

Town of Qualicum Beach
Report under the Financial Information Act
For the Year Ended December 31, 2015

Index

Consolidated Financial Statement Section

Management Responsibilities

Consolidated Statement of Financial Position

Consolidated Statement of Operations

Consolidated Statement of Change in Net Financial Assets

Consolidated Statement of Cash Flows

Financial Statements Schedules and Reports Section

Notes to Financial Statements

Consolidate Revenues

Consolidated Expenses

Receipts and Disbursements of Gas Tax Agreement

Consolidated Segment Disclosure by Service

Consolidated Tangible Capital Assets

Other Financial Information Section

Schedule of long term debt

Schedule of guarantee and indemnity agreements (nil in 2015)

Report of severance agreements (nil in 2015)

Schedule of Council remuneration and expenses

Schedule of Employee remuneration and expenses, and reconciliation

Schedule of Supplier payments for goods and services, and reconciliation

**Town of Qualicum Beach
Annual Financial Report
For the year ended December 31, 2015**

Management Responsibility Report

The preparation of these Financial Statements is the responsibility of management. The consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility.

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 and exercises this responsibility through the Finance Committee of Council. The Finance Committee meets with the external auditors two times per year.

The external auditors, McGorman MacLean, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. Their examination includes a review and evaluation of the Town's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to the Finance Committee of Council.

On behalf of the Town of Qualicum Beach

John K. Marsh, CMA
Financial Administrator/Deputy CAO

Teunis Westbroek
Mayor

TOWN OF QUALICUM BEACH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2015

S3
STATEMENT 1

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Cash and cash equivalents (note 3)	\$ 9,637,234	\$ 6,434,697
Accounts receivable (note 4)	1,339,021	1,267,776
Municipal Finance Authority debt reserve fund deposit	46,397	-
	<u>11,022,652</u>	<u>7,702,473</u>
FINANCIAL LIABILITIES		
Accounts payable (note 5)	915,246	1,592,540
Accrued employee benefits	597,721	733,667
Deferred revenue	1,028,712	996,743
Performance bonds and deposits	162,701	216,703
Deferred revenue - capital (note 6)	1,728,831	1,534,812
Long term debt (note 7)	4,629,364	-
	<u>9,062,575</u>	<u>5,074,465</u>
NET FINANCIAL ASSETS	<u>1,960,077</u>	<u>2,628,008</u>
NON-FINANCIAL ASSETS		
Inventories	43,111	81,306
Prepaid expenses	17,672	44,712
Tangible capital assets (note 8)	113,099,005	111,146,328
	<u>113,159,788</u>	<u>111,272,346</u>
ACCUMULATED SURPLUS (notes 9 and 10)	<u>\$ 115,119,865</u>	<u>\$ 113,900,354</u>

Contingent liabilities and commitments (note 11)

Approved:

Financial Administrator

TOWN OF QUALICUM BEACH
CONSOLIDATED STATEMENT OF OPERATIONS
AS AT DECEMBER 31, 2015

S4
STATEMENT 2

	2015 Budget (unaudited)	2015 Actual	2014 Actual
REVENUE			
Net taxation	\$ 8,735,780	\$ 8,724,376	\$ 8,389,155
Water and sewer rates	1,596,417	1,763,879	1,665,815
Sale of services	688,486	718,780	685,676
Other revenue from own sources	1,099,146	1,227,607	1,229,947
Government transfers	827,494	1,367,215	1,037,468
Gain on disposal of tangible capital assets	19,000	180,261	117,781
Contribution of tangible capital assets	-	-	814,500
	<u>12,966,323</u>	<u>13,982,118</u>	<u>13,940,342</u>
EXPENSES			
General government services	2,004,042	2,041,303	2,311,530
Protective services	2,376,662	2,147,622	2,099,634
Transportation services	4,783,208	4,313,540	4,426,369
Environmental health services	638,608	541,993	566,029
Water services	1,359,384	1,366,259	1,355,002
Sewer services	387,415	338,604	373,759
Public health services	48,146	40,214	41,193
Planning and development services	774,979	510,346	724,492
Parks and recreational services	1,793,609	1,462,726	1,598,571
	<u>14,166,053</u>	<u>12,762,607</u>	<u>13,496,579</u>
ANNUAL SURPLUS (DEFICIT)	(1,199,730)	1,219,511	443,763
ACCUMULATED SURPLUS AT BEGINNING OF YEAR	<u>113,900,354</u>	<u>113,900,354</u>	<u>113,456,591</u>
ACCUMULATED SURPLUS AT END OF YEAR	<u>\$ 112,700,624</u>	<u>\$ 115,119,865</u>	<u>\$ 113,900,354</u>

TOWN OF QUALICUM BEACH
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
AS AT DECEMBER 31, 2015

