunken grave stones were lifted and adjusted. Map was updated.

ECONOMIC DEVELOPMENT:

Objective: To encourage growth in residential neighborhoods.

Status: Lots throughout the community are being sold and developed.

Objective: To ensure there are positive uses for the Pouce Coupe Care Home and Haven

Status: Ongoing discussions.

Objective: To ensure there are plans in place for future development of the Village.

Status: The Zoning Bylaw and Official Community Plan are currently under review

EMERGENCY SERVICES:

Objective: To prepare for an emergency or disaster.
Status: Emergency Plan currently under review to ensure it meets with new legislation and current resources.

FINANCE:

Objective: To reduce outstanding lease payments.
Status: Purchased grader and tractor remaining lease balances. The only lease remaining is the Backhoe.

Objective: To become compliant with PSAB 190 requirements.
Status: Tangible Capital Asset Assessment project in progress.

PROTECTIVE SERVICES:

Objective: To ensure our Fire Protection Services resources are current to respond to emergencies in the Village and Regional District.
Status: Ongoing recruitment for Fire Chief and volunteers.

Objective: To ensure our Volunteer firefighters have the necessary equipment to fight fires with minimum risk to personal safety.
Status: Ongoing purchase of equipment ensuring safety.

PUBLIC WORKS:

Objective: To maintain roadways in the interest of safety and aesthetics.
Status: Paving plan for selected roads.

Objective: To maintain fleet in the interest of safety and cost effectiveness.
Status: Not required at this time.

RECREATION AND CULTURE:

Objective: To upgrade Community Centre amenities
Status: Promote renting opportunities

Objective: To add the technology of solar panels to the Community Centre complex
Status: Completed.

Objective: To increase the size of the sewer holding tank at Pouce Park.
Status: Ongoing.

SEWER FACILITY:

Objective: To improve the sewer collection system.
Status: Replace as needed.

WATER FACILITY:

Objective: To improve the water distribution system with the creation of a new reservoir system by engineered design.
Status: Completed.

DECLARATION AND IDENTIFICATION OF DISQUALIFIED COUNCIL MEMBERS

None

STATEMENT OF MUNICIPAL OBJECTIVES FOR 2011**ECONOMIC DEVELOPMENT:**

Objective: To encourage growth in residential areas.
Strategy: To market and sell the residential lots in the Pederson subdivision.
Measures: Increase in number of ratepayers in the Village.

Objective: To ensure there are positive uses for the Pouce Coupe Care Home and Haven
Strategy: To work with the Northern Health Authority and developers in finding uses for the buildings.
Measures: Positive alternative uses for the buildings.

EMERGENCY SERVICES:

Objective: To prepare for an emergency or disaster.
Strategy: Provide training for the Emergency Operations Team.
Measures: A prepared Emergency Operations Team in place.

FINANCES:

Objective: To eliminate the final lease payment.
Strategy: Purchase outstanding lease payment for the Backhoe.
Measures: Equipment purchased, no more lease payments.

PROTECTIVE SERVICES:

Objective: To ensure our Volunteer firefighters have the necessary equipment to fight fires with minimum risk to personal safety.
Strategy: Purchase required gear.
Measures: New personal protective gear purchased, and training equipment.

PUBLIC WORKS:

Objective: To maintain roadways in the interest of safety and aesthetics.
Strategy: Pave roads, maintain roadways, and add/replace street signs as required.
Measures: Safe and attractive roadways.

RECREATION AND CULTURE:

Objective: To maintain the museum facility.
Strategy: Invest in the building upkeep.
Measures: The existence of an attractive asset in the community.

STATEMENT OF MUNICIPAL OBJECTIVES FOR 2012**ECONOMIC DEVELOPMENT:**

Objective: To encourage commercial and business opportunities.
Strategy: To promote Village through advertising and through the Dawson Creek Chamber of Commerce etc.
Measures: To increase interest and generate more inquiries.

EMERGENCY SERVICES:

Objective: To ensure public safety in the event of an emergency.
Strategy: Review Emergency Plan on a regular basis for changes to venues or resources.
Measures: Ongoing monitoring of the Emergency Plan to ensure it is current and accurate.

PROTECTIVE SERVICES:

Objective: To ensure safety of residents
Strategy: Investigate means of education for the driving public to slow down and drive responsibly.
Measures: Fewer issues with incidents and tickets involving the R.C.M.P.

PUBLIC WORKS:

Objective: To ensure equipment is working properly.
Strategy: Exchange and/or maintain water valves.
Measures: Fewer issues with residents regarding water shut off problems.

WATER FACILITY:

Objective: To ensure residents enjoy clean safe drinking water.
Strategy: Continue ongoing discussions with the City of Dawson Creek.
Measures: Residents appreciation and acknowledgment of systems.

RECREATION AND CULTURE:

Objective: To maintain facility at Pouce Park for desired bookings.
Strategy: Keep grounds and entrance well cared for.
Measures: Increased guests at Pouce Park.

