



Statement of Financial Information – SOFI

Approved by Council

For the Fiscal Year Ended December 31, 2013

Pursuant to the *Financial Information Act*

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Village of Pemberton

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

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

Prepared under the Financial Information Regulation, Schedule 1, subsection 5 (4)

**Schedule Showing the Remuneration
Paid to or on Behalf of Each Employee
2013**

1 Elected Officials, Employees appointed by Cabinet and Members of the Board Of Directors

Name	Position	Remuneration	Expenses
Sturdy, Jordan	Mayor	21,438.85	1,239.13
Craddock, Ted	Councillor	12,902.97	1,779.56
Leblanc, Alan	Councillor	12,902.97	3,372.23
Linklater, James	Councillor	12,902.97	2,028.00
Richman, Mike	Councillor	12,902.97	1,856.32
Total		73,050.73	10,275.24

2 Other Employees > 75,000

Name	Remuneration	Expenses
Burt, Greg	78,550.43	120.00
Fraser, Sheena	91,707.85	7,819.86
Gilmore, Nikki	87,526.82	4,041.58
Hansler, Ben	79,170.06	3,818.29
Lamont, Caroline	101,501.59	6,943.52
Miller, Lonny	88,415.72	294.51
Sailland, Daniel	122,038.18	8,120.01
Westlake, Jeff	78,394.75	1,925.74
Total > 75,000	727,305.40	33,083.51
Consolidated Total of other Employees with remuneration and expenses of <75,000		
	794,042.48	38,013.89
Total Employees	1,521,347.88	71,097.40

3 Reconciliation

Total remuneration - elected officials	73,050.73
Total remuneration - employees	1,521,347.88
Subtotal	1,594,398.61
Reconciling Items	212,206.39
Total per Statement of Segmented Information	1,806,605.00
Variance	0.00

Reconciling Items:

Item	Amount	Comments
Benefits	212,206.39	from annual payroll summary

Village of Pemberton

STATEMENT OF SEVERANCE AGREEMENTS

There were no severance agreements made between the Village of Pemberton and its non-unionized employees during the fiscal year 2012/2013.

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

2013 SCHEDULE SHOWING PAYMENT MADE FOR THE PROVISION OF GOODS OR SERVICES

1. Alphabetical list of suppliers who received aggregate payments exceeding \$25,000

Supplier name	Aggregate amount paid to supplier
Alpine Paving (1978) Ltd.	\$33,167.82
BC Assessment Authority	40,117.04
BC Hydro	140,076.78
BFL Canada Insurance Services Inc.	62,254.00
CanLan Ice Sports Corp.	25,200.00
Carney's Waste Systems	65,467.08
CS Jackson Heavy Equipment Services Ltd.	764,361.94
Gescan	26,186.58
Imperial Oil	31,943.83
ISL Engineering & Land Services Ltd.	178,706.51
JT Heavy Equipment Repair Ltd.	32,006.39
Lidstone & Company	33,806.99
Logical Developments	37,797.26
Marcon 0910175 BC Ltd	180,169.24
Minister of Finance	921,137.15
Municipal Finance Authority of BC	200,110.34
Municipal Insurance Association	32,006.95
Municipal Pension Plan	188,834.21
Murdy & McAllister	52,748.82
Outwest Building Insp. Consultants Ltd.	27,659.90
Pacific Blue Cross	51,339.43
Receiver General	391,798.35
RND Auto Industrial Ltd.	32,805.30
Royal Bank of Canada	31,477.19
Sabre Group	45,814.36
Squamish Lillooet Regional District	1,403,587.78
The Gardener's Yard Inc.	35,484.75
Timbercreek Mortgage Investment Corp.	31,166.19
Total aggregate amount paid to suppliers	\$5,097,232.18

2. Consolidated paid to suppliers who received aggregate pmts of < or = \$25,000

	\$285,102.61
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3. Total payments to suppliers for grants and contributions exceeding \$25,000

Consolidated total of grants exceeding \$25,000	\$931,485.87
Consolidated total of contributions exceeding \$25,000	45,066.37
Consolidated total of all grants and contributions exceeding \$25,000	\$976,552.24

