

**Resort Municipality of Whistler
Consolidated Financial Statements
For the year ended December 31, 2016**

**Resort Municipality of Whistler
December 31, 2016**

Council

Mayor
Councilors

Nancy Wilhelm-Morden
Jack Crompton
Jen Ford
John Grills
Sue Maxwell
Andrée Janyk
Steve Anderson

Appointed Officers

Administrator
Director of Finance
General Manager of Corporate and Community Services
General Manager of Infrastructure Services
General Manager of Resort Experience
Corporate Officer

Mike Furey
Ken Roggeman
Norm McPhail
James Hallisey
Jan Jansen
Laurie-Anne Schimek

Solicitors

Young, Anderson

Bankers

Royal Bank of Canada
BlueShore Financial

Auditors

BDO Canada LLP

Police

Royal Canadian Mounted Police

**Resort Municipality of Whistler
Consolidated Financial Statements
For the year ended December 31, 2016**

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**Resort Municipality of Whistler
December 31, 2016**

Management's Responsibility for Financial Reporting

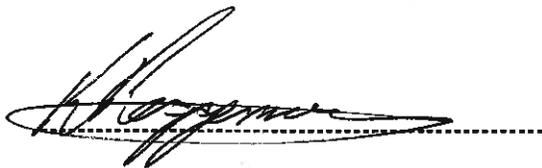
The Council of the Resort Municipality of Whistler ("RMOW") has delegated the responsibility for the integrity and objectivity of the financial information contained in the consolidated financial statements to the management of the RMOW. The consolidated financial statements which, in part, are based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

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

The Mayor and Council oversee management's responsibilities for the financial reporting and internal control systems. Mayor and Council review internal financial statements on a regular basis, and the Audit and Finance Committee meets periodically with management and the independent auditors to satisfy themselves that management's responsibilities are properly discharged. Council annually reviews and approves the consolidated financial statements.

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

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



Ken Roggeman
Director of Finance
May 9, 2017

Independent Auditor's Report

To the Mayor and Council of the Resort Municipality of Whistler

We have audited the accompanying consolidated financial statements of the Resort Municipality of Whistler, which comprise the Consolidated Statement of Financial Position as at December 31, 2016 and the Consolidated Statements of Operations, Change in Net Financial Assets and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the 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 consolidated financial position of the Resort Municipality of Whistler as at December 31, 2016, and its consolidated results of operations, changes in net financial assets and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

BDO Canada LLP

Chartered Professional Accountants

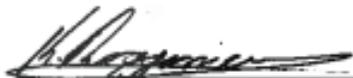
Whistler, British Columbia
May 9, 2017

Resort Municipality of Whistler
Consolidated Statement of Financial Position

As at December 31	2016	2015
Financial assets		
Cash	\$ 2,376,833	\$ 2,909,167
Accounts receivable (Note 3)	5,897,546	5,854,533
Mortgage receivable	-	666,667
Portfolio investments (Note 4)	104,764,542	103,364,037
Olympic Village held for resale	3,334,883	5,055,119
Investment in government business enterprises (Note 5)	1,402,500	1,453,379
	117,776,304	119,302,902
Liabilities		
Accounts payable (Note 6)	13,497,268	11,564,828
Employee future benefits (Note 7)	488,800	541,900
Landfill closure (Note 8)	1,214,905	1,314,033
Deferred revenue	411,690	292,859
Deferred contributions	1,432,559	1,390,280
Long-term debt (Note 9, Schedule 2)	27,899,819	30,635,025
	44,945,041	45,738,925
Net financial assets	72,831,263	73,563,977
Non-financial assets		
Inventory	314,511	285,933
Prepays	635,368	741,149
Tangible capital assets (Note 10)	442,449,990	427,059,722
	443,399,869	428,086,804
Accumulated surplus (Note 11)	\$ 516,231,132	\$ 501,650,781



Nancy Wilhelm-Morden, Mayor



Ken Roggeman, Director of Finance

**Resort Municipality of Whistler
Consolidated Statement of Operations**

For the year ended December 31	2016 Financial Plan	2016 Actual	2015 Actual
	(Note 18)		
Revenue (Schedule 4)			
Taxation revenue (Note 12)	\$ 44,153,206	\$ 44,188,413	\$ 43,110,746
Government transfers and grant revenue (Schedule 3)	14,537,054	17,059,309	9,629,277
Fees and charges (Note 13)	22,118,503	24,801,110	23,149,879
Investment income	2,208,981	2,422,601	2,703,615
Contribution from developers	-	3,428,564	-
Works and services charges	749,912	1,025,466	1,806,749
Loss on disposal of tangible capital assets	155,000	(360,283)	(740,241)
Income (loss) from government business enterprises (Note 5)	-	(50,879)	(19,525)
Other income	1,928,809	1,916,206	2,500,259
Olympic Village unit sales	4,716,667	1,325,100	1,431,000
	90,568,132	95,755,607	83,571,759
Expenses (Note 17 and Schedule 4)			
General government services	7,646,372	8,027,693	6,613,295
Resort experience	12,746,648	12,144,073	12,455,846
Infrastructure services	21,417,606	22,124,111	21,294,985
Corporate and community services	19,491,555	19,284,599	19,378,486
Infrastructure maintenance and amortization	21,633,966	16,137,331	15,488,516
Wholly-owned subsidiaries	2,728,589	3,457,449	3,765,419
	85,664,736	81,175,256	78,996,547
Annual surplus	4,903,396	14,580,351	4,575,212
Accumulated surplus, beginning of year	501,650,781	501,650,781	497,075,569
Accumulated surplus, end of year	\$ 506,554,177	\$ 516,231,132	\$ 501,650,781