Objective: To improve Pouce Coupe Community Centre
Strategy: Purchase new equipment and replace existing equipment, as needed.
Measures: Increased bookings based on word of mouth and other.

FINANCE:

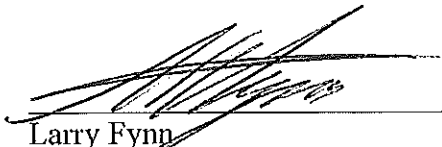
Objective: To reduce spending on capital items.
Strategy: Ongoing maintenance and care of equipment in Village Office and Public Works shop and yards.
Measures: Spending down on office supplies, furniture and equipment at public works.

OTHER INFORMATION

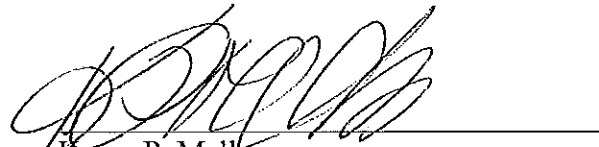
None

APPROVAL

The 2010 Annual Report was approved at the Regular meeting of Council, June 21, 2010.



Larry Fynn
 Mayor
 Village of Pouce Coupe, BC



Karen P. Mellor
 Chief Administrative Officer
 Village of Pouce Coupe, BC

**THE CORPORATION OF THE
VILLAGE OF POUCE COUPE**

**Consolidated Financial Statements
Year Ended December 31, 2010
and Independent Auditors' Report**

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CHARTERED ACCOUNTANTS

Partners

- * Ben Sander, B. Comm., C.A.
- * Dale J. Rose, C.A.
- * Alan Bone, B. Comm., C.A.
- * Jason Grindle, B. Comm., C.A.

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1.

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of The Corporation of the Village of Pouce Coupe

Report on the Financial Statements

We have audited the accompanying consolidated statements of The Corporation of the Village of Pouce Coupe, which comprise the consolidated statement of financial position as at December 31, 2010 and the consolidated statements of operations and cash flow and changes in net financial assets 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 misstatement, 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 generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

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 auditors' 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 consolidated 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 financial position of The Corporation of the Village of Pouce Coupe as at December 31, 2010 and its financial performance and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Dawson Creek, BC
May 17, 2011

Sander Rose Bone Grindle LLP
Chartered Accountants



Member, Chartered Accountants of British Columbia

* Denotes Professional Corporations

THE CORPORATION OF THE VILLAGE OF POUCE COUPE
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 DECEMBER 31, 2010

2.

	2010	2009 (restated)
Financial Assets		
Cash and investments (Note 2)	\$ 1,390,608	\$ 2,150,797
Receivables (Note 3)	1,134,148	170,806
	2,524,756	2,321,603
Liabilities		
Payables (Note 4)	233,107	22,087
Deferred revenue	-	6,800
Capital lease obligations (Note 5)	48,679	63,535
	281,786	92,422
Net Financial Assets	2,242,970	2,229,181
Non-Financial Assets		
Prepaid expenses	5,691	9,814
Deferred charges (Note 6)	51,486	54,346
Property held for resale (Note 7)	49,494	272,218
Tangible capital assets (Note 8)	12,070,833	10,473,260
	12,177,504	10,809,638
Accumulated Surplus (Note 9)	\$ 14,420,474	\$ 13,038,819

See accompanying notes to consolidated financial statements

Approved by



Ralph Gillis,
 Acting Chief Administrative Officer

THE CORPORATION OF THE VILLAGE OF POUCE COUPE
CONSOLIDATED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2010

3.

	2010 Actual	2010 Budget (unaudited)	2009 Actual (restated)
Revenue			
Net municipal property taxes (Note 10)	\$ 324,172	\$ 315,084	\$ 338,253
Grants in lieu of taxes	16,911	16,045	15,151
Sale of services	43,022	39,981	42,572
Other revenue from own sources	130,256	80,848	115,994
Government transfers (Note 11)	2,218,545	2,298,848	2,202,411
Return on investments	56,505	58,000	27,619
Utility fees	188,370	198,959	198,945
Proceeds from sale of property held for resale	263,311	150,000	-
Gain on disposal of tangible capital assets	1,600	-	-
	3,242,692	3,157,765	2,940,945
Expenditures			
General government services	630,507	351,747	411,291
Protective services	122,923	62,349	79,720
Transportation services	350,441	198,044	359,897
Environmental health services	31,808	36,987	34,951
Environmental development services	21,869	22,130	11,117
Recreational and cultural services	314,305	194,700	262,534
Water and sewer utility charges	389,184	250,315	332,749
	1,861,037	1,116,272	1,492,259
Annual Surplus	1,381,655	2,041,493	1,448,686
Accumulated Surplus, beginning of year, as previously reported	13,038,819	13,038,819	12,900,414
Prior period adjustment (Note 12)	-	-	(1,310,281)
Accumulated Surplus, beginning of year, as restated	13,038,819	13,038,819	11,590,133
Accumulated Surplus, end of year (Note 9)	\$ 14,420,474	\$ 15,080,312	\$ 13,038,819

See accompanying notes to consolidated financial statements

THE CORPORATION OF THE VILLAGE OF POUCE COUPE
CONSOLIDATED STATEMENT OF CASH FLOW
YEAR ENDED DECEMBER 31, 2010

4.