4. Reconciliation

Total aggregate payments exceeding \$25,000 paid to suppliers	\$5,097,232.18
Consolidated total of payments of \$25,000 or less paid to suppliers	285,102.61
Consolidated total of all grants and contributions exceeding \$25,000	976,552.24
Subtotal	6,358,887.03
Reconciling items	(2,127,879.03)
	4,231,008.00
Total per Consolidated Statement of Operations and Accumulated Surplus	4,231,008.00
Variance	\$ -

Reconciling Items:

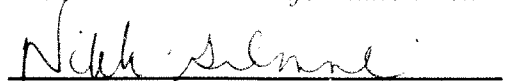
		Comments
Payroll	\$1,594,398.61	from T4 Summary
Employer portion of Benefits	(212,206.39)	from MAIS payroll annual Summary
Sales of Service Allocation	(354,855.25)	from General Ledger
Transfers to other governments	(2,375,576.00)	from note 9 in FS
A/P Accruals 2013	878,700.00	from consolidated statement of financial position
A/P Accruals 2012	(440,530.00)	from consolidated statement of financial position
Debt Principal Payments	(195,062.00)	from consolidated statement of cash flows
Obligation under capital lease payments	(64,322.00)	from consolidated statement of cash flows
Capital Expenses/Purchases	(1,616,811.00)	from note 7 in FS and deferred projects
Amortization Expense	658,385.00	from note 7 in FS
	(2,127,879.03)	

□ Prepared under the Financial Information Regulation, Schedule 1, section 7 and the *Financial Information Act*, section 2.

Village of Pemberton


STATEMENT OF FINANCIAL INFORMATION APPROVAL

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



Nikki Gilmore, Chief Financial Officer

Date: July 8, 2014



James Linklater, Acting Mayor

Date: July 8, 2014

Prepared under the Financial Information Regulation, Schedule 1, subsection 9

Management Report

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 management's responsibility. Management is also responsible for all the statements and scheduled, and for ensuring that this information is consistent, where appropriate, with the information contained in 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.

The Mayor and Council are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises this responsibility through their Finance Committee.

The external auditors, MNP 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 free from material misstatement.

In accordance with the *Community Charter*, the 2013 Audited Consolidated Financial Statements were presented and approved by Council on May 13, 2014; the Statement of Financial Information (SOFI) was presented to Council for approval on July 8, 2014.



Nikki Gilmore
Chief Financial Officer

July 2, 2014

Date

Village of Pemberton
Consolidated Financial Statements
Year ended December 31, 2013

Village of Pemberton Contents

For the year ended December 31, 2013

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Management's Responsibility

To the Mayor and Council of the Village of Pemberton:

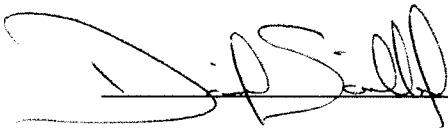
Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian public sector accounting standards and ensuring that all information in the annual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

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

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

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

May 13, 2014



Chief Administrative Officer

Independent Auditors' Report

To the Mayor and Council of the Village of Pemberton:

We have audited the accompanying consolidated financial statements of the Village of Pemberton, which comprise the consolidated statement of financial position as at December 31, 2013, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 auditors' 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 Village of Pemberton as at December 31, 2013 and the results of its operations, changes in net debt and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Kelowna, British Columbia

May 13, 2014


MNP LLP

Chartered Accountants

Village of Pemberton
Consolidated Statement of Financial Position
December 31, 2013, with comparative figures for 2012

	2013	2012
Financial assets:		
Cash and cash equivalents (note 2)	780,355	1,126,485
Accounts receivable		
Taxes receivable	661,149	738,890
Other	1,245,151	1,222,457
Municipal Finance Authority debt reserve (note 3)	68,433	65,253
	2,755,088	3,153,085
Financial liabilities:		
Accounts payable and accrued liabilities	878,700	440,530
Deferred revenue (note 4)	1,126,099	1,306,647
Construction deposits	84,922	307,962
Long-term liabilities (note 5)	3,633,090	3,828,152
Obligations under capital leases (note 6)	706,908	463,903
	6,429,719	6,347,194
Net debt	(3,674,631)	(3,194,109)
Non-financial assets:		
Prepaid expenses	46,299	52,946
Tangible capital assets (note 7)	18,809,567	17,836,137
	18,855,866	17,889,083
Accumulated surplus (note 8)	15,181,235	14,694,974

Commitments and contingencies (note 11)


 Financial Officer

The accompanying notes are an integral part of these consolidated financial statements.