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

Resort Municipality of Whistler
Consolidated Statement of Change in Net Financial Assets

For the year ended December 31	2016 Financial Plan	2016 Actual	2015 Actual
	(Note 18)		
Annual surplus	\$ 4,903,396	\$ 14,580,351	\$ 4,575,212
Acquisition of tangible capital assets	(26,631,618)	(26,314,265)	(8,495,443)
Amortization of tangible capital assets	10,516,471	11,564,903	10,963,633
Loss on sale of tangible capital assets	-	360,283	740,241
Transfer from property for resale to tangible capital assets	-	(1,280,374)	(850,000)
Proceeds on sale of tangible capital assets	-	278,263	87,734
	(16,115,147)	(15,391,190)	2,446,165
Acquisition of supplies inventory	-	(28,578)	(23,422)
Net use (acquisition) of prepaid expenses	-	106,703	(423,220)
	-	78,125	(446,642)
Change in net financial assets for the year	(11,211,751)	(732,714)	6,574,735
Net financial assets, beginning of year	73,563,977	73,563,977	66,989,242
Net financial assets, end of year	\$ 62,352,226	\$ 72,831,263	\$ 73,563,977

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

Resort Municipality of Whistler
Consolidated Statement of Cash Flows

For the year ended December 31

2016

2015

Cash provided by (used in)

Operating transactions

Annual surplus	\$ 14,580,351	\$ 4,575,212
Items not utilizing cash:		
Amortization	11,564,903	10,963,633
Cost of sales Olympic Village units	450,000	815,670
Revaluation of landfill post-closure care costs	(99,128)	(97,853)
Loss on disposal of capital assets	360,283	740,241
Revaluation of post employment benefits	(53,100)	(98,700)
Equity change in government business enterprises	50,879	19,525
Changes in non-cash working capital balances	<u>2,701,729</u>	<u>492,142</u>
Net cash provided by operating transactions	<u>29,555,917</u>	<u>17,409,870</u>

Capital transactions

Cash used to acquire tangible capital assets	(26,314,265)	(8,495,443)
Proceeds on sale of tangible capital assets	<u>269,045</u>	<u>87,734</u>
Net cash used by capital transactions	<u>(26,045,220)</u>	<u>(8,407,709)</u>

Investing transactions

Purchase of portfolio investments	<u>(1,400,505)</u>	<u>(4,219,972)</u>
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Financing transactions

Debt proceeds	92,680	17,320
Repayment of long-term debt	<u>(2,735,206)</u>	<u>(2,629,188)</u>
Net cash used by financing transactions	<u>(2,642,526)</u>	<u>(2,611,868)</u>

Increase (decrease) in cash during the year

(532,334) 2,170,321

Cash, beginning of year

2,909,167 738,846

Cash, end of year

\$ 2,376,833 \$ 2,909,167

Supplemental information

Interest paid	<u>\$ 1,885,491</u>	<u>\$ 1,973,822</u>
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Resort Municipality of Whistler Consolidated Notes to the Financial Statements

December 31, 2016

1. Significant Accounting Policies

The Resort Municipality of Whistler ("RMOW") is responsible for preparation and fair presentation of its consolidated financial statements in accordance with Canadian public sector accounting standards ("PSAS") for governments using guidelines developed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. The accounting policies of the RMOW include the following:

Reporting Entity These consolidated financial statements consolidate the accounts of all the Funds of the RMOW and all entities controlled by the RMOW. Controlled entities include:

Whistler Village Land Co. Ltd. - Owns and operates various parking and other structures in the RMOW.

Whistler Housing Authority Ltd. - Provision, administration and management of resident restricted housing for individuals and families that live and work in the Whistler area.

Emerald Forest Trust - Recipient of Emerald Forest parklands.

591003 BC Ltd. - Ownership of a portion of Emerald Forest parklands.

Whistler 2020 Development Corp. - This wholly-owned subsidiary of the RMOW was responsible for the development and subsequent sale of the 2010 Winter Olympic and Paralympic Games Athletes' Village (the "Olympic Village").

Cash Cash is made up of the total of the bank account balances of the RMOW and its subsidiaries, petty cash and operating till floats. It is adjusted for deposits and accrued interest held by the Municipality and its subsidiaries for security deposits held in connection with building, development, and other permits, security deposits on rental units and prepaid rent.