	2010	2009 (restated)
Operating Activities		
Annual surplus	\$ 1,381,655	\$ 1,448,686
Add (deduct) non-cash items:		
Amortization of tangible capital assets	391,263	359,880
Gain on disposal of tangible capital assets	(1,600)	-
	1,771,318	1,808,566
(Increase) decrease in receivables	(963,342)	252,486
Decrease (increase) in prepaid expenses	4,123	(2,760)
Decrease (increase) in deferred charges	2,860	(54,346)
Decrease (increase) in property held for resale	222,724	(183,958)
Increase (decrease) in payables	211,020	(23,767)
(Decrease) increase in deferred revenue	(6,800)	6,800
Net Cash from Operations	1,241,903	1,803,021
Financing Activities		
Capital lease principal repayment	(14,856)	(75,201)
Net Cash from Financing	(14,856)	(75,201)
Investing Activities		
Proceeds on disposal of tangible capital assets	1,600	-
Purchase of tangible capital assets	(1,988,836)	(1,562,406)
Net Cash from Investing	(1,987,236)	(1,562,406)
Change in Cash and Investments	(760,189)	165,414
Cash and Investments, beginning of year	2,150,797	1,985,383
Cash and Investments, end of year	\$ 1,390,608	\$ 2,150,797

See accompanying notes to consolidated statements

THE CORPORATION OF THE VILLAGE OF POUCE COUPE
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED DECEMBER 31, 2010

5.

	2010	2009 (restated)
Annual surplus	\$ 1,381,655	\$ 1,448,686
Amortization of tangible capital assets	391,263	359,880
Gain on disposal of tangible capital assets	(1,600)	-
Decrease (increase) in prepaid expenses	4,123	(2,761)
Decrease (increase) in deferred charges	2,860	(54,346)
Decrease (increase) in property held for resale	222,724	(183,958)
Proceeds on disposal of tangible capital assets	1,600	-
Purchase of tangible capital assets	(1,988,836)	(1,562,406)
Change in Net Financial Assets	13,789	5,095
Net Financial Assets, beginning of year	2,229,181	2,224,086
Net Financial Assets, end of year	\$ 2,242,970	\$ 2,229,181

See accompanying notes to consolidated statements

General

The Village of Pouce Coupe is incorporated under the provisions of the British Columbia Local Government Act. Its principle activities include the provision of local government services to the residents of the incorporated area.

1 Significant Accounting Policies

The consolidated financial statements of The Corporation of the Village of Pouce Coupe are the representations of management and have been prepared in accordance with Canadian Public Sector Accounting Standards as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The significant accounting policies are as follows:

a) Basis of Presentation

Previous year's amounts have been restated to conform to the current year's presentation.

b) Basis of Consolidation

The consolidated financial statements reflect a combination of the Village's Operating Fund; Capital Fund and Reserve Fund. These funds are used as follows:

Operating Fund - This fund accounts for general, water and sewer utility operating activities and administration functions of the Village.

Capital Fund - This fund is used to account for the capital assets of the Village along with all offsetting debt and capital lease obligations used to finance those assets.

Reserve Fund - This fund accounts for the assets held for future use or specific purposes set out by the Village's bylaws or statutory restrictions of the British Columbia Local Government Act.

c) Financial Instruments

The Village's financial instruments consist of cash and investments, receivables, payables and capital lease obligations. Unless otherwise noted, it is management's opinion that the Village is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

d) Use of Estimates

These financial statements have been prepared in accordance with accounting practices generally accepted in Canada. In preparing these financial statements management has made estimates and assumptions that affect the amounts reported. Significant estimates include assumptions made to establish the historical cost and useful life of tangible capital assets in order to adopt Section PS 3150, Tangible Capital Assets, of the Public Sector Accounting Board handbook. Actual results could differ from those estimates.

e) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, accumulated surplus, revenues and expenditures, annual surplus, cash flows and changes in net financial assets of the reporting entity, being The Corporation of the Village of Pouce Coupe. The statements exclude trust assets that are administered for the benefit of external parties.

f) Basis of Accounting

The Village follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues, and expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

g) Government Transfers

Government transfers are recognized in the financial statements as revenue in the period that the events giving rise to the transfer occurred, providing all eligibility criteria has been met by the Municipality, and reasonable estimates of the amounts can be made.

