THE CORPORATION OF THE VILLAGE OF CUMBERLAND

STATEMENT OF FINANCIAL INFORMATION

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

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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, 2014

2014 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, 2014

THE CORPORATION OF THE VILLAGE OF CUMBERLAND

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For the year ended DECEMBER 31, 2014

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Corporation of the
Village of Cumberland

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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.

Michelle Mason, CPA, CGA
Financial Officer,
pursuant to Section 149 of the Community Charter
April 13, 2015

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BDO Canada LLP
Suite 220 – 19916 64 Avenue
Langley, BC V2Y 1A2 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, 2014, 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, 2014, 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.

Other Matter

The financial statements of the Corporation of the Village of Cumberland for the year ended December 31, 2013, were audited by other auditors who expressed an unqualified opinion on those financial statements on April 14, 2014.

BDO Canada LLP

Chartered Accountants

Vancouver, British Columbia
April 13, 2015

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, 2014

	2014	2013
Financial Assets		
Cash and cash equivalents	$ 7,246,391	$ 6,446,107
Property taxes receivable	256,251	254,921
Accounts receivable (Note 2)	712,010	700,967
	8,214,652	7,401,995
Liabilities		
Accounts payable and accrued liabilities (Note 3)	724,738	589,964
Trust and other deposits (Note 4)	212,116	159,874
Deferred revenue (Note 6)	1,671,543	2,457,567
Debenture and long term-debt (Note 8, Schedule 2)	3,019,663	2,650,967
	5,628,060	5,858,372
Net Financial Assets	2,586,592	1,543,623
Non-financial Assets		
Tangible capital assets (Schedule 1)	36,995,870	36,079,955
Inventories	110,491	91,083
Prepaid expenses	8,707	5,964
	37,115,068	36,177,002
Accumulated Surplus (Note 16)	**$ 39,701,660**	**$ 37,720,625**

Contingent liabilities (Note 7)

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, 2014

	2014 Budget	2014 Actual	2013 Actual
	(Note 13)		
Revenues			
Taxes	$ 2,058,010	$ 2,051,054	$ 2,031,474
Grants in lieu of taxes	45,200	48,499	48,248
Frontage taxes	177,450	177,525	177,452
Sale of services	1,070,195	1,134,995	1,065,780
Transfers from other governments	1,281,140	1,358,607	1,329,792
Services to other governments	318,630	302,897	308,242
Other revenue	728,740	720,610	554,365
Development cost charges	295,640	262,411	609,933
Contributed assets	-	804,528	45,000
	5,975,005	6,861,126	6,170,286
Expenses			
General government services	683,105	601,753	548,195
Transportation services	1,112,035	1,284,775	957,264
Protective services	513,940	462,990	476,244
Environmental health services	1,600,130	1,478,157	1,488,671
Public health services	65,105	61,050	21,553
Environmental planning and development services	327,615	236,015	359,770
Recreation and cultural services	808,525	755,351	595,693
	5,110,455	4,880,091	4,447,390
Annual Surplus	**864,550**	**1,981,035**	**1,722,896**
Accumulated Surplus, Beginning Of Year	37,720,625	37,720,625	35,997,729
Accumulated Surplus, End Of Year	**$ 38,585,175**	**$ 39,701,660**	**$ 37,720,625**

Please see accompanying notes to the financial statements.

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Statement of Change in Net Financial Assets (Debt)
For the Year Ended December 31, 2014

	2014 Budget	2014 Actual	2013 Actual
	(Note 13)		
Annual Surplus	$ 864,550	$ 1,981,035	$ 1,722,896
Amortization of tangible capital assets	860,845	880,962	835,014
Change in supplies inventories	-	(19,408)	(10,848)
Change in prepaid expense	-	(2,743)	(1,660)
Proceeds on disposal of tangible capital assets	-	13,000	-
Loss on disposal of tangible capital assets	-	422,456	241,762
Acquisition of tangible capital assets	(2,588,740)	(2,232,333)	(1,532,724)
Change In Net Financial Assets	(863,345)	1,042,969	1,254,440
Net Financial Assets, Beginning Of Year	1,543,623	1,543,623	289,183
Net Financial Assets, End Of Year	**$ 680,278**	**$ 2,586,592**	**$ 1,543,623**

