



The Corporation of the Village of Cumberland

2017

Annual Report

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Mayor's Message

On behalf of Cumberland Council, I am pleased to present the Village's 2017 Annual Report. This report includes an update on how we are making out on our goals for 2017 and what we hope to accomplish in 2018.

I would like to commend our Councillors for making challenging decisions on budgets, projects, revenues, and maintenance of our assets. It can be a difficult job at times, and I believe our Councillors have done it well and with respect for the community and for each other. We listen to our neighbours and residents and, while Council may not be able to accommodate everyone, we try to make decisions that are in the best interest of the community as a whole.

Council does not do it alone. We rely greatly on our volunteer advisory committees to give us perspective on questions that come before us. We are grateful for their time and good advice on matters ranging from sewer treatment, accessibility, affordable housing to land development applications. There are so many individuals that participate in many aspects of the community to take care of each other, our children, our seniors, our culture, our history and our environment. We are grateful to you all.

I can only hope that we will continue to protect our diversity, our uniqueness, and our tolerance for each other. I am proud to be mayor of such a special community that celebrates its roots and welcomes change.

Sincerely,



Leslie Baird



Community Vision

The Village of Cumberland is a unique community. Its rich coal mining history is visible everywhere—from the heritage homes in the historic core, to the abandoned mine sites scattered throughout the surrounding forests.

Despite the challenging fiscal realities that the Village of Cumberland faces, the people of Cumberland are here because this Village offers an unmatched quality of life. They envision that Cumberland will continue to be a community vibrating with activity. Surrounded by living forests, the Village is a mecca for outdoor recreation, with opportunities for anyone who wants to immerse themselves in nature. Protected by living natural corridors, the wetlands, forested areas, lakes and streams attract a diversity of wildlife and the network of walking and biking trails attracts visitors from all over the world.

People choose to live in Cumberland for its small town friendliness and values. The core of Cumberland retains its historic look and feel. Small shops and businesses offer respite from the sameness of shopping malls and cookie cutter commercial establishments found elsewhere.

People of all ages and backgrounds greet each other on the streets. They come here for opportunity, to be part of a vibrant community that values diversity, creativity and hard work.

The Village is growing. As it grows, it will embrace the best land use practices to ensure that it is a livable community. Housing will be available for all income levels. Walkability, accessibility, greenways, bikeways, opportunities for urban farming and public spaces will all contribute to continuing to make Cumberland a great place to live.

The Village of the future is managed in a sustainable and orderly fashion with full public participation. It has a thriving, resilient and diversified economy based on tourism and other industries and businesses that are compatible with community values and provide jobs to residents.

The vision for the Village is built upon the following priorities:

- Improvement and expansion of infrastructure to accommodate measured growth.
- Attainable housing.
- Village Centre rejuvenation.
- Promotion of the Village as a location for local and regional businesses.
- Recreation and tourism.
- A healthy, active and engaged citizenry of all ages and walks of life.
- Accountability and transparency.
- Protection and enhancement of natural features and functions.

These priorities will be reinforced with collective and passionate environmental stewardship and closer ties to the region.

Council and Committees

Mayor and Council



Left to right: Councillor Jesse Ketler, Councillor Roger Kishi, Councillor Gwyn Sproule, Mayor Leslie Baird, and Councillor Sean Sullivan.

2017 Advisory Committees

Accessibility Select Committee

Brenda Lenahan
Jaye Mathieu
Judy Norbury
Cindy Patterson
Laurel Rankin
Michael Walton
Councillor Sean Sullivan

Advisory Planning Commission

Vickey Brown
Meaghan Cursons
Amanda Howe
Evan Loveless
Eric Krejci
Jaye Mathieu
Jason C. Ross

Coal Creek Historic Park Advisory Committee

Florence Bell
Marianne Bell
May Gee
Imogene Lim
Marie Lowe
Steve Morgan
Josephine Peyton
Lillian Tosoff
Carol Snaden

Heritage Commission

Alan Ball
Gillian Brooks
Paul Laronde
Mary Kornelsen
Adam Robinson
Mike Tymchuk
Karen Webber
Councillor Gwyn Sproule

Homelessness and Affordable Housing Select Committee

Roger Albert
Ian Cooper
Kathy Duperron
Mark Fortin
Elaine Julian
Christopher Newell-Bate
Councillor Jesse Ketler

Maple Lake Fundraising Committee

Barb Giroday
Edwin Grieve
Hugh Mackinnon
Tom Murray
Norm Neiderer
Larry Peterson
Greg Sawchuck
John Shepherd
Vaughn Smith
David Stevens
Mayor Leslie Baird

Wastewater Advisory Committee

Ken Barth
Dennis Cassin
Matthew Ishoy
Anya Macleod
Victor Schulman
Mike Tymchuk
Councillor Sean Sullivan

2017 Municipal Services and Operations

PARKS & RECREATION SERVICES

Highlights of 2017 included repairs and re-siding of the turret section of the Cultural Centre and safety improvements to the Recreation Centre including new balcony railings, and input into renovations to the Museum building façade and gardens.

The new skatepark and jump park at Village Park was completed with a great opening day in September 2017. Village Park also saw improvements in the family area with accessible pathways, new picnic tables and landscaping.

Staff worked on drafting covenants for new Community Forest blocks. An interpretive trail kiosk highlighting watershed protection was installed in the Community Forest. New bridge was installed over the south wetlands linking the South Wellington Colliery Trail. Council approved a new five year park operating agreement with the Cumberland Lake Wilderness Society for Lake Park; and a five year agreement with the Comox Valley Disc Golf Club for the course in Coal Creek Historic Park. New Chinatown walking tour signage was installed in Coal Creek Historic Park.

