

TOWN OF LADYSMITH

# 2016 Annual Report



*Working together to build our future*



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# Heritage by the Sea



Nestled on the eastern shores of spectacular Vancouver Island, the Town of Ladysmith features all the warmth and charm of small town living with a full range of services and amenities. Ladysmith is a growing community (population 8,537 (2016 Census) located just 88 kilometres (55 miles) north of Victoria and 23 km (14 miles) south of Nanaimo.

Ladysmith's identity as a charming west coast town is steeped in its intriguing history and the history of the original inhabitants of the area, the people of the Stz'uminus First Nation. The community's strong sense of pride for its past is evident in its well-maintained architecture and streetscapes. Residents place a very high value on preserving Ladysmith's heritage, and the Town is taking measures to ensure those values are enshrined in all development related plans, policies and guidelines as we plan for a future that emphasizes the importance of environmental, social and economic resilience, as well as a strong sense of shared values and community identity, bound together with the green thread of sustainability.



# Message from the Mayor



On behalf of Ladysmith Town Council, I am proud to provide this message for the 2016 Annual Report for the Town of Ladysmith.

Ladysmith is more than a picturesque town nestled on the shores of Vancouver Island. It's also a lively and vibrant community where people genuinely care about one another and the issues that affect us. It's a place where people know their neighbours and where residents come together regularly to affect positive and meaningful change. It's a place I am proud to call home.

Running a town and furthering our reputation as a progressive leader among other jurisdictions is no easy task. However, we enjoyed notable success in 2016 on a number of important initiatives. These include:

- Completion of our new waste water treatment plant
- Completion of our Parks, Recreation and Culture Master Plan
- Introduction of a new Town of Ladysmith strategic plan and priorities for 2016-2019
- Water supply improvements, including an \$8.8m grant for our new water filtration system, as required by Island Health
- Continued work on our partnerships with the Stz'uminus First Nation including initiating the joint Waterfront Area planning work.
- Finally having the derelict ship, Viki Lyne 2, removed from the Ladysmith Harbour
- Asset management and replacement, including setting aside funds to replace ageing infrastructure.
- Beginning an update of the Waterfront Area Plan with significant public input

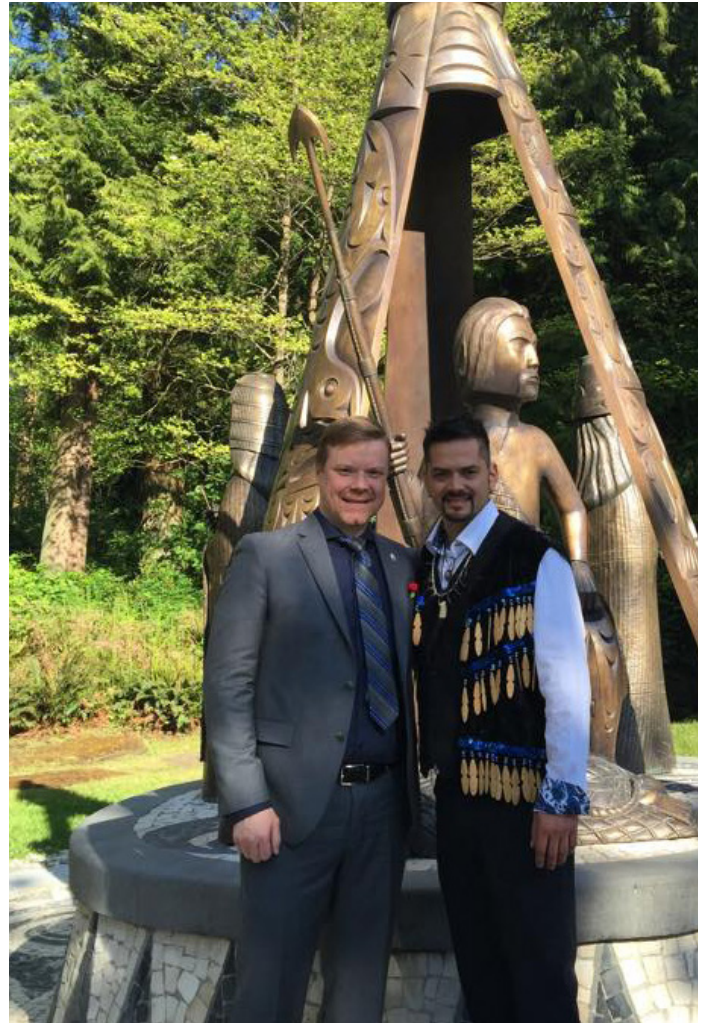


As Council, we are well served by a professional and dedicated staff who consistently demonstrate their deep commitment to our community. Last year, Chief Administrative Officer Ruth Malli retired, and while we were sad to see her leave, we were also pleased to welcome new CAO Guillermo Ferrero. Guillermo brings with him a wealth of experience and a reputation as a progressive leader who is focused on innovation, efficiency and improvement.

We are also well supported by many, many community volunteers on our Town advisory bodies as well as on numerous community groups and organizations, all working to build a strong and resilient Town. I am grateful for their contributions.

Ladysmith is an amazing place to live, work, own a business, raise a family and retire. We have many great successes in our community today and even more untapped potential on the horizon. We are truly fortunate to live in a community where working together toward success is a way of life that continues to enrich each of our lives. I look forward to collaborating with Ladysmith residents, Town staff and Council for the continued betterment of our community.

**Aaron Stone, Mayor**



# Ladysmith Council

The Mayor and Council of the Town of Ladysmith were each elected for a four-year term in the municipal election held in November 2014. Each member is appointed to standing portfolios, Town and regional committees.



Mayor Aaron Stone  
Cowichan Valley Regional District Director  
Municipal Services Committee  
Waterfront Area Plan Project Leadership Committee  
Stocking Lake Advisory Committee  
Ladysmith Chamber of Commerce



Councillor Steve Arnett

- Municipal Services Committee
- Parcel Tax Review Panel
- Vancouver Island Regional Library Board
- Advisory Planning Commission
- Liquid Waste Management Committee



Councillor Joe Friesenhan

- Deputy Mayor (June 1 to December 1, 2017)
- Cowichan Valley Regional District (Alternate Director to May 31, 2017)
- Municipal Services Committee (Vice Chair)
- Waterfront Area Plan Project Leadership Committee
- Liquid Waste Management Committee
- Festival of Lights
- Ladysmith Downtown Business Association



Councillor Cal Fradin

- Deputy Mayor (to May 31, 2017)
- CVRD Community Safety Advisory Commission
- Municipal Services Committee
- Protective Services Committee
- Liquid Waste Management Committee
- Ladysmith Celebrations

Alternate:

- Ladysmith Downtown Business Association
- Advisory Design Panel
- Invasive Species Committee
- Ladysmith Interagency Committee

Alternate:

- Advisory Planning Commission
- Protective Services Committee
- Ladysmith Early Years Partnership





Councillor Rob Hutchins

- Parcel Tax Review Panel
- Municipal Services Committee (Chair)
- Waterfront Area Plan Project Leadership Committee
- Heritage Revitalization Advisory Commission



Councillor Carol Henderson

- Municipal Services Committee
- Invasive Species Advisory Committee
- Ladysmith Interagency Committee
- Ladysmith Early Years Partnership
- Social Planning Cowichan
- Ladysmith Community Justice Program

Alternate:

- Vancouver Island Regional Library Board
- CVRD Community Safety Advisory Committee



Councillor Duck Paterson

- Cowichan Valley Regional District Alternate Director (June 1 to December 31, 2017)
- Advisory Design Panel
- Protective Services Committee
- Parks, Recreation and Culture Advisory Committee
- Parcel Tax Review Panel

Alternate:

- Heritage Revitalization Advisory Commission
- Ladysmith Celebrations
- Festival of Lights
- Ladysmith Chamber of Commerce

*\*All appointments as of December 1, 2016*

# 2016 Town Advisory Bodies

Council also appoints citizens to serve on local Advisory Commissions and Committees. Their role is to review matters referred by Council, and to make recommendations to help Council conduct its business.

## **Municipal Services Committee**

(Council Committee of the Whole)

Responsible for advising and making recommendations to Council on a broad spectrum of issues related to departmental matters – Finance, Administration, Public Works, Parks, Recreation & Culture, and Development Services

Coun. Rob Hutchins, Chair

All members of Council

Guillermo Ferrero, Management Liaison

## **Heritage Revitalization Advisory Commission**

Marnie Craig

Tamara Hutchinson

Robert J (Bob) Darling

Jennifer Robinson (Lush)

Marina Sacht

Harald Cowie

Rob Johnson

Bernardien Knol, Historical Society Liaison

Coun. Rob Hutchins, Council Liaison

Coun. Duck Paterson, Alternate Liaison

Felicity Adams, Management Liaison

Angela Davies, Staff Liaison

## **Advisory Planning Commission**

Linda Mix, Chair

Mayo McDonough

Tina Donovan

D. Brian McLaurin

Bruce Laxdal

Christy Villiers

Jon Steininger

Coun. Cal Fradin, Council Liaison

Coun. Joe Friesenhan, Alternate Liaison

Felicity Adams, Management Liaison

Lisa Brinkman, Staff Liaison

## **Advisory Design Panel**

Brian Childs, Chair

Ron Kinney

Kaien Shimizu

Harald Cowie, HRAC Liaison

Mayor Aaron Stone, Council Liaison

Carol Henderson, Alternative Council Liaison

Lisa Brinkman, Staff Liaison

## **Board of Variance**

Jan Christensen

Tim Horner

Terry Doherty

## **Parks, Recreation & Culture Advisory Committee**

Tim Richards, Chair

Jim Allair

Gord Horth

Tim Godau

Roger Kimmerly

Bruce Mason

Tara Pollock

Coun. Duck Paterson, Council Liaison

Clayton Postings, Management Liaison

Julie Tierney, Staff Liaison

## **Invasive Species Advisory Committee**

Chantal Blumel

April Marrington

Gail Pasaluko

Carol Henderson, Council Liaison

Clayton Postings, Management Liaison

Glen Britton, Staff Liaison

Anita McLeod, Staff Liaison

### **Protective Services Committee**

Coun. Duck Paterson, Chair  
Sybille Sanderson, CVRD - Regional Emergency Coordinator  
Ken Hamilton, COPS  
Don Watson, COPS  
Allen McDermid, Ladysmith Search and Rescue  
Bill Drysdale, Search and Rescue Alternate  
S/Sgt. Ken Brissard, RCMP  
Steve VanderMinne, BC Ambulance Service  
Eric Kesteloot, Stz'uminus First Nation  
Coun. Cal Fradin, Council Liaison  
Coun. Joe Friesenhan, Alternate Liaison  
Ray Delcourt, Chief, Ladysmith Fire/Rescue  
Guillermo Ferrero, Management Liaison  
Geoff Goodall, Management Liaison

### **Liquid Waste Management Committee**

Gerry Clarke  
Jim Cram  
Ross Davis  
Greg Edwards  
Nick Meijerdrees  
Lorena Mueller  
David Brown  
Ray Gauthier, Stz'uminus First Nation  
Blake Medlar, Ministry of Environment  
David Leitch, Cowichan Valley Regional District  
Coun. Joe Friesenhan, Council Liaison  
Coun. Steve Arnett, Council Liaison  
Coun. Cal Fradin, Council Liaison  
Geoff Goodall, Management Liaison  
Curtis Baker, Staff Liaison



# Message from the CAO



Thank you for your interest in the Town of Ladysmith's 2016 Annual Report.

I took over the role of Chief Administrative Officer in May 2016, and since then have learned so much about this vibrant and growing community, its residents, businesses and visitors. I am particularly impressed with the involvement and engagement of our town's residents – their knowledge of the issues that affect this community coupled with their ability to come together in times of celebration and times of reflection is truly remarkable and inspiring.

I am also appreciative of Town of Ladysmith staff. This dedicated group of professionals works tirelessly to help me ensure the Town's financial, capital and operational activities run smoothly year round. Together, we challenge one another to enhance the things we do well and address those areas that require our attention. This commitment is aimed at boosting Ladysmith's economy, ensuring it is resilient to change, providing a safe, healthy atmosphere for residents to work, play and raise their families, and advancing this community's reputation as an environmental leader. In an organization where excellence in customer service is paramount, I salute all our staff for the quality of the work they do and for their commitment to the Town.

In 2016, to ensure the Town remains as efficient as possible, we restructured the organization and invested in positions aimed at delivering an enhanced level of customer service to Council and the community. As such, a new executive liaison position was created to support Council and the office of the Chief Administrative Officer, while a half time communications and engagement position was created to support external communications with our community.

As the senior staff leader, the CAO's role is to provide leadership and direction to staff on the continued delivery of essential services, as well as implementation of Council's clear set of priorities to act on over the coming years as outlined in the 2016-2019 Strategic Priorities document. With that, we implemented an internal tool that allows Council and senior Town staff to track strategic priorities and implement changes in an ever evolving community where wants and needs frequently shift. In 2016, we made a great deal of progress on action items related to all five strategic priorities and I look forward to continuing along this positive path.

I would also like to take this opportunity to acknowledge the hard work and deep commitment of our Mayor and Council. Council is elected to carry out the needs of the community and I help to facilitate that process. Their dedication to this wonderful community will benefit Ladysmith for years to come and ensure that our Town continues to thrive now and into the future.

I find myself spending a great deal of time walking the beautiful streets of Ladysmith and familiarizing myself with the Town. As I pass by storefronts and homes, I am constantly struck by the potential to capitalize further in a town that truly has it all – a rich heritage, diversity, outstanding vistas and fantastic people.

**Guillermo Ferrero**



The organizational structure of the Town is made up of five departments in three divisions:

- Corporate Services (Administration and Legislative Services)
- Development Services (Planning, Bylaw Compliance, Economic Development and Tourism)
- Financial Services (including Human Resources and Information Technology)
- Infrastructure Services (Public Works, Utilities and Parks Maintenance)
- Parks, Recreation and Culture

Each department is overseen by a Director, who reports to the Chief Administrative Officer (CAO). The CAO reports to Council, and is responsible for ensuring that the strategic priorities and decisions established by Council are carried out by staff.