Portfolio Investments Portfolio investments include term deposits, bonds, bond funds and Municipal Finance Authority of British Columbia (MFA) pooled investments, by which market based unit values are allocated amongst the participants in the investment pool. Portfolio investments are carried at cost plus accrued interest but are written down to net realizable value when there has been, in management's opinion, a permanent decline in value.

Investments in Government Business Enterprises The RMOW's investments in Whistler.com and Tourdex.com are accounted for using the modified equity method.

**Resort Municipality of Whistler
Consolidated Notes to Financial Statements**

December 31, 2016

1. Significant Accounting Policies (Continued)

Non-Financial Assets

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

Tangible Capital Assets

Tangible capital assets are a special class of non-financial assets and are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Amortization is recorded on a straight line basis over the estimated life of the tangible capital asset commencing once the asset is put into use.

Type	Major Asset Category	Useful Life Range
General	Land	n/a
	Land improvements	20 - 75 years
	Buildings	15 - 69 years
	Equipment	4 - 75 years
Infrastructure	Transportation	20 - 75 years
	Water	30 - 100 years
	Sewer	40 - 90 years
	Drainage	75 - 100 years

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

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

The Resort Municipality of Whistler does not capitalize interest costs associated with the construction of a tangible capital asset.

Leases

The RMOW records leases that transfer substantially all the risks and benefits of ownership to the RMOW as capital leases. The related equipment is capitalized at its fair market value at the time of acquisition and is amortized at the same rates as purchased equipment. An offsetting obligation is also recorded which is reduced as lease payments are made after accounting for the implied interest portion.

All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

**Resort Municipality of Whistler
Consolidated Notes to Financial Statements**

December 31, 2016

1. Significant Accounting Policies (Continued)

**Inventory of
Materials and
Supplies**

Inventory is recorded at cost, net of an allowance for obsolete stock. Cost is determined on a weighted average basis.

**Employee Benefit
Plans**

The RMOW records liabilities for accrued employee benefits in the period in which they are earned. A summary of these benefits is as follows:

- Employees are entitled to compensation for unused vacation credit when they leave the RMOW's employment. The amount of any carried forward vacation credit is limited and any excess is paid out annually.
- Employees may accumulate unused sick leave during their term of employment but are not entitled to compensation for unused sick leave when they leave the RMOW's employment. The amount of unused sick leave carried forward annually is limited.

**Revenue
Recognition**

Taxes and parcel taxes are recognized as revenue in the year they are levied.

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

Charges for sewer, water, and solid waste are recorded as user fees as the services are provided.

Connection fee revenues are recognized when the connection has been established.

Sales of service and other revenue are recognized on an accrual basis when earned.

**Government
Transfers**

Government transfers, which include legislative grants, are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Any resulting liability is recognized in the statement of operations as the stipulation liabilities are settled.

Resort Municipality of Whistler
Consolidated Notes to Financial Statements

December 31, 2016

1. Significant Accounting Policies (Continued)

Interest on Debt RMOW records interest expense on an accrual basis.

**Deferred Revenue
and Deferred
Contributions**

Deferred revenue results from the collection of revenue from business licences and other sources that are related to the next fiscal year.

Deferred contributions represent funds collected from third parties for use in specific capital projects and may be refundable to the contributor in certain circumstances.

**Financial Plan
Amounts**

Financial Plan amounts reflect the Five Year Financial Plan as adopted on April 19, 2016, with minor subsequent reallocations, reclassifications, and consolidations of subsidiary budgets to conform with the financial statement presentation.

Use of Estimates

The preparation of consolidated 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 at the date of the consolidated financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. The areas requiring the greatest level of estimation for the RMOW are the landfill closure, useful lives of tangible capital assets, certain employee future benefit liabilities, Olympic Village held for sale valuation and contingent liabilities.

**Financial
Instruments**

The RMOW's financial instruments consist of cash, accounts receivable, mortgage receivable, portfolio investments, accounts payable, and long-term debt. Unless otherwise indicated, it is management's opinion that the RMOW is not exposed to any significant interest, credit or currency risks arising from these financial instruments.

**Segmented
Information**

RMOW segments its operations for financial reporting purposes based upon areas of managerial responsibility. This information is provided in Schedule 4.

Resort Municipality of Whistler
Consolidated Notes to Financial Statements

December 31, 2016

1. Significant Accounting Policies (Continued)

**Olympic Village
Held for Resale**

Subsidiary Whistler 2020 Development Corp. ("WDC") developed the Athletes' Village for the 2010 Olympic and Paralympic Games. WDC has sold all of the residential units. Development lots make up the remaining inventory to be sold. Proceeds from the sales must be used to repay any debts; any excess must be paid into a statutory reserve to fund future resident restricted housing.

Management regularly reviews the carrying value of the property in comparison to expected future costs and expected recoveries on sales. Should the carrying value exceed expected recoveries, the property would be written down to its net recoverable value at such time.