S5
STATEMENT 3

	2015 Budget (unaudited)	2015 Actual	2014 Actual
ANNUAL SURPLUS (DEFICIT)	\$ (1,199,730)	\$ 1,219,511	\$ 443,763
Acquisition of tangible capital assets	(5,786,274)	(5,098,449)	(4,447,555)
Amortization of tangible capital assets	3,300,000	3,110,874	3,033,507
Proceeds on disposal of tangible capital assets	-	215,159	339,805
Gain on disposal of tangible capital assets	-	(180,261)	(117,781)
	<u>(2,486,274)</u>	<u>(1,952,677)</u>	<u>(1,192,024)</u>
Consumption of supplies inventories	-	38,195	1,781
Increase in prepaid expenses	-	27,040	3,490
	<u>-</u>	<u>65,235</u>	<u>5,271</u>
CHANGE IN NET FINANCIAL ASSETS	(3,686,004)	(667,931)	(742,990)
NET FINANCIAL ASSETS AT BEGINNING OF YEAR	<u>2,628,008</u>	<u>2,628,008</u>	<u>3,370,998</u>
NET FINANCIAL ASSETS AT END OF YEAR	<u>\$ (1,057,996)</u>	<u>\$ 1,960,077</u>	<u>\$ 2,628,008</u>

TOWN OF QUALICUM BEACH
CONSOLIDATED STATEMENT OF CASH FLOWS
AS AT DECEMBER 31, 2015

\$6
STATEMENT 4

	<u>2015</u>	<u>2014</u>
CASH PROVIDED BY OPERATIONS		
Annual surplus	\$ 1,219,511	\$ 443,763
Items not involving cash:		
Amortization of tangible capital assets	3,110,874	3,033,507
Gain on disposal of tangible capital assets	(180,261)	(117,781)
Change in non-cash operating assets and liabilities:		
Decrease (increase)		
Accounts receivable	(71,245)	(35,606)
Municipal Finance Authority debt reserve fund deposit	(46,397)	
Inventories	38,195	1,781
Prepaid expenses	27,040	3,490
Increase (decrease)		
Accounts payable	(677,294)	828,673
Accrued employee benefits	(135,946)	(28,153)
Deferred revenue	31,969	59,600
Performance bonds and deposits	(54,002)	23,111
Deferred revenue - capital	194,019	148,321
	<u>3,456,463</u>	<u>4,360,706</u>
FINANCING ACTIVITIES		
Increase in long term debt	4,629,364	-
Decrease in capital lease obligation	-	(230,055)
	<u>4,629,364</u>	<u>(230,055)</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(5,098,449)	(4,447,555)
Proceeds on disposal of tangible capital assets	215,159	339,805
	<u>(4,883,290)</u>	<u>(4,107,750)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	3,202,537	22,901
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>6,434,697</u>	<u>6,411,796</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 9,637,234</u>	<u>\$ 6,434,697</u>
SUPPLEMENTARY CASH FLOW INFORMATION:		
Cash paid for interest	<u>\$ 31,268</u>	<u>\$ 33,972</u>

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

S7

The Town of Qualicum Beach was incorporated on May 5, 1942 under the provisions of the Local Government Act of British Columbia. The Town's principal activities include the provision of services to residents of Qualicum Beach. These include general government services, protective services, transportation services, environmental services, development services and parks and recreation services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of presentation

Consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. The consolidated statement of financial position includes all assets and liabilities of the Town.

(b) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(c) 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.

Inventories

Inventories are recorded at the lower of cost and net realizable value.

(d) Principles of consolidation

These financial statements include accounts of all funds of the Town. Inter-fund transactions and balances have been eliminated.

(e) Basis of accounting

Except as noted below, the basis of accounting followed in the financial statement presentation is the accrual basis and includes revenue in the period in which the transactions or events occurred that gave rise to the revenue, and expenses in the period the goods and services are acquired and a liability is incurred or transfers are due.

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

S7

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Basis of accounting (continued)

Amounts that have been received in advance of services being rendered are recorded as deferred revenue until the Town discharges the obligations that led to the collection of funds.

Revenues or receipts with respect to capital, which are subject to external restrictions, are deferred and reported as deferred revenue capital. Revenue is recognized when qualifying expenses are incurred.

Government transfers are recognized in the consolidated financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(f) Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses. As such, actual results could differ from these estimates. Significant estimates include assumptions used in estimating provisions for accounts receivable, accrued employee benefits, performing calculations of employee future benefits, estimating fair value of contributed tangible capital assets, estimating the useful lives of tangible capital assets and allocation of expenses. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

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 assets. The cost, less the residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

	<u>Years</u>
Buildings and structures	50
Infrastructure - utilities	50 - 80
Infrastructure - transportation	20 - 75
Infrastructure - land improvements	25 - 75
Equipment	7 - 20

A full year of amortization is charged in the year of acquisition and none in the year of disposal. Assets under construction are initially recorded as work-in-progress and are not amortized until the asset is available for productive use.

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

S7

2. ADOPTION OF NEW ACCOUNTING POLICY

On January 1, 2015, the Town adopted PS 3260 Liability for Contaminated sites. The standard was applied on a retroactive basis to January 1, 2014 and did not result in any adjustments to financial liabilities, tangible capital assets or accumulated surplus of the Town.

3. RESTRICTED CASH AND CASH EQUIVALENTS

Included in financial assets are cash and cash equivalents of \$199,823 (2014: \$194,974) that are invested on behalf of the cemetery trust fund. These funds may only be used for the upkeep and care of the cemetery and burial plots.