Chief Administrative Officer .....	Guillermo Ferrero
Director of Infrastructure Services (Core Services) .....	Geoff Goodall
Director of Parks, Recreation & Culture (Community Services).....	Clayton Postings
Director of Development Services (Community Services) .....	Felicity Adams
Director of Financial Services (Corporate Services).....	Erin Anderson
Manager of Accounting Services (Corporate Services).....	Gerald Fukakusa
Manager of Legislative Services (Corporate Services).....	Joanna Winter
Manager of Human Resources (Corporate Services).....	Karen Cousins
Manager of Operations (Core Services).....	Kevin Goldfuss
Executive Liaison:.....	Donna Smith
Chief, Ladysmith Fire-Rescue (Core Services) .....	Ray Delcourt
Officer in Charge, RCMP Ladysmith Detachment .....	S/Sgt. Ken Brissard

Financial Institutions: Ladysmith and District Credit Union, Royal Bank of Canada

Auditor: MNP LLP

*(all positions as at December 31, 2016)*



# Town Staff



## City Hall & Development Services

**Top Row, L to R:** Felicity Adams, Colin Bollinger, Guillermo Ferrero, Lisa Brinkman, Angela Davies, Kari-Anne McLennan

**Second Row, L to R:** Robin McNair, Shawna Cadieux, Donna Smith, Doreen Frame

**Third Row, L to R:** Jenn LeBlanc, Joan Ogden, Aria McColl, Joanne Schneider

**Front Row, L to R:** Sam Eck, Gerald Fukakusa, Diane Webber, Joanna Winter, Camelia Copp, Sue Bouma



## Infrastructure Services

**Back Row, L to R:** Kevin Goldfuss, Mike Brown, Paul Trudell, Bev Taschuk, Greg Grueber, Nick LaRose, Shawn Freer, Bob Simpson, Martin Barney, Travis Prystupa, Neil Bouma, Ryan Dallamore, Rocky Coussens, Phil Slater, Larry McLeod, Shane Lassam, Isaac Jack

**Front Row, L to R:** Ryan Andre, Travis Crossen, Mike Ganderton, Mike Morgan, Glen Britton, Simon Skelton, Kevin Bell

## Parks, Recreation and Culture

**Top Row, L to R:** Brandon Gonzales, Kelly Giesbrecht, Lois Walkling, Les Kovacs, Suzanne Senecal, Len Manuel, Clayton Postings

**Second Row, L to R:** Tami-Lyn Stephen, Sarah Stuart, Anita McLeod, Jenn Byrne, Kelly Britton-Foster

**Third Row, L to R:** Patti Cavers, Meagan Randle, Dave Clausen, Heather Irwin, Marija Wiebe

**Fourth Row, L to R:** PJ Halliday, Deb Windsor, Cassandra Taylor, Katie Hooper, Tiffany Wong, Robyn McAdams

**Fifth Row, L to R:** Sue Glenn, Tracy Welch, Darby Rae, Kelti Blatchford-Duncan

**Front Row, L to R:** Andrea Gibson, Julie Tierney, Danielle Winter, Mallory McLeod, Bailey McLeod



# 2016 Staff Committees

## Occupational Health & Safety Committee

Provides advice and recommendations to the employer on issues related to health and safety and the occupational environment, and to ensure compliance with

### Members:

Shane Lassam – Co-chair  
Karen Cousins – Co-chair  
Glen Britton  
Martin Barney  
Lisa Brinkman  
Ray Delcourt  
Kevin Goldfuss  
Clayton Postings  
Kate Glenn

## Labour Management Committee

Responsible for unionized employees, personnel issues, and the union contract

### Members:

Guillermo Ferrero	Jennifer LeBlanc
Erin Anderson	Bob Simpson
Karen Cousins	Mike Morgan (Alternate)
Sue Glenn	

## Green Team

Provides leadership on issues related to workplace environmental sustainability

### Members:

Joanne Schneider  
Phil Slater  
Julie Tierney  
Diane Webber

## Employee Wellness Committee

Responsible for organizing an on-going Corporate Wellness Program

Felicity Adams	Joanna Winter
Karen Cousins	Sue Bouma
PJ Halliday	Samantha Eck (Alternate)
Chris Pinnington	



# Town Services



The Town of Ladysmith is building a future that emphasizes the importance of environmental, social and economic sustainability, as well as a strong sense of shared values and community identity. This blueprint for the future is designed to ensure a balance between community growth, the need for sustainability, and the community's desire to maintain the charming character of our historic town.

The Town is responsible for providing a wide variety of services to citizens. These include:

- ⇒ Transportation Network (roads, bridges, street cleaning, sidewalks, etc.)
- ⇒ Storm Water Management
- ⇒ Garbage/Recycling/Organics Collection
- ⇒ Sewage Treatment System
- ⇒ Water Supply
- ⇒ Parks, Recreation and Cultural Facilities, Programs and Services
- ⇒ Fire Protection
- ⇒ Land Use Planning
- ⇒ Economic Development
- ⇒ Building Inspection
- ⇒ Domestic Animal Control
- ⇒ Bylaw Establishment and Enforcement
- ⇒ Heritage and Revitalization
- ⇒ Cemetery
- ⇒ Policing (Royal Canadian Mounted Police)

Local government services that are not the responsibility of the Town of Ladysmith include:

- ⇒ School System (Provincial Government and Local School Board)
- ⇒ Social and Health Programs (Provincial Government)
- ⇒ Hospital Care System (Provincial Government)
- ⇒ Real Property Assessments (BC Assessment)
- ⇒ Solid Waste Disposal, 911, Emergency Planning (Cowichan Valley Regional District)
- ⇒ Employee Pension Plan (Provincial Plan)
- ⇒ Debt Marketing (Municipal Finance Authority)
- ⇒ Library Collection and Distribution System (Vancouver Island Regional Library)



# Regional Relationships

The Town of Ladysmith is represented on the following regional boards, which provide a variety of services for the residents of Ladysmith:

- ⇒ Cowichan Valley Regional District
- ⇒ Cowichan Valley Regional Hospital District
- ⇒ Vancouver Island Regional Library

The Town of Ladysmith obtains services from the following inter-municipal organizations:

- ⇒ Municipal Finance Authority (MFA) - A provincial organization that provides marketing, placement and administration of municipal borrowing. This Authority also operates an investment pool and leasing program on behalf of municipalities.
- ⇒ Municipal Insurance Association (MIA) - The main purpose of the MIA is to pool the risks of liability so as to reduce the impact upon any member municipality. Under the Reciprocal Insurance Exchange Agreement the Municipality is assessed a premium and a specific deductible for its claims based on population.



# Strategic Plan and Priorities



Ladysmith's 2014 – 2018 Council. Left to right: Councillor Duck Paterson, Councillor Steve Arnett, Councillor Carol Henderson, Mayor Aaron Stone, Councillor Rob Hutchins, Councillor Joe Friesenhan, Councillor Cal Fradin

Council has established five strategic priorities to guide the work of Council and staff towards the betterment of the community and build for the future.

EMPLOYMENT  
AND  
TAX DIVERSITY

NATURAL  
AND BUILT  
INFRASTRUCTURE

WATERSHED  
PROTECTION  
AND WATER  
MANAGEMENT

COMMUNICATIONS  
AND  
ENGAGEMENT

PARTNERSHIPS

In addition to these strategic priorities, Council and staff remain committed to efficient and effective delivery of municipal services; maintaining a focus on environmental, economic and social sustainability; and ensuring that Ladysmith continues to be a strong, vibrant community offering an exceptional quality of life for generations to come. Responsible planning and careful management of our resources are critical to our success. To that end, this strategic plan strikes a balance between financial accountability and taking action today to achieve our vision for tomorrow.

We invite you to explore these strategic priorities. We encourage you to provide feedback, and we will continue to be responsive to your input and to changing circumstances in our community. We look forward to sharing the results of our work in the years ahead.



## OUR VISION

Ladysmith is a spirited community that values its small town quality of life, where we work together as stewards of our heritage, environment and economy.

## OUR MISSION

A safe, caring and vibrant community.

## OUR VALUES

We lead with courage, respect and integrity.

## OUR PAST, OUR FUTURE

Naut'sa Mawt (Working Together). Our community has a rich history spanning more than five thousand years, and a commitment to future generations.

The Town of Ladysmith is guided by the principle of sustainability in all its plans:

### SUSTAINABILITY ACTION PLAN PRIORITIES

- Growth and Development
- Economic Development
- Leadership and Partnerships
- Water and Waste Systems
- Green and Natural Systems
- Transportation
- Energy and Emissions
- Public Health and Social Development
- Culture and Identity
- Local Food and Agriculture

### EIGHT PILLARS OF SUSTAINABILITY

- Complete Community Land Use
- Low Impact Transportation
- Green Buildings
- Multi-use Landscapes
- Innovative Infrastructure
- Local Food Systems
- Healthy Community
- Local, Diverse Economy



# 2016 By the Numbers

*57.6 % of total waste diverted from the landfill, up slightly from 2015*

## Corporate & Financial Administration

- **66** Council Meetings
- **48** External Committee Meetings
- **48** Internal Committee Meetings
- **732** Resolutions Adopted
- **6** Freedom of Information Requests
- **24** Job Postings
- **3** Retirements
- **1,218** E-mail Subscribers
- **17** Statutory Advertisements
- **11** Corporate Services Newsletters published
- **595** Subscribers to electronic utility billing
- **417** Subscribers to pre-authorized utility payment program
- **480** Business Licences
- **19** Grants

## Infrastructure Services

- **65.31** Kms of Roads
- **37.6** Kms of Sidewalks
- **85.3** Kms of Water Mains
- **68** Kms of Sewer Mains
- **3,173** Residential Sewer Connections
- **2,787** Single Family Dwelling Water Connections
- **365** Consecutive Days Providing Safe Tested Drinking Water
- **32** Interments in Ladysmith Cemetery
- **23** Marker Instalments in Ladysmith Cemetery
- **3,108** Residential Units Serviced with Waste Pick-up
- **1,418** Tonnes Solid Waste Collected (garbage, recyclables, organics)
- **57.6 %** of Total Waste Diverted from Landfill
- **1,149** Customer Service Requests

# 2016 By the Numbers

## Community Safety & Protective Services

- **23** Hourly Paid On-Call Ladysmith Fire/Rescue members
- **7** Ladysmith Fire/Rescue Officers
- **206** Incident Responses
- **371** Bylaw Complaints
- **1,033** Dog Licences

## Development Services Building Services

- **18** Development Permit Applications
- **9** Development Variance Permit Applications
- **3** Rezoning Applications
- **11** Sign Permit Applications
- **1** Temporary Use Permit Application
- **10** Commission and Committee Meetings
- **3** Naut'sa Mawt Steering Committee Meetings
- **430** Customer Enquiries
- **94** Building Permits (renovations and new construction)
- **32** Occupancy Permits
- **\$10,995,533** Value of Construction

## Parks, Recreation & Culture

- **1,012** People Registered in Fitness Programs
- **1,017** Drop-in Fitness classes
- **136** One-on-One Personal Training Patrons
- **716** People Registered in Aquatic Programs
- **516** Private Swimming Lessons
- **82,840** Patrons Visited Frank Jameson Community Centre
- **33** Amphitheatre Events
- **109** Picnics at Transfer Beach Shelters
- **391** Forrest Field Bookings
- **273.32** Hectares of Parks, Trails and Open Spaces
- **26** Kms of Hiking and Walking trails

***365 consecutive days  
of providing safe  
drinking water in  
2016***

# Reporting Out

## Strategic Priority: Employment and Tax Diversity

Promote responsible investment and innovative management of municipal resources to support community prosperity, sustainable economic development, industry diversification and quality employment opportunities in the Ladysmith area.

WHAT WE SAID WE'D DO	WHAT WE DID: 2016	LOOKING AHEAD
Engage with the development community to streamline application processes and implement best practices for community growth and investment.	Mayor, members of Council and staff held round-table sessions with members of the building and development industry	Implement feedback and recommendations and monitor progress (2017)
Update Building Permit information on the Town's website	Updates completed	Continue to provide up-to-date building permit information on the Town's website (ongoing)
Offer Small Business BC Webinar Program through the Town's website	Link created on the Town's website	Participate in a regional Film Policy update (2018) Complete an Industrial Lands Strategy (2019)
Complete Official Community Plan amendment and rezoning for the Holland Creek development area	Completed Official Community Plan amendment for Holland Creek area	Complete all requirements to adopt a Zoning Bylaw amendment for the Holland Creek Development (2017)
Engage with the community to update the Waterfront Area Plan	Began Waterfront Area Plan Update project with community and public engagement sessions and a survey, resulting in over 1100 interactions	Complete the Waterfront Area Plan Update (2017) Implement recommendations for new Waterfront Area Plan (beginning in 2017)



## Strategic Priority: Employment and Tax Diversity

WHAT WE SAID WE'D DO	WHAT WE DID: 2016	LOOKING AHEAD
Continue to provide tax incentives for building investment	Tax incentive programs ongoing	Review exemptions during the Financial Planning process (annually)
Explore options for a new City Hall in the downtown	Demolished existing buildings on the site of the future City Hall at Buller St. and 1st Ave.	Continue to set funds aside in the City Hall Reserve (ongoing)
Continue to direct business license revenue to fund the Visitor Information Centre at the Ladysmith Chamber of Commerce location	Explored opportunities for co-locating other community facilities in a new City Hall	Maintain a partnership agreement with the Ladysmith Chamber of Commerce to provide visitor and business services (ongoing)
Enhance facilities at Transfer Beach including the Transfer Beach Interpretive History Project	Signed a new agreement with the Ladysmith Chamber of Commerce to direct business licence revenue to support the provision of visitor and business information by the Chamber	With Ladysmith Rotary Club, complete a new, accessible covered picnic shelter (2017)
Implement the next phase of the welcome and directional signage project	Unveiled Transfer Beach History Pictorial on Canada Day 2016	Install the new 49 <sup>th</sup> Parallel Marker at Aggie Plaza (2017)
Complete improvements to expand Aggie Hall parking	Opened enhanced picnic facilities donated by Ladysmith Rotary Club	Complete Phase One of the parking expansion (2017)
	Completed planning and design for 49th Parallel Marker at Aggie Plaza	Explore options for additional parking in the vicinity of Aggie Hall (2018 – 2019)
	Project underway; phase one of expansion to be completed in 2017	



# Reporting Out

## Strategic Priority: Natural and Built Infrastructure

Maintain, review and expand both natural and built infrastructure

WHAT WE SAID WE'D DO	WHAT WE DID: 2016	LOOKING AHEAD
Complete the Waste Water Treatment Plant to secondary treatment	Completed construction of the Waste Water Treatment Plant	Complete commissioning of the Waste Water Treatment Plant (2017)
Upgrade the fueling system at Public Works	Commenced the upgrade to the Public Works fueling system	Complete the upgrade to the Public Works fueling system (2017)
Begin design and construction of a water filtration plant	Commenced plant design Secured grant funding of \$8.8 million	Adopt a borrowing bylaw to fund the balance of construction of the water filtration plant (2017) Begin construction of the plant (2017) Complete construction (2019)
Complete the upgrade of Fourth Avenue -- pavement, bike lanes, storm, water and sanitary pipes	Initiated design of Fourth Avenue improvements, and held a public open house to seek input and reaction	Complete conceptual design of the Fourth Avenue improvements and hold further public consultation (2017)  Begin construction (2018)





## Strategic Priority: Natural and Built Infrastructure

### WHAT WE SAID WE'D DO

Prioritize maintenance of existing infrastructure before making commitments to new assets

Complete scheduled water, sewer and storm main maintenance and replacement

### WHAT WE DID: 2016

Began work on Phase II of the Asset Management Plan

Completed an Energy and Facilities Assessment at the Frank Jameson Community Centre

Repair the roof at the Ladysmith Fire Hall

Upgraded bleachers and storage security at the Aggie Hall playing fields

Repaired the roof at the Frank Jameson Community Centre

Upgraded water main valve equipment

### LOOKING AHEAD

Implement the Asset Management Plan (by 2019)

Conduct further facilities assessments (2017) and implement upgrades as required (ongoing)

Complete the roof repair and expand the truck bay at the Fire Hall (2017)

Replace the Aggie Hall playground (2017)

Upgrade the High Street Ball Fields bleachers (2018)

