THE MUNICIPALITY OF THE VILLAGE OF LIONS BAY

STATEMENT OF FINANCIAL INFORMATION

For the Fiscal Year ended December 31, 2016

Pursuant to the Financial Information Act:

1) i) Schedule of Guarantee and Indemnity Agreements
   ii) Schedule of Remuneration
   iii) Statement of Severance Agreements
   iii) Schedule of Amounts Paid to Suppliers for Goods or Services
   iv) Statement of Financial information Approval

2) Management Report

3) 2016 Audited Financial Statements

4) Checklist

THE MUNICIPALITY OF THE VILLAGE OF LIONS BAY

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016 PURSUANT TO THE FINANCIAL INFORMATION ACT

SECTION 5

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

Information on all Contingent Liabilities and Commitments for this organization is included in Note 6 to the Financial Statements.

Pamela Rooke

Pamela Rooke, CFO

Karl H. Buhr

Karl Buhr, Mayor

THE MUNICIPALITY OF THE VILLAGE OF LIONS BAY

FINANCIAL INFORMATION ACT REPORT
Year Ended December 31, 2016

SCHEDULE OF REMUNERATION
SECTION 6

Name	*Position*	*Remuneration**	*Expenses***
MAYOR & COUNCIL:			
Fred Bain	Councillor	6,915.97	-
Karl Buhr	Mayor	13,831.93	834.97
Jim Hughes	Councillor	6,915.97	-
Ron McLaughlin	Councillor	6,915.97	-
Helen Waterson	Councillor	3,016.03	-
Eileen Wilke	Councillor	576.33	
Total Council		**38,172.20**	**834.97**
STAFF:			
Employees in excess of $75,000:			
Garth Begley	Public Works - Operator 2	84,350.11	1,084.00
Peter DeJong	Chief Administrative Officer	112,761.13	4,656.79
Will Emo	Public Works - Operator 1	82,993.44	3,460.80
Neale Mullen	Public Works - Operator 1	76,308.18	1,141.26
Pamela Rooke	Chief Financial Officer	96,289.02	3,884.12
Alberto Urrutia	Public Works - Water Operator	100,079.42	1,652.28
Add amounts paid to Employees < $75,000:		**451,262.79**	**4,044.21**
Total Staff		**1,004,044.09**	**19,923.46**
TOTAL COUNCIL AND STAFF		**1,042,216.29**	**20,758.43**

RECONCILIATION OF AMOUNTS PAID:

ADD:	Benefits paid by employer (non taxable)	150,622.89
	Other labour costs in financial statements ***	7,249.92
	Salary and benefit accruals (incl. retro)	21,628.90
	Total $	**1,221,718.00**
	Total per Schedule 1 of the Financial Statements $	**1,221,718.00**

** Remuneration includes taxable benefits, vacation payouts and retroactive salary adjustments*

*** Expenses include travel expenses, memberships, tuition, relocation, vehicle leases, extraordinary hiring expenses, registration fees and similar amounts paid directly to an employee, or to a third party on behalf of the employee, and which has not been included in 'remuneration'*

**** Other labour costs includes contracted labour*

Pamela Rooke

Pamela Rooke, CFO

Karl Buhr, Mayor

THE MUNICIPALITY OF THE VILLAGE OF LIONS BAY

SCHEDULE OF SEVERANCE AGREEMENTS
PURSUANT TO THE FINANCIAL INFORMATION ACT
SECTION 6 (7)

There were **no** severance agreements made between the Village of Lions Bay and its non-unionized employees during fiscal year 2016.

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(8)

Pamela Rooke

Pamela Rooke, CFO

Karl H. Buhr

Karl Buhr, Mayor

VILLAGE OF LIONS BAY

FINANCIAL INFORMATION ACT REPORT
Year Ended December 31, 2016

SCHEDULE OF AMOUNTS PAID TO SUPPLIERS FOR GOODS AND SERVICES
SECTION 7

Supplier Accounts	*Amounts Paid in 2016*
AECOM Canada Ltd	84,394.59
AON Reed Stenhouse	42,566.00
BC Assessment Authority ***	37,184.56
BC Hydro	34,765.70
BDO Canada LLP	28,824.16
GVRD ***	41,983.00
McRae's Environmental Services Ltd	28,252.77
Metro Vancouver (GVRD)	149,222.14
Municipal Pension Plan	104,051.78
North Construction	219,261.03
Pacific Blue Cross	29,136.72
Revenue Canada	262,201.54
School Tax ***	589,738.48
Sea to Sky Network Solutions	29,681.31
Smithrite Disposal Ltd	191,329.32
South Coast BC Transportation Authority ***	194,439.71
Visa ScotiaBank	29,609.38
Workers Compensation Board	27,447.92
Zeemac Vehicle Lease Ltd	42,483.84