4. ACCOUNTS RECEIVABLE

	2015	2014
Property taxes	\$ 493,250	\$ 385,743
Water rates	231,559	225,875
Sewer rates	150,454	147,535
Solid waste	182,514	178,863
Receivable from federal government	44,644	145,097
Receivable from provincial government	-	10,897
Trades receivable	236,600	173,766
	<u>\$ 1,339,021</u>	<u>\$ 1,267,776</u>

5. ACCOUNTS PAYABLE

	2015	2014
Trades payable	\$ 525,607	\$ 1,092,261
Payable to federal government	231,868	279,925
Payable to provincial government	68,311	49,753
Holdbacks payable	89,460	170,601
	<u>\$ 915,246</u>	<u>\$ 1,592,540</u>

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

S7

6. DEFERRED REVENUE - CAPITAL

	Off street parking	Development cost charges	Total
Balance at beginning of the year	\$ 184,834	\$ 1,349,978	\$ 1,534,812
Additions	-	176,989	176,989
Interest	1,849	15,181	17,030
	<u>\$ 186,683</u>	<u>\$ 1,542,148</u>	<u>\$ 1,728,831</u>

Deferred revenue - capital includes statutory reserves set-up by bylaw under the authority of the Community Charter which are required to be spent for the purposes specified in the Community Charter.

7. LONG TERM DEBT

	2015	2014
2.25% Municipal Finance Authority Loan, principal payments of \$231,468.20 semi-annually plus interest, due November 30, 2025	<u>\$ 4,629,364</u>	<u>\$ -</u>

Principal due over the next five years on long term debt is as follows:

2016	\$ 462,936
2017	462,936
2018	462,936
2019	462,936
2020	462,936

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

S7

8. TANGIBLE CAPITAL ASSETS

2015

	Historical Cost	Accumulated Amortization	Net Book Value
Land	\$ 34,025,924		\$ 34,025,924
Buildings and structures	29,256,986	\$ 7,923,768	21,333,218
Infrastructure	104,954,639	49,450,962	55,503,677
Equipment	5,315,912	3,079,726	2,236,186
	<u>\$ 173,553,461</u>	<u>\$ 60,454,456</u>	<u>\$ 113,099,005</u>

2014

	Historical Cost	Accumulated Amortization	Net Book Value
Land	\$ 33,774,823		\$ 33,774,823
Buildings and structures	22,503,028	\$ 7,329,341	15,173,687
Infrastructure	106,927,511	47,279,852	59,647,659
Equipment	5,360,484	2,810,325	2,550,159
	<u>\$ 168,565,846</u>	<u>\$ 57,419,518</u>	<u>\$ 111,146,328</u>

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

S7

9. ACCUMULATED SURPLUS

	2015	2014
<u>Reserves and Surpluses</u>		
Equipment reserve fund	\$ 52,291	\$ 50,799
Property reserve fund	205,069	203,038
Park land reserve fund	42,571	42,149
Emissions reduction reserve fund	3,276	3,243
Park improvements reserve fund	86,921	86,060
Cemetery reserve fund	206,258	199,724
Municipal Finance Authority debt reserve fund	46,397	
Arrowsmith water reserve	44,457	36,238
Protective services reserve	18,732	18,732
Buildings reserve account	56,000	56,000
Affordable housing reserve account	-	86,500
Unallocated surplus		
General	4,139,362	800,432
Water	1,565,660	1,094,754
Sewer	183,230	76,357
	<u>6,650,224</u>	<u>2,754,026</u>
Investment in tangible capital assets (note 10)	<u>108,469,641</u>	<u>111,146,328</u>
Total accumulated surplus	<u>\$ 115,119,865</u>	<u>\$ 113,900,354</u>

10. INVESTMENT IN TANGIBLE CAPITAL ASSETS

	2015	2014
Investment in tangible capital assets at beginning of year	\$ 111,146,328	\$ 109,724,249
Add: Acquisition of tangible capital assets	5,098,449	4,447,555
Reduction in long term debt	-	230,055
Less: Amortization	(3,110,874)	(3,033,507)
Net book value of tangible capital asset disposals	<u>(34,898)</u>	<u>(222,024)</u>
	113,099,005	111,146,328
Less: Issue of long term debt	<u>(4,629,364)</u>	
Investment in tangible capital assets at end of the year	<u>\$ 108,469,641</u>	<u>\$ 111,146,328</u>

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

S7

11. CONTINGENT LIABILITIES AND COMMITMENTS

- (a) Regional District - The Town is responsible, as a member of the Regional District of Nanaimo and of the Nanaimo Regional Hospital District, for its proportion of any operating deficits or capital debt related to functions in which it participates.
- (b) Municipal Pension Plan - The Town and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2014, the plan has about 185,000 active members and approximately 80,000 retired members. Active members include approximately 37,000 contributors from local governments.

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

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits.

The Town of Qualicum Beach paid \$369,795 for employer contributions to the plan in fiscal 2015, which represents .02 percent of the total plan contributions. The Town of Qualicum Beach expects to pay \$370,000 for employer contributions in the next fiscal year.

The next valuation will be as at December 31, 2015, with results available in 2016.

