THE CORPORATION OF THE VILLAGE OF CUMBERLAND

STATEMENT OF FINANCIAL INFORMATION

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

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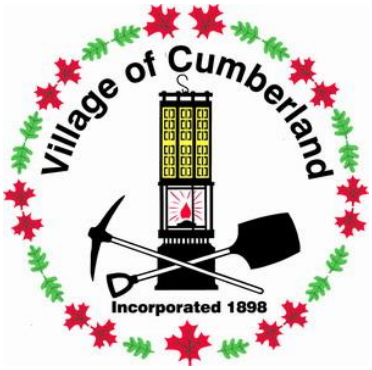
THE CORPORATION OF THE VILLAGE OF CUMBERLAND
STATEMENTS OF FINANCIAL INFORMATION (SOFI)
REQUIREMENTS FOR FINANCIAL INFORMATION ACT SECTION 2(2)(a-c)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

2016 FINANCIAL STATEMENTS FOR THE CORPORATION OF THE VILLAGE OF CUMBERLAND ATTACHED

Prepared under Financial Information Regulation
Schedule 1, sections 1 to 4



THE CORPORATION OF THE VILLAGE OF CUMBERLAND

FINANCIAL STATEMENTS

DECEMBER 31, 2016

THE CORPORATION OF THE
VILLAGE OF CUMBERLAND

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For the year ended DECEMBER 31, 2016

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Corporation of the Village of Cumberland

2673 Dunsmuir Avenue
P.O. Box 340
Cumberland, BC V0R 1S0
Telephone: 250-336-2291
Fax: 250-336-2321
cumberland.ca

Management's Responsibility for Financial Reporting

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards and are outlined under "Significant Accounting Policies" in the notes to the financial statements. Management is responsible for the integrity and objectivity of these statements and schedules.

Management maintains a system of internal controls to provide reasonable assurance that assets are safeguarded and that transactions are authorized, recorded and reported properly. Management also maintains a program of proper business compliance.

Council is responsible for reviewing and approving the financial statements and for ensuring that management fulfils its responsibilities for financial reporting and internal control.

BDO Canada LLP, Chartered Accountants, the village's independent auditors, have conducted an examination of the financial statements in accordance with Canadian generally accepted auditing standards and have expressed their opinion in a report accompanying this statement.

M Mason

Michelle Mason, CPA, CGA
Financial Officer,
pursuant to Section 149 of the Community Charter
April 24, 2017

Tel: 604 688 5421
Fax: 604 688 5132
vancouver@bdo.ca
www.bdo.ca

BDO Canada LLP
600 Cathedral Place
925 West Georgia Street
Vancouver BC V6C 3L2 Canada

Independent Auditor's Report

To the Mayor and Council of the Corporation of the Village of Cumberland

We have audited the accompanying financial statements of the Corporation of the Village of Cumberland, which comprise the Statement of Financial Position as at December 31, 2016, and the Statements of Operations and Accumulated Surplus, Change in Net Financial Assets and 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 financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 financial statements.

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

Opinion

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

BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 24, 2017

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

STATEMENT A

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Statement of Financial Position
As at December 31, 2016

	2016	2015
Financial Assets		
Cash and cash equivalents	$ 5,367,252	$ 5,612,342
Property taxes receivable	217,699	162,628
Accounts receivable (Note 2)	2,227,425	1,106,930
Investments (Note 3)	1,481,287	2,228,520
	9,293,663	9,110,420
Liabilities		
Accounts payable and accrued liabilities (Note 4)	1,602,470	591,960
Trust and other deposits (Note 5)	556,877	290,640
Deferred revenue (Note 7)	1,694,630	2,393,915
Debenture and long term-debt (Note 9, Schedule 2)	3,163,478	3,380,210
	7,017,455	6,656,725
Net Financial Assets	2,276,208	2,453,695
Non-financial Assets		
Tangible capital assets (Schedule 1)	44,415,661	40,098,732
Inventories	123,431	109,875
Prepaid expenses	46,985	7,868
	44,586,077	40,216,475
Accumulated Surplus (Note 17)	**$ 46,862,285**	**$ 42,670,170**

Contingent liabilities (Note 8)

See accompanying notes to the financial statements

Approved by:

Leslie Baird
Mayor

Michelle Mason
Corporate Financial Officer

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Statement of Operations and Accumulated Surplus
For the Year Ended December 31, 2016

	2016 Budget	2016 Actual	2015 Actual
	(Note 14)		
Revenues			
Taxes	$ 2,262,825	$ 2,261,668	$ 2,143,216
Grants in lieu of taxes	54,220	54,565	48,362
Frontage taxes	183,280	183,282	177,777
Sale of services	1,301,060	1,382,388	1,164,969
Transfers from other governments	4,508,480	2,935,177	2,308,811
Services to other governments	373,970	349,198	356,622
Other revenue	1,629,550	1,465,775	648,200
Development cost charges	862,240	712,651	2,864
Contributed assets	-	473,737	1,021,853
	11,175,625	9,818,441	7,872,674
Expenses			
General government services	751,180	686,745	640,279
Transportation services	1,173,692	1,244,038	997,032
Protective services	546,980	487,182	505,473
Environmental health services	1,796,985	1,776,960	1,527,691
Public health services	56,530	23,091	52,977
Environmental planning and development services	312,955	261,857	289,750
Recreation and cultural services	1,199,225	1,146,453	890,962
	5,837,547	5,626,326	4,904,164
Annual Surplus	**5,338,078**	**4,192,115**	**2,968,510**
Accumulated Surplus, Beginning Of Year	42,670,170	42,670,170	39,701,660
Accumulated Surplus, End Of Year	**$ 48,008,248**	**$ 46,862,285**	**$ 42,670,170**

Please see accompanying notes to the financial statements.