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, 2014

	2014	2013
Cash Flows From Operating Transactions		
Annual surplus	$ 1,981,035	$ 1,722,896
Non-cash items		
Amortization	880,962	835,014
Contributed assets	(804,528)	(45,000)
Long-term debt actuarial reduction	(14,638)	(10,988)
Loss on disposal of tangible capital assets	422,456	241,762
Change in prepaid expense	(2,743)	(1,658)
Change in inventories	(19,408)	(10,848)
Change in deferred revenue	(786,024)	(1,026,010)
Change in working capital		
Change in property taxes receivable	(1,330)	74,354
Change in accounts receivable	(11,043)	718,736
Change in accounts payable	134,774	(179,704)
Change in trust and other deposits	52,242	(49,312)
Cash provided from (applied to) operating transactions	1,831,755	2,269,242
Cash Flow From Capital Transactions		
Purchase of tangible capital assets	(1,427,805)	(1,487,726)
Proceeds on disposal of tangible capital assets	13,000	-
Cash provided from (applied to) capital transactions	(1,414,805)	(1,487,726)
Cash Flow From Financing Transactions		
New debt issued	564,665	13,461
Long-term debt repaid	(181,331)	(194,575)
Cash provided from (applied to) financing transactions	383,334	(181,114)
Increase in Cash and Cash Equivalents	800,284	600,402
Cash and Cash Equivalents, Beginning Of Year	6,446,107	5,845,705
Cash and Cash Equivalents, End Of Year	**$ 7,246,391**	**$ 6,446,107**
Interest Included In Operating Transactions		
Interest received in the year	$ 182,197	$ 137,358
Interest paid in the year	$ (122,996)	$ (118,190)

Please see accompanying notes to the consolidated financial statements.

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.

b) In accordance with the recommendations of the Public Sector Accounting Board of the Chartered Professional Accountants Canada, the Municipality reports a consolidation of all funds. The financial statements reflect the removal of internal transactions and balances.

c) Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, trusts and other deposits, 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 with the Municipal Finance Authority in the Money Market Fund and the First Credit Union and are carried at cost, which approximates market value.

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

g) Tax revenues are recognized in the year that they are levied. 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. 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. Restricted grants are recognized when the related expenses are incurred and when collection is reasonably assured. Sewer and water fees are recognized when the commodity has been received by the customer. 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. 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.

h) 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.

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

j) The preparation of financial statements in conformity with Canadian public sector accounting standards 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.

k) 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.

l) 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 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.

m) The Municipality capitalizes interest on interim financing for capital construction projects. In 2014 $0 was capitalized (2013 - $0).

2. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

	2014	2013
Due from federal government	$120,465	$178,144
Due from provincial government	3,355	112,414
Due from other government	66,270	59,774
Other receivables	521,920	350,635
	$712,010	$700,967

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Account payable is comprised of the following:

	2014	2013
Due from federal government	$962	($3,773)
Due to provincial government	7,878	11,851
Due to other government	22,859	22,902
Salaries, wages and benefits payable	283,386	251,994
Other payables	409,653	306,990
	$724,738	$589,964

4. 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.

5. 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, 2014 (2013 – nil).

6. DEFERRED REVENUE

	Balance 31-Dec-13	Collections	Adjustments	Recognized As Revenue	Interest Income	Balance 31-Dec-14
Deferred Revenue – DCC						
Storm Drainage	$253,905	3,922	5,211	(159,958)	4,341	$107,421
Sanitary Sewer	598,763	32,283	51,541	(102,453)	10,816	590,950
Waterworks	23,722	19,962	22,715	-	492	66,891
Roads	299,544	18,740	12,821	-	5,566	336,671
Parks	95,742	8,357	13,003	-	1,718	118,820
	1,271,676	83,264	105,291	(262,411)	22,933	1,220,753
Other Deferred	1,185,891	323,311	(812,847)	(260,674)	15,109	450,790
	2,457,567	406,575	(707,556)	(523,085)	38,042	1,671,543

Adjustments for Development Cost Charge (DCC) deferred revenue are accounts receivable due from the developer of a subdivision that was approved in 2014. 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.

Adjustments for Other Deferred Revenue are the reallocation of community works funds and developer amenity funds to a restricted reserve.

7. 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, 2014, 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.

8. LONG-TERM DEBT

a) The Municipality is party to several capital leases financed through the Municipal Finance Authority for the acquisition of vehicles and operating equipment. Lease terms are five years or less. The vehicles and equipment under capital leases have a carrying value of $438,687 (2013 - $433,806) and are recorded as non-financial assets in the statements.