**Trusts Under
Administration**

Public sector accounting standards require that trusts administered by a government should be excluded from the government reporting entity, (see Note 16).

**Adoption of
New Accounting
Policies**

Effective January 1, 2016, RMOW adopted Canadian public sector accounting standard section 3420 Inter-entity Transactions and section 2200 Related Party Disclosures on a prospective basis. Section 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. Section 2200 defines a related party and establishes disclosures required for related party transactions. These changes did not have a significant impact on the amounts or disclosures in these financial statements.

Resort Municipality of Whistler Consolidated Notes to Financial Statements

December 31, 2016

2. Nature of Operations

The Resort Municipality of Whistler ("RMOW") is a local government situated in the province of British Columbia, Canada. The RMOW is subject to the laws and regulations of the provincial statutes of the *Community Charter*, the *Local Government Act* and the *Resort Municipality of Whistler Act*. Local governments in Canada are not subject to income tax. The RMOW provides community services to its taxpayers and as a world class destination resort it is responsible for creating and maintaining an infrastructure to serve a population much in excess of the number of full time residents.

The RMOW is one of many Whistler organizations that have partnered in Whistler 2020 which is a long-term community-wide plan that is guided by our values and sustainability principles and sets out a shared vision of what the resort community will look like in a successful and sustainable future. The RMOW has structured the organization to adhere to the priorities outlined in Whistler 2020 and the consolidated financial statements have also been prepared using this same organizational structure.

3. Accounts Receivable

	2016	2015
Property taxes	\$ 1,712,791	\$ 1,978,541
Other governments	1,438,657	1,357,914
Other	2,746,098	2,518,078
	\$ 5,897,546	\$ 5,854,533

4. Portfolio Investments

	2016	2015
<u>Municipal Finance Authority Pooled Funds</u>		
Short-term bond fund	\$ 36,663,922	\$ 42,251,255
Intermediate fund	-	1,725,167
<u>Other</u>		
Mutual funds	316	2,094,995
Bonds	16,649,997	8,499,998
Term deposits	50,039,510	47,484,320
Accrued interest and other	1,410,797	1,308,302
	\$ 104,764,542	\$ 103,364,037

**Resort Municipality of Whistler
Consolidated Notes to Financial Statements**

December 31, 2016

4. Portfolio Investments (continued)

Bonds consist of provincial government bonds and corporate bonds. Bond maturities range from 2017 to 2022 and have yields ranging between 2.19% and 3.01%.

Term deposits consist of Guaranteed Investment Certificates maturing from January 2017 to July 2020 and have yields ranging from 1.10% to 2.90%.

MFA pooled funds are recorded at their fair value which approximates cost. In 2016, MFA pooled funds yielded 1.38% (2015 - 2.12%).

Other investments are recorded at cost less impairment, if any.

5. Investment in Government Business Enterprises

In 2004, RMOW purchased 50% of the outstanding shares of Whistler.com Systems Inc. along with 50% of the shares of its affiliate Tourdex.com Systems Inc., a locally based company that provides reservation services for properties in Whistler. Purchase price was \$925,000.

Condensed Financial Information for 2016:

	<u>Whistler.com</u>	<u>Tourdex.com</u>
Financial assets	\$ 3,747,076	\$ 333,547
Non financial assets	64,024	-
	<u>3,811,100</u>	<u>333,547</u>
Liabilities	2,826,529	277,619
Debt	-	-
Equity	984,571	55,928
	<u>\$ 3,811,100</u>	<u>\$ 333,547</u>
Revenues	\$ 3,247,905	\$ -
Expenses	3,344,574	5,090
Net income (loss)	<u>(96,669)</u>	<u>(5,090)</u>
RMOW's portion	<u>\$ (48,335)</u>	<u>\$ (2,545)</u>

Resort Municipality of Whistler
Consolidated Notes to Financial Statements

December 31, 2016

6. Accounts Payable

	2016	2015
Other governments	\$ 329,875	\$ 377,109
Public transit and RCMP	1,955,037	2,378,033
Trade accounts	9,529,731	7,329,388
Payroll	1,682,625	1,480,298
	\$ 13,497,268	\$ 11,564,828

7. Employment Future Benefits

The RMOW provides paid sick leave to qualifying employees. Unused amounts up to a maximum of 120 days can be banked for future use. Management has accounted for this liability based on the results of an actuarial valuation done by an independent firm. The valuation uses a projected benefit actuarial valuation method pro rated on services, and will be reviewed on a periodic basis. The 2016 extrapolation is based on actual data as at December 31, 2016. The rate of compensation increase based on age, gender, inflation and job description, ranged from 2.58% to 4.63% annually. The RMOW has fully expensed the employee future benefits. In 2016, the actuarial valuation used a discount rate of 3.4% (2015 - 3.2%).