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Statement of Change in Net Financial Assets
For the Year Ended December 31, 2016

	2016 Budget	2016 Actual	2015 Actual
	(Note 14)		
Annual Surplus	$ 5,338,078	$ 4,192,115	$ 2,968,510
Amortization of tangible capital assets	1,014,542	972,881	914,219
Change in supplies inventories	-	(13,556)	616
Change in prepaid expense	-	(39,117)	839
Proceeds on disposal of tangible capital assets	-	17,592	7,500
Loss on disposal of tangible capital assets	-	19,284	73,821
Acquisition of tangible capital assets	(8,457,780)	(5,326,686)	(4,098,402)
Change In Net Financial Assets	(2,105,160)	(177,487)	(132,897)
Net Financial Assets, Beginning Of Year	2,453,695	2,453,695	2,586,592
Net Financial Assets, End Of Year	**$ 348,535**	**$ 2,276,208**	**$ 2,453,695**

Please see accompanying notes to the financial statements.

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Statement of Cash Flows
For the Year Ended December 31, 2016

	2016	2015
Cash Flows From Operating Transactions		
Annual surplus	$ 4,192,115	$ 2,968,510
Non-cash items		
Amortization	972,881	914,219
Contributed assets	(473,737)	(1,021,852)
Long-term debt actuarial reduction	(22,395)	(18,438)
Loss on disposal of tangible capital assets	19,284	73,821
Change in prepaid expense	(39,117)	839
Change in inventories	(13,556)	616
Change in deferred revenue	(699,285)	722,372
Change in working capital		
Change in property taxes receivable	(55,071)	93,623
Change in accounts receivable	(1,120,495)	(394,920)
Change in accounts payable	1,010,510	(132,778)
Change in trust and other deposits	266,237	78,524
Cash provided from (applied to) operating transactions	4,037,371	3,284,536
Cash Flow From Capital Transactions		
Purchase of tangible capital assets	(4,852,949)	(3,076,549)
Proceeds on disposal of tangible capital assets	17,592	7,500
Cash provided from (applied to) capital transactions	(4,835,357)	(3,069,049)
Cash Flow From Financing Transactions		
New debt issued	200,481	590,585
Long-term debt repaid	(394,818)	(211,601)
Cash provided from (applied to) financing transactions	(194,337)	378,984
Cash Flow From Investing Transactions		
Change in investments	747,233	(2,228,520)
Cash provided from (applied to) investing transactions	747,233	(2,228,520)
Decrease in Cash and Cash Equivalents	(245,090)	(1,634,049)
Cash and Cash Equivalents, Beginning Of Year	5,612,342	7,246,391
Cash and Cash Equivalents, End Of Year	**$ 5,367,252**	**$ 5,612,342**
Interest Included In Operating Transactions		
Interest received in the year	$ 154,189	$ 157,952
Interest paid in the year	$ (130,936)	$ (119,677)

Please see accompanying notes to the consolidated financial statements.

The Corporation of the Village of Cumberland
Notes to Financial Statements
Year Ended DECEMBER 31, 2016

The Corporation of the Village of Cumberland (the "Municipality") was incorporated in 1898 under the provisions of the *British Columbia Municipal Act and is subject to the provisions of the Community Charter and related legislation*. Its principal activities are the provision of local government services to the residents of the Municipality.

1. SIGNIFICANT ACCOUNTING POLICIES

a) It is the Municipality's policy to follow Canadian public sector accounting standards (PSAS) as developed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

b) In accordance with PSAS, the Municipality reports a combination of all funds. The financial statements reflect the removal of internal transactions and balances.

c) Financial instruments consist of cash and cash equivalents, accounts and property taxes receivable, accounts payable and accrued liabilities, trusts and other deposits, and debenture and long-term debt. Unless otherwise noted, it is management's opinion that the Municipality is not exposed to significant interest, currency or credit risk arising from these financial instruments.

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

e) Cash and cash equivalents include short-term deposits held both with the Municipal Finance Authority (in its Money Market Fund) and with the First Credit Union and are carried at cost, which approximates market value. The short-term deposits have maturities of less than 90 days at the time of purchase and/or can be liquidated on demand.

f) Investments represent term deposits with maturities in excess of 90 days and are recorded at cost.

g) Inventories are valued at the lower of cost and replacement value.

h) Sources of Funds for the Municipality

   I. Tax revenues are recognized in the year that they are levied.

   II. Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Restricted grants are recognized when the related expenses are incurred and when collection is reasonably assured.

   III. Other transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

   IV. Sewer and water fees are recognized when the commodity has been received by the customer.

   V. Other sales of services and other revenue from own sources are recognized when the service is provided or the amount is earned and when the amount can be estimated and collection is reasonably assured.