Village of Pemberton Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31, 2013

	Budget (Note 13)	2013	2012
Revenue:			
Taxation (note 9)	1,968,216	1,864,299	1,654,628
Water and sewer user rates	1,334,943	1,387,354	1,361,935
User charges	957,395	288,198	242,896
Penalties and interest income	15,000	123,915	115,139
Government transfers:			
Provincial (note 10)	1,523,706	551,684	625,897
Federal (note 10)	46,496	-	-
Other local governments (note 10)	244,245	212,594	211,616
Investment income	8,500	11,950	3,044
Other	534,885	155,275	97,396
Development cost charges	-	122,000	142,800
Total revenue	6,633,386	4,717,269	4,455,351
Expenses:			
General government	1,795,054	1,180,657	1,214,411
Fire protection services	441,695	433,697	416,826
Development and planning services	466,912	314,098	337,403
Public works and parks	908,831	644,239	604,982
Water utility	701,626	718,661	684,311
Sewer utility	802,771	817,294	798,104
Airport services	175,047	122,362	149,732
Total expenses	5,291,936	4,231,008	4,205,769
Annual surplus	1,341,450	486,261	249,582
Accumulated surplus, beginning of year	14,694,974	14,694,974	14,445,392
Accumulated surplus, end of year	16,036,424	15,181,235	14,694,974

The accompanying notes are an integral part of these consolidated financial statements.

Village of Pemberton
Consolidated Statement of Changes in Net Debt
For the year ended December 31, 2013

	Budget (Note 13)	2013	2012
Annual surplus	1,341,450	486,261	249,582
Acquisition of tangible capital assets	(3,794,300)	(1,647,566)	(552,739)
Disposition of tangible capital assets	-	30,755	-
Amortization of tangible capital assets	660,000	658,385	653,222
Reversal of amortization on disposition	-	(15,004)	-
	(3,134,300)	(973,430)	100,483
Acquisition of prepaid expenses	-	(46,299)	(52,946)
Use of prepaid expenses	-	52,946	48,840
	-	6,647	(4,106)
Decrease (increase) in net debt	(1,792,850)	(480,522)	345,959
Net debt, beginning of year	(3,194,109)	(3,194,109)	(3,540,068)
Net debt, end of year	(4,986,959)	(3,674,631)	(3,194,109)

The accompanying notes are an integral part of these consolidated financial statements.

Village of Pemberton
Consolidated Statement of Cash Flows
For the year ended December 31, 2013

	2013	2012
Cash provided by (used in):		
Operating activities:		
Annual surplus	498,261	249,582
Items not involving cash:		
Amortization of tangible capital assets	658,385	653,222
Amortization reversal on disposition	(15,004)	-
Change in non-cash operating assets and liabilities:		
Accounts receivable	43,047	324,136
Accounts payable and accrued liabilities	438,171	4,191
Increase in Municipal Finance Authority debt reserve	(3,180)	(1,914)
Deferred revenue	(180,548)	(127,886)
Construction deposits	(223,041)	42,663
Prepaid expenses	6,647	(4,106)
Advances of obligations under capital lease	307,327	-
	1,530,065	1,139,888
Capital activities:		
Acquisition of tangible capital assets	(1,647,566)	(552,739)
Disposition of tangible capital assets	30,755	-
	(1,616,811)	(552,739)
Financing activities:		
Principal repayments on long-term liabilities	(195,062)	(187,267)
Repayment of obligations under capital lease	(64,322)	(46,528)
	(259,384)	(233,795)
Increase (decrease) in cash and cash equivalents	(346,130)	353,354
Cash and cash equivalents, beginning of year	1,126,485	773,131
Cash and cash equivalents, end of year	780,355	1,126,485
Supplemental cash flow information:		
Cash paid for interest	182,007	165,936
Cash received from investment income	11,950	3,044

The accompanying notes are an integral part of these consolidated financial statements.

Village of Pemberton

Notes to the Consolidated Financial Statements

For the year ended December 31, 2013

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

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

1. Significant accounting policies:

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

(a) Basis of consolidation:

(i) Consolidated entities

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all the funds of the Village, segregated into General, Water Utility, Sewer Utility and Airport Services funds, and those of any local boards which are owned or controlled by the Village and that are accountable for the administration of their financial affairs and resources to the Village.