The following is a schedule of future minimum lease payments under the capital leases with various expiry dates to 2019 together with the balance of the obligations under capital lease, which is included in the debenture and long-term debt as detailed in Schedule 2:

2015	$96,378
2016	94,064
2017	69,041
2018	63,225
2019	26,556
Total minimum lease payments	349,264
Less: amount representing interest	(12,545)
Obligations under capital lease	$336,719

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

2015	$96,542
2016	100,499
2017	104,619
2018	97,915
2019	101,832
Thereafter	1,819,406
	$2,320,813

9. 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 are as follows:

	2014	**2013**
Cash deposits	$34,428	$33,458

10. UNFUNDED LIABILITY

Employee Benefits

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 – 90% are assigned based on years of service and length of time to retirement and discounted at 2.49%. At December 31, 2014, the value of sick leave for all vested employees is calculated at $46,264 (2013 - $50,367). The total estimated employee retirement benefit liability at December 31, 2014 is $136,867 (2013 - $119,896). Employee retirement benefit payments are being funded by an accounting charge on sick time accrued during the year and are included in the accounts payable and accrued liabilities.

11. 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 overseeing the management of the Plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 182,000 active members and approximately 75,000 retired members. Active members include approximately 23 contributors from the Corporation of the Village of Cumberland.

The most recent actuarial valuation as at December 31, 2012 indicated a $1.370 billion funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan. The Corporation of the Village of Cumberland paid $125,859 (2013 - $120,414) for employer contributions while employees contributed $109,832 (2013 - $104,758) to the plan in fiscal 2014.

12. 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.

	2014	2013
Cash and cash equivalents	$47,304	$44,827

13. ANNUAL BUDGET

Budget figures are based on the *2014-2018 Financial Plan Bylaw No. 1005, 2014* approved by Council in May of 2014. Figures are presented on the basis used for actual results and were adjusted as follows to comply with financial statement presentation:

Surplus per 2014 – 2018 Financial Plan	$ -
Remove proceeds from borrowing	(956,510)
Remove principal payments on debt	218,655
Add back amortization	(860,845)
Remove capital acquisitions	2,588,740
Transfer to reserves	(125,490)
Surplus restated for financial statement purposes	$864,550

	Original Financial Plan Bylaw 1005	Final Amended Financial Plan Bylaw 1015	Difference
Revenues	$ (5,679,365)	$ (5,998,620)	$ (319,255)
Expenses			
General government services	683,105	667,865	(15,240)
Transportation services	1,112,035	1,106,255	(5,780)
Protective services	513,940	499,735	(14,205)
Environmental health services	1,600,130	1,437,820	(162,310)
Public health services	65,105	68,705	3,600
Environmental planning and development services	327,615	287,615	(40,000)
Recreation and cultural services	808,525	756,185	(52,340)
	5,110,455	4,824,180	(286,275)
Net (Revenues) Expenses	(568,910)	(1,174,440)	(605,530)
Adjustments	990,040	615,910	(374,130)
Transfers (from) to reserves	(125,490)	849,700	975,190
Development costs charges	(295,640)	(291,170)	4,470
	568,910	1,174,440	605,530
Transfer to/(from) accumulated surplus	$ -	$ -	$ -

14. 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.

15. 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.

During 2014 the Village entered into a Renewed Gas Tax Agreement that differed in several key ways from the previous agreement. The result of these differences, and in accordance with the Village's accounting policy for Government Transfers, is that revenues under the Community Works Fund portion of the program will be recognized when allocated to the Village.

The Renewed Gas Tax Agreement also provides that any unspent amounts from the previous agreement will be brought forward to the new agreement. These amounts were previously recorded as deferred revenue. The impact of this new agreement is a significant increase to revenue in 2014 to recognize the amounts previously deferred.

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:

	2014	2013
Opening Balance of Unspent Deferred Funds	$ -	$ 456,013
Add:		
Transfer of Community Works Funds from 2013	489,338	-
Amounts received during the year	189,463	161,289
Interest earned on funds	9,779	6,050
Less:		
Amounts allocated to projects during the year	(123,148)	(134,014)
Closing balance of unspent funds	$ 565,432	$ 489,338

16. 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:	**2014**	**2013**
Operating Funds **:		
General Fund	$ 3,876,100	$ 2,555,646
Water Fund	744,188	709,347
Sanitary Sewer Fund	416,150	352,256
	5,036,438	3,617,249
Reserve Funds:		
General Capital Works	108,927	86,799
Water Capital Works	63,863	90,088
Sanitary Sewer Capital Works	57,595	32,862
Parkland Reserve	126,414	125,934
Land Sale Reserve	332,216	338,705
	689,015	674,388
Equity In Tangible Capital Assets:		
General Fund	13,299,545	13,155,155
Water Fund	9,319,765	9,263,012
Sanitary Sewer Fund	11,356,897	11,010,821
	33,976,207	33,428,988
Accumulated Surplus	$ 39,701,660	$ 37,720,625

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

17. 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.