VI. Restricted revenues from collections of development cost charges are deferred and then recognized as revenue in the year that an expense, authorized by bylaw, is incurred.

i) The Municipality is statutorily obligated to collect and transmit the tax levies of the following bodies:

i. Provincial Government – Schools;
ii. Provincial Government – Police;
iii. Comox Valley Regional District;
iv. Regional Hospital District of Comox Strathcona;
v. British Columbia Assessment Authority;
vi. Municipal Finance Authority; and
vii. Vancouver Island Regional Library.

Such levies are not included in the revenues of the Municipality.

j) Expenses are recorded in the period in which the goods or services are acquired and a liability is incurred.

k) The preparation of financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenditures during the reporting period. Significant areas requiring the use of estimates include the ability to collect property taxes receivable and accounts receivable, obsolete or damaged inventory, amortization of tangible capital assets and post employment benefits. Actual results may vary from the estimates and adjustments, if any, will be reported and reflected in operations, as they become known.

l) The Municipality recognizes the expenses relating to employee benefits in the period in which the employees render the services in return for the benefits, including compensated employee absences that accumulate but do not vest. Absences due to employee illness are paid when an injury or illness occurs, but entitlement to such compensation arises as employees render service. Entitlement to compensated absence due to illness or injury is measured as the expected future utilization of this benefit.

m) 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:

Buildings	25-40
Equipment, furniture and vehicles	5-15
Water and waste water plant and networks	
Underground networks	60-100
Plants and lift stations	50-100
Pumping stations and reservoirs	100
Other infrastructure	50-100
Transportation	
Road surfaces	15-25
Road base structure	75

Poles and luminaries	100
Parks and other	
Land improvements	10-40
Playing fields and trails	15-20
Parking lots	10-20

Contributions of tangible capital assets are recorded as an asset at their fair value at the date of receipt and as revenue.

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 and the associated asset is recorded at the lower of the present value of future minimum lease payments or fair value.

n) The Municipality capitalizes interest on interim financing for capital construction projects. In 2016 $Nil was capitalized (2015 - $Nil).

o) Liability For Contaminated Sites

Contaminated sites are a result of contamination of a chemical, organic or radioactive material or live organism that exceeds an environmental standard, being introduced into soil, water or sediment. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

i. an environmental standard exists;
ii. contamination exceeds the environmental standard;
iii. the Village is directly responsible or accepts responsibility; and
iv. is directly responsible; or
v. accepts responsibility; and
vi. a reasonable estimate of the amount can be made.

As at December 31, 2016 and 2015 the Municipality has reported no liabilities related to contaminated sites.

2. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

	2016	2015
Due from federal government	$ 1,437,314	$ 218,052
Due from provincial government	5,621	1,603
Due from other government	164,439	112,997
Other receivables	620,051	774,278
	$ 2,227,425	$ 1,106,930

3. INVESTMENTS

Investments are comprised of the following:

	2016	2015
Credit Union Term Deposits with maturities in excess of 90 days with interest rates from 1.6% to 1.9%	$ 1,350,000	$ 2,100,000
Parkland Reserve Credit Union Term Deposit with interest rates from 2% to 2.35%	131,287	128,520
	$ 1,481,287	$ 2,228,520

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Account payable is comprised of the following:

	2016	2015
Due to federal government	$ 649	$ 5,439
Due to provincial government	1,235	9,584
Due to other government	-	1,535
Salaries, wages and benefits payable	360,201	336,835
Other payables	1,240,385	238,567
	$ 1,602,470	$ 591,960

5. TRUST AND OTHER DEPOSITS

Trust and other deposits are securities and deposits held by the Municipality to ensure performance of requirements under contract or for approval of development or subdivision applications, or to safeguard against damages to facilities and infrastructure. The balance includes deposits collected for building, plumbing and development permits, subdivision and landscaping performance bonds, lien holdbacks and park and facility rentals.

6. BANK INDEBTEDNESS

The Village has an available unsecured line of credit of $750,000 from the First Line Credit Union bearing interest at prime. No balance was drawn on the line of credit as at December 31, 2016 (2015 – $Nil).

7. DEFERRED REVENUE

	Balance 31-Dec-15	Collections	Adjustments	Recognized As Revenue	Interest Income	Balance 31-Dec-16
Deferred Revenue – DCC						
Storm Drainage	$ 142,283	$ 6,188	$ 10,421	$ (118,730)	$ 1,690	$ 41,852
Sanitary Sewer	940,065	61,205	103,083	(479,713)	10,866	635,506
Waterworks	92,350	27,525	45,429	-	1,193	166,497
Roads	433,090	15,536	25,643	(114,208)	5,207	365,268
Parks	204,907	15,441	26,005	-	2,340	248,693
	1,812,695	125,895	210,581	(712,651)	21,296	1,457,816
Other Deferred	581,220	59,408	-	(409,681)	5,867	236,814
	$2,393,915	$ 185,303	$ 210,581	$ (1,122,332)	$ 27,163	$ 1,694,630

Adjustments for Development Cost Charge (DCC) deferred revenue are accounts receivable due from the developer of a subdivision that have been approved in 2015 and 2016. This is permitted by the Local Government Act B.C. Regulations 255/2011, July 1, 2012 which allows a developer to elect to pay DCC charges by installments over a period of three years.