Carry out upgrades at the Frank Jameson Community Centre, including change room improvements, Oasis Pool filter, hot tub generator and sauna heater (2017), an ultraviolet sanitation system for the pool (2018) and pool deck replacement (2018)

Expand GIS mapping to support asset management (2017 and 2018)

Reline the water main from Colonia to Public Works (2017)

Cover the exposed section of the Stocking Lake water main (2017)

Upgrade the Stocking Lake Supply Main (2019)

Install water main on Thicke Road (2017)

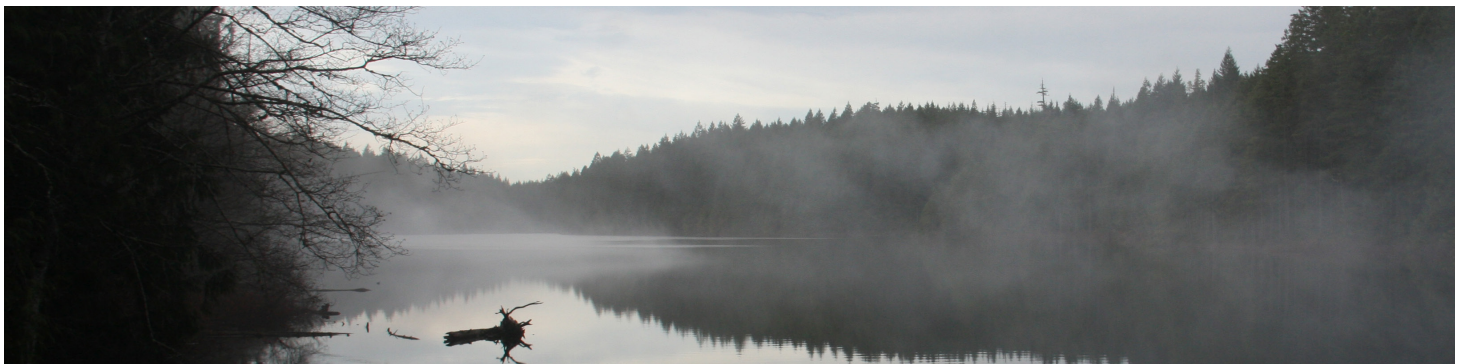
Acquire a new Fire/Rescue Truck to replace the 1990 engine (2017)

# Reporting Out

## Strategic Priority: Watershed Protection & Water Management

Be leaders, stewards and advocates for securing and protecting Ladysmith’s watershed, delivery of safe drinking water and responsible management of water resources.

WHAT WE SAID WE'D DO	WHAT WE DID: 2016	LOOKING AHEAD
<p>Initiate water system improvements to provide for adequate and safe drinking water to meet the present and future needs of the Town and its neighbours</p> <p>Continue to provide incentives to decrease water consumption and participate in regional water conservation education campaign</p> <p>Research watershed security and protection initiatives</p>	<p>Began design and construction of a water filtration plant</p> <p>Continued the Low Flush Toilet Rebate Program</p> <p>Implemented a water conservation program “Every Drop Counts”</p> <p>Participated in regional Water Conservation Campaign with Regional District, Stz’uminus First Nation and Diamond Improvement District</p> <p>Collaborated on regional water restriction communications for region-wide consistency</p>	<p>Secured \$8.8 million in grant funding to help pay for the cost of a new water filtration plant</p> <p>Consider amendments to the Low Flush Toilet Rebate Program (2017)</p> <p>Enhance water conservation communications (ongoing)</p> <p>Continue participation in regional water conservation strategies (ongoing)</p> <p>Complete a Holland Dam Inundation Study (2017)</p> <p>Install water quality monitoring equipment - Holland Lake, Stocking Lake, Chicken Ladder (2020)</p>



## Strategic Priority: Watershed Protection & Water Management

### WHAT WE SAID WE'D DO

Participate in round table discussions on watershed governance and stewardship at the local and regional levels

Explore options for eventual ownership of the watershed

Negotiate a new water service agreement with the Diamond Water District

Achieve the Town's goal of using 20 per cent less than the published Canadian average single family consumption rate by 2018, through implementation of the Water Conservation Plan

Plan and prepare detailed design for construction of additional water storage

### WHAT WE DID: 2016

Participation in the Cowichan Region Watershed Round Table is ongoing

Completed the agreement

Implementation ongoing

### LOOKING AHEAD

Explore options for watershed stewardship in conjunction with the CVRD and local groups (2017)

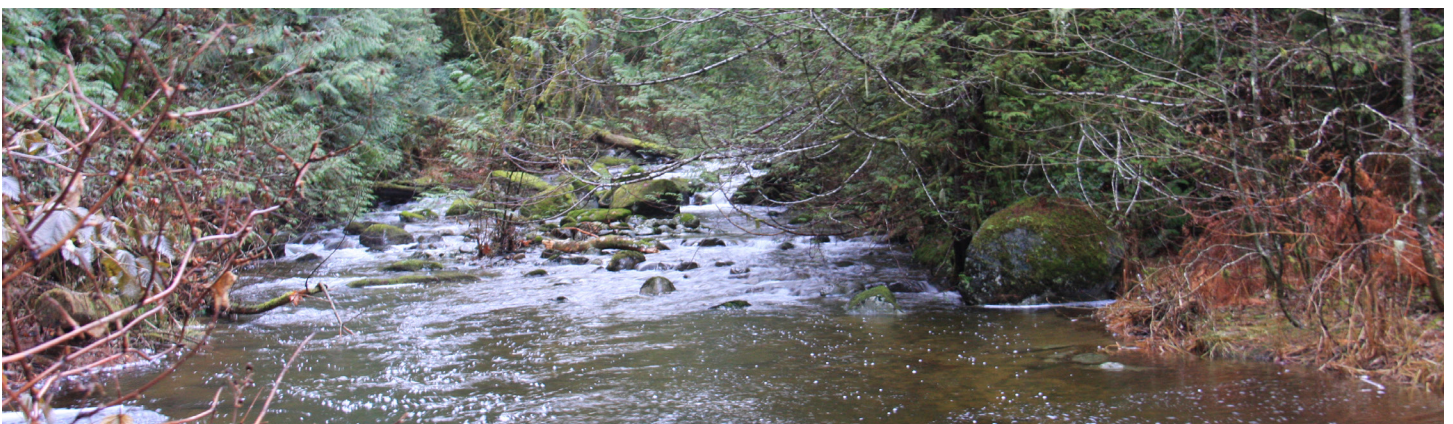
Continue implementation of the Water Conservation Plan (ongoing)

Holland Dam Storage Feasibility Study (2018)

Begin design for raising the dam (2018)

Begin construction to increase dam storage (2020)

Holland to Stocking Supply Main design (2019) Begin construction (2020)



# Reporting Out

## Strategic Priority: Communications

Improve community engagement and communications through active collaboration with partners and investment in information technology.

### WHAT WE SAID WE'D DO

Improve community engagement and communications through active collaboration with partners and investment in information technology  
Host semi-annual Town Hall meetings

Expand use of technology to deliver timely information

Maximize use of all communication methods, including social media, newsletters, e-mails and inserts in utility and tax bills

Identify opportunities for increased participatory decision-making

Enhance communications/engagement with a comprehensive review of commissions/committees

### WHAT WE DID: 2016

Implemented live video streaming and archiving of Council meetings  
Introduced a new electronic newsletter for Town information

Created a new Communications and Engagement Specialist staff position

Established new Parks, Recreation & Culture and Invasive Species Advisory Committees in accordance with the Parks, Recreation and Culture Master Plan

### LOOKING AHEAD

Hold a Town Hall Meeting in Fall (2017)

Implement new regional recreation registration software (2017)

Introduce PlaceSpeak online public engagement platform (2017)

Upgrade the Town's website, including enhanced accessibility for mobile devices (2017)

Adopt a Youth Services Strategy (2018)

Adopt a Public Art Strategy (2019)

Conduct a review of Town Commissions and Committees and volunteer involvement (2017)



## Strategic Priority: Partnerships

Enhance connection to the community by broadening and strengthening collaboration. Accelerate delivery of strategic objectives by working with others, building internal and community capacity in the process. Facilitate widespread meaningful involvement.

WHAT WE SAID WE'D DO	WHAT WE DID: 2016	LOOKING AHEAD
<p>Reinvest in the Partnership for an Economically Vibrant Community in collaboration with community partners such as the Ladysmith Chamber of Commerce, Ladysmith Downtown Business Association and Stz'uminus First Nation</p>	<p>Took part in a Business Walk to determine business needs and how best to support their success</p>	<p>Continue working together to support business development and opportunities</p>
<p>Partner with Stz'uminus First Nation through joint Council and Naut'sa Mawt Steering Committee meetings. Invest in initiatives of mutual benefit/concern (expanded service agreements, south end lands, DL 651 and environmental restoration of Ladysmith Harbour)</p>	<p>The joint Naut'sa Mawt Steering Committee met regularly in 2016</p> <p>Began negotiations on a new Water and Sewer Service Agreement</p> <p>Prepared a draft Building Inspection Agreement</p>	<p>Continue Naut'sa Mawt Committee meetings (ongoing)</p> <p>Explore opportunities for joint stewardship of the Ladysmith Waterfront (2017)</p> <p>Implement Water and Sewer Agreement and Building Inspection Agreement (2017)</p> <p>Explore opportunities for industrial development in the South Ladysmith area (2019)</p>
<p>Pursue opportunities for First Nations public art installations and place acknowledgments</p>	<p>Unveiled Transfer Beach Pictorial and signage for midden</p>	<p>Explore art opportunities related to Canada 150 (2017)</p>
<p>Co-host annual Community-to-Community Forum event</p>	<p>Held a Community to Community Forum with Chief and Council of Stz'uminus First Nation</p>	<p>Hold a community to Community Forum (2017)</p>
<p>Update the Memorandum of Understanding with Stz'uminus First Nation</p>		<p>Begin negotiations to update the Memorandum of Understanding and explore opportunities for public celebration when it is signed (2017)</p>

# Reporting Out

## Strategic Priority: Partnerships

WHAT WE SAID WE'D DO	WHAT WE DID: 2016	LOOKING AHEAD
<p>Articulate and support opportunities for further partnerships (economic and social) with community organizations</p>	<p>Entered into a lease for the Davis Road School site</p>	
<p>Enhance partnership with School District 68</p>	<p>Created an off-leash dog park on the Davis Road School site</p> <p>Signed a Collaboration Agreement with the Board of Trustees to guide future relationships</p>	<p>Complete a Joint Use Agreement with School District 68 for facilities and fields (2017)</p>
<p>Resolve nuisance property concerns through a multi-agency approach</p>	<p>Under the authority of the new Property Maintenance Bylaw, completed remedial action to clean up a nuisance property</p>	
<p>Establish a Canada 150 Celebrations Committee</p>	<p>Established the committee with members from the community and Stz'uminus First Nation</p>	<p>Support year-long celebrations and events in partnership with Stz'uminus First Nation and community groups and organizations (2017)</p>
<p>Establish a Bar Watch Program with Good Neighbour Agreements</p>	<p>Participated in the BC Cowichan Canada Summer Games Organizing Committee</p> <p>Established the Bar Watch Program</p>	<p>Support a successful staging of the 2018 BC Summer Games in the Cowichan Region (2018)</p>
<p>Continue to implement the Information Technology Strategic Plan through a partnership with Municipality of North Cowichan</p>	<p>Completed a Good Neighbour Agreement with a licensed establishment</p> <p>The partnership is ongoing with North Cowichan continuing to provide IT services to the Town</p>	<p>Continue to offer the Bar Watch Program and encourage establishments to participate (ongoing)</p>

## Strategic Priority: Partnerships

### WHAT WE SAID WE'D DO

Partner with Stz'uminus First Nation, Ladysmith Maritime Society and government agencies responsible for clean-up of derelict vessels

Reduce curbside contamination of recyclable materials with Recycle (formerly Multi-Material) BC

Pursue regional equity in recreation services

### WHAT WE DID: 2016

Thanks to sustained effort by many parties at all levels of government and the community, the worst derelict vessel in the Ladysmith Harbour, the *Viki Lyne II*, was towed away for dismantling

Participated in the Regional Recreation Select Committee

### LOOKING AHEAD

Seek funds and support for clean-up of the derelict and abandoned vessels in Ladysmith Harbour (2017)

Implement a public education campaign to reduce contamination of recyclables with plastic film and other non-eligible materials (2017)

Continue participation in the Regional Recreation Select Committee (ongoing)







## FINANCIAL STATEMENTS for FISCAL YEAR ENDING December 31, 2016



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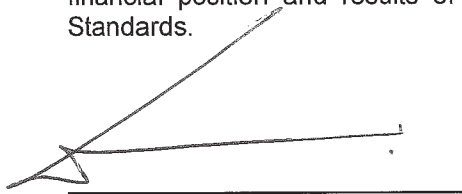
# Statement of Management's Responsibility

## STATEMENT OF MANAGEMENT'S RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Ladysmith and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting standards.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

*MNP LLP* as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian Auditing Standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian Public Sector Accounting Standards.



Guillermo Ferrero  
Chief Administration Officer

# Independent Auditor's Report

## Independent Auditors' Report

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To the Mayor and Council of the Town of Ladysmith:

We have audited the accompanying consolidated financial statements of the Town of Ladysmith, which comprise the consolidated statement of financial position as at December 31, 2016 and the consolidated statements of operations, cash flows and changes in net financial assets and related schedules for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *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 Town of Ladysmith as at December 31, 2016 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Nanaimo, British Columbia

April 3, 2017

*MNP LLP*  
Chartered Professional Accountants

# Consolidated Statement of Financial Position as at December 31, 2016

	<u>2016</u>	<u>2015</u>
<b>Financial Assets</b>		
Cash and short term deposits (Note 3)	\$ 19,171,188	\$ 13,653,298
Accounts receivable (Note 4)	<u>2,993,892</u>	<u>2,934,237</u>
	<u>22,165,080</u>	<u>16,587,535</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 5)	2,478,417	2,030,493
Post-employment benefits (Note 6)	250,300	268,000
Deferred revenue (Note 7)	486,057	368,849
Refundable deposits and other (Note 8)	455,147	391,720
Restricted reserves - other (Note 9)	425,310	490,270
Development cost charge reserve (Note 9)	1,971,403	1,769,872
Federal gas tax reserve (Note 11)	1,310,274	1,060,650
Obligations under capital lease (Note 12 & Schedule I)	384,390	445,707
Equipment Financing (Note 13)	34,179	42,952
Short term financing (Note 14 & Schedule II)	670,000	4,920,000
Debenture debt (Note 15 & Schedule III)	<u>12,855,236</u>	<u>2,976,232</u>
	<u>21,320,713</u>	<u>14,764,745</u>
<b>Net Financial Assets</b>	<u>844,367</u>	<u>1,822,790</u>
<b>Non-Financial Assets</b>		
Tangible Capital Assets (Schedule X)	92,215,270	89,175,441
Prepays	112,348	107,343
Inventory	<u>71,759</u>	<u>74,792</u>
	<u>92,399,377</u>	<u>89,357,576</u>
<b>Accumulated Surplus (Note 20)</b>	<u>\$ 93,243,744</u>	<u>\$ 91,180,366</u>