18. COMPARATIVE FIGURES

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

SCHEDULE 1

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Tangible Capital Assets
For the Year Ended December 31, 2014

	Land	Building	Equipment / Furniture / Vehicles	Engineering Structures: Water	Engineering Structures: Sewer / Drainage	Engineering Structures: Roads	Land Improvements	Assets Under Development	2014 Total	2013 Total
Cost										
Opening balance	$ 4,346,549	$1,401,072	$ 2,885,381	$10,387,350	$15,237,510	$19,655,261	$ 1,287,975	$ 308,784	$ 55,509,882	$ 54,372,644
Add: Additions	423,069	-	308,429	626,622	460,534	267,477	309,089	119,933	2,515,153	2,343,241
Less: disposals	-	-	(64,616)	(41,360)	(68,725)	(499,343)	-	(282,820)	(956,864)	(1,206,003)
Less: write-downs	-	-	-	-	-	-	-	-	-	-
Closing balance	4,769,618	1,401,072	3,129,194	10,972,612	15,629,319	19,423,395	1,597,064	145,897	57,068,171	55,509,882
Accumulated Amortization										
Opening balance	-	1,366,742	1,396,650	2,320,844	2,128,323	11,312,105	905,263	-	19,429,927	18,748,639
Add: amortization	-	4,140	230,122	111,799	161,997	304,431	68,473	-	880,962	835,014
Less: disposals	-	-	(53,847)	(11,938)	(12,588)	(160,215)	-	-	(238,588)	(153,726)
Closing balance	-	1,370,882	1,572,925	2,420,705	2,277,732	11,456,321	973,736	-	20,072,301	19,429,927
Net Book Value, December 31, 2014	$ 4,769,618	$ 30,190	$ 1,556,269	$ 8,551,907	$13,351,587	$ 7,967,074	$ 623,328	$ 145,897	$ 36,995,870	
Net Book Value, December 31, 2013	$ 4,346,549	$ 34,330	$ 1,488,732	$ 8,066,506	$13,109,187	$ 8,343,156	$ 382,712	$ 308,784		$ 36,079,955

SCHEDULE 2

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Debenture and Long-Term Debt
As at December 31, 2014

	2014	2013
General Capital Fund		
Capital asset leases with various expiry dates to 2019, interest charged at prime less 1%, secured by equipment with carrying value of $438,687 (2013 - $433,806)	$ 336,719	$ 237,412
Water Capital Fund		
Debenture Debt		
Water Bylaw #702, due 2018, interest charged at 6.9%, annual principal payment of $4,143	29,937	38,982
Interim Construction Financing		
Temporary Borrowing Bylaw #982, interest charged at 1.5%	362,132	-
	392,069	38,982
Sewer Capital Fund		
Debenture Debt		
Sanitary Sewer Improvements Bylaw #781, interest charged at 4.43%, annual principal payment of $15,797	740,438	761,227
Sanitary Sewer Improvements Bylaw #914, interest charged at 3.25%, annual principal payment of $58,164	1,550,437	1,613,346
	2,290,875	2,374,573
Total Debenture and Long-Term Debt	**$ 3,019,663**	**$ 2,650,967**

SCHEDULE 3

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Segment Disclosure
For the Year Ended December 31, 2014