PROTECTIVE SERVICES & BYLAW ENFORCEMENT

Protective Services and Cumberland's volunteer firefighters complete training year-round to keep their qualifications up-to-date. There were approximately 31 members in service in 2017. A new part-time Deputy Fire Chief and training officer was created. This position supported business fire inspections and fire safety plans for businesses. Training highlights included firefighter and fire officer certification program, training on emergency traffic control and Naxolene overdose prevention. A conceptual design was completed for the new fire hall at the Cumberland Road site.

Bylaw enforcement focused on on-street parking, reducing unlicensed vehicles parked on roadways, encouraging the use of dog leashes, illegal dumping, and business licence and building permit compliance. In 2017, the Village had a seasonal full time Wildsafe BC Coordinator. The program was successful in reducing incidences of solid waste being put out in the evening and proper storage of solid waste.

PUBLIC WORKS & OPERATIONS

Public Works maintains the Village's infrastructure, including the community drinking water distribution system, the wastewater collection system, the storm water system, and the road and sidewalk network.

Successes in 2017 include construction of a twinned water main supply line from the surface reservoirs to improve water supply resiliency and detailed design of a new ultra violet water treatment plant and treated water reservoir; storm water inflow and infiltration work to install storm drainage and new sewer lines in the lane north of Dunsmuir Avenue; selection of preferred options for waste water treatment as part of Phase II of the liquid waste management plan. The first part of Phase II of the Bevan / Cumberland Road corridor reconstruction project was completed. Work was completed on the mandatory dam safety review and dam consequence ratings for the water reservoirs.

PLANNING & DEVELOPMENT

Staff continued to work with property owners on an increasing number of development applications, including the Carlisle Lane development, new phases of Coal Valley Estates, applications to convert or build secondary suites, and accessory dwelling units. Assistance was provided to a downtown business group to provide a bike parking rack on Dunsmuir Avenue. The Village also started planning for a new economic development service.

Work began on developing a Heritage Register with statements of significance for heritage features and buildings.

ENVIRONMENTAL HEALTH

Council made moves to improve air quality in Cumberland by eliminating yard waste and land clearing fires; encouraging use of the curbside collection of organics and yard waste. A rain harvesting and greywater reuse plan was completed along with a water conservation and Reuse Program. The first phase of the program was rolled out with showerhead rebates in 2017.

CORPORATE SERVICES

Finance and corporate administration provide financial services for the municipality, and customer service to the community. Corporate services keeps data systems, servers, and records management systems current. These departments also administer Cumberland's community grant program, which provided funding and in-kind services to 13 local non-profit organizations in 2017.

Successes were seen through the Village's social procurement framework. The community has received the following tangible benefits:

- Commitments for local hiring;
- Apprenticeship programs;
- Living Wage commitments and other employment equity confirmations;
- Positive economic impacts for local businesses;
- Deepened relationships with Village vendors with positive community benefit outcomes;

- Offers for Village use of labour and equipment time;
- Free youth camps; and
- Support provided to not-for-profit community organizations that benefit Cumberland residents and businesses.

The Village continues to work on implementing the Cemetery Master Plan with the completion of entryway re-alignment and Phase II landscaping, and design work for the natural burial memorial monument.

The Homelessness and Affordable Housing Committee recommended prioritizing development applications that include affordable housing, and a full development cost charges review, which were approved by Council. The Accessibility Committee made recommendations on solid waste collection services, Museum renovations, Cumberland Recreation renovations,

GRANT FUNDING

The Village received the following grants in 2017:

Program	Project	Grant Amount
Clean Water Wastewater Fund	Water System Improvements	\$4,900,000
Bike BC	Bevan/Cumberland Road Corridor Project	\$151,735
ICBC	Ulverston Avenue sidewalk improvements	\$18,000
BC Recreation and Parks Association	After School Recreation Program Spaces	\$3,000
BC Rural Dividend Fund	Village of Cumberland Economic Development Strategy Creation And Implementation	\$82,000
Comox Valley Community Foundation	Recreation Drop In Equipment	\$5,200
BC Parks and Recreation Association	Recreation Equipment for After School Programs	\$1,500
Rick Hansen Foundation	Accessibility Improvements to Cumberland Recreation washrooms	\$20,000
Enabling Accessibility	Village Park Family Area Improvement	\$24,890
Comox Valley Regional District	Lake Park Toilets and Solid Waste Receptacles	\$13,927

Status of 2017 Municipal Objectives

The 2015 Annual Report outlined Council's long, medium, and short-term priorities for 2017. The following summary outlines the status of those priorities as at December 31, 2017.

1. Quality Infrastructure Planning and Development

The Village of Cumberland seeks to replace and expand the utility, dedicated road and building assets of the Village in an organized and responsible fashion.

- | | |
|--------------------------------------------------------------------------------------------------------------|-------------|
| ▪ Establish an adequate and high quality source of water for the current and future residents of the Village | In Progress |
| ▪ Develop an environmentally sustainable method of treating the liquid waste that is produced by the Village | In Progress |
| ▪ Create a road and utility rehabilitation plan | In Progress |
| ▪ Develop a facility replacement and upgrade plan | In Progress |
| ▪ Revitalize the historic Village commercial core | In Progress |
| ▪ Develop an alley enhancement and maintenance strategy | In Progress |
| ▪ Construct a new fire hall | In Progress |

2. Comprehensive Community Planning

The Village of Cumberland seeks to move towards environmental sustainability through a broad range of means including effective land use planning, waste reduction and protection of natural resources.

