

Village of Pemberton
Financial Statements
December 31, 2016

Village of Pemberton Contents

For the year ended December 31, 2016

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Management's Responsibility

To the Mayor and Council of the Village of Pemberton,

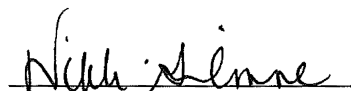
Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Mayor and Council are composed entirely of individuals who are neither management nor employees of the Village. The Mayor and Council are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Mayor and Council fulfill these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Mayor and Council are also responsible for appointing the Village's external auditors.

MNP LLP, an independent firm of Chartered Professional Accountants, is appointed by the Mayor and Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically with, both the Council and management to discuss their audit findings.

May 2, 2017



Chief Administrative Officer

Independent Auditors' Report

To the Mayor and Council of the Village of Pemberton,

We have audited the accompanying financial statements of the Village of Pemberton, which comprise the statement of financial position as at December 31, 2016, and the statements of operations and accumulated surplus, changes in net debt 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 auditors' 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 Village of Pemberton as at December 31, 2016 and the results of its operations, changes in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Kelowna, British Columbia

May 2, 2017

MNP LLP

Chartered Professional Accountants

Village of Pemberton
Statement of Financial Position
As at December 31, 2016

	2016	2015
Financial assets		
Cash and cash equivalents <i>(Note 2)</i>	4,563,260	2,398,149
Accounts receivable <i>(Note 3)</i>	1,504,161	1,490,891
Municipal Finance Authority debt reserve	91,538	87,245
	6,158,959	3,976,285
Financial liabilities		
Accounts payable and accrued liabilities	504,289	748,891
Deferred revenue <i>(Note 4)</i>	1,511,364	1,312,128
Deposits and permits	2,385,739	448,037
Long-term debt <i>(Note 5)</i>	5,210,276	4,705,768
Obligations under capital leases <i>(Note 6)</i>	447,083	533,532
	10,058,751	7,748,356
Net debt	(3,899,792)	(3,772,071)
Non-financial assets		
Prepaid expenses	26,022	54,580
Tangible capital assets <i>(Note 7)</i>	20,661,199	19,496,313
	20,687,221	19,550,893
Accumulated surplus <i>(Note 8)</i>	16,787,429	15,778,822

Commitments and contingencies *(Note 11)*



 Mayor

Village of Pemberton
Statement of Operations and Accumulated Surplus

For the year ended December 31, 2016

	Budget (Note 13)	2016	2015
Revenue			
Taxation (Note 9)	1,898,332	1,705,046	1,915,810
Water and sewer user rates	1,538,459	1,672,958	1,599,962
User charges	1,363,263	398,756	279,710
Penalties and interest income	19,000	82,296	110,558
Government transfers (Note 10)			
Provincial	1,705,980	476,668	645,620
Other local governments	265,624	243,297	294,721
Investment income	6,500	21,289	3,906
Contributions	-	436,463	44,238
Other	366,000	309,618	171,446
Gain on disposal of tangible capital assets	-	150,200	-
	7,163,158	5,496,591	5,065,971
Expenses			
General government	2,347,812	1,316,714	1,371,853
Fire protection services	502,926	574,922	502,343
Development and planning services	435,790	272,902	275,537
Public works and parks	912,561	616,208	554,620
Water utility	832,777	793,810	772,234
Sewer utility	941,985	822,189	886,848
Airport services	173,200	91,239	91,162
	6,147,051	4,487,984	4,454,597
Annual surplus	1,016,107	1,008,607	611,374
Accumulated surplus, beginning of year	15,778,822	15,778,822	15,167,448
Accumulated surplus (Note 8)	16,794,929	16,787,429	15,778,822

The accompanying notes are an integral part of these financial statements

Village of Pemberton
Statement of Changes in Net Debt
For the year ended December 31, 2016

	Budget (Note 13)	2016	2015
Annual surplus	1,016,107	1,008,607	611,374
Acquisition of tangible capital assets	(2,369,485)	(1,928,494)	(1,254,901)
Amortization of tangible capital assets	899,220	763,608	742,765
	(1,470,265)	(1,164,886)	(512,136)
Change in prepaid expenses	-	28,558	(34,135)
Decrease (increase) in net debt	(454,158)	(127,721)	65,103
Net debt, beginning of year	(3,772,071)	(3,772,071)	(3,837,174)
Net debt, end of year	(4,226,229)	(3,899,792)	(3,772,071)

