

REPORT TO: Council
REPORT FROM: Financial Services
PRESENTED: June 21, 2016
SUBJECT: 2015 Statement of Financial Information (SOFI)

FOR: Council
FILE:

Recommendation:

That Council approve the following resolution:

THAT the District of Squamish approves the 2015 Statement of Financial Information as presented on June 21, 2016.

1. Executive Summary:

To present the *2015 Statement of Financial Information (SOFI)* for Council consideration.

2. Background:

The Municipality is required to provide a *Statement of Financial Information* by June 30th each year to be in compliance with the Financial Information Act, which requires that:

- 1) the *Statement of Financial Information*, prepared by a municipality, be approved by its Council and the officer assigned responsibility for financial administration under the Local Government Act; and
- 2) a management report, approved by the officer assigned responsibility for financial administration under the Local Government Act, must accompany the *Statement of Financial Information*.

Section 168 of the Community Charter also requires municipalities to annually report out each Council Member's remuneration, benefits, expenses and any contracts the municipality has with them.

3. Project Information:

The attached *2015 Statement of Financial Information* has been prepared in accordance with the *Financial Information Act* and reviewed by the Director of Financial Services.

The Statement of Financial Information (SOFI) may appear different than in past years. It has been prepared on a consolidated basis as required under Regulations for the Financial Information Act. Transactions for Squamish Oceanfront Development Corporation, Squamish Sustainability Corporation and the Squamish Public Library Association are included.

For 2015 the Schedule of Remuneration and Expenses has also been modified to satisfy requirements under Community Charter Section 168. All benefits for Council Members, including non-taxable benefits are disclosed which normally are not included in *SOFI*. In past years, a separate report was prepared to satisfy Section 168. The District has no contracts with Council Members to disclose.

4. Implications:

a) **Budget:** n/a

b) **Organizational Impact:** n/a

c) **Policy:**

This report is prepared pursuant to provincial legislation.

d) **Environment:** n/a

e) **Council Priority and Strategic Plan Alignment:** n/a

f) **Citizen Engagement:**

The *Statement of Financial Information* is provided to the Public for information.

g) **Implementation:**

Following Council and officer approval, The *2015 Statement of Financial Information* and a checklist will be forwarded to the Ministry of Community, Sport and Cultural Development.

5. Attachments:

1. *2015 Statement of Financial Information (SOFI)*

6. Alternatives to Staff Recommendation: n/a

7. Staff Review

Prepared By:

Christine Mathews, CPA, CGA, Director of Financial Services

Reviewed By:

Robin Arthurs, General Manager of Corporate Services

CAO Recommendation:

That the recommendation of the Finance Department be approved.

L. Glenday, CAO

**DISTRICT OF SQUAMISH
STATEMENT OF FINANCIAL INFORMATION (SOFI)
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

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*Published pursuant to the Financial Information Regulations under the
Financial Information Act of BC*

**DISTRICT OF SQUAMISH
STATEMENT OF FINANCIAL INFORMATION APPROVAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

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*.

Christine Mathews, CPA, CGA
Director of Financial Services

Patricia Heintzman,
Mayor

Date

Date

**DISTRICT OF SQUAMISH
MANAGEMENT REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

The Financial Statements contained in this Statement of Financial Information under the Financial Information Act have been prepared by management in accordance with Canadian generally accepted accounting principles, and the integrity and objectivity of these statements are management's responsibility. Management is responsible for ensuring other statements and schedules presented herein are consistent with the Financial Statements. Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control. Council annually meets with management and the external auditors to review financial statements.

The District's 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 extend to the other schedules and statements required by the Act. Their examination includes a review and evaluation of the District'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 Council and meet with them annually.

Management relies on management representations and audited financial statements for other entity financial information consolidated into the Financial Statements and other statements and schedules provided herein. Consolidated entities include the Squamish Oceanfront Development Corporation, the Squamish Sustainability Corporation and the Squamish Public Library Association.

Christine Mathews
Director of Financial Services

Date

**District of Squamish
Consolidated Financial Statements
For the year ended December 31, 2015**

**District of Squamish
Consolidated Financial Statements
For the year ended December 31, 2015**

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District of Squamish
December 31, 2015

Management's Responsibility for Financial Reporting

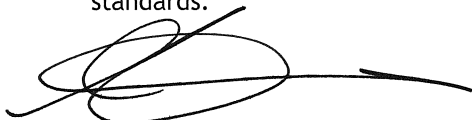
The Council of the District of Squamish (the "District") has delegated the responsibility for the integrity and objectivity of the financial information contained in the consolidated financial statements to the management of the District. The consolidated financial statements which, in part, are based on informed judgments and estimates, have been prepared by management in accordance with Canadian public sector accounting standards, which have been applied on a basis consistent with that of the preceding year.

To assist in carrying out their responsibility, management maintains an accounting system and internal controls to provide reasonable assurance that transactions are executed and recorded in accordance with authorization, and that financial records are reliable for preparation of financial statements.

The Mayor and Council oversee management's responsibilities for the financial reporting and internal control systems. Council annually reviews and approves the consolidated financial statements.

The District's independent auditors, BDO Canada LLP, are engaged to express an opinion as to whether these consolidated financial statements present fairly the District's consolidated financial position, financial activities and cash flows in accordance with Canadian public sector accounting standards. Their opinion is based on procedures they consider sufficient to support such an opinion in accordance with Canadian generally accepted auditing standards.

The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and in accordance with Canadian public sector accounting standards.



Christine Mathews

Director of Financial Services

May 3, 2016



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Independent Auditor's Report

To the Mayor and Councilors of the District of Squamish

We have audited the accompanying consolidated financial statements of the District of Squamish, which comprise the Consolidated Statement of Financial Position as at December 31, 2015 and the Consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the District of Squamish as at December 31, 2015 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.

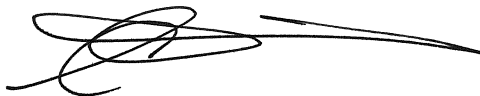
Chartered Professional Accountants

Squamish, British Columbia
May 3, 2016

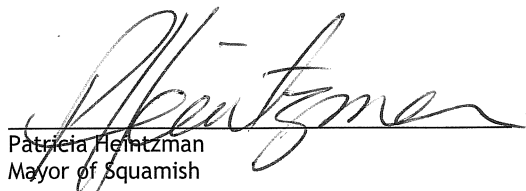
District of Squamish
Consolidated Statement of Financial Position

<u>December 31</u>	<u>2015</u>	<u>2014</u>
Financial Assets		
Cash	\$ 14,653,955	\$ 15,025,392
Portfolio investments (Note 1)	43,234,952	35,650,111
Accounts receivable (Note 2)	4,282,948	3,961,874
Land held for sale (Note 3)	14,683,358	14,392,400
Deposit - Municipal Finance Authority (Note 4)	536,307	464,992
	<u>77,391,520</u>	<u>69,494,769</u>
Liabilities		
Accounts payable and accrued liabilities	7,340,376	6,058,967
Deferred revenue - development cost levies (Note 5)	15,330,697	13,110,659
Deferred revenue - other	3,331,825	3,131,164
Provision for landfill closure and post closure costs (Note 6)	2,774,970	2,498,108
Provision for post-employment benefits (Note 7)	898,800	817,400
Reserve - Municipal Finance Authority (Note 4)	536,307	464,992
Capital leases payable (Note 9 and Schedule 1)	150,693	54,577
Short-term debt (Note 8 and Schedule 1)	8,000,000	7,928,851
Long-term debt (Note 9 and Schedule 1)	25,291,124	25,211,323
	<u>63,654,792</u>	<u>59,276,041</u>
Net Financial Assets	<u>13,736,728</u>	<u>10,218,728</u>
Non-Financial Assets		
Inventories	57,951	82,222
Prepaid expenses	273,488	143,434
Tangible capital assets (Note 17)	233,300,445	222,834,347
	<u>233,631,884</u>	<u>223,060,003</u>
Accumulated Surplus (Note 10)	<u>\$ 247,368,612</u>	<u>\$ 233,278,731</u>

See commitments and contingencies (Note 11)



