



District of Elkford
Financial Statements
For the year ended December 31, 2016

District of Elkford Index

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Management's Responsibility for Financial Reporting

To Members of Council:

In accordance with Section 167 of the Community Charter, I am pleased to submit the 2016 financial statements for the District of Elkford, together with the report of our auditors, BDO Canada LLP.

The preparation of the financial statements is the responsibility of the District's management. The statements have been prepared in accordance with Canadian public sector accounting standards ("PSAS"). These principles are based upon recommendations of the Public Sector Accounting Board ("PSAB") of CPA Canada.

Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly in all material respects.

The District maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the District's assets are appropriately accounted for and adequately safeguarded.

Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The elections for the positions of Council occur every four years. The current Council was elected in November 2014 and therefore the responsibility with respect to the reporting period rests with the current Council.

Council members meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditors' report.

The financial statements have been audited by BDO Canada LLP Chartered Professional Accountants in accordance with Canadian generally accepted auditing standards on behalf of the ratepayers. The auditor's report expresses their opinion on these financial statements. The auditor has full and free access to the accounting records.

A handwritten signature in black ink that reads "Curtis Helgesen".

Curtis Helgesen, CAO
Director, Financial Services

March 23, 2017

Auditors' Report

District of Elkford Statement of Financial Position

As at December 31	2016	2015
Financial Assets		
Cash and investments (Note 1)	\$ 10,131,355	\$ 11,060,202
Receivables (Note 2)	455,604	983,994
Land held for resale	520,087	520,087
	11,107,046	12,564,283
Financial Liabilities		
Accounts payable and accrued liabilities (Note 3)	754,604	852,551
Deferred revenue (Note 4)	183,192	63,692
Development cost charges (Note 5)	504,544	498,708
	1,442,340	1,414,951
Net Financial Assets	9,664,706	11,149,332
Non-Financial Assets		
Tangible capital assets (Note 6)	35,288,995	32,967,709
Inventory	85,576	69,714
Prepaid expenses	63,710	54,695
	35,438,281	33,092,118
Accumulated surplus (Note 7)	\$ 45,102,987	\$ 44,241,450
Commitments and contingencies (Note 14)		



Curtis Helgesen, CAO
Director, Financial Services

**District of Elkford
Statement of Operations**

For the year ended December 31	<i>2016</i> <i>(Note 15)</i>	2016	2015
	<i>Budget</i>	Actual	<i>Actual</i>
Revenues			
Property and other taxes (Note 11)	\$ 7,313,090	\$ 7,197,166	\$ 7,150,782
Less: collections for other governments	<i>(2,116,654)</i>	(1,996,769)	<i>(2,108,021)</i>
	<i>5,196,436</i>	5,200,397	<i>5,042,761</i>
Sale of services	974,605	1,008,473	948,870
Revenue from own sources	308,631	421,987	399,356
Donations	20,000	39,246	5,000
Transfers from other governments (Note 12)	2,124,552	1,252,113	1,824,876
Gain/(loss) on disposal of tangible capital assets	5,000	3,831	<i>(242,619)</i>
Gain on sale of land held for resale	40,000	-	-
	<i>8,669,224</i>	7,926,047	<i>7,978,244</i>
Expenses (Note 13)			
General government services	1,111,974	999,225	946,135
Protective services	814,771	925,322	812,455
Transportation services	1,478,260	1,559,809	1,734,060
Environmental health services	857,219	912,378	1,012,520
Public health services	12,432	13,885	9,372
Environmental development services	605,092	509,110	492,671
Leisure services	1,918,367	2,142,455	2,033,337
Debt servicing and bank charges	4,000	2,326	3,523
	<i>6,802,115</i>	7,064,510	<i>7,044,073</i>
Annual surplus/(deficit)	<i>1,867,109</i>	861,537	<i>934,171</i>
Accumulated surplus, beginning of year	<i>44,241,450</i>	44,241,450	<i>43,307,279</i>
Accumulated surplus, end of year	\$ 46,108,559	\$ 45,102,987	\$ 44,241,450