h) Investments

Investments consist of funds invested in the Municipal Finance Authority of British Columbia, Money Market Fund, and are recorded at cost. The rates of return change daily. As at December 31, 2010 the Village's investments in the Money Market Fund were \$842,146.

i) Appropriated Surplus (Reserve for Future Expenditures)

Periodically Council sets aside a portion of general operating surplus, called the Reserve for Future Expenditures, to fund future operating and capital expenditures.

j) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Village 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 Village unless they are sold.

k) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all charges directly attributable to place the asset in its intended location and condition for use. Interest on debt during the construction period of a capital project is not capitalized. 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:

k) Tangible Capital Assets (continued)

	<u>Useful life - years</u>
Land improvements	10-25
Buildings and structures	20-80
Machinery and equipment	5-20
Roads and sidewalks	25-65
Storm drainage	80
Water and sewer infrastructure	80

Amortization in the year of acquisition starts on the first day of the month following purchase or construction completion, providing the asset is in use. Assets under construction are not amortized until the asset is available for use.

l) Change in Accounting Policy

Effective January 1, 2010, the Village of Pouce Coupe adopted Section PS 3150, Tangible Capital Assets, of the Public Sector Accounting Board handbook. Section PS 3150 requires municipalities to record and amortize their tangible capital assets over their estimated useful lives. In prior years, tangible capital asset additions were expensed in the year of acquisition or construction. In order to adopt Section PS 3150, the Village had to retroactively adjust the historical cost of its tangible capital assets and record accumulated amortization for prior years. These adjustments have been reported as a prior period adjustment to accumulated surplus which is explained in Note 12 to the consolidated financial statements.

The cost of tangible capital assets includes both actual and estimated historical cost. When historical cost records were not available, other methods were used to estimate the historical cost which included using discounted replacement cost.

m) Budget Presentation

The budget approved in May 2010 is presented in the financial statements, any subsequent amendments have not been included.

n) Segment Disclosure

The Village has presented segmented financial information for groups of distinguishable activities in Note 15 to the consolidated financial statements. These segments are identified primarily by function and are consistent with commonly used financial reporting done by other municipalities.

o) Trust Funds

The Village holds trust funds under British Columbia law for the purposes of maintaining a public cemetery. These funds are excluded from the consolidated statement of financial position and was comprised of the following:

	Opening Balance	Interest Earned	Plot/Marker Sales	Closing Balance
Cemetery Trust	\$ 14,588	\$ 385	\$ 430	\$ 15,403

THE CORPORATION OF THE VILLAGE OF POUCE COUPE
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2010

2 Cash and Investments

	2010	2009
Cash and bank	\$ 548,462	\$ 39,629
<i>MFA investments</i>		
Operating fund	556,889	1,801,753
Capital fund	173,264	200,304
Reserve fund	111,993	109,111
Total Cash and Investments	\$ 1,390,608	\$ 2,150,797

3 Receivables

	2010	2009
Trade and other receivables		
Federal Government - HST rebates	\$ 154,461	\$ 65,561
Provincial Government	841,002	-
General	7,745	1,497
Property taxes	63,555	34,743
Utilities	67,385	69,005
	\$ 1,134,148	\$ 170,806

4 Payables

	2010	2009
Trade and accrued liabilities	\$ 232,371	\$ 20,423
Vacation	736	1,664
	\$ 233,107	\$ 22,087

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2010

5 Capital Lease Obligations

The capital lease obligations relate to the purchase of a new backhoe in 2005, and a bucket attachment for the backhoe in 2006. The capital lease obligations are payable to MFA Leasing Corporation in monthly payments of \$1,108 including interest at 4.75%. The lease matures on May 28, 2011.

Future minimum lease payments due within the next year, assuming no change in terms or interest rates, are as follows:

2011	\$	48,679
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6 Deferred Charges

The deferred charges relate to improvements to lots in the Pederson Subdivision. These costs are being recovered through a local area service improvement tax over a 20 year term period beginning in 2009. The deferred charges are being expensed to operations over the same 20 year term.

	Opening Balance	Expensed	Balance 2010	Balance 2009
Deferred charges	\$ 54,346	\$ (2,860)	\$ 51,486	\$ 54,346

Property Held for Resale

	Opening Balance	Disposals & Adjustments	Additions	Balance 2010	Balance 2009
Property acquired for taxes subject to redemption	\$ -	\$ -	\$ 8,934	\$ 8,934	\$ -
Property acquired for taxes not subject to redemption	2,227	(1,836)	-	391	2,227
Allowance for loss	(2,227)	1,836	(8,934)	(9,325)	(2,227)
Improvements to property	272,218	(222,724)	-	49,494	272,218
	\$ 272,218	\$ (222,724)	\$ -	\$ 49,494	\$ 272,218