8. CONTINGENT LIABILITIES

a) The Municipality's loan agreements with the Comox Valley Regional District and the Municipal Finance Authority provide that if at any time the scheduled payments required are not sufficient to meet obligations in regards to borrowings, the resulting deficiency becomes a joint and several liability of the Municipality and the other member Municipalities.

b) The Municipality is involved with a number of legal actions, the outcomes of which cannot be determined at this time. Management has determined that any potential liabilities arising from these outstanding claims are not significant.

c) As at December 31, 2016, there were various assessment appeals pending with respect to properties. The outcome of those appeals may result in adjustments to property taxes receivable for the current and prior years. The Municipality makes a provision against property taxes receivable where the results of a specific appeal are reasonably determinable.

d) The Municipality is a Subscribed member of the Municipal Insurance Association of British Columbia (the "Exchange") as provided by Section 3.02 of the Insurance Act of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any Subscriber. Under the Reciprocal Insurance Exchange Agreement the Municipality is assessed a premium and specific deductible for its claims based on population. The obligation of the Municipality with respect to the Exchange and/or contracts and obligations entered in to by the Exchange on behalf of its Subscribers in connection with the Exchange are in every case several, and not joint and several.

9. LONG-TERM DEBT

a) The Municipality is party to several equipment loans financed through the Municipal Finance Authority for the acquisition of vehicles and operating equipment. Loan terms are five years or less. The vehicles and equipment under these loans have a carrying value of $646,793 (2015 - $430,344) and are recorded as non-financial assets in the statements. The Municipality no longer used capital leases financed through the Municipal Finance Authority for the acquisition of vehicles and operating equipment through. The vehicles and equipment under capital leases in 2015 had a carrying value of $ $343,467 and were recorded as non-financial assets in the statements.

The following is a schedule of future minimum loan payments under the equipment financing loans with various expiry dates to 2021 together with the balance of the obligations under the loans, which is included in the debenture and long-term debt as detailed in Schedule 2:

2017	$ 164,305
2018	158,512
2019	124,529
2020	64,610
2021	8,292
Total minimum loan payments	520,248
Less: amount representing interest at rates from 1.34% to 1.5%	(12,652)
Obligations under equipment loans	$ 507,596

b) Principal payments on debenture and long-term debt over the next five years are as follows:

2017	$ 146,714
2018	118,852
2019	570,103
2020	106,712
2021	110,141
Thereafter	1,603,360
	$ 2,655,882

Total balance for equipment loans, debenture and long-term debt equal $3,163,478.

10. DEPOSITS AND RESERVES – MUNICIPAL FINANCE AUTHORITY

Under borrowing arrangements with the Municipal Finance Authority (MFA), the Village is required to lodge security by means of demand notes and interest-bearing cash deposits based on the amount of the borrowing. As the debt principal is retired, demand notes are released and the cash deposits are refunded and recorded as operating income in the period received.

As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits, which are contingent in nature, are held by the MFA to act as security against the possibility of debt repayment default, and together with the demand notes are not recorded in the accounts. If the debt is repaid without default, the deposits are

refunded to the Village. Details of the cash deposits as follows are not reported elsewhere in these financial statements:

	2016	2015
Cash deposits	$36,297	$35,310

11. EMPLOYEE BENEFITS LIABILITY

Employees who retire qualify for a one time payout of up to 72 days of their accumulated unused sick leave bank after 10 years of service. The Village calculates the value of this liability for employees based on review of the total vested and non-vested accrued time to date. Probabilities of 10 – 100% are assigned based on years of service and length of time to retirement and discounted at 2.49%. At December 31, 2016, the value of sick leave for all vested employees is calculated at $102,853 (2015 - $65,220). The total estimated employee retirement benefit liability at December 31, 2016 is $227,964 (2015 - $216,013). Employee retirement benefit amounts are being funded by an accounting charge on sick time accrued during the year and are included in the accounts payable and accrued liabilities.

12. PENSION LIABILITY

The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusteed pension plan. The Board of trustees, representing Plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2016, the Plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 26 contributors from the Corporation of the Village of Cumberland and 37,000 contributors from local governments.

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

The most recent actuarial valuation as at December 31, 2015 indicated a $2.224 million funding surplus for basic pension benefits on a going concern basis.

The Corporation of the Village of Cumberland paid $145,233 for employer contributions in fiscal 2016.

The next valuation will be as at December 31, 2018 with results available later in 2019.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Corporation of the Village of Cumberland paid $145,233 (2015 - $132,812) for employer contributions while employees contributed $130,562 (2015 - $119,144) to the plan in fiscal 2016.

13. TRUST FUNDS

The following assets are held in trust by the Village for cemetery care. Neither the assets nor related liability have been recorded in the financial statements.

	2016	2015
Cash and cash equivalents	$ 62,925	$ 50,109

14. ANNUAL BUDGET

Budget figures are based on the *2016-2020 Financial Plan Bylaw No. 1033, 2016* approved by Council in May of 2016. Figures are presented on the basis used for actual results and were adjusted as follows to comply with financial statement presentation:

Surplus per 2016 – 2020 Financial Plan	$ -
Remove proceeds from borrowing	(170,000)
Remove principal payments on debt	294,860
Add back amortization	(1,014,542)
Remove capital acquisitions	8,457,780
Transfer to reserves	(2,230,020)
Surplus restated for financial statement purposes	$ 5,338,078

During the year, the adopted budget can be amended and Council will adopt a new bylaw to reflect the approved amendments. A reconciliation between the original financial plan adopted by Council by May 15th of each year and the final amended financial plan bylaw is as follows:

	Original Financial Plan Bylaw 1033	Final Amended Financial Plan Bylaw 1054	Difference
Revenues	$(10,313,385)	$ (10,529,190)	$ (215,805)
Expenses			
General government services	751,180	773,180	22,000
Transportation services	1,173,692	1,173,692	-
Protective services	546,980	546,980	-
Environmental health services	1,796,985	2,146,985	350,000
Public health services	56,530	56,530	-
Environmental planning and development services	312,955	325,955	13,000
Recreation and cultural services	1,199,225	1,201,505	2,280
	5,837,547	6,224,827	387,280
Net (Revenues) Expenses	(4,475,838)	(4,304,363)	171,475
Adjustments	7,568,098	7,666,768	98,670
Transfers (from) to reserves	(2,230,020)	(2,500,165)	(270,145)
Development costs charges	(862,240)	(862,240)	-
	4,475,838	4,304,363	(171,475)
Transfer to/(from) accumulated surplus	$ -	$ -	$ -

15. ENVIRONMENTAL REGULATIONS

The Municipality makes every reasonable effort to comply with all environmental regulations that apply to its operations. These regulations may require future expenditures to meet applicable standards. Amounts required to meet these obligations will be charged to operations when incurred or set aside as future reserves when they can be reasonably estimated.

16. FEDERAL GAS TAX AGREEMENT FUNDS

Gas Tax Agreement 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. Gas Tax Agreement funding may be used towards designated categories that include public transit, community energy, water, wastewater, solid waste, transportation, tourism, sports, culture and recreation infrastructure, disaster mitigation and capacity building projects, as specified in the funding agreements.

Revenues under the Community Works Fund portion of the program will be recognized when allocated to the Village.

The Village continues to track the unspent amounts in the Community Works Reserve Fund. The continuity of this fund is presented in the table below:

	2016	2015
Opening Balance of Unspent Deferred Funds	$ 323,900	$ 565,432
Add:		
Amounts received during the year	195,843	189,463
Interest earned on funds	4,513	3,930
Less:		
Amounts allocated to projects during the year	(431,629)	(434,925)
Closing balance of unspent funds	$ 92,627	$ 323,900

17. ACCUMULATED SURPLUS

Operating Funds - comprise the principal operating activities of the Village and are separated into General, Water, and Sanitary Sewer Funds.

Reserve Funds - created to hold cash, and investments for specific future requirements.

Equity In Tangible Capital Assets - used to record the acquisition and disposal of tangible capital assets and related financing and similarly separated into General, Water and Sanitary Sewer Funds.

Accumulated Surplus:	**2016**	**2015**
Operating Funds **:		
General Fund	$ 3,731,715	3,954,172
Water Fund	1,037,414	818,570
Sanitary Sewer Fund	440,524	477,833
	5,209,653	5,250,575
Reserve Funds:		
General Capital Works	-	131,467
Water Capital Works	-	64,695
Sanitary Sewer Capital Works	109,257	58,523
Infrastructure Asset Renewal	158,392	-
Parkland Reserve	131,709	128,938
Land Sale Reserve	1,091	317,449
	400,449	701,072
Equity In Tangible Capital Assets:		
General Fund	18,236,543	15,353,020
Water Fund	9,715,376	9,419,940
Sanitary Sewer Fund	13,300,264	11,945,563
	41,252,183	36,718,523
Accumulated Surplus	$ 46,862,285	$ 42,670,170

** The operating funds above have balances reserved within them for specific purposes and Community Works and Host Amenity funds are included in the reserved funds.

18. SEGMENTED INFORMATION

The Municipality is a diversified local government institution that provides a wide range of services to its citizens, including the provision of water, sewer, garbage disposal, recreation, parks, and cemetery services. The services and functions of the Municipality have been segregated or grouped based on factors such as delivery method, similarity in regulations, restrictions or cost recovery and the nature of the service as voluntary or essential services. Consideration has been given to comparability to other Municipal bodies.

The segments are categorized and described as follows:

General Government
This segment includes activities pertaining to the general administration and governance of the organization and those services that are provided on a centralized basis for all other segments and departments of the organization. Council, management, corporate and financial services are included as are other general costs which are not easily allocated to individual activity areas.

Transportation Services
This segment includes general road way maintenance and upgrade, street lighting, sidewalk and other general duties of the Public Works department. The Department is responsible to ensure transportation infrastructure is safe and well maintained.

Protective Services
This segment includes fire protection services, emergency preparedness, bylaw enforcement and animal control. The function's mandate is to ensure the safety of the lives and property of citizens and preserve peace and good order.

Environmental Health Services
The Water and Waste segment consists of three distinct utilities: sewerage and drainage, water, and solid waste disposal. The department provides collection and treatment of sewage and storm water, treatment and delivery of drinking water and contracts garbage collection and recycling services. Ensuring environmental and public safety standards are the key concern for the functions within this segment.

Public Health Services
The Municipality owns and/or operates three cemeteries. Although some of the maintenance activities are similar to those provided in the Parks function, a larger portion of the cost and activity is specific to performing cemetery services. The function has been segregated due to the unique regulatory requirements and because these services would be delivered as a separate business function in the private sector. The administrative and maintenance services for this function are divided between two departments but costs for administration are not substantial nor easily attributed to this function and are, therefore, not reallocated from General Government.