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

District of Elkford
Statement of Change in Net Financial Assets

For the year ended December 31	<i>2016</i> <i>(Note 15)</i>	2016	<i>2015</i>
	<i>Budget</i>	Actual	<i>Actual</i>
Annual surplus (deficit)	\$ 1,867,109	\$ 861,537	\$ 934,171
Acquisition of tangible capital assets	(5,022,250)	(3,591,497)	(2,927,762)
Amortization of tangible capital assets	-	1,268,132	1,201,512
(Gain)/loss on disposal of tangible capital assets	(5,000)	(3,831)	242,619
Proceeds on disposal of tangible capital assets	-	5,910	100,973
(Acquisition)/disposition of inventory	-	(15,862)	13,772
(Acquisition)/disposition of prepaid expenses	-	(9,015)	13,150
Net change in net financial assets	(3,160,141)	(1,484,626)	(421,565)
Net financial assets, beginning of year	11,149,332	11,149,332	11,570,897
Net financial assets, end of year	\$ 7,989,191	\$ 9,664,706	\$ 11,149,332

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

District of Elkford Statement of Cash Flows

For the year ended December 31	2016	2015
Operating transactions		
Annual surplus (deficit)	\$ 861,537	\$ 934,171
Items not involving cash		
Amortization	1,268,132	1,201,512
(Gain)/loss on disposal of tangible capital assets	(3,831)	242,619
Changes in non-cash operating balances		
Receivables	528,390	883,910
Accounts payable and accrued liabilities	(97,947)	396,613
Deferred revenue and development cost charges	(3,344)	8,426
Unearned revenue - lot sales	128,680	-
Inventory	(15,862)	13,772
Prepaid expenses	(9,015)	13,150
	2,656,740	3,694,173
Capital transactions		
Acquisition of tangible capital assets	(3,591,497)	(2,927,762)
Proceeds on disposal of tangible capital assets	5,910	100,973
	(3,585,587)	(2,826,789)
Net change in cash and cash equivalents	(928,847)	867,384
Cash and cash equivalents, beginning of year	11,060,202	10,192,818
Cash and cash equivalents, end of year	\$ 10,131,355	\$ 11,060,202

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

District of Elkford Summary of Significant Accounting Policies

December 31, 2016

Basis of Presentation	The financial statements of the District are the representations of management and are prepared in accordance with Canadian public sector accounting standards ("PSAS") for government entities using guidelines issued by the Public Sector Accounting Board ("PSAB") of CPA Canada.
Reporting Entity	The Reporting entity is comprised of all organizations and enterprises accountable for the administration of their financial affairs and resources to District Council and which are owned or controlled by the District of Elkford.
Basis of Accounting	<p>The resources and operations of the District are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it. The operating fund reports the general operations of the District. The capital fund is used principally to account for physical assets acquired and the respective obligations incurred which are to be financed from future revenue of the current fund operations. Reserve funds are generally created, pursuant to applicable statutes or by-laws, by appropriations from current fund operations. The use of these funds are restricted to the purposes for which the reserve funds are created. All interfund balances have been eliminated on the statement of financial position.</p> <p>Within the framework of the fund basis of accounting, these financial statements have been prepared on an accrual basis. Under this basis, revenues are accounted for in the period in which transactions or events occurred that gave rise to the revenues. Expenses are accounted for in the period the goods or services are acquired.</p>
Land Held for Resale	Land held for resale is stated at lower of cost and market. Cost includes amounts for land acquisition and improvements to prepare the land for sale or servicing.
Vacation and Sick Pay	Vacation pay and accumulated sick leave is charged to expense in the year it is earned.
Revenue Recognition	<p>Unrestricted grants and contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Restricted grants or contributions received under funding agreements which relate to a subsequent period are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Funding received before this criterion has been met, is reported as deferred revenue on the statement of financial position until the period in which the specified purpose or related expenses are incurred.</p>

District of Elkford Summary of Significant Accounting Policies

December 31, 2016

Tangible Capital Assets Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value of the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset as follows:

Land	Not amortized
Land improvements	15 to 50 years
Buildings and other structures	15 to 50 years
Vehicles	6 to 15 years
Equipment	5 to 20 years
Transportation infrastructure	15 to 100 years
Water infrastructure	20 to 100 years
Sewer infrastructure	20 to 100 years

Financial Instruments The District's financial instruments consist of cash and funds on deposit, accounts receivable and accounts payable. Unless otherwise noted, it is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Budget Figures The budget figures are from the Five Year Financial Plan Bylaw to be adopted each year. They have been re-categorized to conform to PSAB Financial Statement Presentation.