	General government services		Transportation services		Protective services		Environmental health services		Public health services		Environmental planning and development services		Recreation and cultural services		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue																
Tax revenue	$ 439,156	$ 483,734	$ 788,935	$ 817,738	$ 296,478	$ 216,527	$ 177,525	$ 177,452	$ 5,848	$ 5,091	$ 60,023	$ 136,536	$ 509,113	$ 420,094	$ 2,277,078	$ 2,257,172
Sale of services	-	-	-	-	109,001	134,736	1,234,031	1,164,203	18,490	12,535	-	-	76,370	62,547	1,437,892	1,374,021
Transfer from other governments	876,328	614,666	181,211	296,715	85,724	77,790	-	95,625	32,773	871	49,919	149,341	132,652	94,785	1,358,607	1,329,793
Other revenues and contributions	125,301	71,553	501,521	98,932	264,398	45,729	509,351	621,123	232	147	122,968	148,966	263,778	222,850	1,787,549	1,209,300
Total revenues	1,440,785	1,169,953	1,471,667	1,213,385	755,601	474,782	1,920,907	2,058,403	57,343	18,644	232,910	434,843	981,913	800,276	6,861,126	6,170,286
Expenses																
Wages, salaries and benefits	292,202	285,787	374,201	356,757	252,127	252,568	559,520	504,786	9,314	13,380	147,216	147,814	397,806	341,104	2,032,386	1,902,196
Good and services	278,051	235,915	184,914	210,976	140,923	160,283	392,564	313,526	49,834	6,271	88,799	211,956	286,206	211,301	1,421,291	1,350,228
Debt expense	6,800	3,779	10,526	8,258	3,897	4,380	101,773	101,773	-	-	-	-	-	-	122,996	118,190
Amortization	24,700	22,714	378,236	371,991	66,043	59,013	338,742	336,106	1,902	1,902	-	-	71,339	43,288	880,962	835,014
Loss on disposal of assets	-	-	336,898	9,282	-	-	85,558	232,480	-	-	-	-	-	-	422,456	241,762
Total Expenses	601,753	548,195	1,284,775	957,264	462,990	476,244	1,478,157	1,488,671	61,050	21,553	236,015	359,770	755,351	595,693	4,880,091	4,447,390
Annual Surplus (Deficit)	**$ 839,032**	**$ 621,758**	**$ 186,892**	**$ 256,121**	**$ 292,611**	**$ (1,462)**	**$ 442,750**	**$ 569,732**	**$ (3,707)**	**$ (2,909)**	**$ (3,105)**	**$ 75,073**	**$ 226,562**	**$ 204,583**	**$ 1,981,035**	**$ 1,722,896**

SCHEDULE 4

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Segment Disclosure With Budget Information
For the Year Ended December 31, 2014

	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	$ 439,156	$440,025	$ 788,935	$ 790,155	$296,478	$296,995	$ 177,525	$ 177,450	$ 5,848	$ 5,860	$ 60,023	$ 60,240	$509,113	$509,935	$2,277,078	$2,280,660
Sale of services	-	-	-	-	109,001	128,130	1,234,031	1,183,795	18,490	12,050	-	-	76,370	64,850	1,437,892	1,388,825
Transfer from other governments	876,328	434,275	181,211	372,395	85,724	85,985	-	136,275	32,773	33,645	49,919	51,370	132,652	167,195	1,358,607	1,281,140
Other revenue and contributions	125,301	57,590	501,521	63,380	264,398	269,775	509,351	342,910	232	205	122,968	159,010	263,778	131,510	1,787,549	1,024,380
Total revenue	1,440,785	931,890	1,471,667	1,225,930	755,601	780,885	1,920,907	1,840,430	57,343	51,760	232,910	270,620	981,913	873,490	6,861,126	5,975,005
Expenses																
Wages, salaries and benefits	292,202	315,310	374,201	413,015	252,127	279,560	559,520	602,490	9,314	14,160	147,216	157,770	397,806	398,120	2,032,386	2,180,425
Good and services	278,051	339,705	184,914	298,695	140,923	169,565	392,564	542,535	49,834	49,040	88,799	169,845	286,206	365,945	1,421,291	1,935,330
Debt expense	6,800	4,920	10,526	17,840	3,897	4,640	101,773	106,455	-	-	-	-	-	-	122,996	133,855
Amortization	24,700	23,170	378,236	382,485	66,043	60,175	338,742	348,650	1,902	1,905	-	-	71,339	44,460	880,962	860,845
Loss on disposal of assets	-	-	336,898	-	-	-	85,558	-	-	-	-	-	-	-	422,456	-
Total expenses	601,753	683,105	1,284,775	1,112,035	462,990	513,940	1,478,157	1,600,130	61,050	65,105	236,015	327,615	755,351	808,525	4,880,091	5,110,455
2014 Annual Surplus (Deficit)	**$ 839,032**	**$248,785**	**$ 186,892**	**$ 113,895**	**$292,611**	**$266,945**	**$ 442,750**	**$ 240,300**	**$(3,707)**	**$(13,345)**	**$ (3,105)**	**$(56,995)**	**$226,562**	**$ 64,965**	**$1,981,035**	**$ 864,550**