There were no payments to suppliers for grants and contributions exceeding $25,000

Total for Suppliers Paid > $ 25,000	**2,166,573.95**
Other Supplier Payments	**752,034.48**
All Payments	**2,918,608.43**

*** Other Taxing Authority Payments

VILLAGE OF LIONS BAY

SCHEDULE OF AMOUNTS PAID TO SUPPLIERS FOR GOODS AND SERVICES
RECONCILIATION TO FINANCIAL STATEMENTS:

All Payments		**2,918,608.43**
Reconciling Items:		
Payroll Related Expenditures (included in Remuneration report)	-	455,757.34
GST Recovered	-	52,835.73
Acquisition of Tangible Capital Expenditures	-	173,191.00
Flow throughs to other tax authorities	-	863,481.92
Debt/ Capital Lease Repayments	-	186,343.00
Other Items - Accrual/ Cash Accounting Differences	-	43,254.44
Total payments for Goods & Services (As per Financial Statements)		**1,143,745.00**
Debt charges - interest		90,241.00
Amortization		490,222.00
Labour		1,221,718.00
Total Expenses		**2,945,926.00**
Total Expenses as per Financial Statements		**2,945,926.00**

Pamela Rooke

Pamela Rooke, CFO

Karl H. Buhr

Karl Buhr, Mayor

THE MUNICIPALITY OF THE VILLAGE OF LIONS BAY

VILLAGE OF LIONS BAY

STATEMENT OF FINANCIAL INFORMATION APPROVAL

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

Pamela Rooke
CFO
Date: June 27, 2017

Karl H. Buhr
Mayor, on behalf of Council
Date: June 27, 2017

THE MUNICIPALITY OF THE VILLAGE OF LIONS BAY

MANAGEMENT REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016
PURSUANT TO THE FINANCIAL INFORMATION ACT
SECTION 9

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these statements are Council's responsibility. Council is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Council is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through the external auditors. The external auditors have met with Council.

The Council has the responsibility for assessing the management systems and practices of the corporation.

The external auditors, *BDO Canada LLP,* conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. Their examination includes a review and evaluation of the corporation's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to the Council and meet with them on a regular basis.

On behalf of *the Village of Lions Bay*

Pamela Rooke

Pamela Rooke
CFO

Village of Lions Bay

Financial Statements

For the year ended December 31, 2016

Village of Lions Bay
Financial Statements
For the year ended December 31, 2016

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Management's Responsibility for the Financial Statements

The accompanying financial statements of the Village of Lions Bay (the "Village") are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants Canada. A summary of the significant accounting policies are described in the summary of significant accounting policies which proceed the notes to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Village's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

Mayor and Council meet with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by BDO Canada LLP, independent external auditors appointed by the Village. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Village's financial statements.

Pamela Rooke

Pamela Rooke, CPA, CMA
Chief Financial Officer

Peter DeJong
Chief Administrative Officer

May 2, 2017

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

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

Independent Auditor's Report

To the Mayor and Councilors of the
Village of Lions Bay

We have audited the accompanying financial statements of the Village of Lions Bay, which comprise the Statement of Financial Position as at December 31, 2016, 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 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 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 Village of Lions Bay as at December 31, 2016 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
May 2, 2017

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

Village of Lions Bay
Statement of Financial Position

December 31	2016	2015
Financial Assets		
Cash and cash equivalents	**$ 2,185,685**	$ 1,544,870
Accounts receivable	**244,295**	232,271
Grants receivable	**33,588**	208,158
	2,463,568	1,985,299
Liabilities		
Accounts payable	**285,778**	326,514
Sick, overtime, wellness and vacation payable	**86,518**	52,334
Deferred revenue (Note 1)	**25,217**	26,415
Developer deposits (Note 2)	**126,000**	117,000
Capital lease obligation (Note 3)	**52,320**	87,300
Long- term debt (Note 4)	**1,197,868**	1,276,495
	1,773,701	1,886,058
Net Financial Assets	**689,867**	99,241
Non-Financial Assets		
Tangible capital assets (Schedule 3)	**19,665,444**	19,997,760
Prepaid expenses	**2,039**	8,348
	19,667,483	20,006,108
Accumulated Surplus (Note 9)	**$ 20,357,350**	$ 20,105,349