Use of Estimates The financial statements of the District have been prepared in accordance with generally accepted accounting principles in Canada. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

District of Elkford Summary of Significant Accounting Policies

December 31, 2016

Contaminated Sites Effective January 1, 2015 the District adopted the new Public Sector Accounting Standard PS3260 Contaminated Sites. The new standard can be applied retroactively or prospectively, and the District has elected to apply it prospectively.

Under PS3260 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 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 December 31, 2016.

Government Transfers Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

**District of Elkford
Notes to Financial Statements**

December 31, 2016

1. Cash and Investments

	2016	2015
Unrestricted	\$ 5,528,006	\$ 6,436,779
Internally restricted	3,380,847	3,572,154
Externally restricted - DCC (Note 5)	504,544	498,708
Internally restricted - Gas Tax Agreement	717,958	552,561
	\$ 10,131,355	\$ 11,060,202

2. Receivables

	2016	2015
Trade and other receivables		
Federal government - GST rebates	\$ 18,537	\$ 60,564
Provincial government	4,125	1,540
Carbon tax receivable	21,325	21,271
Trade accounts	50,590	311,635
Utility accounts	32,747	32,484
Business licenses	(275)	700
Golf course loan	131,776	10,000
Ski hill loan	10,000	-
Accrued receivables	16,270	393,378
Accrued interest receivable	4,066	6,303
	289,161	837,875
Property Taxes		
Current	92,518	106,066
Arrears	73,925	40,053
	166,443	146,119
	\$ 455,604	\$ 983,994

**District of Elkford
Notes to Financial Statements**

December 31, 2016

3. Accounts Payable and Accrued Liabilities

	2016	2015
Trade accounts payable	\$ 453,831	\$ 621,818
Insurance deductible allowance	5,000	5,000
Holdbacks	131,570	62,950
Tax rate liability	30,767	31,446
Tax sale liability	-	3,058
Due to cemetery care fund	6,600	5,800
Source deductions	20,795	44,461
Union dues	5,224	5,257
WCB payable	10,681	9,916
Accrued employee benefits	27,239	20,062
Accrued payroll	62,897	42,783
	\$ 754,604	\$ 852,551

4. Deferred Revenue

	2016	2015
Property taxes	\$ 54,512	\$ 53,982
Unearned revenue - lot sales	128,680	-
Business licenses	-	7,950
Animal licenses	-	1,760
	\$ 183,192	\$ 63,692

5. Development Cost Charges

Development cost charges are collected when land held for resale is sold, or when building permits are issued for projects on land where development cost charges were not previously collected. Development cost charges are also collected on land that is sold by the Crown or other owners if development cost charges were not previously levied. These charges are reported as a liability until the development cost charges are used for future projects.

	2016	2015
Balance, beginning of year	\$ 498,708	\$ 492,385
Add: Interest earned	5,836	6,323
Balance, end of year	\$ 504,544	\$ 498,708