	2016	2015
Balance, beginning of year	\$ 541,900	\$ 640,600
Current service costs, including interest	2,600	5,200
Benefits paid	(55,700)	(103,900)
Balance, end of year	\$ 488,800	\$ 541,900
Accrued benefit obligation	\$ 221,900	\$ 264,600
Unamortized net actuarial gain	266,900	277,300
Accrued benefit liability	\$ 488,800	\$ 541,900

8. Landfill Future Closure and Post-Closure Care Costs

The RMOW operated a landfill site until its closure in 2005. The RMOW is obligated by government legislation to fund closure and post closure costs related to this site. In 2016 the recorded liability amount was decreased from \$1,314,033 to \$1,214,905 to reflect changes to the RMOW's estimated future post closure care costs. The liability is calculated based on the discounted estimated future cash flows associated with post-closure activities. Estimated future cash flows are discounted at 3.61% (2015 - 3.65%) and inflation is estimated at 1.00% (2015 - 1.00%) per annum.

**Resort Municipality of Whistler
Consolidated Notes to Financial Statements**

December 31, 2016

9. Long-term Debt

Details of outstanding debt are outlined in Schedule 2.

Future payments required are as follows:

	RMOW	Subsidiaries	Total	Interest
2017	\$ 1,380,554	\$ 2,507,688	\$ 3,888,242	\$ 1,749,573
2018	1,244,327	533,753	1,778,080	1,674,500
2019	973,631	688,671	1,662,302	1,471,116
2020	973,631	3,343,229	4,316,860	1,420,789
2021	973,631	368,932	1,342,563	1,299,085
Thereafter	6,575,756	1,670,274	8,246,030	9,747,719
Sinking fund earnings	6,665,742		6,665,742	
	\$ 18,787,272	\$ 9,112,547	\$ 27,899,819	\$ 17,362,782

Collateral for long-term debt for rental housing includes a first charge against rental housing and related assets, corporate guarantees, a general security agreement and assignment of rents.

Resort Municipality of Whistler
Notes to Financial Statements

December 31, 2016

10. Tangible Capital Assets

	General					Infrastructure				2016 Total
	Land	Land improvements	Buildings	Equipment	Transportation	Water	Sewer	Drainage	Work in progress	
Cost, beginning of year	\$ 90,131,190	\$ 38,872,973	\$ 161,645,867	\$ 61,019,088	\$ 69,938,250	\$ 74,438,816	\$ 52,697,615	\$ 22,313,567	\$ 1,440,659	\$ 572,498,025
Additions	2,030,374	177,548	1,882,280	2,410,848	4,968,264	11,657,804	550,000	-	3,943,438	27,620,556
Transfers	-	1,721,074	126,024	-	-	-	-	-	(1,847,098)	-
Disposals & adjustments	-	(37,489)	-	(982,141)	(63,801)	(863,070)	(11,497)	-	(21,825)	(1,979,823)
Cost, end of year	92,161,564	40,734,106	163,654,171	62,447,795	74,842,713	85,233,550	53,236,118	22,313,567	3,515,174	598,138,758
Accumulated amortization,										
beginning of year	-	7,791,428	57,099,871	20,245,726	22,889,030	18,543,060	12,763,872	6,105,316	-	145,438,303
Amortization	-	827,173	4,041,164	3,003,785	1,697,328	1,060,148	641,331	293,974	-	11,564,903
Adjustments					26,839					26,839
Disposals	-	(37,489)	-	(896,496)	(62,525)	(343,042)	(1,725)	-	-	(1,341,277)
Accumulated amortization,										
end of year	-	8,581,112	61,141,035	22,353,015	24,550,672	19,260,166	13,403,478	6,399,290	-	155,688,768
Net book value,										
year ended 2016	\$ 92,161,564	\$ 32,152,994	\$ 102,513,136	\$ 40,094,780	\$ 50,292,041	\$ 65,973,384	\$ 39,832,640	\$ 15,914,277	\$ 3,515,174	\$ 442,449,990
Net book value,										
year ended 2015	\$ 90,131,190	\$ 31,081,545	\$ 104,545,996	\$ 40,773,362	\$ 47,049,220	\$ 55,895,756	\$ 39,933,743	\$ 16,208,251	\$ 1,440,659	\$ 427,059,722

Resort Municipality of Whistler
Consolidated Notes to Financial Statements

December 31, 2016

10. Tangible Capital Assets (Continued)

(a) Assets under construction:

Assets under construction having a cost of approximately \$3,515,174 (2015 - \$1,440,659) have not been amortized. Amortization of these assets will commence when the assets are put into service.

(b) Works of art and historical treasures:

The RMOW manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts and sculptures located at Municipal sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

11. Accumulated Surplus

Accumulated surplus consists of:

	<u>2016</u>	<u>2015</u>
Reserve funds (Schedule 1)	\$ 84,334,627	\$ 89,716,116
Investment in Olympic Village for resale	3,334,883	5,055,119
Unallocated surplus	14,011,451	10,454,849
Investment in tangible capital assets	414,550,171	396,424,697
	<u>\$ 516,231,132</u>	<u>\$ 501,650,781</u>

Reserve Fund

(a) Reserve funds

Reserve funds are funds that have been internally restricted by Council. Formal establishing bylaws have been adopted pursuant to the *Community Charter*, *Local Government Act*, and *Resort Municipality of Whistler Act* which define how these reserves are to be used.