Contingent liabilities and commitments (Note 6)

Pamela Rooke CPA, CMA
Chief Financial Officer

Karl Buhr
Mayor

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Village of Lions Bay
Statement of Operations

For the year ended December 31	Financial Plan 2016 (Note 7)	2016	2015
Revenue (Schedule 1 & 2)			
Taxation (Note 5)	$ 1,410,612	**$ 1,407,804**	$ 1,518,730
Utility user rates	1,033,030	**1,031,686**	676,322
Government transfers	707,613	**530,322**	707,698
Sale of services	93,835	**110,746**	108,657
Other revenues	87,205	**132,654**	132,784
Loss on disposal of tangible capital assets	-	**(15,285)**	-
	3,332,295	**3,197,927**	3,144,191
Expenses (Schedules 1 & 2)			
General departmental expenses	2,191,158	**2,044,564**	1,975,037
Water system operations	981,249	**816,450**	1,072,012
Sewer system operations	109,593	**84,912**	79,883
	3,282,000	**2,945,926**	3,126,932
Annual Surplus	50,295	**252,001**	17,259
Accumulated Surplus, beginning of year	20,105,349	**20,105,349**	20,088,090
Accumulated Surplus, end of year	$ 20,155,644	**$ 20,357,350**	$ 20,105,349

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Village of Lions Bay
Statement of Change in Net Financial Assets

For the year ended December 31	Financial Plan 2016 (Note 7)	2016	2015
Annual surplus	$ 50,295	**$ 252,001**	$ 17,259
Change in Tangible Capital Assets			
Acquisition of tangible capital assets	(569,312)	**(173,191)**	(266,230)
Amortization of tangible capital assets	553,787	**490,222**	513,892
Loss on disposals of tangible capital assets	-	**15,285**	-
	(15,525)	**332,316**	247,662
Change in Other Non-Financial Assets			
Net use of prepaid expenses	-	**6,309**	5,728
Change in net financial assets for the year	34,770	**590,626**	270,649
Net financial assets (debt), beginning of year	99,241	**99,241**	(171,408)
Net financial assets, end of year	$ 134,011	**$ 689,867**	$ 99,241

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Village of Lions Bay
Statement of Cash Flows

For the year ended December 31	2016	2015
Cash provided by (used in)		
Operating transactions		
Annual surplus	**$ 252,001**	$ 17,259
Items not involving cash		
Amortization expense	**490,222**	513,892
Loss on disposal of tangible capital assets	**15,285**	-
Changes in non-cash operating balances		
Accounts receivable	**(12,024)**	41,204
Grants receivable	**174,570**	(200,241)
Developer deposits	**9,000**	9,500
Deferred revenue	**(1,198)**	11,415
Accounts payable	**(40,736)**	(19,619)
Sick, overtime, wellness and vacation payable	**34,184**	9,393
Prepaid expenses	**6,309**	5,728
	927,613	388,531
Capital transactions		
Cash used to acquire tangible capital assets	**(173,191)**	(266,230)
Financing transactions		
Repayment of capital lease obligation	**(34,980)**	(33,947)
Repayment of long-term debt principal	**(78,627)**	(75,681)
	(113,607)	(109,628)
Increase (decrease) in cash and equivalents during the year	**640,815**	12,673
Cash and equivalents, beginning of year	**1,544,870**	1,532,197
Cash and equivalents, end of year	**$ 2,185,685**	$ 1,544,870
Supplemental information:		
Interest paid on long-term debt	**$ 90,241**	$ 91,561

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Village of Lions Bay ("The Village") is a municipality in the province of British Columbia operating under the provisions of the Community Charter. The Village provides a wide range of services to the residents such as parks and recreation, fire and rescue, general government services, solid waste collection, and maintenance of roads, storm drainage, water and sewer infrastructure and facilities. The Village prepares its financial statements in accordance with Canadian public sector accounting standards using guidelines developed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants Canada.