Environmental Planning and Development Services
The Planning Department manages land use planning, building and development functions. The department is responsible for ensuring that these functions are planned and managed to

address environmental and building regulations, heritage matters and community and public concerns.

Recreation and Cultural Services
This segment captures all activities relating to the health and well-being of the citizens and community. The function includes recreational services such as a fitness centre and gym, facilities rentals and contributions to community and cultural events as well as provision and maintenance of parks and park facilities. The services in this category are not considered essential services but are important for economic and community development.

For each reported segment, revenues represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Property taxes, payments in lieu and the small community grant funds are apportioned based on budget with any variance in actual revenue being attributed back to General Government. All other revenues can be directly attributed to a particular segment. With the exception of some general fiscal services and centralized supply and services charged directly to the General Government function, all other costs are instigated for and charged directly to the specific segments when incurred.

19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current year presentation.

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Tangible Capital Assets
For the Year Ended December 31, 2016

	Land	Building	Equipment / Furniture / Vehicles	Engineering Structures			Land Improvements	Assets Under Development	2016 Total	2015 Total
				Water	Sewer / Drainage	Roads				
Cost										
Opening balance	4,803,098	1,401,072	3,549,382	11,268,239	16,266,103	20,725,111	1,704,893	990,430	$ 60,708,328	$ 57,068,171
Add: Additions	1,203,632	-	137,064	63,376	302,357	1,352,152	103,333	2,919,841	6,081,755	4,125,906
Less: disposals	-	-	(17,592)	-	-	(972,255)	-	(755,069)	(1,744,916)	(485,749)
Less: write-downs	-	-	-	-	-	-	-	-	-	-
Closing balance	6,006,730	1,401,072	3,668,854	11,331,615	16,568,460	21,105,008	1,808,226	3,155,202	65,045,167	60,708,328
Accumulated Amortization										
Opening balance	-	1,375,022	1,765,885	2,526,918	2,440,386	11,454,789	1,046,596	-	20,609,596	20,072,301
Add: amortization	-	4,140	244,710	121,023	171,809	356,391	74,808	-	972,881	914,219
Less: disposals	-	-	(17,592)	-	-	(935,379)	-	-	(952,971)	(376,924)
Closing balance	-	1,379,162	1,993,003	2,647,941	2,612,195	10,875,801	1,121,404	-	20,629,506	20,609,596
Net Book Value, December 31, 2016	$ 6,006,730	$ 21,910	$ 1,675,851	$ 8,683,674	$ 13,956,265	$ 10,229,207	$ 686,822	$ 3,155,202	$ 44,415,661	
Net Book Value, December 31, 2015	$ 4,803,098	$ 26,050	$ 1,783,497	$ 8,741,321	$ 13,825,717	$ 9,270,322	$ 658,297	$ 990,430		$ 40,098,732

SCHEDULE 2

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Debenture and Long-Term Debt
As at December 31, 2016

	2016	2015
General Capital Fund		
Capital asset leases were transferred to the Equipment Financing Program in 2016 (2015 carry value $343,467)	$ -	$ 208,381
Equipment Financing Loans with various expiry dates to 2021, interest charged at floating rate (currently at 1.39%), secured by equipment with carrying value of $646,793 (2015 - $430,344)	507,596	415,448
Short-term loan Comox Lake Road 5 year loan # 305-6 interest charged at floating rate (currently at 1.39%),	85,090	85,090
	592,686	708,919
Water Capital Fund		
Debenture Debt Water Bylaw #702, due 2017, interest charged at 4.52%, annual principal payment of $4,143	10,470	20,441
Interim Construction Financing Temporary Borrowing Bylaw #982, interest charged at floating rate (currently at 1.39%),	447,021	447,021
	457,491	467,462
Sewer Capital Fund		
Debenture Debt Sanitary Sewer Improvements Bylaw #781, due 2036 interest charged at 2.1% annual principal payment of $15,797	696,334	718,819
Sanitary Sewer Improvements Bylaw #914, due 2031 interest charged at 3.25% annual principal payment of $58,164	1,416,967	1,485,010
	2,113,301	2,203,829
Total Debenture and Long-Term Debt	**$ 3,163,478**	**$ 3,380,210**

SCHEDULE 3

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Segment Disclosure
For the Year Ended December 31, 2016