Christine Mathews, CPA, CGA
Director of Financial Services



Patricia Heintzman
Mayor of Squamish

District of Squamish
Consolidated Statement of Operations

For the year ended December 31	Financial Plan 2015 (Note 15)	2015	2014
Revenue			
Taxation (Note 12)	\$ 24,072,099	\$ 23,840,369	\$ 23,274,982
Government transfers and other contributions (Schedule 3)	3,347,000	3,113,748	3,732,272
User fees	1,643,021	2,027,542	1,800,728
Utility user fees	11,079,202	11,302,292	9,964,217
Developer contributions (Note 17)	-	7,329,983	4,444,699
Developer cost levies (Note 5)	897,855	-	322,160
Other revenue from own sources	1,997,988	2,815,022	1,587,853
Investment income	895,529	1,115,693	1,201,212
Penalties and interest on taxes	335,000	344,948	364,101
Grants in lieu of taxes	812,842	799,584	811,686
1% utility revenue	252,416	252,417	250,795
Gain on disposal of tangible capital assets	-	148,805	-
	45,332,952	53,090,403	47,754,705
Expenses (Notes 13 and 18)			
Departmental expenses	29,041,737	28,061,495	28,000,952
Sewer, water and solid waste facilities	8,914,908	9,242,907	8,048,939
Impairment of land held for sale	-	82,117	4,435,705
Interest on short-term debt	2,355	50,514	-
Interest on long-term debt	1,603,354	1,529,538	1,795,927
Sundry interest/bank charges	142,250	33,951	-
Loss on disposal of tangible capital assets	-	-	100,772
	39,704,604	39,000,522	42,382,295
Annual Surplus	5,628,348	14,089,881	5,372,410
Accumulated Surplus, beginning of year	233,278,731	233,278,731	227,906,321
Accumulated Surplus, end of year	\$ 238,907,079	\$ 247,368,612	\$ 233,278,731

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

District of Squamish
Consolidated Statement of Change in Net Financial Assets

For the year ended December 31	Financial Plan 2015 (Note 15)	2015	2014
Annual surplus	\$ 5,628,348	\$ 14,089,881	\$ 5,372,410
Acquisition of tangible capital assets	(14,841,654)	(8,804,433)	(6,386,865)
Contributed tangible capital assets	-	(7,329,983)	(4,444,699)
Amortization expense	5,422,428	5,636,412	5,639,378
Loss (Gain) on disposal of tangible capital assets	-	(148,805)	100,772
Proceeds on disposal of tangible capital assets	-	180,710	
	(9,419,226)	(10,466,099)	(5,091,414)
Other non-financial assets			
Decrease (Increase) in inventory	-	24,271	(20,918)
Decrease (Increase) in prepaid expenses	-	(130,053)	21,326
	-	(105,782)	408
Change in net financial assets	(3,790,878)	3,518,000	281,374
Net financial assets, beginning of year	10,218,728	10,218,728	9,937,354
Net financial assets, end of year	\$ 6,427,850	\$ 13,736,728	\$ 10,218,728

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

District of Squamish
Consolidated Statement of Cash Flows

For the year ended December 31	2015	2014
Cash provided by (used in)		
Operating transactions		
Annual surplus	\$ 14,089,881	\$ 5,372,410
Non-cash items included in annual surplus		
Amortization expense	5,636,412	5,639,378
Contributed tangible capital assets	(7,329,983)	(4,444,699)
Loss (Gain) on disposal of tangible capital assets	(148,805)	100,772
Impairment of Land Held for Sale (SODC)	82,117	4,435,705
Deferral of land held for sale transaction costs (Note 3)	(373,075)	-
Provision for post-employment benefit	81,400	21,600
Development cost charge revenue recognized	-	(322,160)
Previously deferred community works fund revenue recognized	-	(2,652,191)
Earnings on debt sinking funds (actuarial adjustment)	(518,965)	(445,526)
Provision for landfill closure	276,862	-
Changes in other non-cash working capital	1,055,184	(925,285)
	<u>12,851,028</u>	<u>6,780,004</u>
Capital transactions		
Acquisition of tangible capital assets	(8,804,433)	(6,386,865)
Proceeds on sale of tangible capital assets	180,710	-
	<u>(8,623,723)</u>	<u>(6,386,865)</u>
Financing transactions		
Development cost levies received, including interest	2,220,038	693,176
Federal gas tax received, including interest	-	808,796
Repayment of short-term debt	-	(21,409)
Lease payments	(38,613)	(31,743)
Proceeds of new leased capital	134,760	-
Proceeds of short-term debt	71,149	16,626
Proceeds of long-term debt	1,986,848	3,627,927
Debt principal repaid	(1,388,083)	(538,118)
	<u>2,986,099</u>	<u>4,555,255</u>
Investing transactions		
Expenditures on landfill	-	(488,796)
Change in portfolio investments	(7,584,841)	(3,343,505)
	<u>(7,584,841)</u>	<u>(3,832,301)</u>
Increase (decrease) in cash	<u>(371,437)</u>	<u>1,116,093</u>
Cash, beginning of year	<u>15,025,392</u>	<u>13,909,299</u>
Cash, end of year	<u>\$ 14,653,955</u>	<u>\$ 15,025,392</u>

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

District of Squamish

Summary of Significant Accounting Policies

December 31, 2015

The District of Squamish (the "District") is incorporated under the *Local Government Act (British Columbia)* and subject to the provisions of the *Community Charter*. The District is responsible for the preparation and fair presentation of these consolidated financial statements, in conformity with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Public Accountants Canada.

Government Reporting Entity

The consolidated financial statements combine the accounts of all the self-balancing funds of the District and include the assets, liabilities and financial activities of the Municipal Library (the "Library") and the District's wholly-owned subsidiaries, Squamish Oceanfront Development Corporation ("SODC") and Squamish Sustainability Corporation ("SSC").

All inter-fund and inter-company assets, liabilities, sources of funding and expenses have been eliminated.

Squamish Oceanfront Development Corporation ("SODC")

SODC was incorporated to develop a plan for the development of waterfront land transferred to the District from the Provincial Government. The authorized capital of SODC consists of 10,000 common shares without par value. One share of SODC is issued and outstanding with the District as the sole shareholder.

During 2004, the Provincial Government transferred the waterfront land with an appraised value of \$9,945,000 to the District. The beneficial interest in the combined land was subsequently transferred to SODC. Legal title to the land remains with the District and the District acts as bare trustee.

The District signed a Partnering Agreement (the "Partnering Agreement") and Declaration of Trust ("Trust Indenture") with SODC to redevelop and revitalize the Squamish waterfront. Under the terms of the Partnering Agreement, the District will pay SODC \$1 to perform the development activities of the waterfront land. Under the terms of the Trust Indenture, the District is to hold all rights and interest in and to the waterfront land in trust as bare trustee and agent for SODC.

During the year, SODC continued the ongoing negotiations with a third party for the sale of all land held for sale, which completed on February 3, 2016 (Note 3). It is expected that SODC will be wound down and have no further operations after 2016.

District of Squamish

Summary of Significant Accounting Policies

December 31, 2015

**Government Reporting
Entity (Continued)**

Squamish Sustainability Corporation ("SSC")

The District signed a Partnering Agreement (the "Partnering Agreement") with SSC to manage and lease the Squamish Adventure Centre. Under the terms of the Partnering Agreement and lease, SSC will pay rent to the District in the amount of \$1 per year for thirty years commencing the 1st day of October 2006. The District is the legal and beneficial owner of Squamish Adventure Centre, which offers visitor information services, public programs, retail and office rentals and other economic and tourism development services.

Revenue Recognition

Taxes are recognized as revenue in the year they are levied. Through the British Columbia Assessments appeal process, taxes may be adjusted by way of supplementary roll adjustments. Estimates are made of potential adjustments to taxes. Any additional adjustments required over that estimated are recognized at the time they are awarded. Levies imposed by other taxing authorities are not included as taxes for municipal purposes. Levies imposed for Regional District services and other taxing authorities are not included.

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

Sale of service and other revenue are recognized on an accrual basis.

Government Transfers

Government transfers, which include legislative grants, are recognized as revenue in the financial statements 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. Any resulting liability is recognized in the statement of operations as the stipulation liabilities are settled.

**Accrual
Accounting**

Items recognized in the consolidated financial statements are accounted for in accordance with the accrual basis of accounting. The accrual basis of accounting recognizes the effect of transactions and events in the period in which they occur, regardless of whether there has been a receipt or payment of cash or its equivalent. Liabilities are recognized until the obligation or condition(s) underlying the liability is partly or wholly satisfied. Assets are recognized until the future economic benefit underlying the asset is partly or wholly used or lost.

District of Squamish

Summary of Significant Accounting Policies

December 31, 2015

Deferred Revenue - Development Cost Levies

Development cost levies (DCLs) collected to pay for capital costs due to development are recorded as deferred revenue. Development cost levies are recognized as revenue when the related development costs are incurred.

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.

Intangible capital assets such as water rights and mineral resources, are not recorded in the financial statements.

i) Tangible Capital Assets

Tangible capital assets are recorded at cost, net of capital asset disposals, write-downs and amortization. The useful life is applied on a straight line basis to calculate amortization.