Employers participating in the plan record their pension expenses as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan. Contributions to the plan were as follows:

	2015	2014
Employer portion	\$ 369,795	\$ 386,040
Employee portion	319,684	329,254
	<u>\$ 689,479</u>	<u>\$ 715,294</u>

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

S7

11. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

- (c) Municipal Finance Authority contingent demand notes - Under borrowing arrangements with the Municipal Finance Authority (MFA), the Town is required to lodge security by means of a demand note and an interest-bearing cash deposit based on the amount of the borrowing. As a condition of the borrowing, a portion of the debenture proceeds is withheld by the MFA as a debt reserve fund. This deposit is included in the Town's financial assets and is held by the MFA as security against the possibility of debt repayment default. If the debt is repaid without default, the deposit is refunded to the Town. At December 31, 2015, there was a contingent demand note of \$212,517 (2014 - \$0) which was not included in the financial statements of the Town.
- (d) Municipal Insurance Association of British Columbia - The Town 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 that the Town, along with other participants, would be required to contribute towards the deficit.
- (e) Other contingent liabilities consisting of routine claims will be accounted for as an expense in the period in which the costs are incurred. It is not possible to determine the Town's liability, if any, with respect to these other matters.
- (f) Commitments - The Town rents equipment under an operating lease which expires on May 28, 2016. The amount due under this lease to the date of expiry is \$1,353.

12. SEGMENT DISCLOSURE BY SERVICE

The Town of Qualicum Beach is a diversified municipal government that provides a wide range of services to its residents. The following is a description of the types of services included in each of the main segments of the Town's financial statements:

General Government Services

Services related to general corporate and legislative governance and administration as well as human resources, information technology and financial management.

Protective Services

Services related to providing fire protection, bylaw enforcement and building inspection to the Town, as well as the Town's share of expenses related to providing policing.

TOWN OF QUALICUM BEACH
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

S7

12. SEGMENT DISCLOSURE BY SERVICE (continued)

Transportation Services

Services related to the delivery of municipal public works services including the development and maintenance of roadway systems, street lighting, and other public works and engineering related services.

Environmental Services

Services related to the collection of garbage and chipping as well as environmental testing and monitoring. It also includes services related to the delivery of water, sanitary sewer removal and the planning and development and maintenance of the Town's water and sewer infrastructure.

Developmental Services

Services related to planning for development and for improving quality of life and sustainability initiatives.

Parks and Recreation Services

Services related to the development and maintenance of parks and trails, municipal landscaping, and providing and maintaining recreation and cultural buildings.

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. For additional information see the Consolidated Schedule of Segment Disclosure by Service (Schedule D).

13. COMPARATIVE FIGURES

Certain 2014 comparative figures have been changed to reflect financial statement presentation adopted in the current year.

TOWN OF QUALICUM BEACH
CONSOLIDATED SCHEDULE OF REVENUES
YEAR ENDED DECEMBER 31, 2015

S8

SCHEDULE A
2014
Actual

	2015 Budget (unaudited)	2015 Actual	
NET TAXATION			
Taxes collected for municipal purposes			
General	\$ 7,432,272	\$ 7,431,265	\$ 7,105,676
Parcel tax - water	784,800	788,850	784,850
Parcel tax - sewer	161,200	161,630	160,825
1% utility tax	147,031	140,491	142,288
	<u>8,525,303</u>	<u>8,522,236</u>	<u>8,193,639</u>
Taxes collected for other governments			
Education	4,600,000	4,602,191	4,552,502
Regional District of Nanaimo	3,518,000	3,519,192	3,359,644
Nanaimo Regional Hospital District	462,000	461,900	449,336
Vancouver Island Regional Library	436,000	436,405	415,565
B.C. Assessment Authority	126,600	126,846	127,738
Municipal Finance Authority	400	413	400
	<u>9,143,000</u>	<u>9,146,947</u>	<u>8,905,185</u>
Less taxes paid to other governments	<u>(9,143,000)</u>	<u>(9,140,242)</u>	<u>(8,905,203)</u>
	<u>-</u>	<u>6,705</u>	<u>(18)</u>
Grants-in-lieu of taxes			
Federal government	13,900	13,880	13,883
Taxes paid to other governments	(7,612)	(7,316)	(7,414)
B.C. Hydro	86,896	71,871	72,065
Permissive tax exemptions	117,293	117,000	117,000
	<u>210,477</u>	<u>195,435</u>	<u>195,534</u>
	<u>\$ 8,735,780</u>	<u>\$ 8,724,376</u>	<u>\$ 8,389,155</u>
WATER AND SEWER RATES			
Water user rates	\$ 1,053,411	\$ 1,156,185	\$ 1,107,701
Water connection fees	7,000	44,328	24,290
Sewer user rates	529,006	537,866	510,574
Sewer connection fees	7,000	25,500	23,250
	<u>\$ 1,596,417</u>	<u>\$ 1,763,879</u>	<u>\$ 1,665,815</u>
SALE OF SERVICES			
Public Works	\$ 17,500	\$ 37,391	\$ 24,917
Solid waste pickup	631,531	644,629	630,409
Cemetery	39,455	36,760	30,350
	<u>\$ 688,486</u>	<u>\$ 718,780</u>	<u>\$ 685,676</u>