	General government services		Transportation services		Protective services		Environmental health services		Public health services		Environmental planning and development services		Recreation and cultural services		Total	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Revenue																
Tax revenue	$ 320,094	$ 426,979	$ 843,471	$ 790,194	$ 356,243	$ 307,826	$ 183,282	$ 177,777	$ 32,912	$ 6,041	$ 98,984	$ 82,307	$ 664,529	$ 578,231	$ 2,499,515	$ 2,369,355
Sale of services	-	-	-	-	150,273	138,908	1,382,643	1,275,025	13,525	13,364	-	-	185,145	94,294	1,731,586	1,521,591
Transfer from other governments	609,774	612,177	1,189,462	1,358,840	93,111	97,249	891,275	66,581	5,515	288	23,840	22,618	122,200	151,058	2,935,177	2,308,811
Other revenues and contributions	103,190	118,033	752,406	702,440	29,209	24,712	896,065	648,760	86	5,174	111,423	106,164	759,784	67,634	2,652,163	1,672,917
Total revenues	1,033,058	1,157,189	2,785,339	2,851,474	628,836	568,695	3,353,265	2,168,143	52,038	24,867	234,247	211,089	1,731,658	891,217	9,818,441	7,872,674
Expenses																
Wages, salaries and benefits	371,574	342,587	407,091	379,422	314,436	294,706	578,439	579,854	9,480	14,009	150,314	156,030	525,055	468,442	2,356,389	2,235,050
Good and services	285,659	267,192	339,564	200,174	139,559	157,712	733,880	417,965	12,298	37,066	111,543	133,720	524,471	338,255	2,146,974	1,552,084
Debt expense	3,770	5,385	17,974	11,099	4,658	5,451	103,229	106,943	-	-	-	-	1,167	112	130,798	128,990
Amortization	25,742	25,115	442,533	395,277	46,121	47,604	361,412	360,168	1,313	1,902	-	-	95,760	84,153	972,881	914,219
Loss/(Gain) on disposal of assets	-	-	36,876	11,060	(17,592)	-	-	62,761	-	-	-	-	-	-	19,284	73,821
Total Expenses	686,745	640,279	1,244,038	997,032	487,182	505,473	1,776,960	1,527,691	23,091	52,977	261,857	289,750	1,146,453	890,962	5,626,326	4,904,164
Annual Surplus (Deficit)	**$ 346,313**	**$ 516,910**	**$ 1,541,301**	**$ 1,854,442**	**$ 141,654**	**$ 63,222**	**$ 1,576,305**	**$ 640,452**	**$ 28,947**	**$ (28,110)**	**$ (27,610)**	**$ (78,661)**	**$ 585,205**	**$ 255**	**$ 4,192,115**	**$ 2,968,510**

SCHEDULE 4

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Segment Disclosure With Budget Information
For the Year Ended December 31, 2016

	General government services		Transportation services		Protective services		Environmental health services		Public health services		Environmental planning and development services		Recreation and cultural services		Total	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Revenue																
Tax revenue	$ 320,094	$ 320,255	$ 843,471	$ 843,740	$ 356,243	$ 356,365	$ 183,282	$ 183,280	$ 32,912	$ 32,920	$ 98,984	$ 99,025	$ 664,529	$ 664,740	$ 2,499,515	$ 2,500,325
Sale of services	-	-	-	-	150,273	156,270	1,382,643	1,401,310	13,525	15,050	-	-	185,145	102,400	1,731,586	1,675,030
Transfer from other governments	609,774	595,495	1,189,462	2,487,330	93,111	90,090	891,275	1,182,325	5,515	10,880	23,840	22,880	122,200	119,480	2,935,177	4,508,480
Other revenue and contributions	103,190	803,415	752,406	576,605	29,209	27,000	896,065	886,180	86	1,250	111,423	103,580	759,784	93,760	2,652,163	2,491,790
Total revenue	1,033,058	1,719,165	2,785,339	3,907,675	628,836	629,725	3,353,265	3,653,095	52,038	60,100	234,247	225,485	1,731,658	980,380	9,818,441	11,175,625
Expenses																
Wages, salaries and benefits	371,574	388,560	407,091	413,630	314,436	326,255	578,439	596,325	9,480	11,000	150,314	158,170	525,055	514,530	2,356,389	2,408,470
Good and services	285,659	331,955	339,564	321,065	139,559	169,930	733,880	670,495	12,298	43,375	111,543	154,785	524,471	594,380	2,146,974	2,285,985
Debt expense	3,770	5,550	17,974	10,655	4,658	2,690	103,229	108,495	-	-	-	-	1,167	1,160	130,798	128,550
Amortization	25,742	25,115	442,533	428,342	46,121	48,105	361,412	421,670	1,313	2,155	-	-	95,760	89,155	972,881	1,014,542
Loss/(Gain) on disposal of assets	-	-	36,876	-	(17,592)	-	-	-	-	-	-	-	-	-	19,284	-
Total expenses	686,745	751,180	1,244,038	1,173,692	487,182	546,980	1,776,960	1,796,985	23,091	56,530	261,857	312,955	1,146,453	1,199,225	5,626,326	5,837,547
2016 Annual Surplus (Deficit)	**$ 346,313**	**$ 967,985**	**$ 1,541,301**	**$ 2,733,983**	**$ 141,654**	**$ 82,745**	**$ 1,576,305**	**$ 1,856,110**	**$ 28,947**	**$ 3,570**	**$ (27,610)**	**$ (87,470)**	**$ 585,205**	**$ (218,845)**	**$ 4,192,115**	**$ 5,338,078**

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
STATEMENTS OF FINANCIAL INFORMATION (SOFI)
REQUIREMENTS FOR FINANCIAL INFORMATION ACT SECTION 2(2)(d)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

This organization has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
STATEMENTS OF FINANCIAL INFORMATION (SOFI)
REQUIREMENTS FOR FINANCIAL INFORMATION ACT SECTION 2(3)(a)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

SCHEDULE OF REMUNERATION

1. Council / Elected Officials

Name	Position	Remuneration	Expenses
Baird, Leslie	Mayor	$ 16,334	$ 10,573
Ketler, Jesse	Councillor	8,700	2,803
Kishi, Roger	Councillor	8,700	2,398
Sproule, Gwyn	Councillor	8,700	2,198
Sullivan, Sean	Councillor	8,700	2,462
Total: Council/Elected Officials		$ 51,134	$ 20,434