Interdepartmental and inter-organizational transactions and balances between these funds have been eliminated during consolidation.

(ii) Accounting for other government organizations and School Board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the other government entities and the School Boards with which the Village interacts are not reflected in these consolidated financial statements. Funds collected by the Village on behalf of these other entities and transmitted to them are summarized in Note 9. Funds received by the Village as transfers from other government entities are summarized in Note 10.

Village of Pemberton
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

1. Significant accounting policies (continued):

(b) Basis of accounting:

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

(c) Revenue recognition:

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

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

(d) Deferred revenue:

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

(e) Investment income:

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

(f) Reserves:

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

(g) Cash and cash equivalents:

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

Village of Pemberton
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

1. Significant accounting policies (continued):

(h) Long-term debt:

Long-term debt is recorded net of related sinking fund balances.

(i) Non-financial assets:

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

(i) Tangible capital assets

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

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

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

(ii) Contributions of tangible capital assets

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

(iii) Natural resources

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

Village of Pemberton
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

1. Significant accounting policies (continued):

(iv) Works of art and cultural and historic assets

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

(v) Interest capitalization

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

(vi) Leased tangible capital assets

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

(j) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, and valuation of accounts receivable.

In addition, the Village's implementation of the Public Sector Accounting Handbook 3150 "Tangible Capital Assets" has required management to make estimates of historical cost and useful lives of its tangible capital assets.

Actual results could differ from these estimates.

Village of Pemberton
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

1. Significant accounting policies (continued):

(k) Recent accounting pronouncements:

In June 2010, the Public Sector Accounting Board issued PS 3260 *Liability for Contaminated Sites* to establish recognition, measurement and disclosure standards for liabilities associated with the remediation of contaminated sites. The new section defines activities included in a liability for remediation, establishes when to recognize and how to measure a liability for remediation, and provides the related financial statement presentation and disclosure requirements. PS 3260 is effective for fiscal years beginning on or after April 1, 2014. The Village has not yet determined the effect of the new section on its financial statements.

In June 2011, the Public Sector Accounting Board (PSAB) issued new Section PS 3450 *Financial instruments*. The new standard establishes requirements for recognition, measurement, derecognition, presentation and disclosure of financial assets and financial liabilities, including derivatives. PS 3450 is effective for government organizations for fiscal years beginning on or after April 1, 2012. The effective date of PS 3450 for governments is for fiscal years beginning on or after April 1, 2016. Early adoption is permitted. In the period that a public sector entity applies PS 3450, it also applies PS 1201 *Financial statement presentation* and PS 2601 *Foreign currency translation*.

In June 2011, as a result of the issuance of PS 3450 *Financial instruments*, the Public Sector Accounting Board (PSAB) issued new Section PS 1201 *Financial statement presentation*, which revises and replaces Section PS 1200 *Financial statement presentation*. The Section is effective in the same period PS 3450 is adopted. The effective date of PS 3450 for government organizations is for fiscal years beginning on or after April 1, 2012. The effective date of PS 3450 for governments is for fiscal years beginning on or after April 1, 2016. Early adoption is permitted.

Village of Pemberton
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

2. Cash and cash equivalents:

	2013	2012
Restricted cash and cash equivalents:		
Development cost charges	366,985	445,874
Other	25,000	25,000
	391,985	470,874
Unrestricted cash and cash equivalents	388,370	655,611
	780,355	1,126,485

Cash equivalents include investments in Municipal Finance Authority Money Market Fund and Guaranteed Investment Certificates.

3. Municipal Finance Authority debt reserve:

The Village issues debt instruments through the Municipal Finance Authority ("MFA"). As a condition of these borrowings and as required by legislation, a debt reserve fund is maintained in the amount of one-half the average annual installment of principal and interest as set out in the agreements entered into. The reserve is funded in part by cash, being the withholding of 1% of the total issue proceeds, and the remainder being funded by a demand note whereby the Village may be required to loan certain amounts to the MFA. Details of the cash deposits and demand notes on hand at year end are as follows:

	2013	2012
MFA debt reserves	204,639	199,545
MFA demand notes	(136,206)	(136,206)
Municipal Finance Authority debt reserve fund, cash balance	68,433	65,253