Resort Municipality of Whistler
Consolidated Notes to Financial Statements

December 31, 2016

11. Accumulated Surplus (Continued)

Reserve Fund (Continued)

(b) Resort Municipality Initiative and Municipal and Regional District Tax (see Schedule 1)

The Municipal and Regional District Tax (MRDT) is funded by a tax on room rentals which is collected by the Province of British Columbia with a portion remitted to the RMOW monthly.

The Province of British Columbia created the Resort Municipality Initiative (RMI) to support the expansion, development and improvement of resorts in British Columbia to increase tourism, economic development and employment. In 2016, RMI funding was recognized for receipts received in the year relating to the funding period of April 1, 2015 to March 31, 2017.

Expenditures from both these funds are restricted to those set out in the establishing Order in Council for the MRDT and to an agreement between the RMOW and the Province of British Columbia for the RMI funding.

12. Taxation Revenue

Taxation revenue for general municipal purposes comprises the following amounts:

	2016	%	2015	%
Total taxation and levies	\$ 67,717,155	100.00	\$ 66,454,399	100.00
Hospital District	548,300	0.81	535,571	0.81
Regional District	635,433	0.94	624,471	0.94
B.C. Assessment Authority	712,223	1.05	701,834	1.06
Municipal Finance Authority	2,499	0.00	2,258	0.00
Province - school	21,630,287	31.94	21,479,519	32.32
	23,528,742	34.74	23,343,653	35.13
Municipal taxation and levies	35,966,943		35,083,544	
1% Utility tax	552,858		535,313	
Parcel and frontage taxes	7,668,612		7,491,889	
Net municipal taxation	\$ 44,188,413	65.26	\$ 43,110,746	64.87

Resort Municipality of Whistler
Consolidated Notes to Financial Statements

December 31, 2016

13. Fees and Charges

	2016	2015
Fees and charges are comprised as follows:		
Permits and fines	\$ 4,308,701	\$ 4,311,662
Admissions and programs	2,056,015	1,762,671
Facility rental	3,949,674	3,814,727
Fares	2,712,681	2,494,199
User fees - utility funds	11,774,039	10,766,620
	\$ 24,801,110	\$ 23,149,879

14. Contingent Liabilities

- (a) The RMOW and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 189,000 active members and approximately 85,000 retired members. Active members include approximately 37,000 contributors from local governments.

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

The most recent actuarial valuation as at December 31, 2015 indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2018 with results available later in 2019.

Employers participating in the Plan record their pension expense as the amount of employer contributions during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and costs to individual entities participating in the Plan.

The Resort Municipality of Whistler paid \$1,857,704 (2015 - \$1,950,714) for employer contributions while employees contributed \$1,612,290 (2015 - \$1,748,019) to the plan in fiscal 2016.

Resort Municipality of Whistler
Consolidated Notes to Financial Statements

December 31, 2016

14. Contingent Liabilities (Continued)

- (b) A number of legal claims have been initiated against the RMOW in varying and unspecified amounts. The outcome of these claims cannot reasonably be determined at this time. Any ultimate settlements will be recorded in the year the settlements occur.
- (c) The Whistler Village Land Co. Ltd., a subsidiary of the RMOW, has consented to the granting of a mortgage by Whistler Resort Association ("Tourism Whistler") from the Royal Bank of Canada by way of a sublease of the leasehold interest of the Conference centre facility, in the principal sum of \$5,887,500. Tourism Whistler currently holds a 99 year lease on the conference centre property. The RMOW has not guaranteed the mortgage but has allowed the asset to be used as security.
-

15. Commitments

The RMOW has an agreement with Tourism Whistler to pay to them an annual amount of \$17,800 plus 50% of the proceeds from the Municipal and Regional District Tax to a maximum of \$367,000, set in 1990. Both amounts are indexed to the Consumer Price Index. The current year contributions were \$654,275 (2015 - \$639,308).

In 2011 a second agreement with Tourism Whistler adds an additional amount of \$1,000,000 to be paid to Tourism Whistler calculated on a baseline of \$3.45 million of Municipal and Regional District Tax received. Any difference between the actual amount received and the baseline amount is split equally between the RMOW and Tourism Whistler. This agreement is in effect as long as the RMOW also receives this funding from the province. The current year contributions were \$2,172,087 (2015 - \$1,562,340).