2. Other Employees

Name	Position	Remuneration	Expenses
Crisfield, Robert	Manager of Operations	$ 103,581	$ 5,085
Fitzgerald, Kevin	Public Works Foreman	86,415	1,616
Knutson, Leah	Manager of Recreation	77,546	3,266
Mason, Michelle	Financial Officer	103,927	5,397
Topham, Sundance	CAO	118,975	6,103
Williamson, Michael	Manager of Protective Services	89,690	4,175
Consolidated total of other employees with remuneration and expenses of $75,000 or less		1,324,007	46,257
Total: Other Employees		**$ 1,904,141**	**$ 71,899**

3. Reconciliation

Total remuneration - Council/Elected Officials	$	51,134
Total remuneration - Other Employees		1,904,141
Subtotal		1,955,275
Reconciling Items		Note 1
Total per Statement of Revenue and Expenditure (Schedule 3)		2,356,389
Variance Note 1		401,114

Note 1 - Reconciling Items
Financial statement figures include employer wage costs and pension and consequently does not reconcile to the expenses noted on the Financial Statements.

Note 2 - Receiver General CPP and EI employer payments

CPP	*$*	*69,744*
EI		*34,891*
Total	*$*	*104,635*

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
STATEMENTS OF FINANCIAL INFORMATION (SOFI)
REQUIREMENTS FOR FINANCIAL INFORMATION ACT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

STATEMENT OF SEVERANCE AGREEMENTS

There were no severance agreements made between The Corporation of the Village of Cumberland and its non-unionized employees during 2016.

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
STATEMENTS OF FINANCIAL INFORMATION (SOFI)
REQUIREMENTS FOR FINANCIAL INFORMATION ACT SECTION 2(3)(b)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

SCHEDULE OF PAYMENTS FOR THE PROVISION OF GOODS AND SERVICES

1. Alphabetical list of suppliers who received aggregate payments exceeding $25,000

Supplier name	Aggregate amount paid to supplier
Alpine Water & Energy	$ 44,580
Assessment Authority, BC	32,140
Carvello Law Corporation	52,399
Comox Timber Ltd.	726,205
Courtenay KIA	28,997
Hydro & Power Authority, BC	144,142
IWC Excavation	402,395
J.R. Edgett Excavoting Ltd	1,628,389
Koers & Associates Engineering Ltd.	111,783
McElhanney Consulting Services Ltd.	479,909
Minister of Finance - PTB	460,633
Monk Office	34,001
Municipal Finance Authority	351,129
Municipal Insurance Association of British Columbia	79,040
Municipal Pension Plan	162,610
North Island Custom Curbs	25,941
Outlook Land Design Inc	29,467
Pacific Blue Cross	115,274
Receiver General - GST/HST	56,925
Receiver General For Canada	292,780
Regional District,Comox Valley	778,046
Regional Hospital District, Comox Strathcona	449,116
Regional Library, Vancouver Island	149,252
Revenue Services of British Columbia	41,461
Rideout Construction Ltd.	40,379
Stantec Consulting Ltd.	53,923
Sun Coast Waste Services	129,000
Maple Street Holdings Ltd.	410,303
Tayco Paving Company	102,842
Tetra Tech Canada Inc.	62,534
Wacor Holding Ltd.	128,767
Wedler Engineering	64,255
WorkSafeBC	39,968
Zinc Public Relations	26,083
Total aggregate amount paid to suppliers	**$ 7,734,668**

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

	$ 1,487,138

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

Consolidated total of grants exceeding $25,000	$ -
Consolidated total of contributions exceeding $25,000	-
Consolidated total of all grants and contributions exceeding $25,000	$ -

4. Reconciliation

Total of aggregate payments exceeding $25,000 paid to suppliers	$ 7,734,668
Consolidated total of payments of $25,000 or less paid to suppliers	1,487,138
Consolidated total of all grants and contributions exceeding $25,000 (Note 1)	-
Subtotal	**9,221,806**
Total per Schedule 3 to financial statements (goods and services)	2,146,974
Variance (Note 2)	**$ 7,074,832**

Note 1:
A listing of grants in aid under $25,000 is attached for information.

Note 2:
Vendor listing includes all vendor payments, including balance sheet items, payments to other taxing authorities, capital expenditures and payroll expenses and consequently does not reconcile to the expenses noted on the Financial Statements.

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
STATEMENTS OF FINANCIAL INFORMATION (SOFI)
REQUIREMENTS FOR FINANCIAL INFORMATION ACT SECTION 2(3)(b)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

SUPPLEMENTARY SCHEDULE FOR GRANTS IN AID
(Grants under $25,000)

Coal Hills BMX Association	$ 1,500.00
Cumberland Community Schools Society	15,000.00
Cumberland Empire Day Committee	3,373.00
Cumberland Lake Wilderness Society	9,240.00
Cumberland Museum & Archives	19,000.00
Dr. Pete Parker	5,000.00
United Riders of Cumberland	12,000.00
Waived Facility Rental Fees	2,355.00
Total	$ 67,468.00

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
STATEMENTS OF FINANCIAL INFORMATION (SOFI)
REQUIREMENTS FOR FINANCIAL INFORMATION ACT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016

STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, Subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the Financial Information Act.

Michelle Mason
Financial Officer

Leslie Baird
Mayor

dated this 26th day of June, 2017