Village of Pemberton
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

4. Deferred revenue:

Deferred revenues, reported on the consolidated statement of financial position, are made up of the following:

	2013	2012
Development cost charges – general fund	206,319	206,319
Development cost charges –water utility fund	138,783	111,734
Development cost charges - sewer utility fund	21,884	127,822
Unspent gas tax funding	398,129	288,952
Deferred capital grants	335,984	546,820
Other	25,000	25,000
	1,126,099	1,306,647

Continuity of deferred revenue is as follows:

	2013	2012
Balance, beginning of year:		
Development cost charges – general fund	206,319	349,118
Development cost charges –water utility fund	111,734	103,345
Development cost charges - sewer utility fund	127,822	122,840
Unspent gas tax funding	288,952	177,527
Deferred capital grants	546,820	656,703
Other	25,000	25,000
	1,306,647	1,434,533
Contributions	308,515	133,776
Contributions used	(489,063)	(261,662)
Balance, end of year	1,126,099	1,306,647

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

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

Other deferred contributions include amounts received from businesses to construct parking stalls.

Village of Pemberton
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

5. Long-term liabilities:

Long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2013	2012
MFA debt instruments with maturity dates ranging from 2016 to 2036 and bearing interest at rates ranging from 4.15% to 5.90%	5,000,615	5,000,615
Less: sinking fund assets (book value)	(1,367,525)	(1,172,463)
	<u>3,633,090</u>	<u>3,828,152</u>

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

2014	203,185
2015	211,649
2016	220,468
2017	200,684
2018	209,100

Scheduled debt repayments may be suspended due to excess sinking fund earnings with the MFA.

Village of Pemberton
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

6. Obligations under capital leases:

The Village leases land, buildings and equipment under capital leases that expire between its 2014 and 2018 fiscal years. The Village is obligated to make the following minimum lease payments under the capital leases in each of the fiscal years ending December 31:

	2013	2012
2013	-	40,736
2014	483,875	419,233
2015	79,140	14,498
2016	64,641	-
2017	64,641	-
2018	31,132	-
Total minimum lease payments	723,429	474,467
Less: amount representing imputed interest rates between 1.25% and 5.00% per annum	(16,521)	(10,564)
Present value of net minimum capital lease payments	706,908	463,903

Village of Pemberton
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

7. Tangible capital assets:

2013	Land	Buildings and building Improvements	Engineering structures	Machinery, equipment and vehicles	Water systems	Sewer systems	Total
Cost:							
Balance, beginning of year	830,087	1,354,432	4,703,561	2,686,760	4,443,442	12,534,806	26,553,088
Disposals	-	-	-	(30,755)	-	-	(30,755)
Additions	-	176,204	201,184	372,344	41,603	856,231	1,647,566
Balance, end of year	830,087	1,530,636	4,904,745	3,028,349	4,485,045	13,391,037	28,169,899
Accumulated amortization:							
Balance, beginning of year	-	317,654	2,753,051	1,776,504	894,714	2,975,028	8,716,951
Amortization reversal on disposal	-	-	-	(15,004)	-	-	(15,004)
Amortization expense	-	32,449	119,259	151,211	88,840	266,626	658,385
Balance, end of year	-	350,103	2,872,310	1,912,711	983,554	3,241,654	9,360,332
Net book value, end of year	830,087	1,180,533	2,032,435	1,115,638	3,501,491	10,149,383	18,809,567

The total cost and net book value of land, buildings and equipment acquired under capital lease obligations as at December 31, 2013 were \$1,299,927 and \$521,851 respectively (2012 - \$992,600 and \$251,488).

Village of Pemberton
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

7. Tangible capital assets (continued):

2012	Land	Buildings and building Improvements	Engineering structures	Machinery, equipment and vehicles	Water systems	Sewer systems	Total
Cost:							
Balance, beginning of year	830,087	1,068,476	4,779,433	2,402,856	4,443,442	12,476,055	26,000,349
Transfers	-	15,000	(114,495)	99,495	-	-	-
Additions	-	270,956	38,623	184,409	-	58,751	552,739
Balance, end of year	830,087	1,354,432	4,703,561	2,686,760	4,443,442	12,534,806	26,553,088
Accumulated amortization:							
Balance, beginning of year	-	289,611	2,612,763	1,626,830	806,707	2,727,818	8,063,729
Amortization expense	-	28,043	140,288	149,674	88,007	247,210	653,222
Balance, end of year	-	317,654	2,753,051	1,776,504	894,714	2,975,028	8,716,951
Net book value, end of year	830,087	1,036,778	1,950,510	910,256	3,548,728	9,559,778	17,836,137

The total cost and net book value of land, buildings and equipment acquired under capital lease obligations as at December 31, 2012 were \$992,600 and \$251,488 respectively (2011 - \$932,275 and \$272,472).