8 Tangible Capital Assets

	Cost	Accumulated Amortization	Net Book Value 2010	Net Book Value 2009
Land	\$ 759,341	\$ -	\$ 759,341	\$ 759,341
Land improvements	138,025	69,241	68,784	77,819
Buildings and structures	5,234,126	1,032,856	4,201,270	2,635,237
Machinery and equipment	1,860,087	966,229	893,858	637,841
Infrastructure				
Roads and sidewalks	3,840,538	1,556,137	2,284,401	2,386,024
Storm drainage	332,760	24,991	307,769	311,928
Water	2,366,718	559,573	1,807,145	1,524,263
Sewer	2,148,922	400,657	1,748,265	1,775,127
Work in progress	-	-	-	365,680
	\$ 16,680,517	\$ 4,609,684	\$ 12,070,833	\$ 10,473,260

THE CORPORATION OF THE VILLAGE OF POUCE COUPE
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2010

8 Tangible Capital Assets (continued)

	Opening Cost	Acquisitions	Disposals	Closing Cost 2010	Closing Cost 2009
Land	\$ 759,341	\$ -	\$ -	\$ 759,341	\$ 759,341
Land improvements	138,025	-	-	138,025	138,025
Buildings and structures	3,587,084	1,647,042	-	5,234,126	3,587,084
Machinery and equipment	1,551,797	395,655	(87,365)	1,860,087	1,551,797
Infrastructure					
Roads and sidewalks	3,840,538	-	-	3,840,538	3,840,538
Storm drainage	332,760	-	-	332,760	332,760
Water	2,054,899	311,819	-	2,366,718	2,054,899
Sewer	2,148,922	-	-	2,148,922	2,148,922
Work in progress	365,680	(365,680)	-	-	365,680
	\$ 14,779,046	\$ 1,988,836	\$ (87,365)	\$ 16,680,517	\$ 14,779,046

	Opening Accumulated Amortization	Annual Amortization	Disposals	Closing Accumulated Amortization 2010	Closing Accumulated Amortization 2009
Land improvements	\$ 60,206	\$ 9,035	\$ -	\$ 69,241	\$ 60,206
Buildings and structures	951,847	81,009	-	1,032,856	951,847
Machinery and equipment	913,956	139,638	(87,365)	966,229	913,956
Infrastructure					
Roads and sidewalks	1,454,514	101,623	-	1,556,137	1,454,514
Storm drainage	20,832	4,159	-	24,991	20,832
Water	530,636	28,937	-	559,573	530,636
Sewer	373,795	26,862	-	400,657	373,795
	\$ 4,305,786	\$ 391,263	\$ (87,365)	\$ 4,609,684	\$ 4,305,786

THE CORPORATION OF THE VILLAGE OF POUCE COUPE
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2010

9 Accumulated Surplus

	2010	2009 (restated)
Operating Fund Accumulated Surplus (Schedule 1)		
Appropriated Surplus		
Fire equipment	\$ 36,710	\$ 36,710
Municipal replacements	159,090	159,090
Recreation	56,371	56,371
Unpaid taxes	50,000	50,000
Office equipment	22,400	22,400
Municipal playgroups	49,242	49,242
Solid waste	7,708	7,708
Firefighting gear	15,607	25,234
Streets and lanes	521,673	521,673
Community works fund - gas tax	269,111	184,429
Museum building repairs	15,000	15,000
Library building repairs	10,000	10,000
Office building repairs	15,652	15,652
	1,228,564	1,153,509
Unappropriated Surplus		
General	232,898	688,660
Water	92,706	130,655
Sewer	295,584	346,855
	621,188	1,166,170
	1,849,752	2,319,679
Capital Fund Accumulated Surplus (Schedule 2)		
Reserves		
Water	24,045	11,282
Sewer	149,219	189,022
	173,264	200,304
Investment in Tangible Capital Assets		
General	6,143,668	6,172,203
Water	3,338,298	1,926,499
Sewer	2,540,188	2,311,023
	12,022,154	10,409,725
	12,195,418	10,610,029
Reserve Fund Accumulated Surplus (Schedule 3)		
Land sale	327,386	62,426
Recreation	5,791	5,642
Sewer utility	17,932	17,470
Water utility	24,195	23,573
	375,304	109,111
Accumulated Surplus	\$ 14,420,474	\$ 13,038,819

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2010

10 Net Municipal Property Taxes

	2010	2009
Municipal Property Taxes	\$ 318,573	\$ 339,421
Add: Requisitions collected on behalf of other taxing authorities		
Ministry of Finance - school taxes	204,200	187,220
- police tax	23,836	20,409
Peace River Regional District	55,130	52,985
Peace River Regional Hospital District	36,304	31,664
British Columbia Assessment Authority	4,354	3,702
Municipal Finance Authority	12	10
Total property taxes collected	642,409	635,411
Less: Requisitions paid out to other taxing authorities	(318,237)	(297,158)
Net Municipal Property Taxes	\$ 324,172	\$ 338,253