- | | |
|-------------------------------------------------------------------------------------------------------------|--------------------|
| ▪ Create a Perseverance Creek stewardship plan | No Action |
| ▪ Create an industrial land development and promotion strategy | In Progress |
| ▪ Examine all solid waste management options, including alternative energy and integrated resource recovery | In Progress |
| ▪ Acquire Maple Lake for future park | Unable to Complete |
| ▪ Develop a land management strategy for Village-owned forest lands | In Progress |
| ▪ Ensure trail connectivity to regional trail networks | In Progress |
| ▪ Develop and implement an economic development strategy | In Progress |

3. Healthy Community

The Village of Cumberland seeks to create and improve the social, environmental and economic assets that support the health and well-being of residents.

- | | |
|-----------------------------------------------------------------------------------------|-------------|
| ▪ Develop a public art policy | No Action |
| ▪ Implement the Village Park Master Plan | In Progress |
| ▪ Implement the Coal Creek Historic Park Master Plan | In Progress |
| ▪ Implement the Lake Park Master Plan | In Progress |
| ▪ Implement the Cemeteries Master Plan | In Progress |
| ▪ Implement the Cumberland Recreation Renovation Study | In Progress |
| ▪ Support tourism through parks and recreation, heritage and environmental conservation | In Progress |
| ▪ Investigate the issue of wood smoke and air quality | Complete |
| ▪ Implement the Affordable Housing Implementation Framework | In Progress |

4. Climate Change

In addition to being carbon neutral, the Village of Cumberland seeks to advance itself as a sustainable community now and for the future by addressing climate change.

- | | |
|----------------------------------------------------------------|-------------|
| ▪ Reduce corporate greenhouse gas emissions | In Progress |
| ▪ Promote active transportation | In Progress |
| ▪ Investigate water conservation and grey water reuse programs | Complete |
| ▪ Explore eco-asset management | No Action |

5. Effective Administrative, Financial and Support Services

The Village of Cumberland seeks to deliver effective services to the community for the benefit of its citizens, businesses and visitors.

- | | |
|------------------------------------------------------------------------------|-------------|
| ▪ Maintain a civic engagement process | Ongoing |
| ▪ Use new and emerging technologies for internal and external communications | Ongoing |
| • Review the business license scheme | In Progress |
| • Implement a reserve fund policy | In Progress |

2018 Municipal Objectives

Council developed its strategic priorities at the beginning of the 2018 calendar year, and finalized the document after public consultation. These short, medium and long-term priorities set the foundation for the five-year financial plan.

Short-term Priority: by the end of 2018

Medium-term Priority: within four years

Long-term Priority: within 10 years

1. Quality Infrastructure Planning and Development

The Village of Cumberland seeks to replace and expand the utility, dedicated road and building assets of the Village in an organized and responsible fashion.

- | | |
|--------------------------------------------------------------------------------------------------------------|----------------------|
| ▪ Establish an adequate and high quality source of water for the current and future residents of the Village | Medium-term Priority |
| ▪ Develop an environmentally sustainable method of treating the liquid waste that is produced by the Village | Medium-term Priority |
| ▪ Create a road and utility rehabilitation plan | Medium-term Priority |
| ▪ Revitalize the historic Village commercial core | Medium-term Priority |
| ▪ Construct a new fire hall | Medium-term Priority |
| ▪ Develop an alley enhancement and maintenance strategy | Short-term Priority |

2. Comprehensive Community Planning

The Village of Cumberland seeks to move towards environmental sustainability through a broad range of means including effective land use planning, waste reduction and protection of natural resources.

- | | |
|-------------------------------------------------------------------------------------------------------------|----------------------|
| ▪ Create a Perseverance Creek stewardship plan | Long-term Priority |
| ▪ Create an industrial land development and promotion strategy | Medium-term Priority |
| ▪ Examine all solid waste management options, including alternative energy and integrated resource recovery | Medium-term Priority |
| ▪ Ensure trail connectivity to regional trail networks | Medium-term Priority |
| ▪ Develop and implement an economic development strategy | Short-term Priority |
| ▪ Develop a land management strategy for Village-owned forest lands | Short-term Priority |

3. Healthy Community

The Village of Cumberland seeks to create and improve the social, environmental and economic assets that support the health and well-being of residents.

- | | |
|-----------------------------------------------------------------------------------------|----------------------|
| ▪ Implement the Village Park Master Plan | Long-term Priority |
| ▪ Implement the Lake Park Master Plan | Long-term Priority |
| ▪ Implement the Cemeteries Master Plan | Long-term Priority |
| ▪ Implement the Cumberland Recreation Renovation study | Long-term Priority |
| ▪ Support tourism through parks and recreation, heritage and environmental conservation | Medium-term Priority |
| ▪ Implement the Coal Creek Historic Park Master Plan | Medium-term Priority |
| ▪ Implement the Affordable Housing Implementation Framework | Medium-term Priority |
| ▪ Explore a BearSmart Program | Medium-term Priority |
| ▪ Continue to work with local governments to address air quality issues | Medium-term Priority |
| ▪ Develop a public art policy | Medium-term Priority |

4. Climate Change

In addition to being carbon neutral, the Village of Cumberland seeks to advance itself as a sustainable community now and for the future by addressing climate change.