Village of Pemberton
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

8. Accumulated surplus:

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

	2013	2012
Surplus:		
Invested in tangible capital assets	14,607,339	13,681,622
Unrestricted	404,695	693,511
	15,012,034	14,375,133
Reserves set aside by Council:		
Equipment replacement	22,969	60,380
Centennial building	7,161	7,161
Capital	106,662	106,662
Water - general	32,409	32,409
Sewage plant decommissioning	-	13,229
Sewer upgrades	-	100,000
	169,201	319,841
	15,181,235	14,694,974

Village of Pemberton
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

9. Taxation:

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

	2013	2012
Municipal and school property taxes levied	4,145,050	3,897,052
Payments in-lieu of property and business taxes	94,825	92,021
	<u>4,239,875</u>	<u>3,989,073</u>
Less transfers to other governments:		
Squamish-Lillooet Regional District	956,291	879,643
Province of B.C. - School taxes	1,195,237	1,236,436
Squamish-Lillooet Regional Hospital District	2,760	11,919
Policing costs	155,181	145,916
B.C. Assessment Authority	39,764	40,919
Sea to Sky Regional Hospital District	26,234	19,498
Municipal Finance Authority	109	114
	<u>2,375,576</u>	<u>2,334,445</u>
Net taxation revenue available for municipal purposes	<u>1,864,299</u>	<u>1,654,628</u>

Village of Pemberton
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

10. Government transfers:

The government transfers reported on the consolidated statement of operations are:

	2013	2012
Provincial grants:		
Social assistance and community development	256,982	537,792
Miscellaneous	294,702	88,105
	551,684	625,897
Other municipalities/Regional Districts:		
Fire protection	136,024	144,476
Rescue services	51,560	48,600
Other	25,010	18,540
	212,594	211,616
Total government transfer revenues	764,278	837,513

Village of Pemberton
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

11. Commitments and contingencies:

- (a) Regional District debt is, under the provisions of the Local Government Act, a direct, joint and several liability of the Regional District and each member municipality within the Regional District, including the Village of Pemberton. At December 31, 2013 the Squamish-Lillooet Regional District had net debt owing of \$41,974,503 (\$57,187,900 net of \$15,213,397 sinking funds) including debentures issued for the Village (Note 5).
- (b) The Village and its employees contribute to the Municipal Pension Plan ("the Plan"), a jointly-trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory defined benefit pension plan. Basic pension benefits provided are based on a formula. The plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2012 indicated a funding deficit of \$1.370 billion for basic pension benefits. The next valuation will be as at December 31, 2015, with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension accounting). This is because the plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Village of Pemberton paid \$94,248 (2012 - \$86,888) for employer contributions to the plan in fiscal 2013.

- (c) The Village provides benefits for sick leave to its employees. Employees accumulate sick leave entitlement on a monthly basis and can only use this entitlement for paid time off under certain circumstances. Per the current agreement employees earn sick leave benefits at the rate of 1.5 days for every month of service, which accumulate and roll forward year to year, up to a maximum of 119 days per employee.

The Village has not recorded a liability for this sick leave benefit entitlement as the likelihood of the current entitlement being utilized before retirement is remote. However, at December 31, 2013, the sick leave benefits entitlement accumulated to date totals approximately 7,265 hours (2012 - 5,887 hours) or approximately \$282,661 (2012 - \$233,451).

Village of Pemberton
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

11. Commitments and contingencies (continued):

- (d) From time to time, the Village is brought forth as defendant in various lawsuits. The Village reviews its exposure to any potential litigation, for which it would not be covered by insurance, and assesses whether a successful claim against the Village would significantly affect the consolidated financial statements of the Village. Management has determined that potential liabilities, if any, arising from these claims will not be significant to the consolidated financial statements.
- (e) The Village is a participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible the Village, along with the other participants, would be required to contribute towards the deficit. The likelihood or amount of any potential liability is not determinable at this time.