11 Government Transfers

	2010	2009
Provincial Government		
Small Communities Protection Grant	\$ 122,280	\$ 770,120
Community Works Funding	79,874	80,340
Infrastructure Grant	916,031	-
Building Canada Grant	174,166	-
Towns for Tomorrow Grant	50,000	400,000
Northern Development Initiative Trust Grant	45,000	35,000
Tourism Grant	-	16,967
Other	1,842	5,020
	1,389,193	1,307,447
Regional District		
Industrial Taxation Funds	750,236	719,011
Cemetery Grant	1,500	1,500
Fire Hall Floor Grant	-	100,000
Cultural Grant	45,655	45,704
Rural Fire Protection	27,761	24,849
	825,152	891,064
Federal Government		
Canada Day Grant	4,200	3,900
Total Government Transfers	\$ 2,218,545	\$ 2,202,411
Operational	\$ 1,128,348	\$ 1,685,444
Capital	1,090,197	516,967
Total Government Transfers	\$ 2,218,545	\$ 2,202,411

THE CORPORATION OF THE VILLAGE OF POUCE COUPE
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 2010

12 Prior Period Adjustment

As explained in Note 1 to the consolidated financial statements, The Corporation of the Village of Pouce Coupe adopted Section PS 3150, Tangible Capital Assets, of the Public Sector Accounting Board handbook. In order to adopt Section PS 3150, the Village had to retroactively adjust the cost of its tangible capital assets and record accumulated amortization for prior years. These retroactive adjustments have been reported as a prior period adjustment to accumulated surplus and are as follows:

	2009
Change in cost of tangible capital assets - prior to January 1, 2009	\$ 2,707,018
Change in accumulated amortization - prior to January 1, 2009	(4,017,299)
	\$ (1,310,281)

13 Pension Liability

The Corporation of the Village of Pouce Coupe and its employees contribute to the Municipal Pension Plan (the plan), a jointly-trusted 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 defined. The plan has about 163,000 active members and approximately 60,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2009 indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. The actuary does not attribute portions of the unfunded liability to individual employers. The Corporation of the Village of Pouce Coupe paid \$16,998 for employer contributions to the plan in fiscal 2010.

14 Contingent Liability

As of December 31, 2010, there is a claim against The Corporation of the Village of Pouce Coupe for damages to a residential lot in the Pederson Subdivision. The Village has made an offer to the property owner to settle the issue and a payable for this amount has been recorded in the financial statements. The outcome of this matter cannot be predicted at this time. Therefore, any settlement in excess of the amount offered will be recorded as a charge to annual surplus in the year incurred.

THE CORPORATION OF THE VILLAGE OF POUCE COUPE
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 YEAR ENDED DECEMBER 31, 2010

15 Segmented Information

	2010		2010		2010		2010		2010		2009	
	General Government	Protective Services	Transportation	Environmental Health	Environmental Development	Recreational and Cultural	Water and Sewer Utility	Unallocated	Actual	Budget (unaudited)	Actual	Actual
Revenue												
Net municipal property taxes (Note 10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,655	\$ 232,517	\$ 324,172	\$ 315,084	\$ 338,253	\$ 338,253
Grants in lieu of taxes	-	-	-	-	-	-	-	16,911	16,911	16,045	15,151	15,151
Sale of services	1,335	-	1,940	36,452	3,295	-	-	-	43,022	39,981	42,572	42,572
Other revenue from own sources	20,094	-	-	1,185	-	70,419	14,418	24,140	130,256	80,848	115,994	115,994
Government transfers (Note 11)	45,000	27,761	79,874	-	1,500	99,855	1,090,197	874,358	2,218,543	2,286,848	2,202,411	2,202,411
Return on investments	-	-	-	-	-	-	13,368	43,137	56,505	58,000	27,619	27,619
Utility fees	-	-	-	-	-	-	188,370	-	188,370	188,959	193,945	193,945
Proceeds from sale of property held for resale	263,311	-	-	-	-	-	-	-	263,311	150,000	-	-
Gain on disposal of tangible capital assets	-	1,600	-	-	-	-	-	-	1,600	-	-	-
	329,740	29,361	81,814	37,637	4,795	170,274	1,398,008	1,191,063	3,242,692	3,157,765	2,940,945	2,940,945
Expenses												
Amortization	12,615	57,983	154,223	-	1,077	91,886	79,479	-	391,263	-	359,890	359,890
Contracted and general services	172,417	34,116	26,379	31,808	20,792	213,000	5,052	-	503,564	463,206	416,663	416,663
Interest and bank charges	599	-	863	-	-	-	-	-	1,462	3,391	5,059	5,059
Material, goods, and supplies	41,312	20,024	87,218	-	-	9,419	162,533	-	320,506	217,713	215,322	215,322
Property held for resale	222,724	-	-	-	-	-	-	-	222,724	-	-	-
Salaries, wages and employee benefits	180,840	10,800	81,758	-	-	-	148,120	-	421,518	431,962	435,804	435,804
	630,507	122,923	350,441	31,808	21,869	314,305	369,184	-	1,861,037	1,116,272	1,492,259	1,492,259
Annual (Deficit) Surplus	\$ (300,767)	\$ (93,562)	\$ (268,627)	\$ 5,829	\$ (17,074)	\$ (144,031)	\$ 1,008,824	\$ 1,191,063	\$ 1,381,655	\$ 2,041,493	\$ 1,448,686	\$ 1,448,686



CHARTERED ACCOUNTANTS

Partners

- * Ben Sander, B. Comm., C.A.
- * Dale J. Rose, C.A.
- * Alan Bone, B. Comm., C.A.
- * Jason Grindle, B. Comm., C.A.