- | | |
|---------------------------------------------|----------------------|
| ▪ Reduce corporate greenhouse gas emissions | Long-term Priority |
| ▪ Promote active transportation | Long-term Priority |
| ▪ Investigate alternate energy options | Long-term Priority |
| ▪ Explore eco-asset management | Medium-term Priority |

5. Effective Administrative, Financial and Support Services

The Village of Cumberland seeks to deliver effective services to the community for the benefit of its citizens, businesses and visitors.

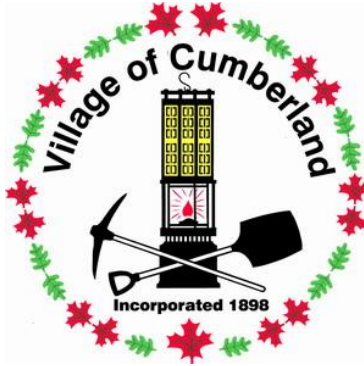
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|------------------------------------------------------------------------------|----------------------|
| ▪ Maintain a civic engagement process | Long-term Priority |
| ▪ Use new and emerging technologies for internal and external communications | Medium-term Priority |
| • Review the business licence scheme | Short-term Priority |
| • Implement a reserve fund policy | Short-term Priority |

Permissive Tax Exemptions

The following properties were granted a permissive property tax exemption for the 2017 taxation year. The amount shown is the property taxes that would have been imposed on the property in 2017 if it were not exempt.

Organization/ Occupier Of Municipal Property	Property Granted Exemption	2017 Property Tax Exemption*
Cumberland United Church	Lot 1, Block 4, Plan 522, District Lot 21, Nelson Land District <i>(Land surrounding church)</i>	\$ 306.89
Cumberland Community Church	Lot B, Plan 43397, District Lot 21, Nelson Land District <i>(Land surrounding church)</i>	\$ 318.26
Cumberland and District Historical Society (Cumberland Museum and Archives)	Lot 3, Block H, Plan 522E, District Lot 21, Nelson Land District, EXC NLY 76FT	\$ 2,839.50
Cumberland Old Age Pensioners	Lot B, Plan 29219, District Lot 21&24, Nelson Land District	\$ 7,151.06
Total Permissive Tax Exemption		\$ 10,615.71

* These amounts do not include the amounts exempted relating to other agency collections such as the Regional District, Hospital District, Municipal Finance Authority, BC Assessment, library, and school and police taxes. The total tax exemption including these other agency collections was \$22,579.19.



**THE CORPORATION OF THE
VILLAGE OF CUMBERLAND**

FINANCIAL STATEMENTS

DECEMBER 31, 2017

**THE CORPORATION OF THE
VILLAGE OF CUMBERLAND**

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For the year ended DECEMBER 31, 2017

MANAGEMENT'S RESPONSIBILITY

INDEPENDENT AUDITOR'S REPORT

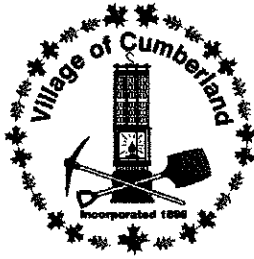
STATEMENTS

- A Statement of Financial Position
- B Statement of Operations and Accumulated Surplus
- C Statement of Change in Net Financial Assets
- D Statement of Cash Flows

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- 2 Debenture and Long-Term Debt
- 3 Segment Disclosure
- 4 Segment Disclosure with Budget Information



Corporation of the Village of Cumberland

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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.

A handwritten signature in cursive script that reads "Michelle Mason".

Michelle Mason, CPA, CGA
Financial Officer,
pursuant to Section 149 of the Community Charter
April 23, 2018



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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, 2017, and the Statements of Operations, 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 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, 2017, and the results of its 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 23, 2018

STATEMENT A

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Statement of Financial Position
As at December 31, 2017

	<u>2017</u>	<u>2016</u>
Financial Assets		
Cash and cash equivalents	\$ 4,895,810	\$ 5,367,252
Property taxes receivable	136,962	217,699
Accounts receivable (Note 2)	1,634,002	2,227,425
Investments (Note 3)	3,904,451	1,481,287
	<u>10,571,225</u>	<u>9,293,663</u>
Liabilities		
Accounts payable and accrued liabilities (Note 4)	1,354,958	1,602,470
Trust and other deposits (Note 5)	517,514	556,877
Deferred revenue (Note 7)	3,291,123	1,694,630
Debenture and long term-debt (Note 9, Schedule 2)	2,932,650	3,163,478
	<u>8,096,245</u>	<u>7,017,455</u>
Net Financial Assets	<u>2,474,980</u>	<u>2,276,208</u>
Non-financial Assets		
Tangible capital assets (Schedule 1)	48,321,202	44,415,661
Inventories	117,555	123,431
Prepaid expenses	47,042	46,985
	<u>48,485,799</u>	<u>44,586,077</u>
Accumulated Surplus (Note 16)	<u>\$ 50,960,779</u>	<u>\$ 46,862,285</u>
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, 2017