Land Improvements	10 years
Buildings	5 to 60 years
Ditches and Storm Sewer	100 years
Dykes	200 years
Equipment, Furniture, and Vehicles	3 to 25 years
Hydrants	75 years
Other Sewer	60 years
Transportation	5 to 50 years
Water	40 to 60 years
Water Mains	70 years
Sanitary Sewer	40 years
Solid Waste Utility	20 to 50 years

Carrying costs directly attributable to the acquisition, construction or development activity, excluding interest costs, are capitalized to the point in time the asset is substantially complete and ready for use. Assets under construction are not amortized until the asset is in use.

Contributions of tangible capital assets are recorded at fair value at the date of contribution.

ii) Inventories

Inventories of supplies are valued at the lower of cost and net realizable value, on a weighted average basis.

District of Squamish

Summary of Significant Accounting Policies

December 31, 2015

**Non-Financial
Assets (Continued)**

iii) Land Held for Sale

Land held for sale consists of real estate property, known as the Squamish Oceanfront Lands, which were sold on February 3, 2016 (Note 3). Land held for sale is valued at the lower of cost or expected net realizable value.

Land held for sale is written down when conditions indicate that the future economic benefits are less than their net book value. Any impairment is accounted for as an expense in the statement of operations in the period.

**Measurement
Uncertainty**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results will depend on future economic events and could differ from those estimates. The significant areas requiring management estimates include provision for landfill closure and post-closure costs, provision for post-employment benefits, the carrying amount of land held for sale, the recoverability of amounts receivable, and the useful lives of tangible capital assets.

**Segment
Disclosures**

PS2700, Segment Disclosure, establishes standards on how to define and disclose segments in the District's consolidated financial statement. Key financial information is separated out to provide relevant information for accountability and decision-making purposes.

**Liability for Contaminated
Sites - Adoption of New
Accounting Standards**

Effective January 1, 2015, the District adopted the new Public Sector Accounting Standard PS 3260, Liability for Contaminated Sites. The new standard can be applied retroactively or prospectively and the District has elected to apply it prospectively.

Under PS 3260, governments are required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standard, the government has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made.

Management has assessed its potential liabilities under the new standard including sites that are no longer in productive use and sites for which the District accepts responsibility. There were no such sites that had contamination in excess of an environmental standard which required remediation at this time, therefore no liability was recognized on transition as at January 1, 2015 or at December 31, 2015.

District of Squamish
Notes to the Consolidated Financial Statements

December 31, 2015

1. Portfolio Investments

	<u>2015</u>	<u>2014</u>
Operating funds, unrestricted	\$ 10,171,494	\$ 2,386,488
Reserve funds, restricted	17,732,761	20,152,964
Deferred revenue, restricted	<u>15,330,697</u>	<u>13,110,659</u>
	<u>\$ 43,234,952</u>	<u>\$ 35,650,111</u>

Portfolio investments consist of MFA money market funds and short-term bond funds and are recorded at fair value, which approximates cost. The District earned an average rate of return of 2.06% in 2015 (2014 - 3.54%).

2. Accounts Receivable

	<u>2015</u>	<u>2014</u>
Goods and services tax	\$ 344,084	\$ 304,378
Property taxes	1,757,792	1,856,001
Utilities	1,166,479	965,721
Trade accounts	528,144	825,729
Provincial capital grants receivable	<u>486,449</u>	<u>10,045</u>
	<u>\$ 4,282,948</u>	<u>\$ 3,961,874</u>

3. Land Held for Sale and Subsequent Sale

In 2014 the Squamish Oceanfront Development Corporation entered into a purchase and sale agreement with a third party for the sale of all land held for sale. The agreement provides for cash consideration of \$15 million and a 25% limited partnership interest in the prospective development with a provision granting the general partner the option to purchase the limited partnership at any time after the completion of the Oceanfront Park to a state that is usable by and accessible to the public. The Squamish Oceanfront Development Corporation has estimated that any recovery from the limited partnership will likely be far in the future, the present value of which is best estimated to be \$nil.

During the year and subsequent to year end, the Corporation continued these negotiations with the final sale completing on February 3, 2016. As part of the sale, the 25% interest in the Limited Partnership was transferred at no cost to the Squamish Sustainability Corporation.

The agreement for the sale and future development of the land brings benefits to the District including the development of a major park which will become an asset of the District. The value of any such future benefits are not currently estimable and will be recorded in the financial statements at such time as the items are clearly defined and the amounts estimable.

District of Squamish
Notes to the Consolidated Financial Statements

December 31, 2015

4. Municipal Finance Authority Reserve Deposits and Demand Notes

The District issues its debt instruments through the MFA. A portion of the debenture proceeds is withheld by the MFA as a debt reserve fund as a condition of these borrowings. The District also executes demand notes in connection with each debenture whereby the District may be required to loan amounts to the MFA. These demand notes are contingent in nature and are not reflected in the consolidated financial statements. The details of the cash deposits and demand notes at December 31, 2015 are as follows:

	Cash Deposits		Demand Notes	
	2015	2014	2015	2014
General operating fund	\$ 344,558	\$ 299,477	\$ 823,142	\$ 789,996
Water operating fund	77,081	56,970	196,929	191,214
Sewer operating fund	114,668	108,545	227,720	224,236
	\$ 536,307	\$ 464,992	\$ 1,247,791	\$ 1,205,446

5. Deferred Revenue - Development Cost Levies

	Contributions	Interest	Expenditures	2015	2014
Roads	\$ 864,994	\$ 226,399	\$ -	\$ 10,393,971	\$ 9,302,578
Water	196,337	17,493	-	932,618	718,788
Sanitary Sewer	485,357	23,063	-	1,456,064	947,644
Drainage	141,924	33,079	-	1,534,194	1,359,190
Parks	212,349	19,043	-	1,013,850	782,459
Balance	\$ 1,900,961	\$ 319,077	\$ -	\$ 15,330,697	\$ 13,110,659

6. Provision for Landfill Future Closure and Post-Closure Costs

The District has ongoing assessments and work performed to determine the timeframe and costs of closure and post-closure costs associated with the landfill. The estimates are based on District Engineering reports and consultants.

The liability is calculated based on the ratio of cumulative usage to total capacity of the site by volume and the discounted estimated future cash flows associated with closure and post-closure activities. An estimate for inflation is incorporated into the calculation. Cash flows are discounted at 4.22% (2014 - 4.18%) per annum and inflation is estimated at 1.00% (2014 - 1.00%) per annum.

The reported liability is based on estimates and assumptions with respect to capacity, usage and events extending over the remaining life of the landfill.

District of Squamish
Notes to the Consolidated Financial Statements

December 31, 2015

6. Provision for Landfill Future Closure and Post-Closure Costs (continued)

In 2015 the total capacity of the landfill was revisited and was reduced from previous years' estimates. Prior to 2015, the total capacity was estimated at 679,704 cubic meters. As of December 31, 2015 the estimated total capacity is 645,010 cubic meters. The remaining capacity of the landfill site is estimated at 48,457 cubic meters (2014 - 119,066 cubic meters) which is 7.5% (2014 - 17.5%) of the site's total capacity.

The total discounted future cash flows for closure and post-closure costs are estimated at \$2,774,970 as at December 31, 2015 (2014 - \$2,498,108). The landfill is expected to reach capacity in 2016.

At this time, the District must stay within the existing footprint, and is building a vertical landfill. The main factor in the change of capacity is the change of estimates from a lateral landfill to a vertical landfill. The capacity has decreased in the vertical landfill.

7. Provision for Post-Employment Benefits

The District provides future benefits to all of its eligible employees through a Sick Leave Plan, a Full Annual Vacation at Retirement Plan, and a Retirement Pay Plan (collectively as the "Plans").

The Sick Leave Plan entitles employees to twelve sick days per year, based on one day for each month of service, up to a maximum of 150 days. Sick leave benefits can be used by the employee at any point up to their retirement date.

The Full Annual Vacation at Retirement Plan entitles employees to receive full annual vacation or vacation pay on retirement irrespective of the month of retirement. This benefit would be paid out in full to the employee upon their retirement.

The Retirement Pay Plan entitles an employee to two days' pay at the employee's normal rate of pay for each year or part of year worked. The benefit would be paid out in full to the employee upon their retirement.

The District funds the Plans with annual taxation revenues. There were no amendments to the above Plans during the year ended December 31, 2015.

The total expense recorded in the financial statements in respect of obligations under the Plan amounts to \$155,000 (2014 - \$135,000).