12. Segmented information:

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

(i) General government:

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

(ii) Fire protection services:

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

(iii) Development services:

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

Village of Pemberton
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

12. Segmented information (continued):

(iv) Public works and parks:

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

(v) Water and sewer utilities:

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

(vi) Airport services:

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

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

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

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

Village of Pemberton
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

12. Segmented information (continued):

2013	General Government	Fire Protection Services	Development & Planning Service	Public Works and Parks	Water Utility	Sewer Utility	Airport Services	Total
Revenues:								
Taxation	858,491	314,072	226,719	465,017	-	-	-	1,876,299
Water and sewer user rates	-	-	-	-	674,370	712,984	-	1,387,354
User fees	124,287	-	146,255	-	-	-	17,656	288,198
Penalties and interest income	108,727	-	-	-	6,402	8,786	-	123,915
Government transfers	260,571	189,005	-	29,352	-	285,350	-	764,278
Investment income	8,904	-	-	-	749	2,297	-	11,950
DCCs	-	-	-	-	-	122,000	-	122,000
Other	36,544	475	77,132	38,864	-	-	2,260	155,275
Total revenues	1,397,524	503,552	450,106	533,233	681,521	1,131,417	19,916	4,717,269
Expenses:								
Wages, salaries and benefits	470,905	227,774	152,547	369,348	386,174	169,957	29,900	1,806,605
Materials, supplies and contracted services	472,373	200,706	161,551	259,008	220,059	251,789	18,525	1,584,011
Debt servicing	8,398	5,217	-	15,883	23,589	128,920	-	182,007
Amortization	228,981	-	-	-	88,840	266,627	73,937	658,385
Total expenses	1,180,657	433,697	314,098	644,239	718,662	817,293	122,362	4,231,008
Annual surplus (deficit)	216,867	69,855	136,008	(111,006)	(37,141)	314,124	(102,446)	486,261

Village of Pemberton
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

12. Segmented information (continued):

2012	General Government	Fire Protection Services	Development & Planning Service	Public Works and Parks	Water Utility	Sewer Utility	Airport Services	Total
Revenues:								
Taxation	780,766	267,985	216,923	388,954	-	-	-	1,654,628
Water and sewer user rates	-	-	-	-	676,665	685,270	-	1,361,935
User fees	117,000	-	104,298	-	-	-	21,598	242,896
Penalties and interest income	97,218	-	-	-	7,499	10,422	-	115,139
Government transfers	551,332	193,076	5,000	16,052	10,000	62,053	-	837,513
Investment income	1,209	-	-	-	454	1,381	-	3,044
Other	161,249	350	13,654	16,808	2,521	179	45,435	240,196
Total revenues	1,708,774	461,411	339,875	421,814	697,139	759,305	67,033	4,455,351
Expenses:								
Wages, salaries and benefits	465,990	192,469	142,360	303,341	361,396	159,840	26,463	1,651,859
Materials, supplies and contracted services	513,375	213,946	195,043	300,453	209,427	257,184	34,937	1,724,365
Debt servicing	5,372	10,411	-	1,188	25,481	133,871	-	176,323
Amortization	229,674	-	-	-	88,007	247,209	88,332	653,222
Total expenses	1,214,411	416,826	337,403	604,982	684,311	798,104	149,732	4,205,769
Annual surplus (deficit)	494,363	44,585	2,472	(183,168)	12,828	(38,799)	(82,699)	249,582

Village of Pemberton
Notes to the Consolidated Financial Statements
For the year ended December 31, 2013

13. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2013 operating and capital budgets adopted by Council on May 7, 2013. The following table reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget amount
Surplus - Statement of operations	1,341,450
Adjust for budgeted cash items not included in statement of operations:	
Capital expenditures	(3,794,300)
Loan proceeds	1,528,000
Amortization	660,000
Reduction in long-term debt	(165,714)
Repayment of obligations under capital lease	(59,204)
Transfers from Statutory Reserves	-
Transfers from Development Cost Charges	122,000
Transfers from Non-Statutory Reserves	150,000
Transfers from Unappropriated Surplus	217,768
Total adjustments	(1,341,450)
Financial plan balance	-