813 - 103rd AVENUE
 DAWSON CREEK, BC
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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Mayor and Council of the Corporation of the Village of Pouce Coupe

We have audited and reported separately herein on the consolidated financial statements of the Corporation of the Village of Pouce Coupe for the year ended December 31, 2010.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of the Village taken as a whole. The current year's supplementary information included in Schedules 1 through 3 is presented for the purposes of additional analysis. Such supplementary information has not been subjected to the auditing procedures applied in the examination of the consolidated financial statements and accordingly, we express no opinion on it.

Dawson Creek, BC
May 17, 2011

Sander Rose Bone Grindle LLP
Chartered Accountants



Member, Chartered Accountants of British Columbia

* Denotes Professional Corporations

**Village of Pouce Coupe
Statement of Financial Information (SOFI)**

Fiscal Year Ended December 31, 2010

SCHEDULE OF REMUNERATION AND EXPENSES

	Total Remuneration	Total Expenses
<u>1. Elected Officials</u>		
Lyman Clark Mayor	\$9,680.76	\$7,355.00
Peter Kut Councillor	\$6,292.85	\$124.50
Laura Hamann Councillor	\$3,792.85	\$62.50
Kenneth Drover Councillor	\$6,723.80	
Gordon Merrick Councillor	\$5,000.00	
	\$31,490.26	\$7,542.00
 <u>2. Detailed Employees Exceeding \$75,000</u>		
	\$ NIL	\$ NIL
<hr/>		
Total Detailed Employees Exceeding \$75,000	\$ NIL	\$ NIL
Total Employees Equal to or Less Than \$75,000	\$149,350	\$3,796.00
<hr/>		
Consolidated Total	\$180,840	\$3,796.00
 <u>3. Total per Statement of Revenue and Expenditure</u>		
	\$180,840	\$3,796.00

Prepared as required by Financial Information Regulation, Schedule 1, section 6

**Village of Pouce Coupe
Statement of Financial Information (SOFI)**

Fiscal Year Ended December 31, 2010

1. List of suppliers who received

BC HYDRO	31058.43
	31058.43

2. Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less

	484730.18
--	-----------

3. Total of payments to suppliers for grants and contributions exceeding \$25,000 or less

BIDDULPH EXCAVATING	297338.95
CITY OF DAWSON CREEK	69255.27
COMMUNITY FUTURES DEVELOPMENT CORP	35000.00
H.F. NODES CONSTRUCTION LTD	77679.00
HUB FIRE ENGINES & EQUIPMENT LTD	277588
MASS CONSTRUCTION	533875.
OPUS DAYTONKNIGHT CONSULTING LTD	108819
PEACE RIVER REGIONAL DISTRICT	58637
PEACE RIVER REGIONAL HOSPITAL DISTRICT	36410
POUCE COUPE LIBRARY	64110
POUCE COUPE MUSEUM & HISTORICAL SOCIETY	41412
PUMA ENERGY SOLUTIONS	47035
WESTERN TANK & LINING LTD	743738
	2390896.61

4. Reconciliation

Total of aggregate payments exceeding \$25,000 paid to suppliers	<u>\$31058.43</u>
Consolidated total of payments of \$25,000 or less paid to suppliers	<u>\$484730.18</u>
Consolidated totals of all grants ad contributions exceeding \$25,000	<u>\$2390896.61</u>
Total per Statement of Revenue and Expenditure	<u>\$2937729.98</u>

Prepared as required by Financial Information Regulation, Schedule 1, section 7

roll number	Permissive Property Description	Assessed Value	2010 Class	Tax Rate	taxes
66100	Anglican Synod Diocese	44300	6	7.94	351.74
506000	Pouce Coupe Community Church	2500	6	7.94	19.85
506000	Pouce Coupe Community Church	126100	8	8.59	1083.20
21901	Senior Citizens Assoc	90900	8	8.59	780.83