16. Trust Funds

Not recorded in these consolidated financial statements are the Cemetery fund and refundable building, damage and security deposits. The following is a summary of trust fund transactions for the year:

	<u>2016</u>	<u>2015</u>
Balances, beginning of year	\$ 2,014,578	\$ 2,617,725
Contributions received	568,603	1,537,241
	<u>2,583,181</u>	<u>4,154,966</u>
Less: expenses and transfers	732,230	2,140,388
Balances, end of year	<u>\$ 1,850,951</u>	<u>\$ 2,014,578</u>

Resort Municipality of Whistler
Consolidated Notes to Financial Statements

December 31, 2016

17. Expenses by Object

	2016	2015
Payroll	\$ 28,589,800	\$ 28,438,289
Goods and services	33,735,516	31,883,676
Interest charges on long-term debt	1,877,480	1,867,551
Infrastructure maintenance	5,056,685	5,125,581
Landfill liability adjustment expense (Note 8)	(99,128)	(97,853)
Cost of sales Olympic Village units	450,000	815,670
Amortization (Note 10)	11,564,903	10,963,633
	\$ 81,175,256	\$ 78,996,547

18. Financial Plan

Financial Plan amounts represent the Financial Plan bylaw adopted by Council on April 19, 2016 as adjusted to match the required presentation in the Statement of Operations and the Statement of Change in Net Financial Assets in accordance with PSAS. This adjustment is necessary because certain revenue items in the Financial Plan are not considered revenues for PSAS purposes including transfers from reserves and other internal sources, collection of works and services charges and debt proceeds. Similarly capital expenditures and debt principal repayments are not considered expenses for PSAS purposes. The Financial Plan amounts are also presented on a consolidated basis and include the budgets for all entities that form part of the RMOW's reporting entity.

The following shows how these two different bases are reconciled:

	2016
Excess of expenditure over revenue per Financial Plan bylaw	\$ (27,831,591)
Subsidiary budgets not included in bylaw	4,536,033
Debt principal repayments	1,567,336
Capital expenditure	26,631,618
Annual surplus on a PSAS basis	4,903,396
Acquisition of tangible capital assets	(26,631,618)
Amortization	10,516,471
Change in net financial assets	\$ (11,211,751)

Resort Municipality of Whistler
Schedule 1 - Consolidated Schedule of Reserves

For the year ended December 31

	Balance 2015	Total Contributions	Total Expenditures	Balance 2016
General fund				
Municipal and regional district tax	\$ 2,792,954	\$ 5,829,630	\$ 5,224,822	\$ 3,397,762
Resort municipality initiative	3,641,832	10,098,994	7,049,760	6,691,066
Vehicle replacement	5,454,722	101,177	1,256,956	4,298,943
General operating	5,750,303	2,013,863	1,201,698	6,562,468
General capital	24,100,918	5,242,698	6,265,251	23,078,365
Library	303,520	30,354	57,353	276,521
Parking	444,739	8,097	-	452,836
Parkland	549,414	5,134	547,795	6,753
Recreation W/C	3,509,939	416,661	55,847	3,870,753
Transportation W/C	7,373,129	410,112	169,757	7,613,484
Employee housing	2,128,141	133,958	1,912,448	349,651
	<u>56,049,611</u>	<u>24,290,678</u>	<u>23,741,687</u>	<u>56,598,602</u>
Water fund				
Water capital	9,796,378	3,128,814	10,945,026	1,980,166
Water operating	4,911,448	602,201	276,439	5,237,210
Water W/C	1,296,606	76,494	729,029	644,071
	<u>16,004,432</u>	<u>3,807,509</u>	<u>11,950,494</u>	<u>7,861,447</u>
Sewer fund				
Sewer capital	7,126,158	2,065,336	864,287	8,327,207
Sewer operating	1,257,672	440,489	-	1,698,161
Sewer W/C	9,134,591	418,184	-	9,552,775
	<u>17,518,421</u>	<u>2,924,009</u>	<u>864,287</u>	<u>19,578,143</u>
Solid waste fund				
Solid waste capital	(588,925)	140,133	31,199	(479,991)
Solid waste operating	181,049	3,374	-	184,423
	<u>(407,876)</u>	<u>143,507</u>	<u>31,199</u>	<u>(295,568)</u>
Total reserves	<u>89,164,588</u>	<u>31,165,703</u>	<u>36,587,667</u>	<u>83,742,624</u>
Controlled entities reserves				
Whistler Housing Authority				
Capital project reserve	482,965	-	-	482,965
Capital maintenance project reserve	(133,938)	181,663	141,188	(93,463)
Emergency reserve	2,501	-	-	2,501
Operating reserve	200,000	-	-	200,000
	<u>551,528</u>	<u>181,663</u>	<u>141,188</u>	<u>592,003</u>
Total	<u>\$ 89,716,116</u>	<u>\$ 31,347,366</u>	<u>\$ 36,728,855</u>	<u>\$ 84,334,627</u>

Resort Municipality of Whistler
Schedule 2 - Consolidated Schedule of Long-term Debt
and Agreements Payable