The accompanying notes are an integral part of these financial statements

Village of Pemberton
Statement of Cash Flows

For the year ended December 31, 2016

	2016	2015
Cash provided by (used for) the following activities		
Operating Activities		
Annual surplus	1,008,607	611,374
Items not involving cash included in annual surplus:		
Amortization of tangible capital assets	763,608	742,765
Gain on disposal of tangible capital assets	(150,200)	-
Actuarial reduction of debt	(71,442)	(65,957)
Contribution from developers	(292,705)	-
Change in financial assets and liabilities:		
Accounts receivable	(13,270)	16,987
Municipal Finance Authority debt reserve	(4,293)	(14,109)
Accounts payable and accrued liabilities	(244,602)	9,800
Deferred revenues	199,236	4,641
Deposits	1,937,702	358,236
Change in non-financial assets:		
Prepays	28,558	(34,135)
	3,161,199	1,629,602
Capital Activities		
Acquisition of tangible capital assets	(1,635,789)	(1,254,901)
Proceeds on disposition of tangible capital assets	150,200	-
	(1,485,589)	(1,254,901)
Financing Activities		
Principal repayments of long-term debt	(228,844)	(168,180)
Advances of long-term debt	804,794	1,200,000
Repayment of obligations under capital lease	(86,449)	(98,759)
	489,501	933,061
Increase in cash and cash equivalents	2,165,111	1,307,762
Cash and cash equivalents, beginning of year	2,398,149	1,090,387
Cash and cash equivalents, end of year	4,563,260	2,398,149

The accompanying notes are an integral part of these financial statements

Village of Pemberton

Notes to the Financial Statements

For the year ended December 31, 2016

The Village of Pemberton (the "Village") was incorporated as a Village in 1956 under statute of the Province of British Columbia. Its principal activities include the provision of local government services to residents of the incorporated area. These include general government, fire protection, planning and development, public works, parks and cultural services, water utility, sewer utility, and airport services.

The Village is committed to building and maintaining a village which preserves and enhances the natural environment, heritage and uniqueness of the community. The Village's objectives are to provide open, fair, and responsive government, recognizing the impact of decisions on the residents of the community; to provide opportunities for commerce and industry; and to deliver municipal services in an effective manner at a cost acceptable to the taxpayers.

1. Significant accounting policies

The financial statements of the Village are prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of CPA Canada. Significant accounting policies adopted by the Village are as follows:

(a) Basis of accounting

The Village follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Revenue recognition

Property taxes, including frontage taxes and special assessments, are recognized as revenue in the year in which they are levied. Water and sewer user rates, connection fees, sale of services, interest and penalties are recognized as revenue in the year the related service is provided.

The Village recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability. In such circumstances, the Village recognizes revenue as the liability is settled.

(c) Deferred revenue

Deferred revenue represents development cost charges (DCCs), licenses and other fees which have been collected, but for which the related services or expense have yet to be performed or incurred. These amounts will be recognized as revenues in the fiscal year the services are performed or expenses incurred.

(d) Investment income

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

Village of Pemberton
Notes to the Financial Statements
For the year ended December 31, 2016

1. Significant accounting policies (continued)

(e) Reserves

Reserves for operating and capital purposes represent amounts reserved either internally or by statute for specific future purposes.

(f) Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid investments with a term to maturity of 90 days or less at acquisition and readily convertible to cash.

(g) Long-term debt

Long-term debt is recorded net of principal repayments and actuarial adjustments.

(h) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Village is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2016.

(i) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost less residual value of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful life - years
Buildings and building improvements	50
Engineering structures	20-40
Machinery, equipment and vehicles	5-15
Water systems	50
Sewer systems	50

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

1. Significant accounting policies (continued)

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Natural resources

Natural resources that have not been purchased are not recognized as assets in the financial statements.

(iv) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(v) Interest capitalization

The Village does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(vi) Leased tangible capital assets

Leases, which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(j) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period.

Significant estimates include assumptions used in estimating provisions for accrued liabilities, estimated useful lives of tangible capital assets, and valuation of accounts receivable.