Information regarding the District's obligations for post-employment benefits is as follows:

	2015	2014
Liability, beginning of year	\$ 817,400	\$ 795,800
Current service cost	101,900	88,600
Interest cost	33,700	37,500
Benefits paid	(55,500)	(95,900)
Past service cost	(18,100)	(17,500)
Amortization of net actuarial loss	19,400	8,900
Liability, end of year	<u>\$ 898,800</u>	<u>\$ 817,400</u>

District of Squamish

Notes to the Consolidated Financial Statements

December 31, 2015

7. Provision for Post-Employment Benefits (continued)

Actuarial gains and losses are amortized over eleven years, being the expected average remaining service period of the related employee group, commencing the year after the gain or loss arises.

	2015	2014
Accrued benefit obligation, end of year	\$ 1,046,200	\$ 992,500
Unamortized loss	(147,400)	(175,100)
Liability, end of year	<u>\$ 898,800</u>	<u>\$ 817,400</u>

The most recent actuarial valuation of the District's employee future benefits was completed as at December 31, 2015. The significant actuarial assumptions adopted in measuring the District's accrued benefit obligation are as follows:

	2015	2014
Discount rates	3.2%	3.2%
Expected future inflation rates	2.5%	2.5%
Expected wage and salary increases	2.5 - 4.5%	2.5 - 4.5%

8. Short-Term Debt

Short-term debt through the MFA has interest calculated daily, and compounded monthly. Loans can be repaid at any time without notice or penalty.

The following short-term debt was outstanding as of December 31, 2015:

	2015	2014
MFA Debt - SODC	\$ 8,000,000	\$ -
Scotia Bank -SODC	-	7,928,851
	<u>\$ 8,000,000</u>	<u>\$ 7,925,851</u>

The weighted average interest rate as at December 31, 2015 was 1.30% (2014 - 3.00%). The short-term debt was paid in full in 2016 following completion of the sale of the lands held by the Squamish Oceanfront Development Corporation (Note 3).

District of Squamish
Notes to the Consolidated Financial Statements

December 31, 2015

9. Long-Term Debt and Capital Leases

Debt issued through the MFA is reported, net of cumulative Sinking Fund installments and actuarial additions thereon, relating to debentures outstanding.

(a) Gross amount of the debt assets required to retire the debt are as follows:

	<u>2015</u>	<u>2014</u>
MFA Debt - General Fund	16,308,847	16,513,024
MFA Debt - Water Fund	4,786,071	4,890,226
MFA Debt - Sewer Fund	4,196,206	3,808,073
Total long-term debt (Schedule 1)	\$ 25,291,124	\$ 25,211,323
Total capital leases (Schedule 1)	\$ 150,693	\$ 54,577

The weighted average interest rate as at December 31, 2015 was 4.22% (2014 - 3.98%).

(b) Future principal payments, represented by Sinking Fund contributions on existing MFA debt, are as follows:

	General Fund	Water Fund	Sewer Fund	Consolidated Total
2016	\$ 972,820	\$ 261,881	\$ 248,670	\$ 1,483,371
2017	972,820	261,881	248,670	1,483,371
2018	902,809	261,881	197,257	1,361,947
2019	902,809	261,881	193,386	1,358,076
2020	902,809	261,881	193,386	1,358,076
Thereafter	5,463,224	1,917,768	1,387,207	8,768,199
	10,117,291	3,227,173	2,468,576	15,813,040
Actuarial additions	6,191,556	1,558,898	1,727,630	9,478,084
	\$ 16,308,847	\$ 4,786,071	\$ 4,196,206	\$ 25,291,124

Actuarial additions represent projected earnings on Sinking Fund deposits.

District of Squamish
Notes to the Consolidated Financial Statements

December 31, 2015

9. Long-Term Debt and Capital Leases (Continued)

(c) Unissued debt

The following authorized long-term debt at December 31, 2015, has not been issued.

Bylaw	Purpose	Expiry Date	Amount
2051	Roads and Drainage	No expiry	\$ 1,576,962
2052	Water System Improvements	No expiry	365,955
2166	General System Improvements	2016	392,793
2167	Water System Improvements	2016	152,502
2168	Sewer System Improvements	2016	66,330
2208	General System Improvements	2017	4,345,372
2209	Water System Improvements	2017	564,402
2211	Sewer System Improvements	2017	173,992
2214	Synthetic Field	2017	1,039,939
2282	General Capital Works	2017	636,034
2283	Water System Improvements	2017	130,527
2331	General Capital Works	2019	2,032,522
2377	Squamish Oceanfront Corp Receivable	2020	8,130,082
2392	General Capital Works	2020	2,359,248
2393	Water System Improvements	2020	1,880,081
			\$ 23,846,741

10. Accumulated Surplus

	2015	2014
Unappropriated surplus	\$ 4,495,514	\$ 2,722,242
Appropriated surplus		
Non-statutory reserves (provisions)	5,540,131	4,699,835
Statutory reserves (schedule 2)	26,290,316	24,547,365
	31,830,447	29,247,200
Net investment in wholly-owned subsidiaries		
Library	560,969	562,562
Squamish Sustainability Corporation	21,593	(10,575)
Squamish Oceanfront Development Corporation	2,601,461	3,188,855
	3,184,023	3,740,842
Investment in tangible capital assets	207,858,628	197,568,447
	\$ 247,368,612	\$ 233,278,731

District of Squamish

Notes to the Consolidated Financial Statements

December 31, 2015

10. Accumulated Surplus (Continued)

The unappropriated surplus is the amount of accumulated surplus remaining after deducting the other accumulated surplus components. Where this amount is supported by cash and net short-term receivables, it is available to temporarily finance operations until planned revenues (i.e. property taxes, grants, etc.) are received, or for other operating or capital purposes as determined by Council.

Appropriated surplus is the amount of accumulated surplus, supported by a portion of the District's cash and receivables that has been set-aside by decision of Council for a specified purpose. The statutory reserves have been established by bylaw in accordance with the *Community Charter* and their use is restricted by the legislation. In the normal course of operations, these funds will be used to finance the future services or capital works for which they have been appropriated.

Net investment in wholly-owned subsidiaries is the net investment in the subsidiaries composed of contributions made (cash or other assets) by the District and the subsidiaries accumulated deficits.

Investment in tangible capital assets is equal to the net book value of the tangible capital assets, less related long-term debt. In the normal course of operations, the tangible capital assets will be consumed/used to provide services and the debt repaid by future period revenues.

11. Commitments and Contingencies

- (a) The District has entered into various agreements and contracts for services and construction with periods ranging from one to two years. The commitments are in accordance with financial plans passed by Council.
- (b) The District is obligated to collect and transmit property taxes levied on Squamish taxpayers in respect of the following bodies:

- Ministry of Finance, Revenue Division, School Tax Administration
 - BC Assessment Authority
 - Municipal Finance Authority (MFA)
 - Squamish-Lillooet Regional District
 - Squamish-Lillooet Regional Hospital District
 - Sea to Sky Regional Hospital District

- (c) Pension liability

- The District of Squamish 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 overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The Plan has about 185,000 active members and approximately 80,000 retired members. Active members include approximately 37,000 contributors from local governments.

December 31, 2015

11. Commitments and Contingencies (Continued)

The most recent valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available later in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The District paid \$989,003 (2014 - \$885,135) for employer contributions while employees contributed \$ 882,740 (2014 - \$794,365) to the Plan in fiscal 2015.

(d) Litigation

The District is currently engaged in or party to certain legal actions and other existing conditions involving uncertainty which may result in material loss. A reasonable estimate of these liabilities has been made where possible and is contained in the financial statements as liabilities.

As at December 31, 2015, there were a number of legal claims in various stages of litigation for which management is unable to determine the outcome. The outstanding claims are not expected to result in a material loss to the District. As such, no provision has been made in the financial statements for these claims. Losses, if any, resulting from these actions will be recorded in the period the loss becomes known and the amounts are determinable.

(e) Loan guarantee

The District is contingently liable for a \$500,000 loan issued to the West Coast Railway Association on May 16, 2014. The West Coast Railway Association guarantee is repayable over a five-year term, but expected to be paid May 1, 2017. No amounts have been recorded by the District for this loan guarantee.

(f) Commitments

SODC has beneficial interest in lands previously transferred from the District that have been remediated for historical contamination and continues to be subject to environmental regulations. As a result of these regulations, SODC is committed to provide continued monitoring and water treatment costs. Ongoing monitoring and treatment costs are estimated at \$60,000 per year. SODC is also committed to implement groundwater, soil and sediment management plans prior to undertaking any development. The cost of implementing such plans is undeterminable at this time. The sale of the land held for sale on February 3, 2016 (Note 3) transfers the responsibility for ongoing monitoring, treatment and remediation to the purchaser.