TOWN OF QUALICUM BEACH
CONSOLIDATED SCHEDULE OF REVENUES (continued)
YEAR ENDED DECEMBER 31, 2015

			S8
			SCHEDULE A
	2015 Budget (unaudited)	2015 Actual	2014 Actual
OTHER REVENUE FROM OWN SOURCES			
Licences and permits	\$ 198,125	\$ 236,790	\$ 227,905
Leases and rentals	369,610	378,683	433,918
Interest on investments	45,000	45,697	76,316
Interest on property taxes	59,853	74,752	67,344
Miscellaneous - operating	83,810	63,205	50,074
Contributions and other	40,000	73,574	64,172
Airport services	149,677	200,034	170,345
Community Hall	30,182	30,236	30,312
Civic Centre	122,889	124,636	109,561
	<u>\$ 1,099,146</u>	<u>\$ 1,227,607</u>	<u>\$ 1,229,947</u>
GOVERNMENT TRANSFERS			
Operating			
Revenue sharing grants	\$ 305,000	\$ 489,844	\$ 303,324
Fire protection	106,215	100,625	106,157
Community parks and other	125,279	124,969	125,307
Other grants	13,000	246,468	97,371
	<u>549,494</u>	<u>961,906</u>	<u>632,159</u>
Capital			
Infrastructure	-	-	-
Federal gas tax revenue	278,000	405,309	405,309
	<u>278,000</u>	<u>405,309</u>	<u>405,309</u>
	<u>\$ 827,494</u>	<u>\$ 1,367,215</u>	<u>\$ 1,037,468</u>
OTHER CAPITAL REVENUE			
Gain on disposal of tangible capital assets	\$ 19,000	\$ 180,261	\$ 117,781
Contributions of tangible capital assets	-	-	814,500
	<u>\$ 19,000</u>	<u>\$ 180,261</u>	<u>\$ 932,281</u>
TOTAL REVENUE	<u>\$ 12,966,323</u>	<u>\$ 13,982,118</u>	<u>\$ 13,940,342</u>
SUMMARY OF REVENUE			
Operating revenue	\$ 12,629,323	\$ 13,322,974	\$ 12,538,580
Capital and other revenue	337,000	659,144	1,401,762
	<u>\$ 12,966,323</u>	<u>\$ 13,982,118</u>	<u>\$ 13,940,342</u>

TOWN OF QUALICUM BEACH
CONSOLIDATED SCHEDULE OF EXPENSES
YEAR ENDED DECEMBER 31, 2015

S9

SCHEDULE B
2014
Actual

	2015 Budget (unaudited)	2015 Actual	
GENERAL GOVERNMENT SERVICES			
Legislative	\$ 125,000	\$ 128,696	\$ 122,837
Grants-in-aid	197,913	332,909	484,591
Office and ground maintenance	231,993	224,360	232,084
Administrative	1,164,242	1,165,661	1,225,719
Other	113,894	95,594	149,512
	<u>1,833,042</u>	<u>1,947,220</u>	<u>2,214,743</u>
Fiscal services	106,000	31,268	33,972
Amortization of tangible capital assets	65,000	62,815	62,815
	<u>\$ 2,004,042</u>	<u>\$ 2,041,303</u>	<u>\$ 2,311,530</u>
PROTECTIVE SERVICES			
RCMP	\$ 1,235,894	\$ 1,005,657	\$ 1,158,266
Fire department	609,527	624,631	549,894
Other	388,241	386,305	348,922
	<u>2,233,662</u>	<u>2,016,593</u>	<u>2,057,082</u>
Amortization of tangible capital assets	143,000	131,029	42,552
	<u>\$ 2,376,662</u>	<u>\$ 2,147,622</u>	<u>\$ 2,099,634</u>
TRANSPORTATION SERVICES			
Public Works administration and yard	\$ 604,439	\$ 610,532	\$ 575,341
Roads and drainage	880,912	783,159	821,350
Airport	358,125	311,259	307,434
Less fuel sales	(214,329)	(219,784)	(141,384)
Street lighting	180,000	158,443	159,700
Equipment operating costs	584,061	431,863	454,750
	<u>2,393,208</u>	<u>2,075,472</u>	<u>2,177,191</u>
Amortization of tangible capital assets	2,390,000	2,238,068	2,249,178
	<u>\$ 4,783,208</u>	<u>\$ 4,313,540</u>	<u>\$ 4,426,369</u>
ENVIRONMENTAL HEALTH SERVICES			
Waste removal	\$ 576,000	\$ 501,926	\$ 521,652
Solid waste landfill	12,608	6,321	5,529
Other solid waste	50,000	33,746	38,848
	<u>\$ 638,608</u>	<u>\$ 541,993</u>	<u>\$ 566,029</u>