Liabilities for contaminated sites are estimated based on the best information available regarding potential contamination where the Village is responsible.

(k) Recent accounting pronouncements

(i) PS 2200 *Related Party Disclosures*

In March 2015, as part of the CPA Canada Public Sector Accounting Handbook Revisions Release No. 42, the Public Sector Accounting Board (PSAB) issued a new standard, PS 2200 *Related Party Disclosures*.

1. Significant accounting policies (*continued*)

This new Section defines related party and established disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

This Section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted.

The Village does not expect application of the new Standard to have a material effect on the financial statements.

(ii) PS 3210 Assets

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook (PSA HB). The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.

Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.

The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.

A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.

A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries. An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

The Village does not expect application of the new Standard to have a material effect on the financial statements.

1. Significant accounting policies (*continued*)

(iii) PS 3320 *Contingent Assets*

In June 2015, new PS 3320 *Contingent Assets* was included in the CPA Canada Public Sector Accounting Handbook. The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.

Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.

Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.

When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The Standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Village does not expect application of the new Standard to have a material effect on the financial statements.

(iv) PS 3380 *Contractual Rights*

In June 2015, new PS 3380 *Contractual Rights* was included in the CPA Canada Public Sector Accounting Handbook. This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right. Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Village does not expect application of the new Standard to have a material effect on the financial statements.

Village of Pemberton
Notes to the Financial Statements
For the year ended December 31, 2016

2. Cash and cash equivalents

	2016	2015
Restricted cash and cash equivalents		
Development cost charges	581,941	440,166
Other	25,000	25,000
	606,940	465,166
Unrestricted cash and cash equivalents	3,956,319	1,932,983
	4,563,260	2,398,149

Cash equivalents include investments in Municipal Finance Authority Money Market Fund and term deposits.

3. Accounts Receivable

	2016	2015
Taxes receivable	505,684	549,200
Utilities receivable	294,634	308,718
Trade receivables	703,843	632,973
	1,504,161	1,490,891

4. Deferred revenue

	December 31, 2015	Collections	Transfers	December 31, 2016
Development cost charges				
General	234,772	58,970	-	293,742
Water utility	153,726	26,725	-	180,451
Sewer utility	51,668	56,080	-	107,748
	440,166	141,775	-	581,941
Deferred revenue				
Unspent gas tax funding	486,331	156,081	(105,593)	536,819
Deferred grants	60,035	26,000	(8,886)	77,149
Future local improvements	111,464	-	(10,466)	100,998
Prepaid utilities and taxes	23,264	23,589	(23,264)	23,589
Other	190,868	-	-	190,868
	871,962	205,670	(148,209)	929,423
	1,312,128	347,445	(148,209)	1,511,364

Development cost charges are amounts received from developers to be used by the Village for specific infrastructure upgrades, improvements and projects. The above amounts have been deferred and are to be recognized as revenue in the year the related project expenditures are incurred.

Gas tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Municipality and the Union of British Columbia Municipalities. Gas tax funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

Village of Pemberton
Notes to the Financial Statements
For the year ended December 31, 2016

5. Long-term debt

	2016	2015
Outstanding debt, beginning of year	4,705,768	3,739,905
Issues of debt	804,794	1,200,000
Repayment of debt	(228,844)	(168,180)
Actuarial reduction of debt	(71,442)	(65,957)
	5,210,276	4,705,768

Bylaw	Year Maturing	% Rate	Cash Payments		Balance Outstanding	
			Interest	Principal	2016	2015
427	2022	3.05	15,600	19,658	264,737	301,804
515	2025	1.80	37,800	77,200	1,146,475	1,253,309
564	2016	4.43	10,411	19,573	-	27,859
580	2036	3.00	89,292	35,939	1,584,132	1,635,285
756	2024	3.00	8,100	22,489	224,123	247,511
776	2040	2.75	33,000	30,809	1,169,191	1,200,000
795	2036	2.10	-	-	533,535	-
747	2019	variable	1,146	20,000	80,000	40,000
N/A	2020	variable	369	-	118,433	-
N/A	2021	variable	421	3,176	89,650	-
			194,203	228,844	5,210,276	4,705,768

The estimated aggregate repayments on long-term debt over the next five years are as follows:

2017	205,949
2018	205,949
2019	205,949
2020	205,949
2021	205,949

Village of Pemberton
Notes to the Financial Statements
For the year ended December 31, 2016

6. Obligations under capital leases

	2016	2015
Obligation under capital lease, prime minus 1%, blended monthly payments of \$2,116, due October 2019.	361,165	380,219
Obligation under capital lease, prime minus 1%, blended monthly payments of \$4,568, due March 2018.	67,163	120,337
Obligation under capital lease, prime minus 1%, blended monthly payments of \$819, due July 2018.	15,183	24,666
Obligation under capital lease, prime minus 1%, blended monthly payments of \$404, due September 2017.	3,572	8,310
	447,083	533,532

At December 31, 2016, the prime rate was 2.70% (2015 – 2.70%).

The Village leases buildings and equipment under capital leases that expire between its 2017 and 2019 fiscal years. The Village is obligated to make the following minimum lease payments under the capital leases in each of the fiscal years ending December 31:

2017	86,708
2018	38,340
2019	16,703

Village of Pemberton
Notes to the Financial Statements
For the year ended December 31, 2016

7. Tangible capital assets

2016	Land	Buildings	Engineering Structures	Machinery, Equipment and Vehicles	Water Systems	Sewer Systems	Assets Under Construction	Total
Cost								
Balance, beginning of year	830,087	2,045,487	4,904,741	3,211,606	5,813,658	13,391,040	63,041	30,259,660
Disposals	-	-	-	-	-	-	-	-
Additions	-	21,428	602,849	718,096	542,639	9,983	33,499	1,928,494
Balance, end of year	830,087	2,066,915	5,507,590	3,929,702	6,356,297	13,401,023	96,540	32,188,154
Accumulated amortization								
Balance, beginning of year	-	438,053	3,079,581	2,282,999	1,187,806	3,774,908	-	10,763,347
Amortization reversal on disposal	-	-	-	-	-	-	-	-
Amortization expense	-	46,999	109,880	213,637	126,265	266,827	-	763,608
Balance, end of year	-	485,052	3,189,461	2,496,636	1,314,071	4,041,735	-	11,526,955
Net book value, end of year	830,087	1,581,863	2,318,129	1,433,066	5,042,226	9,359,288	96,540	20,661,199

The total cost of tangible capital assets under capital lease obligations during the year was \$911,383 and total accumulated amortization was \$361,316 for a net book value of \$550,067.

Included in tangible capital assets are fully depreciated assets with cost and accumulated amortization of \$922,270.

Village of Pemberton
Notes to the Financial Statements
For the year ended December 31, 2016

7. Tangible capital assets (continued)

2015	Land	Buildings	Engineering Structures	Machinery, Equipment and Vehicles	Water Systems	Sewer Systems	Assets Under Construction	Total
Cost								
Balance, beginning of year	830,087	2,034,303	4,904,741	3,156,535	4,485,045	13,391,040	203,008	29,004,759
Disposals	-	-	-	-	-	-	(146,499)	(146,499)
Additions	-	11,184	-	55,071	1,328,613	-	6,532	1,401,400
Balance, end of year	830,087	2,045,487	4,904,741	3,211,606	5,813,658	13,391,040	63,041	30,259,660
Accumulated amortization								
Balance, beginning of year	-	382,552	2,987,062	2,070,294	1,072,393	3,508,281	-	10,020,582
Amortization reversal on disposal	-	-	-	-	-	-	-	-
Amortization expense	-	55,501	92,519	212,705	115,413	266,627	-	742,765
Balance, end of year	-	438,053	3,079,581	2,282,999	1,187,806	3,774,908	-	10,763,347
Net book value, end of year	830,087	1,607,434	1,825,161	928,606	4,625,852	9,616,132	63,041	19,496,313

The total cost of tangible capital assets under capital lease obligations during the 2015 year was \$911,383 and total accumulated amortization was \$310,479 for a net book value of \$600,904.

Included in tangible capital assets as at December 31, 2015 are fully depreciated assets with cost and accumulated amortization of \$845,265.