**District of Elkford
Notes to Financial Statements**

December 31, 2016

6. Tangible Capital Assets

	2016									
	Land	Land Improvements	Buildings & Structures	Vehicles	Equipment	Transportation Infrastructure	Water Infrastructure	Sewer Infrastructure	Work in Progress	Total
Cost, beginning of year	\$6,920,254	\$ 3,851,625	\$ 20,327,911	\$ 4,415,908	\$ 2,065,925	\$ 14,565,719	\$ 4,290,006	\$ 3,735,562	\$ 1,991,964	\$62,164,874
Additions	-	2,780,559	142,030	758,222	18,776	1,051,164	-	139,922	493,663	5,384,336
Disposals	-	-	-	(41,582)	-	-	-	-	-	(41,582)
Transfers	-	-	-	-	-	-	-	-	(1,792,839)	(1,792,839)
Cost, end of year	<u>6,920,254</u>	<u>6,632,184</u>	<u>20,469,941</u>	<u>5,132,548</u>	<u>2,084,701</u>	<u>15,616,883</u>	<u>4,290,006</u>	<u>3,875,484</u>	<u>692,788</u>	<u>65,714,789</u>
Accumulated amortization, beginning of year	-	1,339,066	7,653,802	3,401,268	1,546,350	11,567,271	1,920,401	1,769,007	-	29,197,165
Amortization	-	70,487	519,416	210,273	62,863	279,782	67,180	58,131	-	1,268,132
Disposals	-	-	-	(39,503)	-	-	-	-	-	(39,503)
Accumulated amortization, end of year	-	<u>1,409,553</u>	<u>8,173,218</u>	<u>3,572,038</u>	<u>1,609,213</u>	<u>11,847,053</u>	<u>1,987,581</u>	<u>1,827,138</u>	-	<u>30,425,794</u>
Net carrying amount, end of year	<u>\$6,920,254</u>	<u>\$ 5,222,631</u>	<u>\$ 12,296,723</u>	<u>\$ 1,560,510</u>	<u>\$ 475,488</u>	<u>\$ 3,769,830</u>	<u>\$ 2,302,425</u>	<u>\$ 2,048,346</u>	<u>\$ 692,788</u>	<u>\$35,288,995</u>

**District of Elkford
Notes to Financial Statements**

December 31, 2016

6. Tangible Capital Assets (continued)

	2015									
	Land	Land	Buildings &	Vehicles	Equipment	Transportation	Water	Sewer	Work	Total
	Improvements	Improvements	Structures			Infrastructure	Infrastructure	Infrastructure	in Progress	
Cost, beginning of year	\$ 6,920,254	\$ 3,621,508	\$ 19,730,965	\$ 4,300,244	\$ 1,955,574	\$ 14,565,719	\$ 4,290,006	\$ 3,735,562	\$ 460,872	\$ 59,580,704
Additions	-	230,117	940,538	115,664	110,351	-	-	-	1,531,092	2,927,762
Disposals			(343,592)							(343,592)
Cost, end of year	<u>6,920,254</u>	<u>3,851,625</u>	<u>20,327,911</u>	<u>4,415,908</u>	<u>2,065,925</u>	<u>14,565,719</u>	<u>4,290,006</u>	<u>3,735,562</u>	<u>1,991,964</u>	<u>62,164,874</u>
Accumulated amortization, beginning of year	-	1,273,182	7,177,678	3,202,529	1,491,593	11,286,574	1,853,221	1,710,876	-	27,995,653
Amortization	-	65,884	476,124	198,739	54,757	280,697	67,180	58,131	-	1,201,512
Accumulated amortization, end of year	<u>-</u>	<u>1,339,066</u>	<u>7,653,802</u>	<u>3,401,268</u>	<u>1,546,350</u>	<u>11,567,271</u>	<u>1,920,401</u>	<u>1,769,007</u>	<u>-</u>	<u>29,197,165</u>
Net carrying amount, end of year	<u>\$ 6,920,254</u>	<u>\$ 2,512,559</u>	<u>\$ 12,674,109</u>	<u>\$ 1,014,640</u>	<u>\$ 519,575</u>	<u>\$ 2,998,448</u>	<u>\$ 2,369,605</u>	<u>\$ 1,966,555</u>	<u>\$ 1,991,964</u>	<u>\$ 32,967,709</u>

**District of Elkford
Notes to Financial Statements**

December 31, 2016

7. Accumulated Surplus

The District segregates its accumulated surplus in the following categories:

	2016	2015
Equity in tangible capital assets	\$ 35,288,995	\$ 32,967,709
Current funds		
Appropriated surplus - general		
Computer replacement	40,589	40,589
Parks and playgrounds	2,961	2,961
Greenspace and trails	203,826	203,826
Unappropriated surplus		
General	1,984,611	3,722,726
Water	927,995	871,033
Sewer	2,035,118	1,987,804
Reserve funds (Note 10)	4,618,892	4,444,802
	\$ 45,102,987	\$ 44,241,450

8. Pension Liability

The municipality 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, 2015, the Plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 contributors from local governments.