*Commitments and Contingencies (Note 16)*

  
 \_\_\_\_\_  
 Director of Financial Services

See accompanying notes to the financial statements

# Consolidated Statement of Operations

## For the Year Ended December 31, 2016

	<u>2016</u>	<u>Budget 2016</u> (Note 21)	<u>2015</u>
<b>Revenue</b>			
Taxes - (Schedule IV)	\$ 9,648,476	\$ 9,626,136	\$ 9,164,130
Fees and charges (Schedule V)	3,827,034	3,487,239	3,399,055
Investment Income	157,817	105,000	132,452
Penalty and interest on tax	119,526	120,000	123,546
Grants (Schedule VIII)	1,724,706	12,318,540	2,535,095
Donations and contributed tangible capital assets	319,015	18,500	241,914
Gain on foreign exchange	(83,675)	-	131,994
Gain (loss) on disposal of tangible capital assets	184,840	-	164,961
Municipal Finance Authority refunds	-	-	47,299
Development fees	-	168,000	108,075
Gas tax funds utilized	145,233	575,500	299,363
	<u>16,042,972</u>	<u>26,418,915</u>	<u>16,347,884</u>
<b>Expenses</b>			
General government services	2,305,352	2,617,150	2,270,072
Protective services	1,739,803	1,976,262	1,777,708
Transportation services	2,003,708	2,138,548	1,971,138
Garbage services	474,893	508,020	485,293
Cemetery services	37,374	30,072	21,492
Development services	612,929	883,358	640,242
Recreation and cultural services	2,581,754	2,611,902	2,387,738
Parks operation services	910,233	931,766	894,327
Sewer	2,072,169	1,832,069	1,274,354
Water	1,241,378	1,348,391	1,372,626
	<u>13,979,594</u>	<u>14,877,538</u>	<u>13,094,990</u>
Annual Surplus	2,063,378	11,541,377	3,252,894
Accumulated Surplus, beginning of year	<u>91,180,366</u>	<u>91,180,366</u>	<u>87,927,472</u>
Accumulated Surplus - end of year	<u>\$ 93,243,744</u>	<u>\$ 102,721,743</u>	<u>\$ 91,180,366</u>

See accompanying notes to the financial statements

# Consolidated Statement of Cash Flows

## For the Year Ended December 31, 2016

	<u>2016</u>	<u>2015</u>
Operating Transactions		
Annual Surplus	\$ 2,063,378	\$ 3,252,894
Less non-cash items included in surplus:		
Amortization	2,875,406	2,512,157
Loss (gain) on disposal of tangible capital assets	(184,840)	(164,961)
Actuarial adjustments on debenture debt	(30,951)	(88,962)
Contributed tangible capital assets	<u>(300,085)</u>	<u>(127,251)</u>
	4,422,909	5,383,877
Accounts receivable	(59,655)	1,241,549
Prepaid expenses	(5,005)	(6,050)
Inventory	3,033	32
Accounts payable and accrued liabilities	447,924	296,420
Post employment benefits	(17,700)	(8,300)
Deferred revenues	117,208	57,792
Refundable deposits and other	63,427	58,190
Restricted reserves	(64,960)	10,120
Development cost charge reserve	201,531	292,701
Gas tax reserve	<u>249,624</u>	<u>83,951</u>
Cash provided by operating transactions	<u>5,358,336</u>	<u>7,410,282</u>
Capital Transactions		
Proceeds on sale of tangible capital assets	411,763	166,975
Cash used to acquire tangible capital assets	<u>(5,842,073)</u>	<u>(11,398,779)</u>
	<u>(5,430,310)</u>	<u>(11,231,804)</u>
Financing		
Proceeds of short-term financing	-	4,920,000
Proceeds of long-term financing	6,000,000	-
Repayment of long-term debt and capital leases	<u>(410,135)</u>	<u>(236,071)</u>
Net (Decrease) Increase in cash from financing	<u>5,589,865</u>	<u>4,683,929</u>
Increase in Cash and Short Term Deposits	5,517,891	862,407
Cash and Short Term Deposits - Beginning of Year	13,653,298	12,790,890

See accompanying notes to the financial statements



# Consolidated Statement of Changes in Net Financial Assets For the Year Ended December 31, 2016

	<u>2016</u>	<u>Budget 2016</u> (Note 21)	<u>2015</u>
Annual Surplus	\$ 2,063,378	\$11,541,377	\$ 3,252,894
Acquisition of tangible capital assets	(6,142,158)	(23,622,305)	(11,526,030)
Amortization of tangible capital assets	2,875,406	2,485,372	2,512,157
Loss (gain) on sale of tangible capital assets	(184,840)	-	(164,961)
Proceeds from sale of tangible capital assets	411,763	-	166,975
Decrease (Increase) in inventories	3,033	-	32
Decrease (Increase) in prepaids	(5,005)	-	(6,050)
Change in Net Financial Assets	<u>(978,423)</u>	<u>(9,595,556)</u>	<u>(5,764,982)</u>
Net Financial Assets, beginning of year	<u>1,822,790</u>		<u>7,587,771</u>
Net Financial Assets, end of year	<u>\$ 844,367</u>		<u>\$ 1,822,790</u>

See accompanying notes to the financial statements

# Notes to the Consolidated Financial Statements For the Year Ended December 31, 2016

## 1. General

The Town of Ladysmith was incorporated under the provisions of the British Columbia Municipal Act. Its principal activities are the provision of local government services in the Town, as governed by the Community Charter and the Local Government Act.

The notes to the consolidated financial statements are an integral part of these financial statements. They provide detailed information and explain the significant accounting and reporting policies and principles that form the basis of these statements. They also provide relevant supplementary information and explanations which cannot be expressed in the consolidated financial statements.

## 2. Significant Accounting Policies

### (a) Basis of Presentation

It is the Town's policy to follow Canadian public sector accounting standards for local governments and to apply such principles consistently. The financial resources and operations of the Town have been consolidated for financial statement purposes and include the accounts of all of the funds of the Town.

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

The consolidated financial statements reflect the assets, liabilities, revenues and expenses and changes in fund balances and financial position of the Town. These consolidated financial statements consolidate the following operations:

*General Revenue Fund*  
*Water Revenue Fund*  
*Sewer Revenue Fund*  
*Reserve Fund*

*General Capital Fund*  
*Water Capital Fund*  
*Sewer Capital Fund*

### (b) Reporting Entity

The consolidated financial statements include the assets, liabilities, revenue and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Town. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Town. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Town. Interfund and intercompany balances and transactions have been eliminated. The controlled organizations include DL 2016 Holdings Corporation, a wholly owned subsidiary of the Town.

*These notes form an integral part of these financial statements*

# Notes to the Consolidated Financial Statements For the Year Ended December 31, 2016

## 2. Significant Accounting Policies (continued)

### (c) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Town does not capitalize interest charges as part of the cost of its tangible capital assets.

Tangible capital assets are amortized over their estimated useful life, with a half-year's provision in the year of acquisition, on the straight-line method at the following annual rates:

#### General Tangible Capital Assets

Land	Indefinite
Land Improvements	15 to 75 years
Buildings	25 to 40 years
Equipment, Furniture and Vehicles	5 to 60 years

#### Engineering Structures

Roads and Sidewalks	20 to 75 years
Storm and Sewer	25 to 75 years
Water	20 to 80 years

Constructions in progress contain capital projects underway but not yet complete or put into use. Once put into use, the asset will be amortized based on the above annual rates for the applicable category of work performed.

Certain assets have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts that are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands and other natural resources are not recognized as tangible capital assets.

### (d) Cash and Short-Term Deposits

Cash and short-term deposits includes instruments with maturities of three months or less from the date of acquisition. Balances are reported in Canadian funds. US accounts are translated using the exchange rates of the prescribed bank as December 31.

# Notes to the Consolidated Financial Statements For the Year Ended December 31, 2016

## 2. Significant Accounting Policies (continued)

### (e) Restricted Reserves and Deferred Revenues

Receipts which are restricted by the legislation of senior governments or by agreement with external parties are deferred and reported as restricted reserves. When qualifying expenses are incurred, restricted reserves are brought into revenue at equal amounts, in accordance with Revenue Recognition policy 2 (h). These revenues are comprised of the amounts shown in Note 9.

Revenues received from non-government sources in advance of expenses which will be incurred in a later period are deferred until the associated purchase or expense is incurred.

### (f) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Significant areas requiring the use of management estimates relate to the collectability of accounts receivable, accrued liabilities, post-employment benefits, provisions for contingencies and amortization rates, useful lives and salvage values for determining tangible capital asset values. Actual results could differ from those estimates. Liabilities for contaminated sites are estimated based on the best information available regarding potentially contaminated sites that the Town is responsible for. Adjustments, if any, will be reflected in operations in the period of settlement.

### (g) Leases

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

Rental payments under operating leases are expensed as incurred.

The Town currently rents property at 132c and 33 Roberts Street for office space as well as 17 and 25 Roberts Street for a parking lot. Total lease payments expensed for the year were \$ 76,151 (2015 - \$75,837). The operating leases are annual agreements, and the Town does not expect significant variation from the annual amounts in future years.

### (h) Revenue Recognition

Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Fees and charges revenue are recognized when the services are rendered. Investment income is accrued as earned. Gain on foreign exchange has been recognized in the Statement of Operations using the exchange rate in effect on December 31.

Other revenues are recognized when earned in accordance with the terms of the agreement, when the amounts are measurable and when collection is reasonably assured.

*These notes form an integral part of these financial statements*

# Notes to the Consolidated Financial Statements

## For the Year Ended December 31, 2016

### 2. Significant Accounting Policies (continued)

The Town recognizes a government transfer as revenue when the transfer is authorized and all eligibility criteria, if any, have been met. Grants and donations are recognized in the financial statements in the period which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be made. A government transfer with stipulations giving rise to an obligation that meets the definition of a liability is recognized as a liability (deferred revenue). In such circumstances, the Town recognizes the revenue as the liability is settled.

Deferred revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

#### (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. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

#### (j) Inventory

Inventory is valued at the lower of cost and net realizable value, determined on an average cost basis.

#### (k) Liability for contaminated sites

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the Town of Ladysmith is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2016.

The Town has determined that no owned properties meet the criteria to recognize a liability for contaminated sites.

At each financial reporting date, the Town of Ladysmith reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. If applicable, the Town of Ladysmith will recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

# Notes to the Consolidated Financial Statements For the Year Ended December 31, 2016

## 2. Significant Accounting Policies (continued)

### (I) Recent Accounting Pronouncements

#### ***PS 2200 Related Party Disclosures***

In March 2015, as part of the CPA Canada Public Sector Accounting Handbook Revisions Release No. 42, the Public Sector Accounting Board issued a new standard, PS 2200 Related Party Disclosures.

This new Section defines related party and established disclosures required for related party transactions. Disclosure of information about related party transactions and the relationship underlying them is required when they have occurred at a value different from that which would have been arrived at if the parties were unrelated, and they have, or could have, a material financial effect on the financial statements.

This section is effective for fiscal years beginning on or after April 1, 2017. Early adoption is permitted.

The Town does not expect application of the new Standard to have a material effect on the consolidated financial statements.

#### ***PS 3210 Assets***

In June 2015, new PS 3210 Assets was included in the CPA Canada Public Sector Accounting Handbook. The new Section provides guidance for applying the definition of assets set out in PS 1000 Financial Statement Concepts. The main features of this standard are as follows:

Assets are defined as economic resources controlled by a government as a result of past transactions or events and from which future economic benefits are expected to be obtained.

Economic resources can arise from such events as agreements, contracts, other government's legislation, the government's own legislation, and voluntary contributions.

The public is often the beneficiary of goods and services provided by a public sector entity. Such assets benefit public sector entities as they assist in achieving the entity's primary objective of providing public goods and services.

A public sector entity's ability to regulate an economic resource does not, in and of itself, constitute control of an asset, if the interest extends only to the regulatory use of the economic resource and does not include the ability to control access to future economic benefits.

A public sector entity acting as a trustee on behalf of beneficiaries specified in an agreement or statute is merely administering the assets, and does not control the assets, as future economic benefits flow to the beneficiaries.

An economic resource may meet the definition of an asset, but would not be recognized if there is no appropriate basis for measurement and a reasonable estimate cannot be made, or if another Handbook Section prohibits its recognition. Information about assets not recognized should be disclosed in the notes.

*These notes form an integral part of these financial statements*

# Notes to the Consolidated Financial Statements For the Year Ended December 31, 2016

## 2. Significant Accounting Policies (continued)

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

The Town does not expect application of the new Standard to have a material effect on the consolidated financial statements.

### ***PS 3320 Contingent Assets***

In June 2015, new PS 3320 Contingent Assets was included in the CPA Canada Public Sector Accounting Handbook. The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty. That uncertainty will ultimately be resolved when one or more future events not wholly within the public sector entity's control occurs or fails to occur. Resolution of the uncertainty will confirm the existence or non-existence of an asset.

Passing legislation that has retroactive application after the financial statement date cannot create an existing condition or situation at the financial statement date.

Elected or public sector entity officials announcing public sector entity intentions after the financial statement date cannot create an existing condition or situation at the financial statement date.

Disclosures should include existence, nature, and extent of contingent assets, as well as the reasons for any non-disclosure of extent, and the bases for any estimates of extent made.

When a reasonable estimate can be made, disclosure should include a best estimate and a range of possible amounts (or a narrower range of more likely amounts), unless such a disclosure would have an adverse impact on the outcome.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted. The Town does not expect application of the new Standard to have a material effect on the consolidated financial statements.

### ***PS 3380 Contractual Rights***

In June 2015, new PS 3380 Contractual Rights was included in the CPA Canada Public Sector Accounting Handbook. This new Section establishes disclosure standards on contractual rights, and does not include contractual rights to exchange assets where revenue does not arise. The main features of this Standard are as follows:

Contractual rights are rights to economic resources arising from contracts or agreements that will result in both an asset and revenue in the future.

Until a transaction or event occurs under a contract or agreement, an entity only has a contractual right to an economic resource. Once the entity has received an asset, it no longer has a contractual right.

*These notes form an integral part of these financial statements*

# Notes to the Consolidated Financial Statements For the Year Ended December 31, 2016

## 2. Significant Accounting Policies (continued)

Contractual rights are distinct from contingent assets as there is no uncertainty related to the existence of the contractual right.

Disclosures should include descriptions about nature, extent, and timing.

The standard is effective for fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

The Town does not expect application of the new Standard to have a material effect on the consolidated financial statements.

### ***PS 3430 Restructuring Transactions***

In June 2015, new PS 3430 Restructuring Transactions was included in the CPA Canada Public Sector Accounting Handbook. The new Section establishes disclosure standards on contingent assets. The main features of this Standard are as follows:

A restructuring transaction is defined separately from an acquisition. The key distinction between the two is the absence of an exchange of consideration in a restructuring transaction.

A restructuring transaction is defined as a transfer of an integrated set of assets and/or liabilities, together with related program or operating responsibilities that does not involve an exchange of consideration.

Individual assets and liabilities transferred in a restructuring transaction are derecognized by the transferor at their carrying amount and recognized by the recipient at their carrying amount with applicable adjustments.

The increase in net assets or net liabilities resulting from recognition and derecognition of individual assets and liabilities received from all transferors, and transferred to all recipients in a restructuring transaction, is recognized as revenue or as an expense.

Restructuring-related costs are recognized as expenses when incurred.