Basis of Accounting

The basis of accounting followed in these financial statements is an accrual method and includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenses in the period the goods and services are acquired and a liability is incurred.

The financial statements include the accounts of all funds of the Village. Interfund transactions and balances have been eliminated.

Cash and Cash Equivalents

Cash and cash equivalents include bank balances and bank term deposits or guaranteed income certificates with duration of less than three months. All amounts are held at Canadian chartered banks and are denominated in Canadian dollars.

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is put into use. Contributed tangible capital assets are recorded at fair value at the time of the contribution.

Estimated useful lives of tangible capital assets are as follows:

Land improvements	7 to 40 years
Buildings	20 to 50 years
Storm Sewer	25 to 50 years
Equipment, furniture, and vehicles	5 to 20 years
Infrastructure - water	5 to 80 years
Infrastructure - sewer	5 to 100 years
Roads	10 to 60 years
Other	5 to 60 years

Revenue Recognition

Taxes are recorded when they meet the definition of an asset, have been authorized and the taxable event occurs. Taxes receivable are recognized net of allowance for anticipated uncollectible amounts.

Through the British Columbia Assessments appeal process, taxes may be adjusted by way of supplementary roll adjustments. The effects of these adjustments on taxes are recognized at the time they are awarded. Levies imposed by other taxing authorities, including the Greater Vancouver Regional District, are not included as taxes for municipal purposes.

Charges for sewer, water usage and solid waste collection are recorded as user fees. Connection fee revenues are recognized when the connection has been established.

Government transfers, which include legislative grants, are recognized in the financial statements when received if the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Government transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Sales of service and other revenue is recognized on an accrual basis.

Leased Assets

Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the Village and the obligation, including interest thereon, is repaid over the term of the lease. All other leases are accounted for as operating leases and the rental costs are expensed as incurred.

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. A significant area requiring management estimates relates to the useful life of tangible assets for amortization calculations.

Financial Instruments

The Village's financial instruments consist of cash and equivalents, accounts receivable, grant receivable, accounts payable and long-term debt. Unless otherwise noted, it is management's opinion that the Village is not exposed to significant interest, currency or credit risk arising from these financial instruments.

Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.

Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. Liabilities are recorded net of any expected recoveries.

A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

1. an environmental standard exists;
2. contamination exceeds the environmental standard;
3. the Authority is directly responsible or accepts responsibility;
4. it is expected that future economic benefits will be given up; and
5. a reasonable estimate of the amount can be made.

The liability is recognized as management’s estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site. There is no liability for contaminated sites recorded as at December 31, 2016 or 2015.

1. Deferred Revenue

	2016	2015
Restricted cash donation	**$ 1,000**	$ 1,000
Prepaid taxes	**24,217**	25,415
	$ 25,217	$ 26,415

2. Developer Deposits

Bylaw 330 requires an applicant for certain building permits to pay a damage deposit of $1,500 when the work is under $50,000 and $3,000 when the work is over $50,000. The deposit less any costs incurred by the Village in restoring or replacing any damaged works or property will be returned to the applicant. The total cash on deposit of $126,000 (2015 - $117,000) has been reported as a liability because the deposits will be returned to the applicants at the completion of the project. Any portion of these deposits used for replacing damaged works or property will be taken into income by the Village in the period it is determined that restoration or replacement is required.

3. Capital Lease Obligation

During 2013, the Village entered into three vehicle lease obligations with future payments requirements as follows:

2017	$ 37,120
2018	16,408
Total future minimum lease payments	53,528
Less: Imputed interest at 5.38%	(1,208)
Present value of minimum lease payments	$ 52,320

4. Long-term Debt

Loan Authorization Bylaw No. 353 was adopted on January 20th, 2005 and gave approval for the Village to borrow up to $250,000 to assist in providing water services to the specified area of Brunswick Beach whose owners had opted to finance their share of costs over twenty years through a local parcel tax. The actual amount of the loan honoured was $114,000. The interest rate is 5.1% and the debt matures in 2025. The balance outstanding under this bylaw at year-end was $58,427 (2015 - $64,139).

Loan Authorization Bylaw No. 401 and 374 were respectively adopted on June 2, 2008 and September 19, 2006 and gave approval for the Village to borrow up to $800,000 and $600,000 to assist in providing construction improvements to the water system servicing the Village of Lions Bay. The interest rate is 5.15% and the debt matures in 2028. The balance outstanding under the bylaws at year-end was $966,798 (2015 - $1,028,666).