TOWN OF QUALICUM BEACH
CONSOLIDATED SCHEDULE OF EXPENSES (continued)
YEAR ENDED DECEMBER 31, 2015

			S9
	2015 Budget (unaudited)	2015 Actual	SCHEDULE B 2014 Actual
WATER SERVICES			
Water maintenance	\$ 989,384	\$ 1,004,411	\$ 993,154
Amortization of tangible capital assets	<u>370,000</u>	<u>361,848</u>	<u>361,848</u>
	<u>\$ 1,359,384</u>	<u>\$ 1,366,259</u>	<u>\$ 1,355,002</u>
SEWER SERVICES			
Sewer maintenance	\$ 230,415	\$ 186,632	\$ 221,787
Amortization of tangible capital assets	<u>157,000</u>	<u>151,972</u>	<u>151,972</u>
	<u>\$ 387,415</u>	<u>\$ 338,604</u>	<u>\$ 373,759</u>
PUBLIC HEALTH SERVICES			
Cemetery	\$ <u>48,146</u>	\$ <u>40,214</u>	\$ <u>41,193</u>
PLANNING AND DEVELOPMENT SERVICES			
Planning and zoning	\$ 213,173	\$ 213,725	\$ 310,940
Community development	<u>561,806</u>	<u>296,621</u>	<u>413,552</u>
	<u>\$ 774,979</u>	<u>\$ 510,346</u>	<u>\$ 724,492</u>
PARKS AND RECREATIONAL SERVICES			
Recreation	\$ 16,714	\$ 13,399	\$ 5,632
Community Hall	133,446	49,001	68,824
Civic Centre	356,630	332,908	339,444
Parks buildings	189,356	132,346	178,676
Beach maintenance	66,360	56,211	61,505
Parks and landscaping	<u>856,103</u>	<u>713,719</u>	<u>779,348</u>
	1,618,609	1,297,584	1,433,429
Amortization of tangible capital assets	<u>175,000</u>	<u>165,142</u>	<u>165,142</u>
	<u>\$ 1,793,609</u>	<u>\$ 1,462,726</u>	<u>\$ 1,598,571</u>
TOTAL EXPENDITURES	<u>\$ 14,166,053</u>	<u>\$ 12,762,607</u>	<u>\$ 13,496,579</u>
SUMMARY OF EXPENDITURES			
Operating costs	\$ 10,760,053	\$ 9,620,465	\$ 10,429,100
Fiscal services	106,000	31,268	33,972
Amortization of tangible capital assets	<u>3,300,000</u>	<u>3,110,874</u>	<u>3,033,507</u>
	<u>\$ 14,166,053</u>	<u>\$ 12,762,607</u>	<u>\$ 13,496,579</u>

TOWN OF QUALICUM BEACH
SCHEDULE OF RECEIPTS AND DISBURSEMENTS OF GAS TAX AGREEMENT
YEAR ENDED DECEMBER 31, 2015

S10
SCHEDULE C

	<u>2015</u>	<u>2014</u>
Gas Tax Agreement Funds		
Opening balance	\$ (616,090)	\$ (527,948)
Add: Amount received during the year	405,309	405,309
Less: Amount spent on projects	<u>-</u>	<u>(493,451)</u>
	<u>\$ (210,781)</u>	<u>\$ (616,090)</u>

Federal gas tax funding is provided by the Government of Canada. 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.

TOWN OF QUALICUM BEACH
CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE BY SERVICE
DECEMBER 31, 2015

S11
SCHEDULE D

	Consolidated		General Government Services		Protective Services		Transportation Services		Environmental Services		Development Services		Parks and Recreation Services	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue														
Net taxation	\$ 8,724,375	\$ 8,389,155	\$ 7,773,895	\$ 7,443,480	\$ -	\$ -	\$ -	\$ -	\$ 950,480	\$ 945,675	\$ -	\$ -	\$ -	\$ -
Sale of services	2,482,659	2,351,491	-	-	-	-	28,125	19,476	2,452,468	2,329,851	-	-	2,066	2,164
Other operating revenue	1,227,608	1,229,947	545,729	605,815	246,653	238,397	200,034	170,345	-	-	65,920	58,617	169,272	156,773
Government transfers	1,367,215	1,037,468	433,636	365,646	388,301	141,206	15,000	-	405,309	405,309	-	-	124,969	125,307
Gain on disposal of assets	180,261	117,781	180,261	117,781	-	-	-	-	-	-	-	-	-	-
Other capital revenue	-	814,500	-	508,000	-	-	-	289,600	-	16,900	-	-	-	-
	13,982,118	13,940,342	8,933,321	9,040,722	634,954	379,603	243,159	479,421	3,808,257	3,697,735	65,920	58,617	296,307	284,244
Expenses														
Wages and salaries	5,068,238	5,283,670	1,008,371	1,073,284	825,636	781,207	1,046,149	1,203,451	911,042	895,814	262,581	260,333	1,014,459	1,069,581
Goods and services	4,552,227	5,145,430	938,849	1,141,459	1,190,957	1,275,875	1,029,323	973,740	862,208	926,349	247,765	464,159	283,125	363,848
Amortization	3,110,874	3,033,507	62,815	62,815	131,029	42,552	2,238,068	2,249,178	513,820	513,820	-	-	165,142	165,142
Fiscal services	31,268	33,972	31,268	33,972	-	-	-	-	-	-	-	-	-	-
	12,762,607	13,496,579	2,041,303	2,311,530	2,147,622	2,099,634	4,313,540	4,426,369	2,287,070	2,335,983	510,346	724,492	1,462,726	1,598,571
Annual surplus (deficit)	\$ 1,219,511	\$ 443,763	\$ 6,892,218	\$ 6,729,192	\$ (1,512,668)	\$ (1,720,031)	\$ (4,070,381)	\$ (3,946,948)	\$ 1,521,187	\$ 1,361,752	\$ (444,426)	\$ (665,875)	\$ (1,166,419)	\$ (1,314,327)