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

The most recent actuarial valuation as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. The District of Elkford paid \$226,170 (2015 - \$227,677) for employer contributions while employees contributed \$198,041 (2015 - \$204,336) to the Plan in fiscal 2016. The next valuation will be as at December 31, 2018 with results available in 2019. 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.

9. Trust Funds

The District holds funds in trust for specific purposes. As at the fiscal year end the funds held totalled \$6,600 (2015 - \$5,800). The assets and offsetting liabilities are not reflected in the District's financial statements.

**District of Elkford
Notes to Financial Statements**

December 31, 2016

10. Summary of Reserve Fund Positions

	2016	2015
Land sales reserve	\$ 1,748,803	\$ 1,734,592
Capital works equipment reserve	944,376	1,243,869
Capital debt reserve	498,697	434,790
Water parcel tax reserve	347,695	230,450
Sewer parcel tax reserve	277,839	184,150
Energy conservation reserve	83,524	64,390
Community works grant reserve	717,958	552,561
	\$ 4,618,892	\$ 4,444,802

11. Property and other Taxes

	2016 <i>Budget</i>	2016 Actual	2015 <i>Actual</i>
Real Property Taxes			
Municipal tax levy (Parcel Taxes)	\$ 6,225,611	\$ 6,210,931	\$ 6,218,582
Tax sharing agreement	<i>(1,250,341)</i>	(1,230,342)	<i>(1,363,234)</i>
	4,975,270	4,980,589	4,855,348
Collections for other governments			
Regional District of East Kootenay	482,226	485,024	493,915
Ministry of Education	1,221,542	1,119,861	1,209,304
Police (RCMP)	220,761	213,013	216,432
Regional Hospital District	115,952	106,263	113,685
BC Assessment Authority	76,030	72,465	74,541
Municipal Finance Authority	143	143	144
	2,116,654	1,996,769	2,108,021
	7,091,924	6,977,358	6,963,369
Special Assessments, Grants in Lieu of Taxes			
% of revenue taxes	211,856	211,855	178,286
Grants in lieu of taxes			
Federal governments and agencies	5,398	5,469	5,292
Provincial governments and agencies	3,912	2,484	3,835
	9,310	7,953	9,127
	221,166	219,808	187,413
	\$ 7,313,090	\$ 7,197,166	\$ 7,150,782

District of Elkford Notes to Financial Statements

December 31, 2016

12. Transfers from other Governments

	<i>2016</i>	2016	2015
	<i>Budget</i>	Actual	Actual
Federal Government			
Conditional			
Canada Day	\$ 1,000	\$ 1,000	\$ 1,000
Infrastructure	367,500	314,162	472,864
	<u>368,500</u>	<u>315,162</u>	<u>473,864</u>
Provincial Government			
Unconditional			
Small communities and equalization payment	359,376	378,214	399,188
Conditional			
Infrastructure	867,500	314,162	652,513
CBT/RDEK Grant/ Watersmart	319,413	25,294	18,151
	<u>1,546,289</u>	<u>717,670</u>	<u>1,069,852</u>
Other Local Governments			
Conditional			
UBCM/LGMA (MATI)	500	3,200	4,073
Community Tourism	7,500	10,000	7,520
Community works fund	151,363	158,932	153,754
Tree Canada - BC Hydro	9,400	2,500	-
Fuel Management - UBCM	15,000	-	23,343
Misc Grants	26,000	44,649	92,470
	<u>209,763</u>	<u>219,281</u>	<u>281,160</u>
	<u>\$ 2,124,552</u>	<u>\$ 1,252,113</u>	<u>\$ 1,824,876</u>