	2017 Budget	2017 Actual	2016 Actual
	(Note 14)		
Revenues			
Taxes	\$ 2,375,540	\$ 2,375,363	\$ 2,261,668
Grants in lieu of taxes	48,880	48,883	54,565
Frontage taxes	321,700	322,203	183,282
Sale of services	1,454,020	1,620,084	1,382,388
Transfers from other governments	7,793,055	3,587,794	2,935,177
Services to other governments	376,360	366,044	349,198
Other revenue	519,200	726,397	1,465,775
Development cost charges	370,740	345,301	712,651
Contributed assets	-	850,422	473,737
	<u>13,259,495</u>	<u>10,242,491</u>	<u>9,818,441</u>
Expenses			
General government services	802,700	776,966	686,745
Transportation services	1,213,225	1,392,539	1,244,038
Protective services	618,500	530,608	487,182
Environmental health services	2,005,080	1,918,691	1,776,960
Public health services	35,005	41,055	23,091
Environmental planning and development services	302,635	313,389	261,857
Recreation and cultural services	1,128,250	1,170,749	1,146,453
	<u>6,105,395</u>	<u>6,143,997</u>	<u>5,626,326</u>
Annual Surplus	7,154,100	4,098,494	4,192,115
Accumulated Surplus, Beginning Of Year	<u>46,862,285</u>	<u>46,862,285</u>	<u>42,670,170</u>
Accumulated Surplus, End Of Year	<u>\$ 54,016,385</u>	<u>\$ 50,960,779</u>	<u>\$ 46,862,285</u>

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, 2017

	<u>2017 Budget</u>	<u>2017 Actual</u>	<u>2016 Actual</u>
	(Note 14)		
Annual Surplus	\$ 7,154,100	\$ 4,098,494	\$ 4,192,115
Amortization of tangible capital assets	1,046,800	1,125,972	972,881
Change in supplies inventories	-	5,876	(13,556)
Change in prepaid expense	-	(57)	(39,117)
Proceeds on disposal of tangible capital assets	-	-	17,592
Loss on disposal of tangible capital assets	-	171,278	19,284
Acquisition of tangible capital assets	<u>(10,994,370)</u>	<u>(5,202,791)</u>	<u>(5,326,686)</u>
Change In Net Financial Assets	(2,793,470)	198,772	(177,487)
Net Financial Assets, Beginning Of Year	2,276,208	2,276,208	2,453,695
Net Financial Assets, End Of Year	<u>\$ (517,262)</u>	<u>\$ 2,474,980</u>	<u>\$ 2,276,208</u>

Please see accompanying notes to the financial statements.

STATEMENT D

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Statement of Cash Flows
For the Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Transactions		
Annual surplus	\$ 4,098,494	\$ 4,192,115
Non-cash items		
Amortization	1,125,972	972,881
Contributed assets	(850,422)	(473,737)
Long-term debt actuarial reduction	(28,787)	(22,395)
Loss on disposal of tangible capital assets	171,278	19,284
Change in prepaid expense	(57)	(39,117)
Change in inventories	5,876	(13,556)
Change in deferred revenue	1,596,493	(699,285)
Change in working capital		
Change in property taxes receivable	80,736	(55,071)
Change in accounts receivable	593,423	(1,120,495)
Change in accounts payable	(247,512)	1,010,510
Change in trust and other deposits	(39,363)	266,237
Cash provided by operating transactions	<u>6,506,131</u>	<u>4,037,371</u>
Cash Flow From Capital Transactions		
Purchase of tangible capital assets	(4,352,369)	(4,852,949)
Proceeds on disposal of tangible capital assets	-	17,592
Cash applied to capital transactions	<u>(4,352,369)</u>	<u>(4,835,357)</u>
Cash Flow From Financing Transactions		
New debt issued	73,419	200,481
Long-term debt repaid	(275,459)	(394,818)
Cash applied to financing transactions	<u>(202,040)</u>	<u>(194,337)</u>
Cash Flow From Investing Transactions		
Change in investments	(2,423,164)	747,233
Cash applied to investing transactions	<u>(2,423,164)</u>	<u>747,233</u>
Decrease in Cash and Cash Equivalents	(471,442)	(245,090)
Cash and Cash Equivalents, Beginning Of Year	<u>5,367,252</u>	<u>5,612,342</u>
Cash and Cash Equivalents, End Of Year	<u><u>\$ 4,895,810</u></u>	<u><u>\$ 5,367,252</u></u>
Interest Included In Operating Transactions		
Interest received in the year	\$ 174,538	\$ 154,189
Interest paid in the year	\$ (100,324)	\$ (130,936)

Please see accompanying notes to the consolidated financial statements.

**The Corporation of the Village of Cumberland
Notes to Financial Statements
Year Ended DECEMBER 31, 2017**

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, investments, 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.

The Corporation of the Village of Cumberland
Notes to Financial Statements
Year Ended DECEMBER 31, 2017

- 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.

The Corporation of the Village of Cumberland
Notes to Financial Statements
Year Ended DECEMBER 31, 2017

- 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) 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 Municipality 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, 2017 and 2016 the Municipality has reported no liabilities related to contaminated sites.

**The Corporation of the Village of Cumberland
Notes to Financial Statements
Year Ended DECEMBER 31, 2017**

2. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

	<u>2017</u>	<u>2016</u>
Due from federal government	\$ 824,246	\$ 1,437,314
Due from provincial government	129,399	5,621
Due from other governments	47,197	164,439
Other receivables	633,160	620,051
	<u>\$ 1,634,002</u>	<u>\$ 2,227,425</u>

3. INVESTMENTS

Investments are comprised of the following:

	<u>2017</u>	<u>2016</u>
Credit Union Term Deposits with maturities in excess of 90 days with interest rates from 1.75% to 1.95%	\$ 3,489,877	\$ 1,350,000
Emergency & Safety Reserve Term Deposit with interest rate of 1.95%	108,900	-
Parkland Reserve Credit Union Term Deposit with interest rate of 1.95%	146,417	131,287
Sewer Capital Reserve Term Deposit with interest rate of 1.95%	159,257	-
	<u>\$ 3,904,451</u>	<u>\$ 1,481,287</u>

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Account payable is comprised of the following:

	<u>2017</u>	<u>2016</u>
Due to federal government	\$ 8,326	\$ 649
Due to provincial government	596	1,235
Salaries, wages and benefits payable	344,586	360,201
Other payables	1,001,450	1,240,385
	<u>\$ 1,354,958</u>	<u>\$ 1,602,470</u>

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.