Loan Authorization Bylaw No. 380 was adopted on September 19, 2006 and gave approval for the Village to borrow up to $1,300,000 to assist in providing construction improvements to the Village of Lions Bay road system. In 2008, Council reduced the approved borrowing for the bylaw to $500,000 and $250,000 was borrowed. The interest rate is 5.15% and the debt matures in 2028. The balance outstanding under this bylaw at year-end was $172,643 (2015 - $183,690).

Repayments of debt to the Municipal Finance Authority of BC (MFABC) required in the next five years and thereafter are as follows:

2017	$ 81,690
2018	84,872
2019	88,180
2020	91,618
2021	95,191
Thereafter	756,317
	$ 1,197,868

5. Taxation

	Financial Plan 2016 (Note 7)	**2016**	2015
General purposes	$ 1,374,680	**$ 1,371,873**	$ 1,227,484
Collections for other tax authorities			
School Taxes - Province	-	**731,816**	685,988
RCMP	-	**124,250**	112,386
Regional District	-	**41,983**	38,155
Greater Vancouver Transportation Authority	-	**194,440**	184,570
Municipal Finance Authority	-	**136**	115
British Columbia Assessment Authority	-	**37,184**	34,598
	1,374,680	**2,501,682**	2,283,296
Transfers to other tax authorities			
School Taxes - Province	-	**731,816**	685,988
RCMP	-	**124,250**	112,386
Regional District	-	**41,983**	38,136
Greater Vancouver Transportation Authority	-	**194,440**	184,570
Municipal Finance Authority	-	**136**	115
British Columbia Assessment Authority	-	**37,184**	34,598
	-	**1,129,809**	1,055,793
Available for general purposes	1,374,680	**1,371,873**	1,227,503
Water utility parcel taxes	10,585	**10,585**	267,087
Sewer utility parcel taxes	25,347	**25,346**	24,140
	$ 1,410,612	**$ 1,407,804**	$ 1,518,730

6. Contingent Liabilities and Commitments

(i) The Village is responsible as a member of the Greater Vancouver Regional District for its portion of any operating deficits or capital debt related to functions in which it participates.

(ii) The Village is a participant in the Municipal Insurance Association of British Columbia (the "Association"). Should the Association pay out claims in excess of the premiums received, it is possible that the Village, along with the other participants, would be required to contribute towards the deficit. Management does not consider external payments under this contingency to be likely and therefore no amounts have been accrued.

(iii) The Village is a shareholder and member of the Emergency Communications for British Columbia Incorporated ("E-Comm") whose services provided include: regional 9-1-1 call centre; Wide Area Radio network, dispatch operations; and records management. The Village has 1 Class A Share (Police and Fire) and no Class B Shares (Operations) (of a total of 28 Class A and 23 Class B shares issued and outstanding as at December 31, 2016) recorded at nominal cost. As a Class A shareholder, the Village shares in both funding the future operations and capital obligations of E-Comm (in accordance with a cost sharing formula), including any lease obligations committed to by E-Comm up to the shareholder's withdrawal date.

(iv) Under borrowing arrangements with MFA, the Village is required to lodge security by means of demand notes and interest bearing cash deposits based on the amount of the borrowing. As a condition of these borrowings, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. These deposits are held by the MFA as security against the possibility of debt repayment default. If the debt is repaid without default, the deposits are refunded to the City. The balance of the deposits and contingent demand notes are not included in the financial statements of the Village.

(v) The Village is the subject to litigation in regard to employment matters. In addition, the Village is from time to time involved in other lawsuits. The Village vigorously defends any such claims. At December 31, 2016 there is not sufficient information available to allow the Village to make a reasonable estimate of the potential for loss, if any, resulting from outstanding matters. Accordingly, these financial statements contain no provision for such amounts. Amounts will be recorded in the financial statements in the period in which additional information becomes available that allows a reasonable estimate to be made.

7. Financial Plan

Financial plan amounts represent the Financial Plan Bylaw adopted by Council on May 10, 2016 with adjustments for items accounted for differently under PSAB accounting standards.