**District of Elkford
Notes to Financial Statements**

December 31, 2016

13. Expenses by Object	<u>2016</u>	<u>2015</u>
Advertising and promotion	\$ 28,709	\$ 31,927
Amortization	1,268,132	1,201,513
Contract services	292,542	591,419
Contributions to organizations	116,078	111,884
Council expenses	1,169	1,363
Debt servicing and bank charges	2,355	3,972
Insurance	132,349	133,646
Legal and audit	33,640	46,260
Materials, supplies, equipment, printing	494,655	436,186
Memberships, subscriptions, education and training	139,000	160,340
Property and equipment costs	631,845	476,208
Telephone and utilities	448,355	455,331
Wages and benefits	3,475,681	3,394,024
	<u>\$ 7,064,510</u>	<u>\$ 7,044,073</u>

District of Elkford Notes to Financial Statements

December 31, 2016

14. Commitments and Contingencies

a) Contingency for Pension Plan Contributions

The District is required to match employee contributions to the Municipal Pension Plan when an employee decides to purchase enrolment arrears for service periods prior to January 1, 1988. The future cost for this obligation is unknown and these amounts, if any, will be expensed as payroll costs in future years, when the District pays these costs.

b) Other Contingencies

In 2006, a claim was filed in the Supreme Court of British Columbia against the District of Elkford, and other defendants. The claim alleges that the District and the other defendants were negligent with respect to the development of property. As few particulars of this claim are currently known and the ultimate outcome of the court case is uncertain, the District is unable to determine the financial impact on the Municipality at this time, and as such, no contingency has been established. In 2016, no further action has been taken, but the case has not yet been dropped. MIA does not insure the loss, if any.

c) Service Contracts

The District has several service contracts. The estimated aggregate minimum payments to expiry for the contracts is \$29,739 (\$9,686 in 2017, \$9,014 in 2018, \$9,014 in 2019, \$2,025 in 2020).

**District of Elkford
Notes to Financial Statements**

December 31, 2016

15. Budget Figures

The District's Financial Plan (Budget) Bylaw adopted by Council on May 9, 2016 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues at an amount of \$3,295,065. As a result, the budget figures presented in the statements of operations and changes in net financial assets represent the Financial Plan adopted by Council on May 9, 2016 with adjustments as follows:

	<u>2016</u>
Financial Plan (Budget) Bylaw surplus for the year	\$ -
Add:	
Capital expenditures	5,022,250
Less:	
Reserve transfers	139,924
Accumulated surplus transfers	<u>(3,295,065)</u>
Budget surplus per statement of operations	<u>\$ 1,867,109</u>

District of Elkford Notes to Financial Statements

December 31, 2016

16. Segmented Information

The District of Elkford provides a wide range of services to its citizens, and these services are accounted for within three funds: General, Water and Sewer. The General Fund is further comprised of seven service components which are as follows: General Government Services, Protective Services, Transportation Services, Environmental Health Services (Solid Waste), Public Health Services, Environmental Development Services, and Leisure Services. These service components have been separately disclosed in the segmented information that is presented in the schedule of segment disclosure.

General Government Services includes the activities of Council, the overall administration of the District, the financial management of the District and the computer support provided for all departments. The Administration and Finance employees also provide support services for building inspection, bylaw enforcement, and zoning / planning services.

Protective Services is comprised of Fire Protection, Emergency Measures, Building Inspection, Bylaw Enforcement, and Animal and Pest Control. Fire Protection provides fire prevention, suppression and investigation services for the District. The department is led by a paid fire chief and deputy fire chief, and a complement of paid-on-call (volunteer) firefighters. The emergency measures function coordinates the District's involvement with the Emergency Management as legislated by the Province, and the coordination of emergency plans and actions related to the District of Elkford. The Emergency Social Services and the Ground Search and Rescue programs are coordinated by volunteers, with the District's financial support. This function is also supported by the Regional District of East Kootenay (RDEK), who have an emergency coordinator for the Elk Valley. The District has one employee who provides building inspection and bylaw enforcement services. The District also has a contract for mosquito control services.