District of Squamish
Notes to the Consolidated Financial Statements

December 31, 2015

12. Taxation

	Financial Plan 2015	2015	2014
General municipal purposes	\$ 23,343,529	\$ 23,099,883	\$ 22,536,651
Library taxes	175,345	175,106	175,287
Business improvement area	45,000	45,000	45,000
Sewer frontage taxes	277,640	284,760	283,400
Water frontage taxes	230,585	235,620	234,644
	24,072,099	23,840,369	23,274,982
Collections for other taxing authorities:			
BC Assessment Authority	-	291,310	291,217
Municipal Finance Authority	-	887	851
Provincial Government - Schools	-	9,367,472	9,410,496
Squamish-Lillooet Regional District	-	1,358,248	1,279,722
Squamish-Lillooet Regional Hospital District	-	219,002	201,747
	24,072,099	35,077,288	34,459,015
Transfers to other taxing authorities:			
BC Assessment Authority	-	(291,310)	(291,217)
Municipal Finance Authority	-	(887)	(851)
Provincial Government - Schools	-	(9,367,472)	(9,410,496)
Squamish-Lillooet Regional Districts	-	(1,358,248)	(1,279,722)
Squamish-Lillooet Regional Hospital District	-	(219,002)	(201,747)
	-	(11,236,919)	(11,184,033)
	\$ 24,072,099	\$ 23,840,369	\$ 23,274,982

13. Expenses and Other Expenditures by Object

	2015	2014
Operating		
Salaries, wages and benefits	\$ 14,995,688	\$ 14,123,755
Debt servicing	1,580,053	1,795,927
Operating goods and services	16,788,369	20,722,463
Amortization and net loss on sale of tangible capital assets	5,636,412	5,740,150
	39,000,522	42,382,295
Capital		
Tangible capital assets	8,804,433	6,386,865
	\$ 47,804,955	\$ 48,769,160

District of Squamish

Notes to the Consolidated Financial Statements

December 31, 2015

14. Trust Funds

These funds account for assets that must be administered as directed by agreement or statute for certain beneficiaries. In accordance with PSAB recommendations on financial statement presentation for local governments, trust funds are not included in the District's consolidated financial statements.

The following trust funds are administered by the District of Squamish and are excluded from these consolidated financial statements:

(a) Cemetery Care Fund

The District operates the Mount Garibaldi Cemetery and maintains the Cemetery Care Fund in accordance with the Cemeteries and Funeral Services Act.

Cemetery Care Fund balance sheet as at December 31, 2015:

	2015	2014
Assets		
Investments	\$ 209,683	\$ 197,364
Liabilities		
Cemetery Care Fund	\$ 209,683	\$ 197,364

(b) Swimming Pool Trust

The District operates the Squamish and District Aquatic Centre on behalf of the Squamish-Lillooet Regional District. This facility is established and constructed under authority of the Squamish-Lillooet Regional District Service Area Establishment Bylaw No. 438. The balance sheet for funds held in trust for Squamish-Lillooet Regional District construction and operation, pursuant to this bylaw, is as follows:

	2015	2014
Assets		
Investments	\$ 1,166,219	\$ 1,016,942
Inventory	20,934	20,933
	\$ 1,187,153	\$ 1,037,875
Liabilities		
Deferred revenue	\$ 39,262	\$ 36,257
Account payable	984,889	858,448
Fund balance	83,002	63,170
Reserve	80,000	80,000
	\$ 1,187,153	\$ 1,037,875

District of Squamish
Notes to the Consolidated Financial Statements

December 31, 2015

15. Financial Plan

Financial Plan amounts represent the Financial Plan bylaw adopted by Council on May 12, 2015 as adjusted to a "PSAB basis" in order to match the required presentation in the Consolidated Statement of Operations and the Consolidated Statement of Change in Net Financial Assets. This adjustment is necessary because certain revenue items in the Financial Plan are not considered revenues for PSAB purposes including transfers from reserves and other internal sources, collection of works and services charges and debt proceeds. Similarly, capital expenditures and debt principal repayments are not considered expenses for PSAB purposes. The Financial Plan amounts are also presented on a consolidated basis and include the financial plans for all entities that form part of the District's reporting entity.

The following shows how these two different bases are reconciled:

	2015
Annual surplus per Financial Plan bylaw	\$ 5,706,914
Annual deficit of subsidiaries per adopted budget	(456,422)
Elimination of budgeted transactions between the District and subsidiaries	<u>377,856</u>
Annual surplus on a PSAB basis	<u>5,628,348</u>
Acquisition of tangible capital assets per Financial Plan bylaw	(14,841,654)
Acquisition of tangible capital assets of subsidiaries	-
Amortization per Financial Plan bylaw	<u>5,422,428</u>
Change in net financial assets	\$ (3,790,878)

16. Comparative Figures

The comparative figures have been reclassified to conform with the financial statement format adopted in the current year.

17. Tangible Capital Assets

(a) Assets under construction

General capital assets under construction have a cost of \$2,387,296 (2014 - \$506,704) and have not been amortized. Amortization of these assets will commence the year the asset is put into service.

(b) Contributed tangible capital assets

Contributed tangible capital assets (developer contributions) have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$7,329,983 (2014 - \$4,444,669) comprised of land in the amount of \$ nil (2014 - \$1,255,224), land improvements of \$340,853 (2014 - \$106,506), transportation infrastructure \$4,694,045 (2014 - \$1,614,775), water infrastructure \$980,034 (2014 - \$1,043,290) and sanitary sewer infrastructure in the amount of \$1,315,051 (2014 - \$424,904).

(c) Write-down of tangible capital assets

No write-down of tangible capital assets occurred during 2015 or 2014.

District of Squamish
Notes to the Consolidated Financial Statements

December 31, 2015

17. Tangible capital assets (continued):

Cost	Balance at December 31, 2014	Additions	Disposals and transfers	Balance at December 31, 2015
Land	70,655,537	20,000	8,662	70,666,875
Land improvements	23,305,825	941,330	-	24,247,155
Buildings	41,677,374	280,044	45,868	41,911,550
Furniture, vehicles, equipment	11,670,647	992,202	494,675	12,168,174
Road infrastructure	73,064,696	5,602,310	141,240	78,525,766
General works under construction	506,704	2,132,716	252,124	2,387,296
Water infrastructure	44,216,833	2,624,165	46,158	46,794,840
Sanitary sewer infrastructure	46,262,525	3,414,231	-	49,676,756
Solid waste infrastructure	5,334,258	-	-	5,334,258
Subsidiaries	1,437,781	127,418	30,335	1,534,864
Total	318,132,180	16,134,416	1,019,062	333,247,534
Accumulated amortization	Balance at December 31, 2014	Disposals	Amortization expense	Balance at December 31, 2015
Land	-	-	-	-
Land improvements	6,169,440	-	519,611	6,689,051
Buildings	16,725,503	70,244	869,224	17,524,483
Furniture, vehicles, equipment	7,812,481	709,719	608,020	7,710,782
Road infrastructure	29,569,679	138,602	1,872,643	31,303,720
General works under construction	-	-	-	-
Water infrastructure	15,540,991	46,158	805,642	16,300,475
Sanitary sewer infrastructure	18,370,874	-	812,560	19,183,434
Solid waste infrastructure	-	-	-	-
Subsidiaries	1,108,865	22,433	148,712	1,235,144
Total	95,297,833	987,156	5,636,412	99,947,089
	Net book value December 31, 2014			Net book value December 31, 2015
Land	70,655,537			70,666,875
Land improvements	17,136,385			17,558,104
Buildings	24,951,871			24,387,067
Furniture, vehicles, equipment	3,858,166			4,457,392
Road infrastructure	43,495,017			47,222,045
General works under construction	506,704			2,387,296
Water infrastructure	28,675,841			30,494,365
Sanitary sewer infrastructure	27,891,651			30,493,322
Solid waste infrastructure	5,334,258			5,334,258
Subsidiaries	328,917			299,720
Total	222,834,347			233,300,445

December 31, 2015

18. Segmented Information

The Corporation is a diversified municipal government organization that provides a wide range of services to its citizens, including General Government, Protective, Transportation and Transit, Economic and Community Development, Recreation, Parks, Trails and Library, Public Health, and Solid Waste, Water and Sewer Utilities. For management reporting purposes, the Corporation's operations and activities are organized and reported by Fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions, or limitations.