The Financial Plan Bylaw anticipated use of surpluses accumulated in previous years to balance against current year expenditures in excess of current year revenues. In addition, the Financial Plan Bylaw anticipated capital expenditures rather than amortization expense and repayment of debt during the year.

The following shows how these amounts were combined:

	2016
Financial Plan Bylaw surplus for the year	$ -
Add back:	
Capital expenditures	**569,312**
Repayment of Debt	**96,102**
MFA Actuarial Gain on Debt	**17,506**
Less:	
Budgeted transfers from accumulated surplus	**(78,838)**
Amortization	**(553,787)**
	$ 50,295

8. Pension Plan

The employer and its employees contribute to the Municipal Pension Plan (a jointly trusteed pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2015, the plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 contributors from local governments.

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

8. Pension Plan (con't)

The most recent valuation for the Municipal Pension Plan as of 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 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 individual employers participating in the plan.

The Village paid $52,723 (2015 - $48,052) for employer contributions while employees contributed $52,918 (2015 - $49,250) to the plan in fiscal 2016.

9. Accumulated Surplus

The components of accumulated surplus are as follows:

	2016	2015
Invested in tangible capital assets	**$ 18,415,256**	$ 18,633,965
Reserve funds	**783,555**	719,567
Unrestricted amounts	**1,158,539**	751,817
	$ 20,357,350	$ 20,105,349

The increase in reserve funds in the current year of $63,988 represents the receipt of $56,451 of unrestricted funds for Gas Tax Funding with the balance of $7,537 representing interest credited to reserve funds for the year.

10. Segmented Information

The Village is a diversified municipal government institution that provides a wide range of services to its residents such as parks and recreation, maintenance of roads, fire and rescue, sewer and water utilities and solid waste collection. Key functional segments have been separately disclosed in Schedule 1. Following is a brief description of these segments and the activities they provide:

10. Segmented Information (con't)

General Government

This segment relates to the general administration of the Village. It also includes revenues and expenses such as property tax revenues, legal costs, etc. that cannot be directly attributed to a specific segment.

Protective Services

Protective Services is comprised of fire and rescue services, bylaw enforcement and emergency services. The fire and rescue department is responsible for providing fire suppression service, fire prevention programs, training and education and highway call-out services. The members of the fire department are volunteer fire fighters.

Public Works Operation

Public works and transportation is responsible for the maintenance of roads, storm drainage, water and sewer infrastructure and building facilities.

Solid Waste Collection

Solid waste collection consists of recycling services and waste collection.

Planning and Development

This segment includes building inspection, zoning and community planning such as land use master plan.

Recreational and Cultural Services

This service area provides services meant to improve the health and development of the residents. They include recreation programs in the community centre, maintenance of trails, parks and beaches.

11. Comparative Figures

Certain comparative amounts have been reclassified to conform with the current year's presentation.

Village of Lions Bay
Schedule 1 - Combined Statement of Operations by Segment

For the year ended December 31, 2016

	General Government	Protective Services	Public Works Operation	Solid Waste Collection	Planning and Development	Park Recreation and Culture	Water Utility	Sewer Utility	2016 Actual	2016 Financial Plan
										(Note 7)
Revenues										
Taxation	$ 1,371,873	$ -	$ -	$ -	$ -	$ -	$ 10,585	$ 25,346	**$ 1,407,804**	$ 1,410,612
Utility user rates and connection fees	-	-	-	199,999	-	-	786,865	44,822	**1,031,686**	1,033,030
Government transfers	352,823	-	-		-	4,527	172,972	-	**530,322**	707,613
Sales of services	5,167	45,779	1,975	112	32,955	24,758	-	-	**110,746**	93,835
Other revenues	47,717	69,990	-	-	-	-	14,347	600	**132,654**	87,205
Loss on disposal of tangible capital assets	(15,285)	-	-	-	-	-	-	-	**(15,285)**	-
	1,762,295	115,769	1,975	200,111	32,955	29,285	984,769	70,768	**3,197,927**	3,332,295
Expenses										
Operating										
Goods and services	160,968	176,532	149,704	198,645	21,082	70,024	326,564	40,226	**1,143,745**	1,425,064
Labour	502,789	117,875	171,882	-	45,171	105,318	263,722	14,961	**1,221,718**	1,212,908
Amortization	309,558	-	-	-	-	-	150,939	29,725	**490,222**	553,787
	973,315	294,407	321,586	198,645	66,253	175,342	741,225	84,912	**2,855,685**	3,191,759
Interest	-	-	15,016	-	-	-	75,225	-	**90,241**	90,241
	973,315	294,407	336,602	198,645	66,253	175,342	816,450	84,912	**2,945,926**	3,282,000
Excess (deficiency) in revenues over expenses	$ 788,980	$ (178,638)	$ (334,627)	$ 1,466	$ (33,298)	$ (146,057)	$ 168,319	$ (14,144)	**$ 252,001**	$ 50,295