**The Corporation of the Village of Cumberland
Notes to Financial Statements
Year Ended DECEMBER 31, 2017**

6. BANK INDEBTEDNESS

The Municipality 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, 2017 (2016 – \$Nil).

7. DEFERRED REVENUE

	Balance			Recognized	Interest	Balance
	31-Dec-16	Collections	Adjustments	As Revenue	Income	31-Dec-17
Deferred Revenue – DCC						
Parks	\$ 248,693	\$ 75,578	\$ -	\$ (26,000)	\$ 4,253	\$ 302,524
Roads	365,268	74,524	-	(73,304)	5,477	371,965
Sanitary Sewer	635,506	299,584	-	(91,633)	11,083	854,540
Storm Drainage	41,852	30,287	-	(32,770)	618	39,987
Waterworks	166,497	17,036	-	(121,594)	2,009	63,948
	<u>1,457,816</u>	<u>497,009</u>	<u>-</u>	<u>(345,301)</u>	<u>23,440</u>	<u>1,632,964</u>
Other Deferred	236,814	1,870,210	-	(469,096)	20,231	1,658,159
	<u>\$ 1,694,630</u>	<u>\$ 2,367,219</u>	<u>\$ -</u>	<u>\$ (814,397)</u>	<u>\$ 43,671</u>	<u>\$ 3,291,123</u>

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, 2017, 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.

The Corporation of the Village of Cumberland
Notes to Financial Statements
Year Ended DECEMBER 31, 2017

- e) 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.

During the year the Municipality's waste water system was audited by the Ministry of Environment and Climate Change Strategy and it was determined that there were instances where the Municipality was not in compliance with their permit. The Municipality is in the process of determining what, if any, fine will be levied and as a result no liability has been recorded.

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 \$537,976 (2016 - \$646,793) and are 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:

2018	\$	158,512
2019		124,529
2020		64,610
2021		8,292
Total minimum loan payments		<u>355,943</u>
Less: amount representing interest at rates from 1.34% to 1.5%		(5,880)
Obligations under equipment loans	\$	<u>350,063</u>

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

2018	\$	119,515
2019		643,667
2020		105,905
2021		110,141
2022		114,546
Thereafter		1,488,813
	\$	<u>2,582,587</u>

Total balance for equipment loans, debenture and long-term debt equal \$2,932,650 (2016 - \$3,163,478).

10. DEPOSITS AND RESERVES – MUNICIPAL FINANCE AUTHORITY

Under borrowing arrangements with the Municipal Finance Authority (MFA), the Municipality 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 Municipality.

Cash deposits at December 31, 2017 equal to \$33,679 (2016 - \$36,297) and are not reported elsewhere in these financial statements.

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 Municipality 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, 2017, the value of sick leave for all vested employees is calculated at \$99,557 (2016 - \$102,853). The total estimated employee retirement benefit liability at December 31, 2017 is \$216,356 (2016 - \$227,964). 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 trustee 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 approximately 193,000 active members and approximately 90,000 retired members. Active members include approximately 28 contributors from the Municipality and 38,000 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 Corporation of the Village of Cumberland
Notes to Financial Statements
Year Ended DECEMBER 31, 2017**

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 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 Municipality paid \$168,731 (2016 - \$145,233) for employer contributions while employees contributed \$149,163 (2016 - \$130,562) to the Plan in fiscal 2017.

13. TRUST FUNDS

Cash and cash equivalents at December 31, 2017 held in trust by the Municipality for cemetery care equal to \$55,727 (2016 - \$62,925). Neither the assets nor related liabilities have been recorded in the financial statements.

14. ANNUAL BUDGET

Budget figures are based on the *2017-2021 Financial Plan Bylaw No. 1059, 2017* approved by Council in May of 2017. Figures are presented on the basis used for actual results and were adjusted as follows to comply with financial statement presentation:

Surplus per 2017 – 2021 Financial Plan	\$ -
Remove proceeds from borrowing	(1,143,910)
Remove principal payments on debt	315,300
Add back amortization	(1,046,800)
Remove capital acquisitions	10,994,370
Transfer to reserves	(1,964,860)
Surplus restated for financial statement purposes	<u><u>\$ 7,154,100</u></u>

The Corporation of the Village of Cumberland
Notes to Financial Statements
Year Ended DECEMBER 31, 2017

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 1059	Final Amended Financial Plan Bylaw 1076	Difference
Revenues	\$ (12,888,755)	\$ (12,889,215)	\$ (460)
Expenses			
General government services	802,700	802,700	-
Transportation services	1,213,225	1,248,735	35,510
Protective services	618,500	618,500	-
Environmental health services	2,005,080	2,005,080	-
Public health services	35,005	37,845	2,840
Environmental planning and development services	302,635	302,635	-
Recreation and cultural services	1,128,250	1,128,710	460
	<u>6,105,395</u>	<u>6,144,205</u>	<u>38,810</u>
Net (Revenues) Expenses	<u>(6,783,360)</u>	<u>(6,745,010)</u>	<u>38,350</u>
Adjustments	9,118,960	9,175,960	57,000
Transfers (from) to reserves	(1,964,860)	(2,034,210)	(69,350)
Development costs charges	(370,740)	(396,740)	(26,000)
	<u>6,783,360</u>	<u>6,745,010</u>	<u>(38,350)</u>
Transfer to/(from) accumulated surplus	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**The Corporation of the Village of Cumberland
Notes to Financial Statements
Year Ended DECEMBER 31, 2017**

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.