Village of Pemberton
Notes to the Financial Statements
For the year ended December 31, 2016

8. Accumulated surplus

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2016	2015
Surplus		
Invested in tangible capital assets	15,003,840	14,257,013
Unrestricted	1,233,896	900,784
	16,237,736	15,157,797
Non-statutory reserves		
General reserve	346,561	130,748
Sewer – frontage	-	97,811
Water – frontage	-	25,469
	346,561	254,028
Reserves set aside by Council		
Equipment replacement	22,969	22,969
Centennial building	7,161	7,161
Capital	117,749	142,458
Water – general	55,253	194,409
	203,132	366,997
	16,787,429	15,778,822

9. Taxation

Taxation revenue, reported on the statement of operations, is made up of the following:

	2016	2015
Municipal and school property taxes levied	3,852,487	4,143,306
Payments in-lieu of taxes	102,695	99,621
	3,955,182	4,242,927
Less transfers to other governments		
Squamish-Lillooet Regional District	861,005	912,682
Province of B.C. - School taxes	1,153,199	1,178,327
Squamish-Lillooet Regional Hospital District	-	13
Policing costs	170,053	167,824
B.C. Assessment Authority	39,192	39,944
Sea to Sky Regional Hospital District	26,566	28,212
Municipal Finance Authority	121	115
	2,250,136	2,327,117
Net taxation revenue available for municipal purposes	1,705,046	1,915,810

Village of Pemberton
Notes to the Financial Statements
For the year ended December 31, 2016

10. Government transfers

The government transfers reported on the statement of operations are:

	2016	2015
Federal and Provincial grants		
Social assistance and community development	387,146	406,657
Capital improvements	75,057	219,701
Miscellaneous	14,465	19,262
	476,668	645,620
Other municipalities and regional districts		
Fire protection	154,122	146,690
Rescue services	63,076	61,240
Other	26,099	86,791
	243,297	294,721
Total government transfer revenues	719,965	940,341

11. Commitments and contingencies

- (a) Under the provisions of the Local Government Act, Regional District debt is a direct, joint and several liability of the Regional District and each member municipality within the Regional District, including the Village of Pemberton. At December 31, 2016 the Squamish-Lillooet Regional District had net debt owing of \$54,813,166, \$58,095,819 less \$3,282,653 sinking funds (2015 - \$50,824,558, \$58,147,420 net of \$7,322,862 sinking funds).
- (b) The Village and its employees contribute to the Municipal Pension Plan ("the Plan"), a jointly-trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory defined benefit pension plan. Basic pension benefits provided are based on a formula. The plan has about 189,000 active members and approximately 85,000 retired members.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2015 indicated a funding surplus of \$2.224 billion for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2018, with results available 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 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 Village of Pemberton paid \$127,914 (2015 - \$113,616) for employer contributions to the plan in fiscal 2016.

11. Commitments and contingencies (continued)

- (d) From time to time, the Village is brought forth as defendant in various lawsuits. The Village reviews its exposure to any potential litigation, for which it would not be covered by insurance, and assesses whether a successful claim against the Village would significantly affect the financial statements of the Village. Management has determined that potential liabilities, if any, arising from these claims will not be significant to the financial statements.

- (e) The Village is a participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible the Village, along with the other participants, would be required to contribute towards the deficit. The likelihood or amount of any potential liability is not determinable at this time.

12. Segmented information

Segmented information has been identified based upon lines of service provided by the Village. Village services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide, are as follows

(i) General government

General government operations provide the functions of corporate administration, finance, human resources, legislative services, building services and maintenance, and any other functions not categorized to a specific department.

(ii) Fire protection services

The Fire department is responsible to provide fire suppression services, fire prevention programs, training and education related to prevention, and detection or extinguishment of fires.

(iii) Development services

Development services work to achieve the Village's goals to maintain and enhance community spirit and vitality and use of public space. It does so through official community plans, urban design, zoning and other policy initiatives.

12. Segmented information (continued)

(iv) Public works and parks

The public works and parks department is responsible for the delivery of municipal public works services related to the planning, development and maintenance of roadway systems, the maintenance of parks and open space, and street lighting.

(v) Water and sewer utilities

The Village is responsible for environmental programs including the engineering and operation of the potable drinking water and wastewater systems.

(vi) Airport services

The Village operates the Pemberton Regional Airport, collecting landing and lease fees and maintaining the grounds and facilities.

Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments-in-lieu of taxes are allocated to the segments based on the segment's budgeted net expenditure. User charges and other revenue have been allocated to the segments based upon the segment that generated the revenue.

Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges earned and developer contributions received were allocated to the segment for which the charge was collected.

Village of Pemberton
Notes to the Financial Statements
For the year ended December 31, 2016

12. Segmented information (continued)

2016	General Government	Fire Protection Services	Development & Planning Service	Public Works and Parks	Water Utility	Sewer Utility	Airport Services	Total
Revenues								
Taxation	582,023	307,801	119,679	270,233	129,590	244,520	51,200	1,705,046
Water and sewer user rates	-	-	-	-	927,339	745,619	-	1,672,958
User fees	224,355	-	149,314	-	-	-	25,088	398,757
Penalties and interest income	66,131	-	-	-	8,969	7,195	-	82,295
Government transfers	419,709	217,199	-	27,098	-	-	55,959	719,965
Investment income	19,102	-	-	-	811	1,376	-	21,289
Other	118,962	102,668	103,346	306,561	91,850	13,515	9,179	746,081
Gain on disposal	150,200	-	-	-	-	-	-	150,200
	1,580,482	627,668	372,339	603,892	1,158,559	1,012,225	141,426	5,496,591
Expenses								
Wages, salaries and benefits	529,926	324,139	134,494	370,132	452,121	262,394	28,535	2,101,741
Materials, supplies and contracted services	457,581	249,397	138,408	243,652	169,194	218,563	13,758	1,490,553
Debt servicing	7,637	1,386	-	2,424	46,230	74,405	-	132,082
Amortization	321,570	-	-	-	126,265	266,827	48,946	763,608
	1,316,714	574,922	272,902	616,208	793,810	822,189	91,239	4,487,984
Annual surplus (deficit)	263,768	52,746	99,437	(12,316)	364,749	190,036	50,187	1,008,607

Village of Pemberton
Notes to the Financial Statements
For the year ended December 31, 2016

12. Segmented information (continued)

2015	General Government	Fire Protection Services	Development & Planning Service	Public Works and Parks	Water Utility	Sewer Utility	Airport Services	Total
Revenues								
Taxation	786,990	282,373	152,331	306,623	91,381	269,912	26,200	1,915,810
Water and sewer user rates	-	-	-	-	864,395	735,567	-	1,599,962
User fees	217,904	-	42,021	-	-	-	19,785	279,710
Penalties and interest income	93,100	-	-	-	8,565	8,893	-	110,558
Government transfers	636,112	207,930	-	19,262	77,037	-	-	940,341
Investment income	1,871	-	-	-	500	1,535	-	3,906
Other	46,387	105,597	25,667	8,727	9,987	4,812	14,507	215,684
	1,782,364	595,900	220,019	334,612	1,051,865	1,020,719	60,492	5,065,971
Expenses								
Wages, salaries and benefits	549,347	280,148	149,991	288,639	473,227	239,023	21,378	2,001,753
Materials, supplies and contracted services	501,032	218,999	125,546	262,632	163,975	254,773	23,326	1,550,283
Debt servicing	7,207	3,196	-	3,349	19,620	126,424	-	159,796
Amortization	314,267	-	-	-	115,412	266,628	46,458	742,765
	1,371,853	502,343	275,537	554,620	772,234	886,848	91,162	4,454,597
Annual surplus (deficit)	410,511	93,557	(55,517)	(220,008)	279,631	133,871	(30,670)	611,374

Village of Pemberton
Notes to the Financial Statements
For the year ended December 31, 2016

13. Budget data

The budget data presented in these financial statements is based upon the 2016 operating and capital budgets adopted by Council on May 3, 2016. The following table reconciles the approved budget to the budget figures reported in these financial statements.

	Budget amount
Surplus – Statement of Operations	1,016,107
Adjust for budgeted cash items not included in statement of operations	
Capital expenditures	(2,369,485)
Loan proceeds	533,536
Amortization	899,220
Reduction in long-term debt	(205,667)
Repayment of obligations under capital lease	(138,000)
Transfers from Statutory Reserves	-
Transfers from Non-Statutory Reserves	(97,790)
Transfers from Unappropriated Surplus	362,079
Total adjustments	(1,016,107)
Financial plan balance	-