Village of Lions Bay

Schedule 2 - Combined Statement of Operations by Segment

For the year ended December 31, 2015

	General Government	Protective Services	Public Works Operation	Solid Waste Collection	Planning and Development	Park Recreation and Culture	Water Utility	Sewer Utility	2015 Actual	2015 Financial Plan
										(Note 7)
Revenues										
Taxation	$ 1,227,503	$ -	$ -	$ -	$ -	$ -	$ 267,087	$ 24,140	**$ 1,518,730**	$ 1,521,604
Utility user rates and connection fees	-	-	-	196,802	-	-	438,356	41,164	**676,322**	673,545
Government transfers	370,145	14,298	-	-	-	18,500	304,755	-	**707,698**	1,054,104
Sales of services	7,577	53,049	750	278	24,734	22,269	-	-	**108,657**	102,350
Other revenues	40,879	73,081	-	-	-	4,445	14,379	-	**132,784**	81,301
	1,646,104	140,428	750	197,080	24,734	45,214	1,024,577	65,304	**3,144,191**	3,432,904
Expenses										
Operating										
Goods and services	117,250	192,790	171,053	200,539	5,224	80,764	568,718	36,247	**1,372,585**	1,685,522
Labour	449,679	117,312	154,438	-	18,780	115,377	278,071	15,237	**1,148,894**	1,100,184
Amortization	335,783	-	-	-	-	-	149,710	28,399	**513,892**	504,202
	902,712	310,102	325,491	200,539	24,004	196,141	996,499	79,883	**3,035,371**	3,289,908
Interest	-	-	16,048	-	-	-	75,513	-	**91,561**	91,561
	902,712	310,102	341,539	200,539	24,004	196,141	1,072,012	79,883	**3,126,932**	3,381,469
Excess (deficiency) in revenues over expenses	$ 743,392	$ (169,674)	$ (340,789)	$ (3,459)	$ 730	$ (150,927)	$ (47,435)	$ (14,579)	**$ 17,259**	$ 51,435

Village of Lions Bay
Schedule 3 - Tangible Capital Assets

For the year ended December 31, 2016

	Land	Buildings	Equipment & Furniture & Vehicles	Land Improvements	Water	Sewer	Roads	Storm Sewer	Other	WIP - General	2016 Total	2015 Total
Cost, beginning of year	$ 11,115,625	$ 2,112,010	$ 1,704,265	$ 195,678	$ 6,861,987	$ 761,302	$ 4,357,566	$ 101,450	$ 81,801	$ 64,130	**$ 27,355,814**	$ 27,089,584
Additions	-	-	27,051	-	111,727	34,413	-	-	-	-	**173,191**	266,230
Disposals	-	-	(7,520)	-	(13,413)	-	-	-	-	-	**(20,933)**	-
Cost, end of year	11,115,625	2,112,010	1,723,796	195,678	6,960,301	795,715	4,357,566	101,450	81,801	64,130	**27,508,072**	27,355,814
Accumulated amortization, beginning of year	-	681,319	989,668	65,619	2,434,019	542,163	2,557,765	76,048	11,453	-	**7,358,054**	6,844,162
Amortization	-	48,818	140,970	9,171	150,939	29,725	107,721	1,242	1,636	-	**490,222**	513,892
Disposals	-	-	(5,170)	-	(478)	-	-	-	-	-	**(5,648)**	-
Accumulated amortization, end of year	-	730,137	1,125,468	74,790	2,584,480	571,888	2,665,486	77,290	13,089	-	**7,842,628**	7,358,054
Net carrying amount, end of year	$ 11,115,625	$ 1,381,873	$ 598,328	$ 120,888	$ 4,375,821	$ 223,827	$ 1,692,080	$ 24,160	$ 68,712	$ 64,130	**$ 19,665,444**	$ 19,997,760