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

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

	2017	2016
Opening balance of unspent funds	\$ 92,627	\$ 323,900
Add:		
Amounts received during the year	197,836	195,843
Interest earned on funds	1,838	4,513
Less:		
Amounts allocated to projects during the year	(80,708)	(431,629)
Closing balance of unspent funds	\$ 211,593	\$ 92,627

**The Corporation of the Village of Cumberland
Notes to Financial Statements
Year Ended DECEMBER 31, 2017**

16. ACCUMULATED SURPLUS

Operating Funds - comprise the principal operating activities of the Municipality 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:	<u>2017</u>	<u>2016</u>
Operating Funds **: <ul style="list-style-type: none"> General Fund Water Fund Sanitary Sewer Fund 	\$ 3,339,000 1,106,413 395,437 <hr/> 4,840,850	\$ 3,731,715 1,037,414 440,524 <hr/> 5,209,653
Reserve Funds: <ul style="list-style-type: none"> Emergency & Safety Reserve Infrastructure Asset Renewal Parkland Reserve Land Sale Reserve Sanitary Sewer Capital Works 	109,784 311,411 147,606 1,108 161,468 <hr/> 731,377	- 158,392 131,709 1,091 109,257 <hr/> 400,449
Equity In Tangible Capital Assets: <ul style="list-style-type: none"> General Fund Water Fund Sanitary Sewer Fund 	20,703,493 10,735,752 13,949,307 <hr/> 45,388,552	18,236,543 9,715,376 13,300,264 <hr/> 41,252,183
Accumulated Surplus	<u>\$ 50,960,779</u>	<u>\$ 46,862,285</u>

** 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.

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.

**The Corporation of the Village of Cumberland
Notes to Financial Statements
Year Ended DECEMBER 31, 2017**

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.

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Tangible Capital Assets
For the Year Ended December 31, 2017

	Land	Building	Equipment /	Engineering Structures			Land Improvements	Assets Under Development	2017 Total	2016 Total
			Furniture / Vehicles	Water	Sewer / Drainage	Roads				
Cost										
Opening 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
Add: Additions	272,195	-	22,483	852,528	2,036,077	3,570,212	606,685	843,329	8,203,509	6,081,755
Less: disposals	-	-	-	(129,038)	(158,415)	(1,468,341)	-	(3,000,718)	(4,756,512)	(1,744,916)
Closing balance	6,278,925	1,401,072	3,691,337	12,055,105	18,446,122	23,206,879	2,414,911	997,813	68,492,164	65,045,167
Accumulated Amortization										
Opening 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
Add: amortization	-	4,140	244,392	124,631	182,646	477,448	92,715	-	1,125,972	972,881
Less: disposals	-	-	-	(80,366)	(58,320)	(1,445,830)	-	-	(1,584,516)	(952,971)
Closing balance	-	1,383,302	2,237,395	2,692,206	2,736,521	9,907,419	1,214,119	-	20,170,962	20,629,506
Net Book Value, December 31, 2017	\$ 6,278,925	\$ 17,770	\$ 1,453,942	\$ 9,362,899	\$ 15,709,601	\$ 13,299,460	\$ 1,200,792	\$ 997,813	\$ 48,321,202	
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

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Debenture and Long-Term Debt
As at December 31, 2017

	<u>2017</u>	<u>2016</u>
General Capital Fund		
Equipment Financing Loans with various expiry dates to 2021, interest charged at floating rate (currently at 2.11%), secured by equipment with carrying value of \$537,976 (2016 - \$646,793)	\$ 350,063	\$ 507,596
Short-term loan Comox Lake Road 5 year loan # 305-6 interest charged at floating rate (currently at 2.11%),	42,995	85,090
	<u>393,058</u>	<u>592,686</u>
Water Capital Fund		
Debenture Debt Water Bylaw #702, due 2017, interest charged at 4.52%, fully paid in 2017	-	10,470
Interim Construction Financing Temporary Borrowing Bylaw #982, interest charged at floating rate (currently at 2.11%),	447,021	447,021
Temporary Borrowing Bylaw #1066 interest charged at floating rate (currently at 2.11%),	73,419	-
	<u>520,440</u>	<u>457,491</u>
Sewer Capital Fund		
Debenture Debt Sanitary Sewer Improvements Bylaw #781, due 2036 interest charged at 2.1% annual principal payment of \$15,797	672,950	696,334
Sanitary Sewer Improvements Bylaw #914, due 2031 interest charged at 3.25% annual principal payment of \$58,164	1,346,202	1,416,967
	<u>2,019,152</u>	<u>2,113,301</u>
Total Debenture and Long-Term Debt	<u>\$ 2,932,650</u>	<u>\$ 3,163,478</u>

SCHEDULE 3

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
Segment Disclosure
For the Year Ended December 31, 2017