Transportation Services include a variety of functions that support the network of roads throughout the Municipality. In addition to street cleaning, street maintenance and snow removal, these functions also include sidewalks, water runoff and drainage, street lighting and signage. Engineering services that support planning functions for the department are contracted to external engineering firms. District employees of the Public Works Department coordinate and perform the majority of the activities. In summarizing the cost of transportation services, the administration and equipment costs are allocated to the specific tasks (street lighting etc).

Environmental Health Services (Solid Waste) is for the collection of solid waste in Elkford. The transfer station is a function of the RDEK and the fees and expenditures are included in the collection of taxes for other governments. In 2008, the RDEK took over the function of recycling within the District, and this cost is now included in the collection of taxes for other governments.

Public Health Services is for the cemetery function which includes not only interment, but also maintaining the cemetery grounds. Operation and administration costs are dependent upon the number of interments performed.

District of Elkford Notes to Financial Statements

December 31, 2016

16. Segmented Information (continued)

Environmental Development Services encompass a broad range of services from land use planning and zoning, economic development, tourism services, to community enhancement. Based on information from the Business Vitality Initiative, and the Strategic Planning Session of Council, the District anticipates significant plans for community development in the coming years.

Leisure Services incorporates a broad range of services and activities which include the Aquatic and Library Complex, the Recreation Centre (Ice Rink and Curling), Community Conference Centre, Parks, Trails, Playgrounds and all the programs, community group support and the general administration that supports all the activities within Leisure Services.

The Water Fund incorporates the management of the collection and distribution of potable water to property within the District.

The Sewer Fund incorporates the management of the collection and treatment of waste water from property within the District. The District provides primary treatment to effluent through the use of chemical treatment and settling ponds.

For each reported segment, the expenses are allocated based on the expenses by object as found in Note 13 of these financial statements. The largest source of District revenue is property taxation, and this revenue has been allocated based on a percentage allocation according to the budget for that year. Segments not receiving property tax allocation are Environmental Health Services (Solid Waste), and the Water and Sewer Funds. These three segments are funded by sales of service (user fees). Other revenues that can be directly attributable to a segment is allocated in this manner, with all other revenues allocated to general government.

**District of Elkford
Schedule of Segment Disclosure
Schedule A-1**

December 31, 2016

	General Fund							Other Funds		Consolidated
	General Government	Protective Services	Transportation Services	Environmental Health Services	Public Health Services	Environmental Development Services	Leisure Services	Water Fund	Sewer Fund	
Revenues										
Property and other taxes	\$ 937,713	\$ 684,623	\$ 1,242,129	\$ -	\$ 10,446	\$ 508,437	\$ 1,611,935	\$ 114,010	\$ 91,104	\$ 5,200,397
Sale of services	41,722	-	22,824	131,759	2,943	-	162,855	388,622	257,748	1,008,473
Revenue from own sources	319,725	100,802	1,460	-	-	-	-	-	-	421,987
Donations	20,000	-	-	-	-	-	19,246	-	-	39,246
Transfers from other governments	206,781	378,214	-	-	-	648,324	8,794	10,000	-	1,252,113
Loss on disposal of tangible capital assets	-	-	3,831	-	-	-	-	-	-	3,831
	1,525,941	1,163,639	1,270,244	131,759	13,389	1,156,761	1,802,830	512,632	348,852	7,926,047
Expenses										
Advertising and promotion	12,296	-	37	-	-	15,579	797	-	-	28,709
Amortization	14,189	170,833	400,913	70,541	1,903	-	403,219	110,966	95,568	1,268,132
Contract services	50,655	72,550	26,731	-	-	27,689	36,116	52,488	26,313	292,542
Contributions to organizations	-	14,333	-	-	-	19,026	82,719	-	-	116,078
Council expenses	1,169	-	-	-	-	-	-	-	-	1,169
Debt servicing and finance charges	2,355	-	-	-	-	-	-	-	-	2,355
Insurance	20,282	14,587	19,703	1,417	220	-	63,596	6,432	6,112	132,349
Legal and audit	35,389	-	-	-	-	(1,749)	-	-	-	33,640
Materials, supplies, equipment, printing	51,396	143,945	39,781	12,695	129	56,682	188,177	1,127	723	494,655
Memberships, subscriptions, education and training	69,006	17,180	4,766	-	-	19,548	7,972	14,519	6,009	139,000
Property and equipment costs	57,865	43,920	292,821	11,477	115	18,787	106,444	51,303	49,113	631,845
Telephone and utilities	31,619	34,370	93,016	-	-	-	181,076	93,239	15,035	448,355
Wages and benefits	675,330	397,180	702,041	57,619	11,518	353,548	1,072,339	118,976	87,130	3,475,681
Eliminations	(20,000)	16,424	(20,000)	-	-	-	-	3,576	20,000	-
	1,001,551	925,322	1,559,809	153,749	13,885	509,110	2,142,455	452,626	306,003	7,064,510
Excess (Deficiency) of Revenues over Expenses	\$ 524,390	\$ 238,317	\$ (289,565)	\$ (21,990)	\$ (496)	\$ 647,651	\$ (339,625)	\$ 60,006	\$ 42,849	\$ 861,537