Individual assets and liabilities received in a restructuring transaction are initially classified based on the accounting policies and circumstances of the recipient at the restructuring date.

The financial position and results of operations prior to the restructuring date are not restated. Disclosure of information about the transferred assets, liabilities and related operations prior to the restructuring date by the recipient is encouraged but not required.

The Section is effective for new restructuring transactions that occur in fiscal periods beginning on or after April 1, 2018. Earlier application is encouraged.

The Town does not expect application of the new Standard to have a material effect on the consolidated financial statements.

*These notes form an integral part of these financial statements*



# Notes to the Consolidated Financial Statements

## For the Year Ended December 31, 2016

### 3. Cash and Short Term Deposits

Cash and short term deposits were comprised as follows:

	<u>2016</u>	<u>2015</u>
Cash	\$ 18,398,477	\$ 12,886,680
Short term deposits	772,710	766,618
	<u>\$ 19,171,188</u>	<u>\$ 13,653,298</u>

Included in Cash is a deposit of \$815,610 (the equivalent of \$618,150 US Funds based on the exchange rate at the Ladysmith and District Credit Union on December 31, 2016). Short term deposits consist of short term investments in the Municipal Finance Authority of B.C. money market fund. The market value is equal to the carrying value.

Included in cash and short term deposits are the following restricted amounts that can only be expended in accordance with the terms of the restricted reserves.

	<u>2016</u>	<u>2015</u>
Restricted reserves - other	\$ 425,310	\$ 490,270
Federal gas tax reserve	1,310,274	1,060,650
Development cost charges reserve	1,971,403	1,769,872
	<u>\$ 3,706,987</u>	<u>\$ 3,320,792</u>

### 4. Accounts Receivable

	<u>2016</u>	<u>2015</u>
Property taxes	\$ 1,117,867	\$ 1,243,983
Other government	1,114,734	1,031,001
User fees and other	728,443	631,823
Developer receivables	16,253	16,253
Employee receivables	16,594	11,177
	<u>\$ 2,993,892</u>	<u>\$ 2,934,237</u>

*These notes form an integral part of these financial statements*

# Notes to the Consolidated Financial Statements For the Year Ended December 31, 2016

## 5. Accounts Payable and Accrued Liabilities

	<u>2016</u>	<u>2015</u>
General	\$ 1,306,404	\$ 1,007,433
Other governments	617	1,151
Salaries and wages	215,873	194,764
Contractor holdbacks	870,988	786,222
Accrued interest	<u>84,535</u>	<u>40,923</u>
	<u>\$ 2,478,417</u>	<u>\$ 2,030,493</u>

## 6. Post-Employment Benefits

The Town provides compensated absences to its employees to a maximum of 120 days. The Town also allows employees to defer unused vacation without any maximum. Any deferred vacation time remaining at retirement or termination is paid out at that time. The amount recorded for these benefits is based on an actuarial evaluation done by an independent firm using a projected benefit actuarial valuation method prorated on services. The last actuarial valuation was calculated at August 31, 2014 and has been extrapolated to December 31, 2016. The change in the liability in the financial statements in respect of obligations under the plan amounts to -\$17,700. (-\$8,300 - 2015).

The accrued post-employment benefits are as follows:

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 268,000	\$ 276,300
Current service costs	30,700	30,400
Benefits paid	(54,400)	(32,700)
Actuarial (gain)/loss	<u>6,000</u>	<u>(6,000)</u>
Balance, end of year	<u>\$ 250,300</u>	<u>\$ 268,000</u>

The significant actuarial assumptions adopted in measuring the Town's post-employment benefits are as follows:

	<u>2016</u>	<u>2015</u>
Discount Rate	3.30%	3.10%
Expected Inflation Rate and Wage & Salary Increases	2.50%	2.50%

*These notes form an integral part of these financial statements*

# Notes to the Consolidated Financial Statements

## For the Year Ended December 31, 2016

### 7. Deferred Revenue

	<u>2016</u>	<u>2015</u>
Licence fees & charges	\$ 3,116	\$ 6,133
Rental payments	14,466	589
Prepaid property tax	330,524	243,115
Subdivision tree prepayment	53,854	45,604
Recreation prepayment	39,491	32,399
Utilities	15,544	26,249
Other	29,061	14,759
	<u>\$ 486,057</u>	<u>\$ 368,849</u>

### 8. Refundable Deposits and Other

	<u>2016</u>	<u>2015</u>
Developer performance deposits	\$ 263,997	\$ 212,120
Damage deposits	190,950	179,400
Other	200	200
	<u>\$ 455,147</u>	<u>\$ 391,720</u>

*These notes form an integral part of these financial statements*

# Notes to the Consolidated Financial Statements For the Year Ended December 31, 2016

## 9. Restricted Reserves and Development Cost Charges Reserve

Restricted reserves include Development Cost Charges (DCC's) which are charged to developers and utilized for infrastructure development. There are two reserves, LRC Capital and B&G Capital for the replacement of specific building components located at 630 2<sup>nd</sup> Avenue and 220 High Street. A withdrawal of \$75,000 from the LRCA restricted reserve was made in March of 2016.

Description	Balance Dec. 31, 2015	Interest	Contributions	Expenditures	Balance Dec. 31, 2016
DCC - Water	\$ 402,656	\$ 3,121	\$ 26,707	\$ -	\$ 432,484
DCC - Parks	318,504	2,534	33,053	-	354,092
DCC - Roads	424,013	3,444	60,003	-	487,460
DCC - Sewer	273,925	2,327	63,230	-	339,483
DCC - Storm	350,774	2,666	4,444	-	357,885
	<u>1,769,872</u>	<u>14,093</u>	<u>187,438</u>	<u>-</u>	<u>1,971,403</u>
Parking	72,998	549	-	-	73,548
Green Streets	1,441	11	-	-	1,452
Amphitheatre	16,071	128	1,300	-	17,499
LRCA/Seniors- Capital	371,960	278	2,480	(75,000)	299,718
B&G - Capital	27,801	230	5,064	-	33,094
	<u>490,270</u>	<u>1,195</u>	<u>8,844</u>	<u>(75,000)</u>	<u>425,310</u>
TOTAL	<u>\$ 2,260,142</u>	<u>\$ 15,288</u>	<u>\$ 196,281</u>	<u>\$ (75,000)</u>	<u>\$ 2,396,713</u>

## 10. Financial Instruments

The Town as part of its operations carries a number of financial instruments. It is management's opinion the Town is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. The Town is exposed to currency risk on its US dollar bank account, as described in Note 3. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

*These notes form an integral part of these financial statements*

# Notes to the Consolidated Financial Statements

## For the Year Ended December 31, 2016

### 11. Federal Gas Tax Reserve

Gas Tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Town 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. The funds are recorded on the financial statements as a restricted reserve.

	<u>2016</u>	<u>2015</u>
Opening balance of unspent funds	\$ 1,060,650	\$ 976,699
Add: Amounts received during the year	386,644	374,048
Interest earned	8,213	9,265
Less: Gas tax funds utilized	(145,233)	(299,363)
	<u>                    </u>	<u>                    </u>
Closing balance of unspent funds	<u>\$ 1,310,274</u>	<u>\$ 1,060,650</u>

### 12. Obligations under Capital Lease

There are five leases payable to the Municipal Finance Authority. The future minimum lease payments, including PST, under the capital lease obligation are as follows:

2017	48,872
2018	332,139
2019	3,379
2020	-
2021	-
Thereafter	-

Debt interest, less actuarial adjustments in the consolidated statement of financial activities, is calculated as \$6,646 (\$8,673 - 2015).

*These notes form an integral part of these financial statements*

# Notes to the Consolidated Financial Statements For the Year Ended December 31, 2016

## 12. Obligations under Capital Lease (continued)

The Town has entered into capital leases for the following purchases:

- 1) A five year capital lease agreement with the Municipal Finance Authority of British Columbia which commenced on April 2012 for the purchase of a 4X4 fire truck. The remaining obligation will be repaid with monthly lease payments in the amount of \$1,381 including interest at 1.70% per annum. The balance of the capital lease at December 31, 2016, which is included in obligation under capital leases, is \$7,305. Lease to expire May 2017. (\$24,752 - 2015)
- 2) A five year capital lease agreement with the Municipal Finance Authority of British Columbia which commenced on June 2012 for the purchase of a photocopier. The remaining obligation will be repaid with monthly lease payments in the amount of \$111 including interest at 1.70% per annum. The balance of the capital lease at December 31, 2016, which is included in obligation under capital leases, is \$810. Lease to expire July 2017. (\$2,212 - 2015)
- 3) A five year capital lease agreement with the Municipal Finance Authority of British Columbia which commenced on March 28, 2013 for the purchase of a fire truck. The remaining obligation will be repaid with monthly lease payments in the amount of \$2,718 including interest at 1.70% per annum. The balance of the capital lease at December 31, 2016, which is included in obligation under capital leases, is \$349,561. Lease to expire March 2018. (\$378,241- 2015)
- 4) A five year capital lease agreement with the Municipal Finance Authority of British Columbia which commenced on February 2, 2014 for the purchase of a photocopier. The remaining obligation will be repaid with monthly lease payments in the amount of \$147 including interest at 1.70% per annum. The balance of the capital lease at December 31, 2016, which is included in obligation under capital leases, is \$3,980. Lease to expire February 2019. (\$5,781 - 2015)
- 5) A five year capital lease agreement with the Municipal Finance Authority of British Columbia which commenced on April 25, 2014 for the purchase of fitness equipment. The remaining obligation will be repaid with monthly lease payments in the amount of \$782 including interest at 1.70% per annum. The balance of the capital lease at December 31, 2016, which is included in obligation under capital leases, is \$22,735. Lease to expire April 2019. (\$32,305 - 2015)

*These notes form an integral part of these financial statements*

# Notes to the Consolidated Financial Statements For the Year Ended December 31, 2016

## 13. Equipment Financing

A new five year equipment financing agreement with the Municipal Finance Authority of British Columbia commenced on September 28, 2015 for the financing of a fire truck. The remaining obligation will be repaid with monthly payments in the amount of \$776 including interest at 1.24% per annum. The balance of the loan at December 31, 2016 is \$34,179 (\$42,952 – 2015). Loan to expire September 30, 2020.

The future minimum principal payments are:

2017	8,883
2018	9,011
2019	9,141
2020	7,144
2021	-
Thereafter	-

## 14. Short-Term Debt

The Town executed short term borrowing of \$920,000 to purchase the properties at 12, 20, and 26 Buller Street and 721 First Avenue. The balance at December 31, 2016 was \$670,000 (\$4,920,000 – 2015).

Principal Payments payable over the next five years:

	2017	2018	2019	2020	2021
Buller Street Properties	-	-	-	\$ 670,000	-

# Notes to the Consolidated Financial Schedules For the Year Ended December 31, 2016

## 15. Debenture Debt

The Town borrowed \$10 million dollars to fund the upgrade of the Waste Water Treatment Plant. The total long term debt issued and outstanding as at December 31, 2016 was \$12,855,236 (\$2,976,232 as at December 31, 2015).

The following principal amounts are payable over the next five years.

### Principal repayments

	2017	2018	2019	2020	2021	Thereafter
General	\$ 66,033	\$ 66,033	\$ 66,033	\$ 66,033	\$ 66,033	\$ 660,329
Water	24,012	24,012	24,012	24,012	24,012	384,191
Sewer	500,000	500,000	500,000	500,000	500,000	7,500,000
	<u>\$ 590,045</u>	<u>\$ 590,045</u>	<u>\$ 590,045</u>	<u>\$ 590,045</u>	<u>\$ 590,045</u>	<u>\$ 8,544,520</u>

### Actuarial sinking fund earnings

	2017	2018	2019	2020	2021	Thereafter
General	\$ 31,712	\$ 35,622	\$ 39,688	\$ 43,917	\$ 48,315	\$ 767,455
Water	4,079	5,202	6,371	7,586	8,850	361,695
Sewer	-	-	-	-	-	-
	<u>\$ 35,791</u>	<u>\$ 40,824</u>	<u>\$ 46,059</u>	<u>\$ 51,503</u>	<u>\$ 57,165</u>	<u>\$ 1,129,150</u>
	<u>\$625,835</u>	<u>\$630,869</u>	<u>\$636,104</u>	<u>\$641,548</u>	<u>\$647,210</u>	<u>\$9,673,671</u>

Debt interest, less actuarial adjustments in the consolidated statement of financial activities, is determined as follows:

	Interest	Actuarial Adjustment	2016 Net	2015 Net
General - Interest	\$ 72,212	\$ 27,953	\$ 44,259	\$ 136,286
Water - Interest	34,063	2,998	31,064	32,041
Sewer - Interest	67,222	-	67,222	(3,101)
	<u>\$ 173,497</u>	<u>\$ 30,951</u>	<u>\$ 142,546</u>	<u>\$ 165,226</u>

## 16. Commitments and Contingencies

### (a) Contingent Liabilities

- i) The Town, as a member of the Cowichan Valley Regional District, is jointly and severally liable for operational deficits or long term debt related to functions in which it participates.
- ii) The loan agreements with the Municipal Finance Authority provide that if the Authority does not have sufficient funds to meet payments on its obligations it shall make payments from the Debt Reserve Fund which in turn is established by a similar Debt Reserve Fund in the Town and all other borrowing participants. If the Debt Reserve Fund is deficient the Authority's obligations become a liability of the regional district and may become a liability of the participating municipalities.
- iii) Various claims have been made against the Town as at December 31, 2016 for incidents which arose in the ordinary course of operations. In the opinion of management and legal counsel, the

*These notes form an integral part of these financial statements*



# Notes to the Consolidated Financial Statements

## For the Year Ended December 31, 2016

### 16. Commitments and Contingencies (Continued)

outcomes of the lawsuits, now pending, are not determinable. As the outcomes are not determinable at this time, no amount has been accrued in the financial statements. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

#### (b) Pension Liability

The employer 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 assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2015, the Plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 contributors from local governments.

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

The most recent valuation for the Municipal Pension Plan as of December 31, 2015, indicated a \$2.224 billion funding surplus for basic pension benefits on a going concern basis.

The Town of Ladysmith paid \$429,034 (2015 - \$430,067) for employer contributions 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 expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

#### (c) Reciprocal Insurance Exchange Agreement

The Town is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by Section 3.02 of the Insurance Act of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange Agreement the Town is assessed a premium and specific deductible for its claims based on population. The obligation of the Town with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its subscribers in connection with the Exchange are in every case several, and not joint and several. The Town irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other subscriber may suffer.

# Notes to the Consolidated Financial Statements For the Year Ended December 31, 2016

## 17. Significant Taxpayers

The Town is reliant upon 10 taxpayers for approximately 20.46% (20.72% - 2015) of the total property tax revenue which includes Western Forest Products at approximately 12.75% (12.64% - 2015) of the total property tax revenue.