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, 2014

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, 2014

SCHEDULE OF REMUNERATION

1. Council / Elected Officials

Name	Position	Remuneration	Expenses
Baird, Leslie	Mayor	$ 14,943	$ 7,946
Copeman, Conner	Councillor	7,290	896
Greening, Kathryn	Councillor	7,290	100
Ketler, Jesse	Councillor	663	-
Kishi, Roger	Councillor	7,953	747
Sproule, Gwyn	Councillor	7,953	2,195
Sullivan, Sean	Councillor	663	-
Total: Council/Elected Officials		$ 46,755	$ 11,884

2. Other Employees

Name	Position	Remuneration	Expenses
Crisfield, Robert	Manager of Operations	$ 98,918	$ 1,562
Fitzgerald, Kevin	Public Works Foreman	82,646	1,026
Mason, Michelle	Financial Officer	95,550	2,631
Topham, Sundance	CAO	109,373	8,911
Williamson, Michael	Manager of Protective Services	81,324	4,341
Consolidated total of other employees with remuneration and expenses of $75,000 or less		1,190,826	38,402
Total: Other Employees		**$ 1,658,635**	**$ 56,873**

3. Reconciliation

Total remuneration - Council/Elected Officials	$ 46,755
Total remuneration - Other Employees	1,658,635
Subtotal	1,705,390
Reconciling Items	Note 1
Total per Statement of Revenue and Expenditure (Schedule 3)	2,032,386
Variance Note 1	326,996

Note 1 - Reconciling Items
Financial statement figures include employer wage costs and pension

Note 2 - Receiver General CPP and EI employer payments

CPP	*$*	*60,952*
EI		*30,513*
Total	*$*	*91,464*

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
STATEMENTS OF FINANCIAL INFORMATION (SOFI)
REQUIREMENTS FOR FINANCIAL INFORMATION ACT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

STATEMENT OF SEVERANCE AGREEMENTS

There were no severance agreements made between The Corporation of the Village of Cumberland and its non-unionized employees during 2014.

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, 2014

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
Assessment Authority, BC	$ 33,740
Carvello Law Corporation	32,153
Coastal Mountain Fuels	28,699
Corix Water Products Limited Partnership	26,248
Diamond Municipal Solutions	28,530
E.Lees and Associates Consulting Ltd.	31,122
FORTISBC-Natural Gas	28,772
Gary Moser Consulting Inc	26,734
Habitat Systems Inc	113,082
Hydro & Power Authority, BC	131,012
Insurance Centres Inc., Vancouver Island	43,758
Levelton Consultants Ltd.	32,419
Mastercard, Credit Union	35,084
McElhanney Consulting Services Ltd.	67,054
Minister of Finance - PTB	482,382
Municipal Finance Authority	123,782
Municipal Insurance Association of British Columbia	27,404
Pacific Blue Cross	79,274
Palladian Developments	45,399
Querin, Dale & Shirley	106,770
Regional District,Comox Valley	647,168
Regional Hospital District, Comox Strathcona	427,944
Regional Library, Vancouver Island	130,996
Revenue Services of British Columbia	31,371
Sun Coast Waste Services	131,830
Tetra Tech EBA Inc	132,122
Upland Contracting Ltd	378,126
Wacor Holding Ltd.	183,781
WorkSafeBC	28,173
Total aggregate amount paid to suppliers	**$ 3,614,928**

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

	$ 1,212,388

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

Consolidated total of grants exceeding $25,000	$ -
Consolidated total of contibutions 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	$ 3,614,928
Consolidated total of payments of $25,000 or less paid to suppliers	1,212,388
Consolidated total of all grants and contributions exceeding $25,000 (Note 1)	-
Subtotal	**4,827,316**
Total per Schedule 3 to financial statements (Goods and services plus debt expense)	1,544,287
Variance (Note 2)	**$ 3,283,029**

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 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, 2014

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

Cumberland Historical Society	$ 17,000
United Riders of Cumberland	4,500
BMX Society	1,500
Waived Facility Rental Fees to various	
Community Organizations	2,975

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
STATEMENTS OF FINANCIAL INFORMATION (SOFI)
REQUIREMENTS FOR FINANCIAL INFORMATION ACT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2014

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 22nd day of June, 2015