	General government services		Transportation	services	Protective services		Environmental health services		Public health services		Environmental planning and development services		Recreation and cultural services		Total	
	2017	2016			2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Revenue																
Tax revenue	\$ 527,174	\$ 320,094	\$ 812,038	\$ 843,471	\$ 373,042	\$ 356,243	\$ 322,203	\$ 183,282	\$ 13,010	\$ 32,912	\$ 112,082	\$ 98,984	\$ 586,900	\$ 664,529	\$ 2,746,449	\$ 2,499,515
Sale of services	-	-	-	-	152,336	150,273	1,574,283	1,382,643	13,885	13,525	-	-	245,624	185,145	1,986,128	1,731,586
Transfer from other governments	617,911	609,774	1,858,961	1,189,462	96,883	93,111	833,922	891,275	3,188	5,515	25,229	23,840	151,700	122,200	3,587,794	2,935,177
Other revenues and contributions	141,536	103,190	451,630	752,406	28,565	29,209	682,613	896,065	6	86	257,758	111,423	360,012	759,784	1,922,120	2,652,163
Total revenues	1,286,621	1,033,058	3,122,629	2,785,339	650,826	628,836	3,413,021	3,353,265	30,089	52,038	395,069	234,247	1,344,236	1,731,658	10,242,491	9,818,441
Expenses																
Wages, salaries and benefits	424,381	371,574	457,144	407,091	331,411	314,436	594,472	578,439	13,400	9,480	165,806	150,314	532,204	525,055	2,518,818	2,356,389
Good and services	326,843	285,659	346,294	339,564	149,777	139,559	718,527	733,880	26,099	12,298	147,583	111,543	524,128	524,471	2,239,251	2,146,974
Debt expense	-	3,770	5,210	17,974	1,565	4,658	80,868	103,229	-	-	-	-	1,035	1,167	88,678	130,798
Amortization	25,742	25,742	561,380	442,533	47,855	46,121	376,057	361,412	1,556	1,313	-	-	113,382	95,760	1,125,972	972,881
Loss/(Gain) on disposal of assets	-	-	22,511	36,876	-	(17,592)	148,767	-	-	-	-	-	-	-	171,278	19,284
Total Expenses	776,966	686,745	1,392,539	1,244,038	530,608	487,182	1,918,691	1,776,960	41,055	23,091	313,389	261,857	1,170,749	1,146,453	6,143,997	5,626,326
Annual Surplus (Deficit)	\$ 509,655	\$ 346,313	\$ 1,730,090	\$ 1,541,301	\$ 120,218	\$ 141,654	\$ 1,494,330	\$ 1,576,305	\$ (10,966)	\$ 28,947	\$ 81,680	\$ (27,610)	\$ 173,487	\$ 585,205	\$ 4,098,494	\$ 4,192,115

SCHEDULE 4

THE CORPORATION OF THE VILLAGE OF CUMBERLAND
 Segment Disclosure With Budget Information
 For the Year Ended December 31, 2017

	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	\$ 527,174	\$ 527,220	\$ 812,038	\$ 812,095	\$ 373,042	\$ 373,070	\$ 322,203	\$ 321,700	\$ 13,010	\$ 13,010	\$ 112,082	\$ 112,090	\$ 586,900	\$ 586,935	\$ 2,746,449	\$ 2,746,120
Sale of services	-	-	-	-	152,336	175,360	1,574,283	1,501,370	13,885	14,300	-	-	245,624	139,350	1,986,128	1,830,380
Transfer from other governments	617,911	607,735	1,858,961	1,738,700	96,883	94,935	833,922	5,173,300	3,188	3,475	25,229	24,570	151,700	150,340	3,587,794	7,793,055
Other revenue and contributions	141,536	94,070	451,630	201,225	28,565	26,220	682,613	399,805	6	10	257,758	113,815	360,012	54,795	1,922,120	889,940
Total revenue	1,286,621	1,229,025	3,122,629	2,752,020	650,826	669,585	3,413,021	7,396,175	30,089	30,795	395,069	250,475	1,344,236	931,420	10,242,491	13,259,495
Expenses																
Wages, salaries and benefits	424,381	438,410	457,144	417,355	331,411	381,940	594,472	648,495	13,400	10,000	165,806	168,230	532,204	532,865	2,518,818	2,597,295
Good and services	326,843	337,975	346,294	356,980	149,777	184,115	718,527	849,115	26,099	22,600	147,583	134,405	524,128	478,975	2,239,251	2,364,165
Debt expense	-	-	5,210	5,365	1,565	1,420	80,868	89,410	-	-	-	-	1,035	940	88,678	97,135
Amortization	25,742	26,315	561,380	433,525	47,855	51,025	376,057	418,060	1,556	2,405	-	-	113,382	115,470	1,125,972	1,046,800
Loss/(Gain) on disposal of assets	-	-	22,511	-	-	-	148,767	-	-	-	-	-	-	-	171,278	-
Total expenses	776,966	802,700	1,392,539	1,213,225	530,608	618,500	1,918,691	2,005,080	41,055	35,005	313,389	302,635	1,170,749	1,128,250	6,143,997	6,105,395
Annual Surplus (Deficit)	\$ 509,655	\$ 426,325	\$ 1,730,090	\$ 1,538,795	\$ 120,218	\$ 51,085	\$ 1,494,330	\$ 5,391,095	\$ (10,966)	\$ (4,210)	\$ 81,680	\$ (52,160)	\$ 173,487	\$ (196,830)	\$ 4,098,494	\$ 7,154,100