TOWN OF QUALICUM BEACH
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
DECEMBER 31, 2015

S12
SCHEDULE E

	Land	Buildings	Equipment	Water	Sewer	Drainage	Roads	Other	WIP	Parks	Total
COST											
Opening Balance (Jan 1, 2014)	\$ 33,396,823	\$ 22,518,690	\$ 5,259,231	\$ 14,360,099	\$ 9,433,490	\$ 17,367,963	\$ 41,867,398	\$ 18,622,941	\$ 289,152	\$ 1,473,928	\$ 164,589,715
Add: 2014 Additions	508,000	(15,662)	236,557	317,068	165,730	620,752	380,072	232,167	2,002,871	-	4,447,555
Less: 2014 Disposals	(130,000)	-	(135,304)	(18,721)	-	-	(185,875)	(1,524)	-	-	(471,424)
Closing Balance (Dec 31, 2014)	33,774,823	22,503,028	5,360,484	14,658,446	9,599,220	17,988,715	42,061,595	18,853,584	2,292,023	1,473,928	168,565,846
Add: 2015 Additions	286,000	6,753,958	-	-	-	125,134	92,035	-	(2,158,678)	-	5,098,449
Less: 2015 Disposals	(34,899)	-	(44,572)	-	-	-	(31,363)	-	-	-	(110,834)
Closing Balance (Dec 31, 2015)	34,025,924	29,256,986	5,315,912	14,658,446	9,599,220	18,113,849	42,122,267	18,853,584	133,345	1,473,928	173,553,461

ACCUMULATED AMORTIZATION

Opening Balance (Jan 1, 2014)	6,877,008	2,541,975	4,805,537	4,554,027	5,717,538	21,768,338	7,520,183	-	-	850,805	54,635,411
Add: 2014 Amortization	452,333	327,430	209,328	159,987	312,727	1,159,238	377,425	-	-	35,039	3,033,507
Less: 2014 Disposals	-	(59,080)	(10,832)	-	-	(178,665)	(823)	-	-	-	(249,400)
Closing Balance (Dec 31, 2014)	7,329,341	2,810,325	5,004,033	4,714,014	6,030,265	22,748,911	7,896,785	-	-	885,844	57,419,518
Add: 2015 Amortization	594,427	313,974	209,328	159,987	314,813	1,106,721	376,607	-	-	35,017	3,110,874
Less: 2015 Disposals	-	(44,573)	-	-	-	(31,363)	-	-	-	-	(75,936)
Closing Balance (Dec 31, 2015)	7,923,768	3,079,726	5,213,361	4,874,001	6,345,078	23,824,269	8,273,392	-	-	920,861	60,454,456

Net Book Value (Dec 31, 2014)

\$ 33,774,823	\$ 15,173,687	\$ 2,550,159	\$ 9,654,413	\$ 4,885,206	\$ 11,958,450	\$ 19,312,684	\$ 10,956,799	\$ 2,292,023	\$ 588,084	\$ 111,146,328
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Net Book Value (Dec 31, 2015)

\$ 34,025,924	\$ 21,333,218	\$ 2,236,186	\$ 9,445,085	\$ 4,725,219	\$ 11,768,771	\$ 18,297,998	\$ 10,580,192	\$ 133,345	\$ 553,067	\$ 113,099,005
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**Town of Qualicum Beach
Schedule of Debt (Long Term)
For the year ended December 31, 2015**

	2015	2014
<u>Capital Lease</u>		
Fire Hall Loan 2.25%, due November 30, 2025	\$4,629,364	\$0

**Town of Qualicum Beach
Schedule of Guarantee & Indemnity Agreements
For the year ended December 31, 2015**

There were no guarantee & indemnity agreements outstanding at December 31, 2015.

**Town of Qualicum Beach
Report of Employee Severance Agreements
For the year ended December 31, 2015**

There were no employee severance agreement in 2015.

Town of Qualicum Beach
Schedule Showing Council Remuneration and Expenses Paid
For The Twelve Months Ending December 31, 2015

Council	Remuneration (Stipend)			Reimbursed Expenses	Grand Total
	Payroll	Expenses	Total		
Avis, B	\$14,029	\$7,014	\$21,043	\$10,244	\$31,287
Horner, N	\$14,029	\$7,014	\$21,043	\$4,219	\$25,262
Luchtmeijer, W	\$14,029	\$7,014	\$21,043	\$6,432	\$27,475
Skipsey, A	\$14,029	\$7,014	\$21,043	\$3,407	\$24,450
Westbroek, T	\$23,213	\$11,606	\$34,819	\$7,705	\$42,524
	<u>\$79,327</u>	<u>\$39,664</u>	<u>\$118,991</u>	<u>\$32,007</u>	<u>\$150,998</u>

John K. Marsh, CMA
Financial Administrator/Deputy CAO

Town of Qualicum Beach
Schedule Showing Staff Remuneration and Expenses Paid
For The Twelve Months Ending December 31, 2015