Municipal services are provided by departments and their activities reported within these funds. Certain functions that have been separately disclosed in the segmented information, along with the services they provide are as follows:

General Government

General Government Operations encompasses the functions of Council and legislative costs, corporate services and administration, communications, information technology, human resources, financial services, real estate, and facility services, and other functions categorized as non-departmental.

Protective Services

Protective Services is committed to ensuring the public safety and mitigating risks to residents of Squamish. This function includes police, fire, emergency management planning, bylaw enforcement, animal control, and building inspection.

Transportation & Transit

Transportation and Transit is a broad function encompassing the engineering departments and the public works crews engaged in the maintenance and improvements to the road systems, drainage, sidewalks, flood protection, fleet maintenance, works yard maintenance and other planning and maintenance activities. In addition, this function includes transit services and airport operations.

Economic and Community Development

Economic and Community Development stretches from planning and land use development, environmental planning, economic development and events management with the common goal of developing Squamish into a healthy, vibrant and economically viable community. In addition, the District's subsidiary organizations, Squamish Sustainability Corporation and the Squamish Oceanfront Development Corporation, have been consolidated into this function for reporting purposes.

Recreation, Parks, Trails and Library

Recreation, Parks, Trails and Library encompasses the arena and community centre, seniors centre, youth centre and an extensive networks of parks and trail Systems throughout the community. In addition, the District's subsidiary organization, the Squamish Public Library, has been consolidated into this function for reporting purposes.

Public Health

Public Health Service is comprised of the municipal cemetery services.

Water and Sewer Utilities

The Water and Sewer Utilities operate and distribute water and network sewer mains, storm mains and pump stations.

Solid Waste Utility

The Solid Waste Utility provides garbage, recycling, organic waste collection services as well as the operation of the landfill.

District of Squamish
Notes to the Consolidated Financial Statements

December 31, 2015

18. Segmented Information (continued):

	General Government	Protective Services	Transportation & Transit	Economic & Community Development	Recreation, Parks, Trails & Library	Public Health	Water Utility	Sewer Utility	Solid Waste Utility	Total All Funds 2015	Total All Funds 2014
Revenue:											
Taxation (Note 12)	\$ 23,840,369	-	-	-	-	-	-	-	-	\$23,840,369	\$ 23,274,982
Government transfers and other contributions (Schedule 4)	200,359	80,432	2,335,717	176,293	320,947	-	-	-	-	3,113,748	3,732,272
User fees	14,493	376,808	474,070	160,541	870,305	47,983	75,113	8,229	-	2,027,542	1,800,728
Utility user fees	-	-	-	-	-	-	3,474,394	4,967,172	2,860,726	11,302,292	9,964,217
Developer contributions	340,854	-	4,694,044	-	-	-	980,034	1,315,051	-	7,329,983	4,444,699
Developer cost levies	-	-	-	-	-	-	-	-	-	-	322,160
Other revenue from own sources	575,756	335,635	205,647	1,065,300	589,679	-	43,005	-	-	2,815,022	1,587,853
Investment revenue	782,047	-	162	8,579	15,822	-	87,849	217,708	3,526	1,115,693	1,201,212
Penalties and interest on taxes	344,948	-	-	-	-	-	-	-	-	344,948	364,101
Grants in lieu of taxes	799,584	-	-	-	-	-	-	-	-	799,584	811,686
1% utility revenue	252,417	-	-	-	-	-	-	-	-	252,417	250,795
Gain on disposal of capital assets	153,928	-	-	379	(5,502)	-	-	-	-	148,805	-
	27,304,755	792,875	7,709,640	1,411,092	1,791,251	47,983	4,660,395	6,508,160	2,864,252	53,090,403	47,754,705
Expenses:											
Payroll and benefits	4,855,102	2,890,160	2,737,327	941,026	2,294,486	38,629	618,591	585,169	35,198	14,995,688	14,123,755
Operating expenses	1,747,112	4,868,050	1,522,871	507,691	1,731,362	25,537	1,366,553	2,138,190	2,881,003	16,788,369	20,722,463
Debt service - interest	959,513	-	-	164,666	-	-	209,234	246,640	-	1,580,053	1,795,927
Amortization expense	3,869,498	-	-	32,248	116,464	-	805,642	812,560	-	5,636,412	5,639,378
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	-	-	100,772
	11,431,225	7,758,210	4,260,198	1,645,631	4,142,312	64,166	3,000,020	3,782,559	2,916,201	39,000,522	42,382,295
Annual surplus (deficit)	\$ 15,873,530	\$ (6,965,335)	\$ 3,449,442	\$ (234,539)	\$ (2,351,061)	\$ (16,183)	\$ 1,660,375	\$ 2,725,601	\$ (51,949)	\$14,089,881	\$ 5,372,410

District of Squamish
Schedule 1
Consolidated Short and Long-term Debt

December 31, 2015

By-law	Purpose	Year of maturity	Rate (%)	2015	2014
General Fund:					
	Squamish Oceanfront Development Corp	-	3.00	-	7,928,851
2401	Squamish Oceanfront Dev Corp	2020	1.30	\$ 8,000,000	
Total Short Term Debt				8,000,000	7,928,851
	Lease photocopiers	2015		-	21,491
	Lease photocopier C754	2017		13,524	16,459
	Lease photocopier Xerox	2019		7,676	9,391
	Lease photocopier C364	2019		5,849	7,236
	Lease photocopiers	2020		123,644	-
Total Capital Leases				150,693	54,577
1456	Library	2017	4.55	345,407	505,875
1679	Police building	2022	3.05	2,275,137	2,541,262
1917	Forestry building	2026	4.65	1,787,306	1,914,736
1945	Business Park	2027	4.82	2,178,231	2,317,621
2029	Business Park	2029	4.90	2,253,960	2,372,520
2064	Arena Roof	2030	4.20	608,692	635,510
2051	Roads & Drainage	2030	4.20	954,447	996,497
2137	Facilities	2030	5.00	497,925	558,430
2166	General Capital Works	2027	3.53	1,147,349	1,220,771
2166	General Capital Works	2033	5.00	367,781	406,161
2137	Facilities	2023	5.00	255,301	281,943
2208	General Capital Works	2033	4.10	431,258	447,427
2208	General Capital Works	2033	4.10	354,433	391,419
2214	Parks Capital Works	2033	4.10	150,296	165,980
2051	General Capital Works	2029	3.64	338,918	350,695
2166	Flood Protection	2029	3.64	107,075	112,704
2208	Systems & equipment	2024	3.25	103,827	113,261
2208	Bridge, Flood Protection, Arena Lighting	2029	3.64	791,788	833,409
2282	Bridge	2029	3.64	329,483	346,803
2051	General Capital Works	2035	2.75	101,263	-
2331	General Capital Works	2030	2.75	54,878	-
2282	General Capital Works	2030	2.75	669,400	-
2137	General Capital Works	2025	2.75	204,692	-
				16,308,847	16,513,024
Water Fund:					
1599	Powerhouse Springs	2020	6.45	368,804	433,315
1944	Powerhouse Springs	2027	4.82	291,163	309,795
2052	Water Systems	2029	5.68	511,938	538,875
2052	Water Systems	2030	5.68	505,589	527,865
2138	Water Systems	2030	5.00	229,005	238,296
2167	Water Systems	2032	3.80	283,162	294,652
2209	Water Capital Works	2028	4.10	764,823	809,053
2167	Water Capital Works	2023	5.00	257,167	284,004
2167	Watermain Replacement	2029	3.64	193,391	203,557
2209	PRV, Meters, Stations, Mains	2029	3.64	336,778	354,481
2283	Watermain Replacement	2029	3.64	851,568	896,332
2283	Water Capital Works	2030	2.75	192,683	-
				4,786,071	4,890,225

District of Squamish
Schedule 1
Consolidated Short and Long-term Debt

December 31, 2015

By-law	Purpose	Year of maturity	Rate (%)	2015	2014
Sewer Fund:					
1364	Valleycliffe Lift Station	2015	3.00	-	32,479
1457	Sewer Mains	2017	4.55	253,647	371,485
1513	WWTP	2018	4.65	27,971	36,421
1756	WWTP Mamquam	2024	4.86	1,676,829	1,821,659
1977	Sewer Mains	2028	4.65	475,408	502,901
2156	Trunk Sanitary Sewer Mains	2030	5.00	424,937	442,179
2168	Sewer Capital Works	2033	5.00	177,606	184,265
2156	Trunk Sanitary Sewer Mains	2029	3.64	138,043	145,299
2211	Centrifuge, Trunk, Lift Station	2029	3.64	257,833	271,386
2211	Sewer Capital Works	2030	2.75	763,932	-
				4,196,206	3,808,074
Total Long Term Debt				25,291,124	25,211,323
Total Debt				\$ 33,441,817	\$ 33,194,751