## 18. Funds Held in Trust

These funds account for assets which must be administered as directed by agreement or statute for certain beneficiaries; in particular, these funds are for the Cemetery Trust Fund. In accordance with PSAB recommendations on financial statement presentation, trust funds are not included in the Town's Financial Statements. A summary of trust fund activities by the Town is as follows:

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Cash and short term investment	<u>\$ 152,957</u>	<u>\$ 147,252</u>
<b>Equity</b>		
Opening balance	\$ 147,252	\$ 143,932
Interest	1,896	1,474
Transfer interest to fund cemetery costs	(1,896)	(1,474)
Contributions	<u>5,705</u>	<u>3,320</u>
Balance, end of year	<u>\$ 152,957</u>	<u>\$ 147,252</u>

## 19. Comparative Figures

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

*These notes form an integral part of these financial statements*

# Notes to the Consolidated Financial Statements For the Year Ended December 31, 2016

## 20. Accumulated Surplus

The Town segregates its accumulated surplus in the following categories:

	<b>2016</b>	<b>2015</b>
Unappropriated equity	\$ 4,309,353	\$ 3,733,297
Appropriated equity (Schedule VI)	9,301,011	5,612,326
	13,610,363	9,345,623
 <b>Capital Funds</b>		
General capital fund	139,299	127,404
Sewer capital fund	17,119	17,419
Water capital fund	612,520	612,520
	768,938	757,344
 <b>Reserve Funds</b>		
Reserve funds (Schedule VI)	592,975	286,847
Equity in Tangible Capital Assets	78,271,467	80,790,552
Total Accumulated Surplus	\$ 93,243,744	\$ 91,180,366

*These notes form an integral part of these financial statements*

# Notes to the Consolidated Financial Statements For the Year Ended December 31, 2016

## 21. Annual Budget

Fiscal plan amounts represent the Financial Plan Bylaw adopted by Council on May 2, 2016.

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

The following shows how these amounts were combined:

Financial Plan Balance for the year	\$ -
Add back:	
Amortization	(2,485,372)
Proceeds from new debt	(7,635,000)
Transfers to/from own funds	(2,758,050)
Less:	
Principal payments on debt	793,650
Capital expenditures per budget	24,459,910
Transfers to/from own funds per PSAB	3,844
Capital Expenditures expensed according to Tangible Capital Asset Policy	<u>(837,605)</u>
Adjusted Annual Surplus	<u>\$ 11,541,377</u>

## 22. DL 2016 Holdings Corporation (“DL 2016”)

The Town of Ladysmith has an investment in DL 2016 Holdings Corporation, a wholly owned subsidiary company of the Town.

The Town of Ladysmith leases portions of its waterfront from the Province of British Columbia parts of which are subleased to DL 2016 for use as a marina.

DL 2016 has entered into operation and maintenance agreement and a license agreement with the Ladysmith Maritime Society (LMS) for the operation and management of the lease area.

Pursuant to these agreements DL 2016 could provide security for debt financing in order for LMS to implement capital improvements to the lease area.

## 23. Segmented Information

The Town is a diversified municipal government institution that provides a wide range of services to its citizens such as roads, water, sewer and drainage infrastructure, fire protection, police protection (RCMP), cemetery, recreation centre, garbage collection and parkland. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

*These notes form an integral part of these financial statements*

# Notes to the Consolidated Financial Statements For the Year Ended December 31, 2016

## **General Government Services**

The City Manager is the liaison between Council and the Town departments and staff. The Corporate Services Department supports the legislated activities of Council, and provides information to citizens with respect to Council/Committee processes, reporting procedures and decisions, and Town activities. Also included in General Government Services is the Finance Department, Information Technology and Human Resources.

## **Protective Services**

Protection is comprised of fire protection, policing, bylaw enforcement and building inspection.

- Bylaw enforcement administers, monitors, and seeks compliance with the bylaws enacted by the Mayor and Council to regulate the conduct of affairs in the Town of Ladysmith.
- Fire protection is provided by the fire department, whose volunteer members receive compensation for each callout in which they take part.

# Notes to the Consolidated Financial Statements For the Year Ended December 31, 2016

## 23. Segmented Information (Continued)

- Policing is provided under contract with the RCMP operating from a detachment building located in and owned by the Town of Ladysmith.
- The Town of Ladysmith's Development Services and Public Works Departments work together to regulate all construction within the Town. This is achieved through the use of the Town of Ladysmith's Building and Plumbing Bylaw, the British Columbia Building Code, the British Columbia Fire Code and other related bylaws and enactments with the Town of Ladysmith.

### Transportation, Garbage and Cemetery

The Transportation (Public Works) Department is responsible for the infrastructure of the Town:

- Ensuring clean and safe water to the Town, supplied through underground pipes and reservoirs,
- Maintaining a separate system of underground pipes to collect sewer or waste water for proper treatment prior to discharging it,
- Providing and maintaining the Town's roads, sidewalks, street lights, signage and line markings, storm drainage and hydrants,
- Providing other key services including street cleaning and the operation of a local bus service.

Garbage Services (Public Works) is responsible for the garbage collection and compost and recycling programs operating in the Town of Ladysmith. Garbage and recycling collection is performed by a contractor.

Cemetery (Public Works) Department provides cemetery services including the maintenance of the cemetery grounds.

### Development

The Development Services Department provides short-term and long-term land use planning services.

- Long-term Planning includes work with the community on reviewing the Town's Official Community Plan, developing new Neighbourhood Plans, the Trail Plan and the review of relevant bylaws.
- Short term Planning includes the processing of development applications.

*These notes form an integral part of these financial statements*

# Notes to the Consolidated Financial Statements For the Year Ended December 31, 2016

## 23. Segmented Information (Continued)

### Recreation and Culture

The Parks, Recreation and Culture Department contribute to the quality of life and personal wellness of the community through the provision of a variety of special events, programs, services and facilities. The Frank Jameson Community Centre is the location where the majority of the programs are offered.

### Parks

Parks includes and provides maintenance of beach area, trails, golf course, spray-park, ball parks, and any other civic grounds.

### Water

Water includes all of the operating activities related to the treatment and distribution of water throughout the Town.

### Sewer

Sewer includes all of the operating activities related to the collection and treatment of waste water (sewage) throughout the Town.

## 24. Subsequent Events

An offer of \$840,000 to purchase a piece of property located at 4142 Thicke Road was approved, subject to conditions. The sale is expected to close March of 2017.

An offer to \$450,000 to sell properties located at 1201 and 1251 Christie Road was accepted. The sale is expected to close March of 2017.

# Schedule of Obligations Under Capital Leases For the Year Ended December 31, 2016 -- Schedule I

	<u>Term</u>	<u>Original Amount</u>	<u>Balance Dec 31, 2015</u>	<u>Principal Payments</u>	<u>Net Interest <sup>(1)</sup></u>	<u>Balance Dec 31, 2016</u>	<u>Interest Rate</u>
City Hall Copier	2011-16	19,780	2,416	2,416	13 \$	-	1.70%
Fire Bush Truck	2012-17	83,652	24,752	17,447	267 \$	7,305	1.70%
Spartan Fire Truck	2013-18	452,066	378,241	28,680	5,817 \$	349,561	1.70%
P.W. Copier	2012-17	6,748	2,212	1,402	25 \$	810	1.70%
Ricoh Copier - FJCC	2014-19	8,967	5,781	1,802	79 \$	3,980	1.70%
Fitness Equip - FJCC	2014-19	47,765	32,305	9,570	445 \$	22,735	1.70%
		<u>\$ 618,978</u>	<u>\$ 445,707</u>	<u>\$ 61,317</u>	<u>\$ 6,646</u>	<u>\$ 384,390</u>	

<sup>(1)</sup> Interest, net of actuarial adjustments



# Schedule of Short Term Debt For the Year Ended December 31, 2016 -- Schedule II

	<u>Term</u>	<u>Original Amount</u>	<u>Balance Dec 31, 2015</u>	<u>Principal Payments</u>	<u>Net Interest <sup>(1)</sup></u>	<u>Balance Dec 31, 2016</u>	<u>Interest Rate</u>
<b><u>General Capital Fund</u></b>							
2015 Buller Street Properties	5 years	\$ 920,000	\$ 920,000	\$ 250,000	\$ 11,157	\$ 670,000	1.38%
<b><u>Sewer Capital Fund</u></b>							
2015 Waste Water Treatment Plant	5 years	4,000,000	4,000,000	-	76,093	-	1.38%
		<u>\$ 4,920,000</u>	<u>\$ 4,920,000</u>	<u>\$ 250,000</u>	<u>\$ 87,250</u>	<u>\$ 670,000</u>	

2015 Waste Water Treatment Plant short term debt was converted into 2016 Sewer Treatment Plant long term debt

<sup>(1)</sup> Interest, net of actuarial adjustments

# Schedule of Debenture Debt

## For the Year Ended December 31, 2016 -- Schedule III

	<b>Issue #</b>	<b>Term</b>	<b>Original Amount</b>	<b>Balance Dec 31, 2015</b>	<b>Principal Payments</b>	<b>Net Interest <sup>(1)</sup></b>	<b>Balance Dec 31, 2016</b>	<b>Interest Rate</b>
<b><u>General Capital Fund</u></b>								
2006 RCMP Building	97	2006-31	2,750,000	2,051,187	93,985	44,259	1,957,202	4.66%
<b><u>Water Capital Fund</u></b>								
2012 Water Improvements	118	2012-37	1,000,000	925,044	27,010	31,064	898,034	3.40%
<b><u>Sewer Capital Fund</u></b>								
2016 Sewer Treatment Plant	138	2016-36	10,000,000	-	-	67,222	10,000,000	6.45%
			<b>\$ 13,750,000</b>	<b>\$ 2,976,232</b>	<b>\$ 120,996</b>	<b>\$ 142,546</b>	<b>\$ 12,855,236</b>	

<sup>(1)</sup> Interest, net of actuarial adjustments

# Schedule of Tax Revenues

## For the Year Ended December 31, 2016 -- Schedule IV

	<b>Actuals 2016</b>	<b>Budget 2016</b>	<b>Actuals 2015</b>
<b>General Taxes</b>			
General municipal purposes	\$ 7,683,410	\$ 7,685,704	\$ 7,456,243
Grants in lieu and 1% utility tax	163,974	162,379	165,762
Water and sewer parcel tax	1,801,092	1,778,053	1,542,125
	<b>\$ 9,648,476</b>	<b>\$ 9,626,136</b>	<b>\$ 9,164,130</b>
 <b>Collections for other governments:</b>			
School district	\$ 2,959,379	\$ 2,956,248	\$ 2,993,017
Regional hospital district	770,827	770,262	694,246
Regional district	1,140,438	1,139,645	1,139,643
BCAA and MFA	79,070	78,975	82,205
Library	353,236	353,236	340,973
	<b>\$ 5,302,950</b>	<b>\$ 5,298,366</b>	<b>\$ 5,250,083</b>
 <b>Less:</b>			
<b>Transmission of taxes levied for other agencies:</b>			
School district	\$ 2,959,379	\$ 2,956,248	\$ 2,993,017
	770,827	770,262	694,246
Regional district	1,140,438	1,139,645	1,139,643
BCAA and MFA	79,070	78,975	82,205
Library	353,236	353,236	340,973
	<b>\$ 5,302,950</b>	<b>\$ 5,298,366</b>	<b>\$ 5,250,083</b>
 <b>Net Taxation</b>	 <b>\$ 9,648,476</b>	 <b>\$ 9,626,136</b>	 <b>\$ 9,164,130</b>

# Schedule of Fees and Charges

## For the Year Ended December 31, 2016 - Schedule V

	<u>Actuals 2016</u>	<u>Budget 2016</u>	<u>Actuals 2015</u> Restated
Fines	\$ 6,978	\$ 4,000	\$ 4,650
Garbage services Fees	642,550	613,440	638,647
General government services	117,883	25,115	57,059
Cemetery services	39,860	30,050	33,095
Recreation services	660,735	623,648	637,262
Permits, Licences and Fees	430,549	287,734	265,937
Facility Rentals & Leases	227,908	235,412	259,165
Water Utility Fees	848,533	820,915	712,568
Sewer Utility Fees	852,038	846,925	790,672
	<u><b>\$ 3,827,034</b></u>	<u><b>\$ 3,487,239</b></u>	<u><b>\$ 3,399,055</b></u>

# Schedule of Reserves and Appropriated Equity For the Year Ended December 31, 2016 -- Schedule VI

(Unaudited)

	Balance Dec. 31, 2015	Interest Allocated	Contributions	Funding	Balance Dec. 31, 2016
<b>RESERVES</b>					
Tax Sale	\$ 25,694	\$ 335	\$ -	\$ -	\$ 26,029
Perpetual Safety Fund	12,786	167	-	-	12,952
Sale Real Property	-	306	257,158	12,793	244,671
Municipal Office Building	175,000	-	60,000	-	235,000
Amenity Funds	73,367	956	-	-	74,323
<b>TOTAL RESERVES</b>	<b>\$ 286,847</b>	<b>\$ 1,762</b>	<b>\$ 317,158</b>	<b>\$ 12,793</b>	<b>\$ 592,975</b>
<b>APPROPRIATED EQUITY - OPERATIONS</b>					
General Operating Fund					
Future Projects	1,555,849	-	548,051	91,299	2,012,601
Equipment	963,354	-	449,571	139,594	1,273,331
Land & Building	214,395	-	102,775	106,601	210,569
Tax Contingency	7,986	-	-	-	7,986
Snow & Ice Removal	30,000	-	-	-	30,000
Infrastructure Deficit	318,179	-	198,125	75,000	441,304
Multi-Materials BC Rebate	146,713	-	76,000	-	222,713
	<u>3,236,476</u>	-	<u>1,374,522</u>	<u>412,494</u>	<u>4,198,504</u>
Water Operating Fund					
Capital Expenditures	803,908	-	525,074	43,187	1,285,795
MFA Surplus Refunds	524,075	-	-	-	524,075
Total Water Operating Fund	<u>1,327,984</u>	-	<u>525,074</u>	<u>43,187</u>	<u>1,809,870</u>
Sewer Operating Fund					
Capital Expenditures	435,922	-	3,516,383	1,271,613	2,680,693
MFA Surplus Refunds	611,944	-	-	-	611,944
Total Sewer Operating Fund	<u>1,047,866</u>	-	<u>3,516,383</u>	<u>1,271,613</u>	<u>3,292,637</u>
<b>TOTAL APPROPRIATED EQUITY</b>	<b>\$ 5,612,326</b>	<b>\$ -</b>	<b>\$ 5,415,979</b>	<b>\$ 1,727,294</b>	<b>\$ 9,301,011</b>
<b>TOTAL RESERVES AND APPROPRIATED EQUITY</b>	<b>\$ 5,899,173</b>	<b>\$ 1,762</b>	<b>\$ 5,733,137</b>	<b>\$ 1,740,087</b>	<b>\$ 9,893,986</b>

# Schedule of Restricted Reserves, Reserves & Equity by Fund For the Year Ended December 31, 2016 - Schedule VII

(Unaudited)

	Restricted Reserves	Allocated Reserves	Appropriated Equity	Unappropriated Equity	Capital Funds Equity	Total
General operating fund	\$ -	\$ -	\$ 4,198,504	\$ 889,816	\$ -	\$ 5,088,320
Water operating fund	-	-	1,809,870	779,419	-	2,589,290
Sewer operating fund	-	-	3,292,637	2,640,117	-	5,932,754
Reserve fund	425,310	592,975	-	-	-	1,018,285
General capital fund	-	-	-	-	139,299	139,299
Water capital fund	-	-	-	-	612,520	612,520
Sewer capital fund	-	-	-	-	17,119	17,119
<b>Total</b>	<b>\$ 425,310</b>	<b>592,975</b>	<b>\$ 9,301,011</b>	<b>\$ 4,309,353</b>	<b>\$ 768,938</b>	<b>\$ 15,397,586</b>