**District of Elkford
Schedule of Segment Disclosure
Schedule A-2**

December 31, 2015

	General Fund							Other Funds		Consolidated
	General Government	Protective Services	Transportation Services	Environmental Health Services	Public Health Services	Environmental Development Services	Leisure Services	Water Fund	Sewer Fund	
Revenues										
Property and other taxes	\$ 929,435	\$ 616,052	\$ 1,242,818	\$ -	\$ 10,228	\$ 487,769	\$ 1,551,462	\$ 113,945	\$ 91,052	\$ 5,042,761
Sale of services	15,198	-	5,663	129,266	1,650	-	172,789	376,740	247,564	948,870
Revenue from own sources	306,739	91,250	1,367	-	-	-	-	-	-	399,356
Donations	-	5,000	-	-	-	-	-	-	-	5,000
Transfers from other governments	190,297	422,531	-	-	-	1,133,528	68,520	10,000	-	1,824,876
Loss on disposal of tangible capital assets	-	-	-	-	-	-	(242,619)	-	-	(242,619)
Gain on sale of land held for resale	-	-	-	-	-	-	-	-	-	-
	1,441,669	1,134,833	1,249,848	129,266	11,878	1,621,297	1,550,152	500,685	338,616	7,978,244
Expenses										
Advertising and promotion	16,028	-	-	-	-	14,880	1,019	-	-	31,927
Amortization	13,343	162,044	402,857	66,429	1,903	-	355,092	111,156	88,689	1,201,513
Contract services	60,496	48,915	210,778	-	-	45,325	11,623	67,875	146,407	591,419
Contributions to organizations	-	12,756	-	-	-	16,062	83,066	-	-	111,884
Council expenses	1,363	-	-	-	-	-	-	-	-	1,363
Debt servicing and bank charges	3,972	-	-	-	-	-	-	-	-	3,972
Insurance	18,541	16,090	21,984	890	369	-	64,435	6,417	4,920	133,646
Legal and audit	44,303	-	-	-	-	1,957	-	-	-	46,260
Materials, supplies, equipment, printing	58,309	63,156	79,756	11,168	(961)	43,433	180,673	653	(1)	436,186
Memberships, subscriptions, education and training	59,334	44,126	15,737	-	-	14,936	13,462	8,801	3,944	160,340
Property and equipment costs	15,201	28,985	211,189	17,412	154	15,519	89,561	76,323	21,864	476,208
Telephone and utilities	29,858	30,657	86,639	-	-	-	189,290	103,077	15,810	455,331
Wages and benefits	648,910	378,468	725,120	62,130	7,907	340,559	1,045,116	109,159	76,655	3,394,024
Eliminations	(20,000)	27,258	(20,000)	-	-	-	-	(7,258)	20,000	-
	949,658	812,455	1,734,060	158,029	9,372	492,671	2,033,337	476,203	378,288	7,044,073
Excess (Deficiency) of Revenues over Expenses	\$ 492,012	\$ 322,378	\$ (484,212)	\$ (28,763)	\$ 2,506	\$ 1,128,626	\$ (483,185)	\$ 24,482	\$ (39,672)	\$ 934,171