District of Squamish
Schedule 2
Consolidated Statutory Reserve Funds

December 31, 2015

Statutory Reserve Fund	Balance, beginning of year	Transfers from operating funds	Transfers from other reserve funds	Transfers to other reserve funds	Contributions	Investment income	Land Sales	Expenditures	Balance, end of year 2015	Balance, end of year 2014
General Sinking Fund	209,314	-	-	-	-	14,851	-	-	224,165	209,314
Water Works Sinking Fund	568,846	-	-	-	-	5,094	-	-	573,940	568,846
Sewer Works Sinking Fund	610,234	-	-	-	16,880	13,884	-	-	640,998	610,233
Land Sale Reserve Fund	8,874,653	-	74,250	-	91,960	62,224	140,247	(3,930)	9,239,404	8,874,654
Equipment Replacement	5,270,232	381,578	-	-	-	129,481	-	(758,079)	5,023,212	5,270,232
Community Works Fund	2,088,436	-	-	-	751,013	53,420	-	(444,592)	2,448,277	2,088,436
Capital, rehab and replace	6,124,155	1,222,132	-	-	-	99,552	-	(100,000)	7,345,839	6,124,155
Offstreet Parking	355,139	-	-	-	-	8,579	-	-	363,718	355,139
Affordable Housing	197,138	-	-	-	-	4,800	-	-	201,938	197,138
Carbon Neutral	138,228	-	-	-	26,665	2,741	-	-	167,634	138,228
VANOC Legacy	110,990	-	-	-	-	2,701	-	(52,500)	61,191	110,990
Economic Development Resv	-	-	-	(74,250)	-	74,250	-	-	-	-
Total	24,547,365	1,603,710	74,250	(74,250)	886,518	471,577	140,247	(1,359,101)	26,290,316	24,547,365

District of Squamish

Schedule 3

Government Transfers and Other Contributions

December 31, 2015

	Financial Plan 2015	Year ending December 31	
		2015	2014
Federal Government			
Operating Grants			
Library grant	\$ 5,825	\$ 5,825	\$ 5,996
Union of BC Municipalities (UBCM)	-	-	72,200
UBCM - senior friendly municipalities	-	3,621	-
UBCM - Comm works fund - drainage study	751,013	751,013	5,400
UBCM - Comm works fund - integrated flood hazard	-	-	155,000
UBCM - Comm works fund - corridor trail	2,000	-	10,044
Capital Grants			
UBCM - Comm works fund - corridor trail	-	171,341	206,155
UBCM - Comm works fund - sewer rehabilitation	-	-	125,000
Flood protection	1,207,033	-	-
Flood management	-	-	1,102
Canoe shelter	45,000	45,000	5,000
Community works fund	-	-	2,088,436
Dyke upgrades	379,895	593,656	12,485
	2,390,766	1,570,456	2,686,818
Provincial Government			
Operating Grants			
Marketing projects	3,335	-	-
Bear aware program	-	2,000	-
Climate action revenue incentive program	26,665	26,665	31,091
Emergency management	-	5,544	15,000
Hotel tax	90,000	176,293	152,655
Law society	-	-	200
Library grant	54,392	54,392	86,822
Library - special projects	11,000	11,000	-
Library - literacy	17,018	17,018	-
Small community protection grant	167,084	167,084	116,689
Traffic fine revenue sharing	259,951	259,951	133,252
Victims assistance program	53,460	53,888	54,411
Stan Clarke park upgrade	-	-	375,000
Capital Grants			
Flood management	-	-	1,102
Dyke upgrades	100,000	593,656	12,485
	786,240	1,367,491	978,707
Other Governments			
Operating Grants			
Grants from other agencies - recreation	5,159	1,500	2,297
Healthy communities grant	-	1,000	4,000
Library operating grant	14,211	14,211	14,221
History digitization	-	-	5,729
Capital Grants			
Squamish-Lillooet Regional Dist - rescue service	16,250	21,000	13,000
	35,620	37,711	39,247
Other Contributions and Donations			
Operating			
Library - operating	21,374	650	-
General Capital			
ICBC - vehicle recovery	-	14,440	27,500
BC air access program	113,000	123,000	-
	134,374	138,090	27,500
	\$ 3,347,000	\$ 3,113,748	\$ 3,732,272

**DISTRICT OF SQUAMISH
SCHEDULE OF DEBTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

A schedule of debts is included, as Schedule 1, to the consolidated Financial Statements.

**DISTRICT OF SQUAMISH
SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

Information on guarantees and indemnities is included in Note 11 to the Financial Statements. Wholly-owned subsidiaries are consolidated in the Financial Statements and additional schedules so guarantee agreements between consolidated entities are not disclosed.

**DISTRICT OF SQUAMISH
SCHEDULES OF REMUNERATION AND
EXPENSES PAID TO OR ON BEHALF OF EMPLOYEES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

1. Elected Officials

Name			Position	Remuneration	Expenses	Benefits* (Note 1)
District of Squamish Council						
Heintzman	Patricia		Mayor	\$67,127	\$10,436	\$6,086
Race	Douglas		Councillor	31,127	1,969	2,500
Blackman-wulff	Jason		Councillor	30,355	3,527	5,776
Elliott	Karen		Councillor	30,355	3,061	5,776
Kent	Peter		Councillor	30,355	1,862	5,776
Chapelle	Susan		Councillor	30,355	6,252	5,722
Prior	Edward		Councillor	30,355	4,791	5,722
				\$250,029	\$31,898	\$37,358
Library Board						
Gayton	David		Board Member	\$ -	\$ 125	
Kerr	Elizabeth		Board Member	-	125	
Lippman	Anna		Board Member	-	215	
Nish	Robin		Board Member	-	158	
Pederson	Jenny		Board Member	-	187	
				-	\$810	
Total Remuneration & Expenses - Elected Officials (Note 2)				\$250,029	\$32,708	

Note 1: Benefits are in addition to taxable benefits included under remuneration and have been included to comply with Community Charter Section 168. Further to Section 168, there are no contracts with Councilors.

Note 2: Board Members for Squamish Sustainability Corporation and Squamish Oceanfront Corporation did not receive remuneration or expenses in 2015 according to data supplied from those entities.

Continued

**DISTRICT OF SQUAMISH
SCHEDULES OF REMUNERATION AND
EXPENSES PAID TO OR ON BEHALF OF EMPLOYEES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

Continued from previous page

2. Other Employees

Name		Remuneration (Note 1)	Expenses (Note 2)
Addis	Shane	\$ 78,779	\$ 1,285
Arnold	Dan	97,544	307
Arthurs	Robin	144,540	2,477
Barone	Steve	131,804	1,878
Becker	Corien	116,461	11,337
Bell	Stacy	89,291	
Bloom	Hilary	77,698	3,346
Buxton	Michael	132,457	6,714
Chittle	Ryan	81,556	
Dawson	Andy	83,612	140
Derksen	Kyle	106,687	2,609
Dockter	Edward	110,279	
Farina	Richard	82,583	3,337
Foote	Aaron	124,083	3,858
Fulton	Bob	123,784	2,825
Glenday	Linda	157,999	7,756
Grainger	John	102,180	1,605
Greenlees	Joanne	157,286	4,417
Griffin	Daniel	83,599	642
Gunn	Matthew	76,535	875
Halliday	Craig	80,730	
Hoadley	Laura	78,393	
Hoskin	Tim	112,077	2,460
Houghton	Eric	77,230	
Kordel	Conrad	103,606	1,155
Kranenburg	Trevor	116,601	6,766
Lamont	Scott	95,959	
Macintyre	Scott	85,899	
Macleod	Rod	105,828	423
Mathews	Christine	102,290	2,228
Mathews	Richard	78,534	1,072
Mcjannet	Sarah	92,299	
Moore	Christina	90,040	601
Murgatroyd	Gavin	75,208	337
Pawluk	Charlene	100,300	1,455
Plumb	Neil	100,064	
Roulston	David	96,830	2,617
Say	Camilla	102,680	638
Simmons	Matthew	104,307	266
Smith	Bob	114,987	3,508
Stoner	Bill	88,644	2,599
Sweeney	Sean	150,074	1,919
Tremblay	Peter	91,344	2,102
Virgint	Suzanne	88,997	1,684
Remuneration and Expense Exceeding \$75,000		\$ 4,491,678	\$ 87,238
Consolidated Total of Other Employees Under \$75,000		7,992,914	96,067
Total Remuneration and Expenses Other Employees		\$ 12,484,592	\$ 183,305

Continued

**DISTRICT OF SQUAMISH
SCHEDULES OF REMUNERATION AND
EXPENSES PAID TO OR ON BEHALF OF EMPLOYEES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

Continued from previous page

3. Reconciliation to Financial Statements

Remuneration to Council and Board Members	\$ 250,029
Total Employee Remuneration	12,484,592
Employer CPP	452,475
Employer EI	244,692
Other Non-Taxable Benefits, Settlements and Accounting Accruals	1,813,929
Salaries, Wages, Benefits per Financial Statements Note 13	<u>\$ 14,995,688</u>

Note 1: Remuneration includes taxable benefits and items such as vacation payout for leave not taken, retroactive salary adjustments, and overtime. Severance and retiring allowances are excluded from the schedule as indicated by the reconciliation.