# Schedule of Grant Revenue

## For the Year Ended December 31, 2016 -- Schedule VIII

	<u>Actuals 2016</u>	<u>Budget 2016</u>	<u>Actuals 2015</u>
<b>Operating Grants</b>			
Traffic Fines Revenue	\$ 48,422	\$ 49,000	\$ 54,572
Small Communities	454,775	438,000	472,265
CVRD Recreation	126,525	126,516	126,890
Other	39,688	7,300	31,728
	<u>669,410</u>	<u>620,816</u>	<u>685,455</u>
<b>Capital Grants</b>			
1st Avenue/Roundabout Sidewalk	\$ 10,000	\$ 5,000	\$ -
2nd Avenue/High St Crosswalk	-	10,000	-
Aggie Playground Improvements	5,079	-	-
Asset Management	-	80,000	-
Composting Facility	21,950	570,224	-
Energy and Facility Assessment	10,000	10,000	-
ICBC Sign Incentive	-	-	14,830
Stz`uminus First Nation Cooperation Protocol/C2C	2,267	9,000	3,849
Traffic Safety Audit	-	7,500	-
Transfer Beach Parking Lot Railing	-	-	6,000
Upper Transfer Beach Improvements	6,000	6,000	-
Wastewater Treatment Plant Upgrade	1,000,000	1,000,000	1,824,661
Water Filtration	-	10,000,000	-
	<u>1,055,296</u>	<u>11,697,724</u>	<u>1,849,340</u>
	<u>\$ 1,724,706</u>	<u>\$ 12,318,540</u>	<u>\$ 2,534,795</u>

# Statement of Operations by Segment

## For the Year Ended December 31, 2016 -- Schedule IX

	General Government		Protective Services		Transportation, Garbage & Cemetery Services		Development Services	
	2016	2015	2016	2015	2016	2015	2016	2015
<b>REVENUE</b>								
Tax	\$ 7,847,384	\$ 7,622,005	-	-	-	-	-	-
Fees & Charges	26,993	43,014	343,204	400,413	815,384	635,876	208,963	102,522
Investment income & MFA Refunds	157,817	176,832	-	-	-	-	-	-
Penalty & Interest on tax	119,526	123,546	-	-	-	-	-	-
Grants	457,042	477,748	48,422	54,572	19,092	23,194	5,964	8,436
Donations & contributed property	-	-	-	-	226,560	48,790	-	-
Gain (loss) on foreign exchange	(83,675)	131,994	-	-	-	-	-	-
Gain (loss) on disposal	193,716	153,676	-	-	(1,807)	(20,861)	-	-
Development fees	-	-	-	-	-	108,075	-	-
Gas tax fund utilized	-	-	-	-	40,000	132,702	10,850	-
<b>Total revenue</b>	<b>8,718,804</b>	<b>8,728,816</b>	<b>391,626</b>	<b>454,985</b>	<b>1,099,229</b>	<b>927,776</b>	<b>225,777</b>	<b>110,958</b>
<b>EXPENSES</b>								
Contracted Services	327,015	412,266	1,029,755	1,034,050	552,201	633,798	109,736	123,103
Grants In Aid	107,348	100,250	12,000	11,000	-	-	-	-
Insurance	69,336	57,060	22,927	24,803	5,218	3,304	-	1,360
Interest	11,170	5,397	50,884	111,766	25	32,524	-	-
Materials & Supplies	77,056	36,567	106,041	79,660	134,583	141,790	14,440	6,992
Utilities & Telephone	14,044	18,203	43,436	46,045	142,501	136,773	7,420	8,333
Wages & Benefits	1,587,926	1,537,277	271,517	267,818	871,257	701,923	461,172	481,962
Other	(108,593)	(103,477)	40,541	38,541	(28,804)	(16,192)	16,772	18,493
Amortization	220,050	206,529	162,702	164,024	838,995	844,004	3,389	-
<b>Total expenses</b>	<b>2,305,352</b>	<b>2,270,072</b>	<b>1,739,803</b>	<b>1,777,707</b>	<b>2,515,975</b>	<b>2,477,923</b>	<b>612,929</b>	<b>640,243</b>
<b>Surplus (Deficit)</b>	<b>\$ 6,413,451</b>	<b>\$ 6,458,744</b>	<b>\$ (1,348,178)</b>	<b>\$ (1,322,722)</b>	<b>\$ (1,416,746)</b>	<b>\$ (1,550,147)</b>	<b>\$ (387,152)</b>	<b>\$ (529,285)</b>



# Statement of Operations by Segment For the Year Ended December 31, 2016 -- Schedule IX

Recreation & Culture Services		Parks Operations Services		Sewer Operations Services		Water Operations Services		Total Actual	Total Actual
2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
-	-	-	-	\$ 965,172	\$ 964,365	\$ 835,920	\$ 577,760	9,648,476	\$ 9,164,130
729,594	712,615	-	-	853,213	791,347	849,683	713,268	3,827,034	3,399,055
-	-	-	-	-	2,920	-	-	157,817	179,751
-	-	-	-	-	-	-	-	119,526	123,546
168,422	141,484	3,813	5,000	1,021,950	1,824,661	-	-	1,724,706	2,535,095
33,325	73,711	18,930	110,963	23,700	-	16,500	8,450	319,015	241,914
-	-	-	-	-	-	-	-	(83,675)	131,994
1,070	-	(120)	-	(8,019)	16,585	-	15,560	184,840	164,961
-	-	-	-	-	-	-	-	-	108,075
51,000	10,777	43,384	155,885	-	-	-	-	145,233	299,363
<u>983,411</u>	<u>938,587</u>	<u>66,007</u>	<u>271,847</u>	<u>2,856,016</u>	<u>3,599,878</u>	<u>1,702,103</u>	<u>1,315,038</u>	<u>16,042,972</u>	<u>16,347,884</u>
278,478	146,226	66,416	41,747	76,620	106,434	110,420	335,078	2,550,642	2,832,702
-	-	-	-	-	-	-	-	119,348	111,250
33,268	35,037	3,978	5,478	15,370	12,329	11,193	3,861	161,290	143,232
524	743	-	-	143,315	19,462	31,064	32,041	236,983	201,933
100,387	131,336	85,470	100,537	275,837	109,228	106,604	86,797	900,420	692,907
171,729	138,627	5,270	5,014	87,936	60,850	9,538	11,628	481,873	425,473
1,759,230	1,626,835	390,167	384,944	503,623	358,628	414,556	394,910	6,259,448	5,754,297
21,924	81,302	94,990	99,159	180,643	163,158	176,712	140,056	394,184	421,040
216,214	227,632	263,942	257,448	788,825	444,265	381,289	368,255	2,875,406	2,512,157
<u>2,581,754</u>	<u>2,387,738</u>	<u>910,233</u>	<u>894,327</u>	<u>2,072,169</u>	<u>1,274,354</u>	<u>1,241,378</u>	<u>1,372,626</u>	<u>13,979,594</u>	<u>13,094,990</u>
<u>\$ (1,598,343)</u>	<u>\$ (1,449,151)</u>	<u>\$ (844,227)</u>	<u>\$ (622,479)</u>	<u>\$ 783,847</u>	<u>\$ 2,325,524</u>	<u>\$ 460,726</u>	<u>-\$ 57,588</u>	<u>\$ 2,063,378</u>	<u>\$ 3,252,894</u>

# Consolidated Statement of Tangible Capital Assets For the Year Ended December 31, 2016 -- Schedule X

	Land		Land Improvements		Buildings		Vehicle Furniture & Equipment		Transp
	2016	2015	2016	2015	2016	2015	2016	2015	2016
<b>COST</b>									
Opening Balance	\$ 9,282,183	\$ 8,566,085	\$ 8,118,648	\$ 7,960,932	\$ 20,142,186	\$ 19,684,792	\$ 6,094,594	\$ 5,705,958	\$ 26,171,570
Add: Additions	279,251	716,098	443,853	172,298	135,052	457,394	1,350,790	599,622	462,958
Less: Disposals	80,412	-	263	14,582	135,274	-	205,288	210,986	-
Less: Write-downs	-	-	-	-	-	-	-	-	-
Closing Balance	<u>9,481,022</u>	<u>9,282,183</u>	<u>8,562,238</u>	<u>8,118,648</u>	<u>20,141,964</u>	<u>20,142,186</u>	<u>7,240,096</u>	<u>6,094,594</u>	<u>26,634,528</u>
<b>ACCUMULATED AMORTIZATION</b>									
Opening Balance	-	-	2,743,306	2,528,342	4,994,185	4,458,227	3,443,827	3,343,537	14,156,678
Add: Amortization	-	-	240,607	229,546	544,608	535,958	357,342	277,599	623,060
Less: Write-downs	-	-	-	-	-	-	-	-	-
Less: Disposals	-	-	143	14,582	3,402	-	198,788	177,309	-
Closing Balance	<u>-</u>	<u>-</u>	<u>2,983,770</u>	<u>2,743,306</u>	<u>5,535,391</u>	<u>4,994,185</u>	<u>3,602,381</u>	<u>3,443,827</u>	<u>14,779,738</u>
<b>Net Book Value</b>	<u>\$ 9,481,022</u>	<u>\$ 9,282,183</u>	<u>\$ 5,578,468</u>	<u>\$ 5,375,342</u>	<u>\$ 14,606,573</u>	<u>\$ 15,148,001</u>	<u>\$ 3,637,715</u>	<u>\$ 2,650,767</u>	<u>\$ 11,854,790</u>

Included in the tangible capital assets are leased and financed assets with a total cost of \$618,978 - (2015 - \$931,236) and accumulated amortization of \$222,035 - (2015 - \$185,490)

# Consolidated Statement of Tangible Capital Assets For the Year Ended December 31, 2016 -- Schedule X

## Linear Infrastructure

Depreciation	Sanitary Sewer		Storm		Water		Assets Under Construction		Total	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
\$ 25,876,555	\$ 20,053,758	\$ 19,996,796	\$ 8,193,116	\$ 8,123,714	\$ 16,450,450	\$ 16,374,424	\$ 12,846,248	\$ 3,755,487	\$ 127,352,752	\$ 116,044,743
315,628	15,467,097	56,962	334,065	70,422	185,859	80,015	302,074	9,123,785	18,960,999	11,592,224
20,613	9,547	-	-	1,020	-	3,989	12,818,842	33,024	13,249,626	284,214
-	-	-	-	-	-	-	-	-	-	-
<u>26,171,570</u>	<u>35,511,308</u>	<u>20,053,758</u>	<u>8,527,181</u>	<u>8,193,116</u>	<u>16,636,309</u>	<u>16,450,450</u>	<u>329,480</u>	<u>12,846,248</u>	<u>133,064,126</u>	<u>127,352,752</u>
13,543,624	6,146,953	5,719,947	2,083,357	1,974,264	4,609,005	4,313,218	-	-	38,177,311	35,881,159
633,515	696,247	427,006	113,042	109,782	300,500	298,751	-	-	2,875,406	2,512,157
-	-	-	-	-	-	-	-	-	-	-
20,461	1,528	-	-	689	-	2,964	-	-	203,861	216,005
<u>14,156,678</u>	<u>6,841,672</u>	<u>6,146,953</u>	<u>2,196,399</u>	<u>2,083,357</u>	<u>4,909,505</u>	<u>4,609,005</u>	<u>-</u>	<u>-</u>	<u>40,848,856</u>	<u>38,177,311</u>
<u>\$ 12,014,892</u>	<u>\$ 28,669,636</u>	<u>\$ 13,906,805</u>	<u>\$ 6,330,782</u>	<u>\$ 6,109,759</u>	<u>\$ 11,726,804</u>	<u>\$ 11,841,445</u>	<u>\$ 329,480</u>	<u>\$ 12,846,248</u>	<u>\$ 92,215,270</u>	<u>\$ 89,175,441</u>

# 2016 Permissive Tax Exemptions

Organization/ Property Owner	Address	2016 Municipal Tax Exemption	
Anglican Synod Diocese of BC	314 Buller St	\$	1,676
Arts Council of Ladysmith	Units J, K & L - 610 Oyster Bay Rd		722
Boys & Girls Club	220 High St		6,028
Canadian Legion Branch #171	621 1st Ave		192
Eco-Tourism Building	Transfer Beach		1,911
Island Corridor Foundation			15,557
Ladysmith & District Historical Society - Archives	1115A - 1st Ave		2,792
Ladysmith & District Historical Society - Museum	721 1st Ave		4,615
Ladysmith & District Historical Society - Roundhouse	612 & 614 Oyster Bay Dr		1,185
Ladysmith Fellowship Baptist Church	381 Davis Rd		2,151
Ladysmith Festival of Lights	1163 4th Ave		6,949
Ladysmith Golf Club Society	380 Davis Rd		3,437
Ladysmith Health Care Auxiliary	910 1st Ave		5,251
Ladysmith Maritime Society	616 Oyster Bay Dr		1,678
Ladysmith Maritime Society	Unit C, I & M - 610 Oyster Bay Dr		1,489
Ladysmith Maritime Society	Visitors Information Centre		9,843
Ladysmith Resource Centre Association	630 2nd Ave		10,850
Ladysmith Seniors Centre Society	630 2nd Ave		10,850
Ladysmith Senior Citizens Housing Society	207 Jamison Rd		1,605
Ladysmith Senior Citizens Housing Society	101 1st Ave		7,300
Municipal Parking lot	17 & 25 Roberts St		4,089
Pentecostal Assemblies	1149 4th Ave		6,588
St John's Masonic Temple	26 Gatacre St		2,252
St. Mary's Catholic Church	1135 4th Ave		7,447
United Church of Canada	232 High Street		1,305
	<b>Total</b>	\$	117,763
<b><u>Revitalization Exemptions</u></b>			
Beantime Restaurant/ Nordic Holdings Ltd	18 High St		278
Futureworks Consulting	411 1st Ave & 30 Roberts St		1,709
Antique Addict	12 Roberts St		493
Mees, A/Seter, D	341 1st Ave		425
Terra North Inc	1030 Oyster Bay Dr		25,806
	<b>Total</b>	\$	28,712
	<b>Total Exemptions</b>	\$	146,475