Juris Mill Description	
0	6 BUSINESS/OTHER
0	8 REC/NON-PROFIT
0	9 FARM

Jurisdiction: 0
Class: 6

Description: BUSINESS/OTHER

	Land Mill	Impr Mill	Land Parcel	Impr Parcel	Assess
Police Levy	0.964400	0.964400	0.00	0.00	
Basic School Levy	6.800000	6.800000	0.00	0.00	
Local School Levy	0.000000	0.000000	0.00	0.00	
General Municipal	8.145800	8.145800	0.00	0.00	
General Munic Debt.	0.000000	0.000000	0.00	0.00	
Munic Finance Auth	0.000500	0.000500	0.00	0.00	
Regional District	2.135800	2.135800	0.00	0.00	
Regional Hospital	1.468800	1.468800	0.00	0.00	
Assessment Auth.	0.198700	0.198700	0.00	0.00	
PRRD 911-Impr. On	0.000000	0.123600	0.00	0.00	
Second Tax	0.000000	0.000000	0.00	0.00	
Third Tax	0.000000	0.000000	0.00	0.00	
Fourth Tax	0.000000	0.000000	0.00	0.00	

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2010

Juris Mill Description	
0	8 REC/NON-PROFIT
0	9 FARM

Jurisdiction: 0

Class: 8

Description: REC/NON-PROFIT

	Land Mill	Impr Mill	Land Parcel	Impr Parcel	Assess
Police Levy	0.393600	0.393600	0.00	0.00	
Basic School Levy	3.500000	3.500000	0.00	0.00	
Local School Levy	0.000000	0.000000	0.00	0.00	
General Municipal	3.324800	3.324800	0.00	0.00	
General Munic Debt.	0.000000	0.000000	0.00	0.00	
Munic Finance Auth	0.000200	0.000200	0.00	0.00	
Regional District	0.871800	0.871800	0.00	0.00	
Regional Hospital	0.599500	0.599500	0.00	0.00	
Assessment Auth.	0.066400	0.066400	0.00	0.00	
PRRD 911-Impr. On	0.000000	0.050500	0.00	0.00	
Second Tax	0.000000	0.000000	0.00	0.00	
Third Tax	0.000000	0.000000	0.00	0.00	
Fourth Tax	0.000000	0.000000	0.00	0.00	



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Date: 12-Jan-2012
Requestor: (PE71161)
Folio:

TITLE SEARCH PRINT
VILLAGE OF POUCE COUPE
TITLE - BB300475

Time: 14:38:09
Page 001 of 002

PRINCE GEORGE LAND TITLE OFFICE TITLE NO: BB300475
FROM TITLE NO: BV453339

APPLICATION FOR REGISTRATION RECEIVED ON: 19 OCTOBER, 2007
ENTERED: 24 OCTOBER, 2007

REGISTERED OWNER IN FEE SIMPLE:

HERMAN MOORE, PARTS CLERK
BOX 505
DAWSON CREEK, BC
V1G 4H4

TAXATION AUTHORITY:

PEACE RIVER ASSESSMENT DISTRICT
VILLAGE OF POUCE COUPE

DESCRIPTION OF LAND:

PARCEL IDENTIFIER: 007-761-040
LOT 4 SECTION 32 TOWNSHIP 77 RANGE 14 WEST OF THE SIXTH MERIDIAN PEACE RIVER
DISTRICT PLAN 25410

LEGAL NOTATIONS: NONE

CHARGES, LIENS AND INTERESTS:

NATURE OF CHARGE

CHARGE NUMBER	DATE	TIME
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MORTGAGE

BB358834	2007-02-06	10:01
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REGISTERED OWNER OF CHARGE:

THE TORONTO-DOMINION BANK

BB358834

MORTGAGE

BB194468	2008-02-04	11:56
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REGISTERED OWNER OF CHARGE:

THE TORONTO-DOMINION BANK

BB194468

CERTIFICATE OF PENDING LITIGATION

BB776809	2009-05-22	11:55
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REGISTERED OWNER OF CHARGE:

THE TORONTO-DOMINION BANK

BB776809

CERTIFICATE OF PENDING LITIGATION

BB780171	2009-05-29	14:37
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REGISTERED OWNER OF CHARGE:

THE TORONTO-DOMINION BANK

BB780171

JUDGMENT

BB332918	2009-11-18	09:30
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REGISTERED OWNER OF CHARGE:

THE TORONTO-DOMINION BANK

Date: 12-Jan-2012 TITLE SEARCH PRINT
Requestor: (PE71161) VILLAGE OF POUCE COUPE
Folio: TITLE - BB300475

Time: 14:38:09
Page 002 of 002

BB332918
REMARKS: RENEWED BY BB1999938

JUDGMENT

BB1999938 2011-11-08 09:25

REGISTERED OWNER OF CHARGE:

THE TORONTO-DOMINION BANK

BB1999938

REMARKS: RENEWAL OF BB332918

"CAUTION - CHARGES MAY NOT APPEAR IN ORDER OF PRIORITY. SEE SECTION 28, L.T.A."

DUPLICATE INDEFEASIBLE TITLE: NONE OUTSTANDING

TRANSFERS: NONE

PENDING APPLICATIONS: NONE

*** CURRENT INFORMATION ONLY - NO CANCELLED INFORMATION SHOWN ***