Note 2: Expenses include payments to third parties and expenditures even if those expenditures are required for employees to fulfill their job functions and duties. Such expenditures include, but are not limited to, the cost of attending meetings, courses, seminars, and promotional activities required by the District of Squamish. Excluded from expenses are non-taxable benefits available to all employees within an identifiable employment group.

**DISTRICT OF SQUAMISH
STATEMENT OF SEVERANCE AGREEMENTS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

There were three severance agreements under which payment commenced between the District of Squamish and non-union employees during 2015. These agreements represent from 1.5 to 12 months of compensation and 18.5 months in total. Compensation was based on salary. Two of the agreements included benefits for 5 and 7 months.

There were no severance agreements for other consolidated entities in 2015.

**DISTRICT OF SQUAMISH
SCHEDULE OF PAYMENTS TO SUPPLIERS OF GOOD AND SERVICES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

1. Payments Over \$25,000

3M Canada	\$ 29,265
Alpine Line Painting	83,731
Alpine Paving (1978) Ltd.	958,339
Alta Lake Electric Ltd.	95,050
Archibald Clarke & Defieux (Squamish)	88,812
Architecture49 Inc.	36,199
Associated Fire Safety Equipment	53,672
Azimuth Consulting Group Partnership	39,487
BC Conservation Foundation	36,414
BC Hydro	936,089
BC Transit	1,234,620
BCT Fencing	27,059
BDO Canada LLP	116,721
Bell Mobility	70,069
Black Tusk Fire & Security Inc	77,629
British Columbia Timberframe Company	72,808
Canadian National	31,540
Capilano Highway Services Co.	1,209,073
Carney's Waste Systems	1,936,520
Carver Construction Ltd.	26,250
Cascade Environmental Resource Group	72,535
Cdw Canada Inc.	133,212
Chamco Industries Ltd.	25,583
Chevron Canada Ltd.	168,859
Cityspaces Consulting Ltd.	153,491
Cleartech Industries Inc.	300,270
Coast Aggregates Ltd.	145,583
Coast Valley Contracting Ltd.	61,957
Commercial Aquatic Supplies	31,592
Continental Power Services (1987)	68,838
Coriolis Consulting Group	138,843
Corix Water Products Lp	34,310
Corporate Electric Limited	159,304
Cummins Western Canada	113,824
Custom Air Conditioning Ltd.	110,152
Davidson Bros.	152,537
Del Equipment	54,133
Deschutter & Associates	130,163
Duro Construction Ltd.	102,426
Dust-Away Road Spraying Ltd.	25,273
Earthco Underground Ltd	771,878
E-Comm, Emergency Communications	52,452
Ecoscape Environmental Consultants Ltd.	50,706
Eldorado Wall Company Inc	37,000
ESRI Canada	41,104

Continued

**DISTRICT OF SQUAMISH
SCHEDULE OF PAYMENTS TO SUPPLIERS OF GOOD AND SERVICES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

1. Payments Over \$25,000 (continued)

Evergreen Projects Ltd.	940,051
Fire Company No. 1	59,208
Fire Company No. 2	105,069
Flocor Inc.	103,475
Fortis Bc - Natural Gas	157,601
Frontier Power Products Ltd.	27,615
Garibaldi Plumbing Inc.	25,340
Geopacific Consultants Ltd.	26,607
Great-West Life Assurance Company	821,131
Harris & Company	113,459
Henry Foundation Drilling Inc.	42,921
Highlands Green Cleaning	30,672
Holliswealth	32,782
Howe Sound Equipment (2008) Ltd.	36,168
Intelligent Traffic Equipment Marketing	35,769
Ion Design Inc.	32,397
ISL Engineering And Land Services	296,882
J. Cote & Son Excavating Ltd.	427,647
Justice Institute Of British Columbia	34,104
Keats Island Construction & Services Ltd	37,570
Kerr Wood Leidal Associates Ltd.	847,848
Konica Minolta Business Solutions	68,433
Lat Div Of Lafarge Canada Inc.	38,749
Lidstone & Company	562,545
Lions Gate Excavation & Demolition	1,414,041
London Drugs	39,540
Mar-Tech Underground Services Ltd.	113,245
Mcelhanney Consulting Services Ltd.	46,740
Metro Motors Ltd.	220,539
Microsoft Licensing, Gp	85,201
Minister Of Finance	236,350
Modus	44,412
Morris, Amanda	87,355
Municipal Pension Plan	185,207
Murdy & Mcallister	187,865
Musco Sports Lighting Canada Co.	255,360
Opus Consulting Group Ltd.	47,014
Opus Dayton Knight Consultants Ltd	205,824
PBX Engineering	74,885
Pipeline Plumbing And Heating Ltd.	38,654
Polar Geoscience Ltd.	30,975
PPM Consulting Ltd.	329,068
Precision Service & Pumps Inc.	30,061
Premier Pacific Seeds Ltd.	35,092
Progressive Sealing Inc.	58,402
Quartech Systems Ltd.	39,664
Quest Metal Works Ltd.	34,404
R.F. Binnie & Associates	70,259

Continued

**DISTRICT OF SQUAMISH
SCHEDULE OF PAYMENTS TO SUPPLIERS OF GOOD AND SERVICES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

1. Payments Over \$25,000 (continued)

Receiver General (Revenue Canada)	713,729
Receiver General For Canada (RCMP)	3,770,353
Rollins Machinery Ltd.	213,498
Safetek Emergency Vehicles Ltd.	26,450
SCU Insurance Services Ltd.	51,239
Sea To Sky Community Services Society	252,500
Sea To Sky Gondola Limited Partnership	2,940
Sea To Sky Invasive Species Council	33,520
Silverback Treeworks Ltd.	26,317
Slope Side Supply	49,706
Smeal Fire Apparatus Co.	288,481
Softchoice Corporation	43,985
Spartan Controls Ltd.	33,982
Squamish Chief	112,933
Squamish Insurance Agencies Ltd.	252,587
Squamish Yacht Club	27,025
Squamish-Lillooet Regional District (Note 1)	2,811,193
Staples Advantage	66,047
Telus	171,126
Telus Services Inc.	133,110
Temple Consulting Group Ltd.	30,710
Tourism Squamish Society	150,250
Trasolini Pools Ltd	205,826
Triton Auto And Industrial Ltd.	83,286
United Library Services	51,133
Urban Systems	98,638
Westland Insurance Group Ltd.	97,464
Westvac Industrial Ltd.	65,222
Workers Compensation Board Of B.C.	301,871
Xylem Canada Company	81,976

Total Payments Over \$25,000

\$ 29,356,746

2. Consolidated Payments Of \$25,000 Or Less

3,440,299

3. Consolidated Total Of Grants And Contributions Over \$25,000

62,427

4. Consolidated Total of Grants and Contributions Under \$25,000

127,479

Consolidated Total Paid To Suppliers

\$ 32,986,951

Continued

**DISTRICT OF SQUAMISH
SCHEDULE OF PAYMENTS TO SUPPLIERS OF GOOD AND SERVICES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015**

Continued from previous page

5. Reconciliation to Financial Statements

Consolidated Total Paid To Suppliers	\$ 32,986,951
Deduct: Net Acquisition of Capital Assets	(8,804,433)
GST/HST Rebates	(927,539)
Other Reconciling Items (Note 2)	(4,049,514)
Add: Amortization Expense	5,636,412
Principal Payments on Financing	1,426,696
Employee Remuneration	12,481,999
Council Remuneration	250,027
Total Expense per Note 13 to the Financial Statements	\$ 39,000,599

Note 1: Payments to Squamish Lilloet Regional District represent debt service payments that will ultimately be transferred to the Municipal Finance Authority of BC.

Note 2: The District prepares schedule of payments based on actual disbursements to ensure completeness. The schedule of payments over \$75,000 is adjusted to remove refund of deposits and flow through payments and grants. The schedule is produced on a "cash basis".