# 2016 Grants-in-Aid

Ladysmith Celebrations Society	8,000
Festival of Lights Society	13,500
Ladysmith Fire Rescue Santa Parade	1,200
Ladysmith Downtown Business Association -Old Tyme Christmas	1,500
Stz'uminus First Nation Aboriginal Days Celebrations	1,200
Old English Car Club - Brits on the Beach Car Show	250
Ladysmith Maritime Society Festival	1,500
Ladysmith Show & Shine	500
<b>Total Celebrations</b>	<b>27,650</b>
Ladysmith & District Marine Rescue Society	2,500
<b>Total Harbour Functions</b>	<b>2,500</b>
Ladysmith Resources Centre Assn - General Programming	8,000
Ladysmith Resources Centre Assn - Victim Services	12,000
Ladysmith Resources Centre Assn - Volunteer Counselling	1,500
Ladysmith Resources Centre Assn - Family Support	8,000
Ladysmith Resources Centre Assn - Youth at Risk	8,000
<b>Total Resource Centre</b>	<b>37,500</b>
Ladysmith & District Historical Society Archives	13,500
Ladysmith & District Historical Society Museum	10,000
Ladysmith & District Historical Society Preservation Committee	2,000
Arts Council of Ladysmith & District	1,500
Ladysmith Community Gardens Society	1,500
Ladysmith Little Theater	500
Ladysmith Search and Rescue Society	5,000
Ladysmith Citizens on Patrol	1,500
Ladysmith Downtown Business Association -Shop Locally	1,500
<b>Total Other</b>	<b>37,000</b>
Cowichan Family Caregivers Support Society	750
Ladysmith Family and Friends (LaFF)	2,500
St John the Evangelist Anglican Church (pending council review)	500
Vancouver Island Crisis Society	500
<b>Total Social Services</b>	<b>4,250</b>
Ladysmith Ambassador Program	1,500
Ladysmith Sec School - Frank Jameson Bursary	1,500
<b>Total Youth, Education &amp; Sport</b>	<b>3,000</b>
<b>Waiving of fees</b>	<b>2,500</b>
<b>TOTAL</b>	<b>\$ 114,400</b>



# 2017 Community Profile

## TOWN OF LADYSMITH



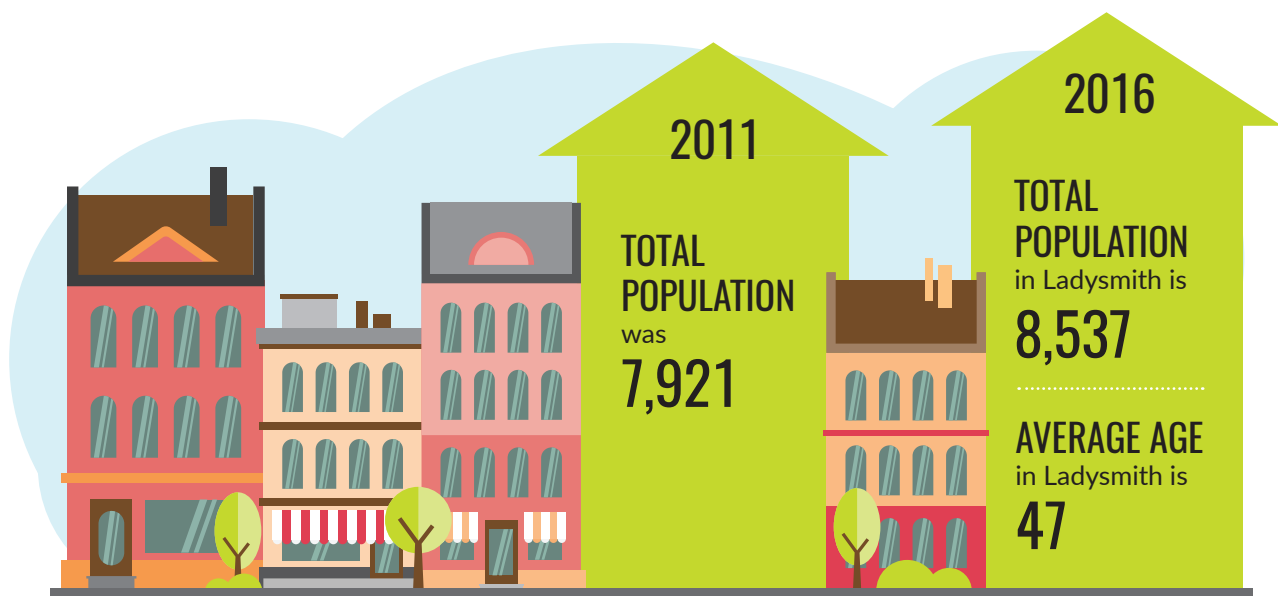
**2017 COMMUNITY PROFILE**

*Working together to build our future!*

# 2017 Community Profile

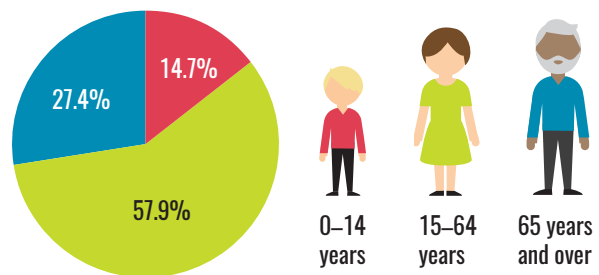
## DEMOGRAPHICS

### Population & Age



From 2011 to 2016 the population in Ladysmith grew by **7.8%**

### Age Distribution





# 2017 Community Profile

## Households

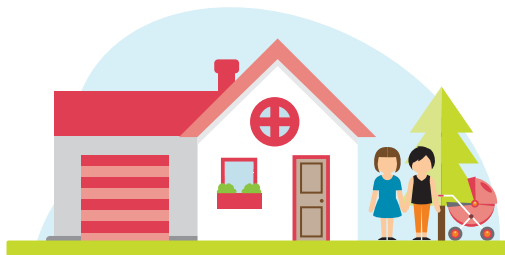
Ladysmith has

**2,540** SINGLE DETACHED HOUSES,  
**945** ATTACHED DWELLINGS, and  
**225** MOBILE DWELLINGS



Ladysmith has  
an average of

**2.3 people**  
PER HOUSEHOLD



(Source: Statistics Canada)

## Location

Ladysmith is  
**CONVENIENTLY  
LOCATED**

**88 km**  
to Victoria and  
**23 km**  
to Nanaimo



# 2017 Community Profile

## QUALITY OF LIFE

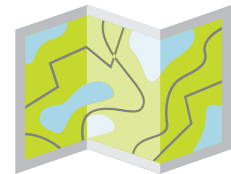
### *Weather & Land*



Ladysmith enjoys  
**295 days** of  
**BRIGHT SUNSHINE**  
per year and has  
**65 days** of **RAIN**



Average  
**TEMPERATURE**  
in January is  
**3.5 °C**  
and in July is  
**18.1 °C**



Ladysmith's  
**LAND AREA** is  
**1,200**  
**hectares**



Ladysmith enjoys  
**26 kilometres** of **TRAILS** and  
**110 hectares** (272 acres) of **PARKLAND**

# 2017 Community Profile

## Education

Ladysmith has small friendly schools.



**Over 60%**  
of Ladysmith's population  
aged 25-64 years has a  
**POST-SECONDARY  
DIPLOMA, DEGREE OR  
CERTIFICATE**

SCHOOL	STUDENTS*	GRADES
Ladysmith Primary School	242	(K-3)
Ladysmith Intermediate School	295	(4-7)
Ladysmith Secondary School	565	(8-12)
École North Oyster	303	(K-7) (offers French Immersion)

\*Sept 2016 - June 2017

## Housing Prices

2016 Average Sale Price for Residential Property



## Income



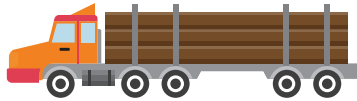
**MEDIAN  
FAMILY INCOME is  
\$63,544**

(Sources: Statistics Canada, Environment Canada, VIREB and The Canadian Real Estate Association)

# 2017 Community Profile

## A VIBRANT ECONOMY

### Business & Housing



Ladysmith has  
**60 hectares**  
of actively used  
**INDUSTRIAL LAND**

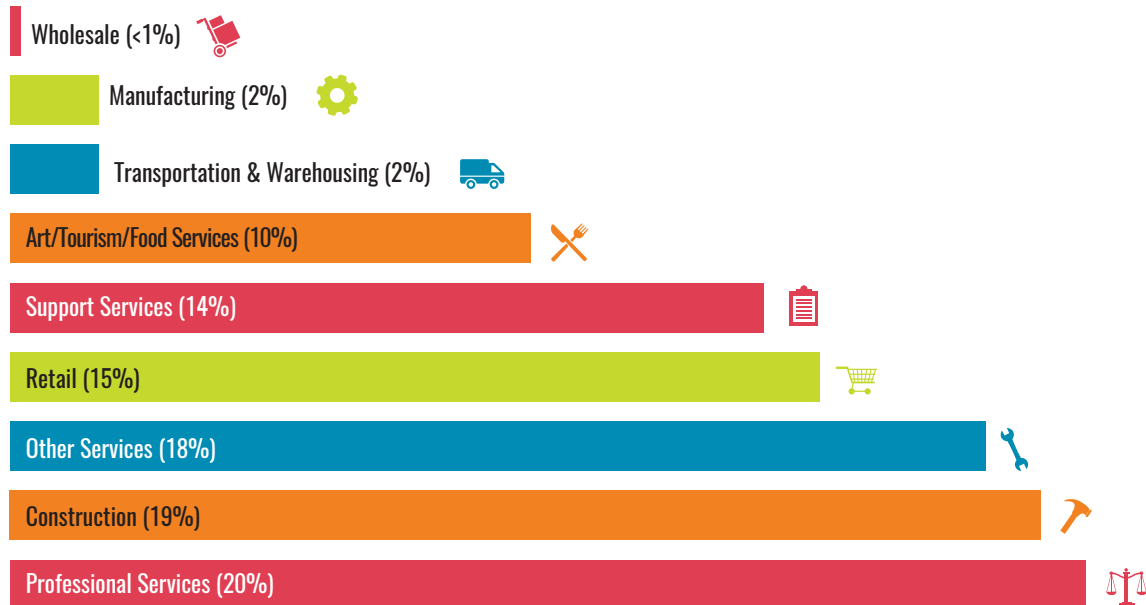


In 2016 Ladysmith had  
**483 active**  
**BUSINESS LICENCES**



In 2010,  
**79.5%**  
of Ladysmith households  
**OWNED THEIR HOME**

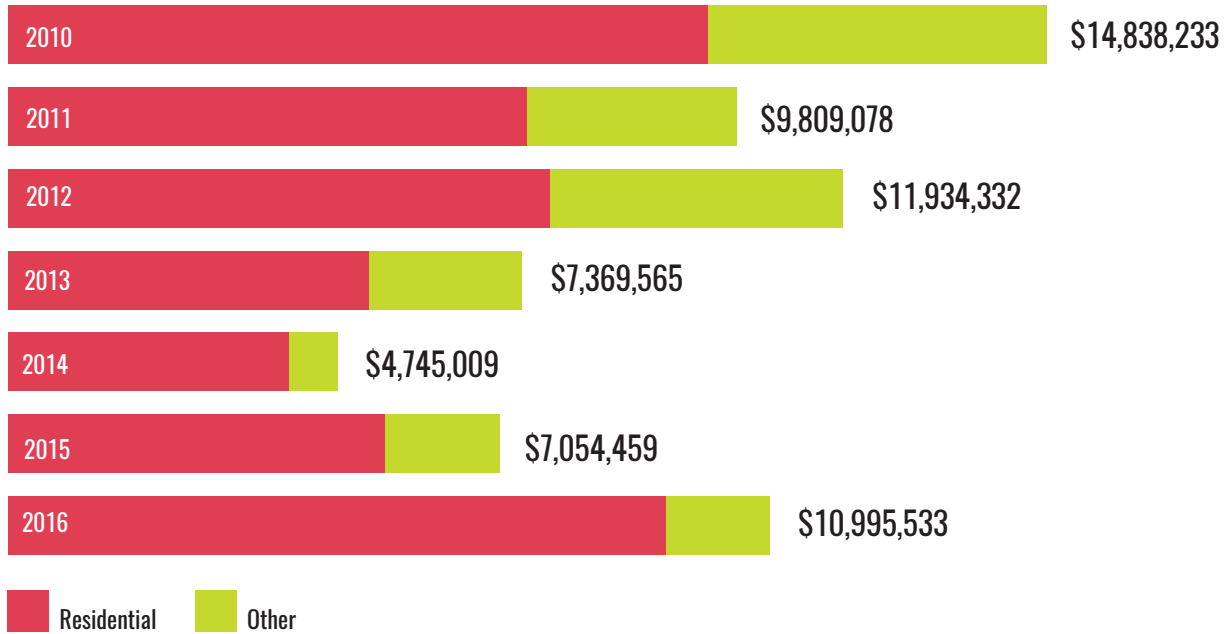
### Ladysmith Business Sectors 2016



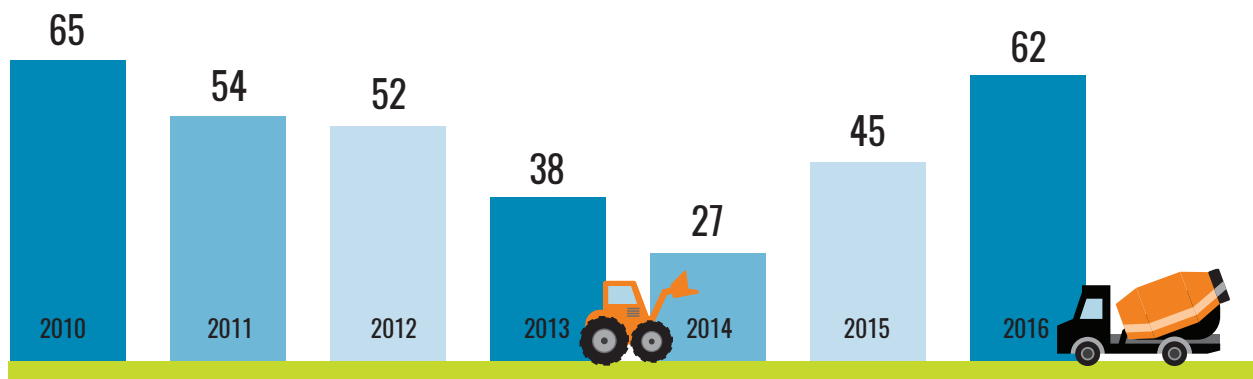
(Information about each business category can be found at [statcan.gc.ca](http://statcan.gc.ca))

# 2017 Community Profile

## Building Permit Values 2010 – 2016



## Number of new dwelling units constructed in Ladysmith each year.



(Sources: Statistics Canada, Town of Ladysmith)

# 2017 Community Profile



Town of Ladysmith  
Development Services Department  
132C Roberts Street P.O. Box 220,  
Ladysmith, British Columbia, V9G 1A2  
ladysmith.ca | (250) 245-6415



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# Feedback



## We Value Your Feedback

This is a living document, one we will continue to update in response to your input and to changing circumstances in our community. Share your comments or suggestions by e-mail to [info@ladysmith.ca](mailto:info@ladysmith.ca) or by calling City Hall at 250.245.6400.

## Citizen and Stakeholder Engagement are Vital

Successful civic engagement ensures that our citizens' and stakeholders' views, values, needs and concerns are identified before and during decision making.

Being a part of this two-way process gives our residents the opportunity to contribute and connect with the Town. We encourage our citizens to engage their family, friends and colleagues in discussions and actions that improve our community.

We want to hear what you have to say. Connect with us in the following ways:

-  Send an E-mail to [info@ladysmith.ca](mailto:info@ladysmith.ca)
-  Send a letter to Town of Ladysmith City Hall, Box 220, Ladysmith, B.C. V9G 1A2
-  Follow us on Facebook [www.facebook.com/LadysmithBC](http://www.facebook.com/LadysmithBC)
-  Follow us on Twitter [@TownOfLadysmith](https://twitter.com/TownOfLadysmith)
-  Call us 250.245.6400