Staff	Remuneration	Expenses	Total
Botelho, A.	84,546	3,522	88,068
Cameron, A.R.	99,005	108	99,113
Cornell, P.G.	85,703	4,906	90,609
Kohse, D.E.	113,085	4,968	118,053
Marsh, J.K.	151,865	4,668	156,533
Marshall, D.R.	76,935	1,258	78,193
Sailland, D	158,956	6,131	165,087
Sales, L.B.	124,749	5,499	130,248
Schwabe, A.	86,164	1,685	87,849
Smith, R.J.	86,040	1,183	87,223
Svensen, H.B.	118,653	2,975	121,628
Thomas, B.G.	81,040	139	81,179
Weir, R.K.	<u>138,911</u>	<u>3,538</u>	<u>142,449</u>
Total For Employees Over \$75,000	1,405,652	40,580	1,446,232
Total For Employees Under \$75,000	<u>2,931,874</u>	<u>111,872</u>	<u>3,043,746</u>
Total For All Employees	<u>4,337,526</u>	<u>152,452</u>	<u>4,489,978</u>

John K. Marsh, CMA
Financial Administrator/Deputy CAO

Town of Qualicum Beach
Schedule Showing Reconciliation of Staff and Council Remuneration
as compared to 2015 Financial Statements

	Amount
Employee remuneration schedule	4,337,526
Council remuneration schedule	<u>118,991</u>
sub total	4,456,517
Employee Benefits and Other Adjustments	<u>611,721</u>
Total Wages and Benefits in Financial Statements	<u>5,068,238</u>

**TOWN OF QUALICUM BEACH
SUPPLIER PAYMENTS - 2015**

SUPPLIER NAME	AMOUNT
COMPUGEN INC-VICTORIA	46,252
ASSETFINDA SYSTEMS LTD	33,175
BC ASSESSMENT AUTHORITY	126,849
BC HYDRO	415,409
CDW CANADA	46,736
CITY OF PARKSVILLE	50,073
COLLIVER HOLDINGS INC	39,710
CORIX WATER PRODUCTS	26,245
CUPE - LOCAL #401	52,257
DAVIES PARK & ASSOCIATES (VANCOUVER)	41,417
DOLLY'S HOME HARDWARE	29,564
ENEX FUELS	178,156
FITZSIMMINS, SHERYL	40,469
FOUR STAR WATERWORKS LTD	46,374
FULL SERVICE FUELS	122,903
GUILLEVIN INTERNATIONAL INC.	44,495
HARRIS & COMPANY	64,295
HAYLOCK BROTHERS PAVING	183,263
I.C.B.C.	44,328
JOHNSTON DAVIDSON ARCHITECTURE	113,547
KIWANIS HOUSING SOCIETY	250,000
KNAPPETT INDUSTRIES (2006) LTD	45,640
KOERS & ASSOCIATES ENGINEERING	183,519
MCGORMAN MACLEAN	32,025
MINISTER OF FINANCE - MSP	75,017
MINISTER OF FINANCE - School Tax	1,196,688
MONK OFFICE SUPPLY LTD	49,987
MUNICIPAL INSURANCE ASSOC. OF BC	139,152
MUNICIPAL PENSION FUND	472,871
NANAIMO REGIONAL HOSPITAL DIST	461,618

**TOWN OF QUALICUM BEACH
SUPPLIER PAYMENTS - 2015**

SUPPLIER NAME	AMOUNT
NORTH ISLAND POWER SWEEPING	44,354
PACIFIC BLUE CROSS	168,103
PARKSVILLE HEAVY EQUIPMENT	108,455
PROGRESSIVE WASTE SOLUTIONS	63,061
QB CHAMBER OF COMMERCE	65,786
QB HISTORICAL & MUSEUM SOCIETY	52,161
RECEIVER GENERAL FOR CANADA (RCMP)	1,022,897
RECEIVER GENERAL FOR CANADA (PAYROLL)	216,892
REGIONAL DISTRICT OF NANAIMO	3,833,087
TELUS COMMUNICATIONS (BC) INC	40,022
TRI TEC SECURITY & SOUND	38,670
UNIFIED SYSTEMS INC	32,935
VANCOUVER ISLAND REGIONAL LIBRARY	435,836
VISA	88,737
WALKER HUBBARD IN TRUST	481,176
WINDLEY CONTRACTING	4,994,748
WINDSOR PLYWOOD PARKSVILLE	29,636
WORKERS' COMPENSATION BOARD	<u>77,710</u>
 TOTAL PAID TO SUPPLIERS GREATER THAN \$25,000	 16,400,048
 CONSOLIDATED TOTAL OF ALL OTHER PAYMENTS	 <u>1,580,412</u>
 GRAND TOTAL	 <u>17,980,460</u>

**Town of Qualicum Beach
Reconciliation of Suppliers Payments for 2015
Compared to Financial Statements**

Supplier Name	Amount
Supplier payments	17,980,460
Employee remuneration	4,337,526
Council remuneration	118,991
Acquisition of capital assets	-5,098,449
Amortization of capital assets	3,110,874
Other amounts and adjustments	-1,946,199
Other government tax payments	<u>-5,740,596</u>
Total Adjusted Payments	<u>12,762,607</u>

2015 Financial Statement Expenditures	<u>12,762,607</u>
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