As at December 31

Bylaws	Purpose	Maturity	Interest rate	Balance outstanding	
				2016	2015
General fund					
1842	Millennium Place	2018	5.150%	\$ 755,749	\$ 1,111,965
1841	Library - FCM loan	2029	2.230%	2,663,764	2,868,668
				\$ 3,419,513	\$ 3,980,633
Sewer utility fund					
726/1529	Emerald sewer system	2021	3.050%	\$ 729,558	\$ 855,302
1839	WWTP upgrade	2028	5.150%	10,358,552	11,021,422
				\$ 11,088,110	\$ 11,876,724
Solid waste fund					
	5 year term loan	2017	1.720%	\$ 136,228	\$ 459,239
1840	Transfer station	2028	5.150%	4,143,421	4,408,569
				\$ 4,279,649	\$ 4,867,808
Subsidiary companies					
	Housing loan - Legacy Way	2020	3.886%	\$ 3,387,697	\$ 3,507,864
	Housing loan - Dave Murray Place	2017	3.950%	2,001,127	2,309,351
	Housing loan - Lorimer Road	2016	2.470%	-	537,314
	Housing loan - Lorimer Road	2019	2.750%	432,476	-
	Housing loan - Seppo's Way	2025	6.800%	3,291,247	3,555,331
				\$ 9,112,547	\$ 9,909,860
Total due				\$ 27,899,819	\$ 30,635,025

Resort Municipality of Whistler
Schedule 3 - Consolidated Schedule of Government Transfers and Grants

For the year ended December 31	2016 Financial Plan	2016 Actual	2015 Actual
	(Note 18)		
Provincial transfers			
Unconditional			
Provincial revenue sharing	\$ 248,854	\$ 239,349	\$ 248,854
Small community grant	277,513	326,874	339,716
	526,367	566,223	588,570
Conditional			
Municipal and regional district tax	4,840,907	5,794,174	4,574,681
Resort municipality initiative	8,390,945	10,003,614	3,393,073
Victim services	54,000	53,835	53,888
Kids on the go - recreation	10,000	20,812	15,826
Provincial grants to library	55,500	55,272	55,258
Provincial fuel thinning project funding	-	1,217	300,400
	13,351,352	15,928,924	8,393,126
Federal transfers			
Unconditional			
Conditional			
Community works grant - gas tax - federal	444,687	466,922	451,710
Cheakamus Bridge - gas tax	-	-	59,699
Community Energy & Climate Action Plan	8,000	12,570	-
Community Wildfire Protection	30,812	-	-
MPSC Valley Trail Extension	87,602	-	-
Tapley's Flood Protection	-	-	33,000
Water Annual Reconstruction NSERC	6,743	-	-
Other	-	-	23,965
	577,844	479,492	568,374
Total government grants	\$ 14,455,563	\$ 16,974,639	\$ 9,550,070
Grants in lieu of taxes	\$ 81,491	\$ 84,670	\$ 79,207
	\$ 14,537,054	\$ 17,059,309	\$ 9,629,277

Resort Municipality of Whistler
Schedule 4 - Schedule of Segmented Operations

	GENERAL GOVERNMENT SERVICES	RESORT EXPERIENCE	INFRASTRUCTURE SERVICES	CORPORATE & COMMUNITY SERVICES	INFRASTRUCTURE MAINTENANCE AND AMORTIZATION	WHOLLY-OWNED SUBSIDIARIES	Total RMOW 2016	Total RMOW 2015
REVENUES								
Property Taxes (Note 13)	36,519,733	-	7,668,612	-	-	68	44,188,413	43,110,746
Government Grants	16,209,332	-	466,922	369,268	186,287	(172,500)	17,059,309	9,629,277
Fees and Charges	330,466	1,426,019	14,533,321	5,267,752	-	3,243,552	24,801,110	23,149,879
Investment Income	2,106,455	-	295,189	-	-	20,957	2,422,601	2,703,615
Developer Contributions	-	-	-	-	3,428,564	-	3,428,564	-
Works and Service Charges	1,025,466	-	-	-	-	-	1,025,466	1,806,749
Disposal of assets	-	-	154,585	922	(515,790)	-	(360,283)	(740,241)
Income from business enterprises	(50,879)	-	-	-	-	-	(50,879)	(19,525)
Other Income	211,772	461,465	302,052	738,369	5,340	197,208	1,916,206	2,500,259
Olympic Village Unit Sales	-	-	-	-	-	1,325,100	1,325,100	1,431,000
	<u>56,352,345</u>	<u>1,887,484</u>	<u>23,420,681</u>	<u>6,376,311</u>	<u>3,104,401</u>	<u>4,614,385</u>	<u>95,755,607</u>	<u>83,571,759</u>
EXPENSES								
Payroll	2,923,321	7,416,784	5,719,795	12,214,590	314,978	332	28,589,800	28,438,289
Goods and Services	4,829,349	4,727,289	15,420,113	7,070,009	-	1,688,756	33,735,516	31,883,676
Interest Charges on Long Term Debt	275,023	-	1,083,331	-	-	519,126	1,877,480	1,867,551
Infrastructure Maintenance	-	-	-	-	4,915,497	141,188	5,056,685	5,125,581
Landfill Closure	-	-	(99,128)	-	-	-	(99,128)	(97,853)
Cost of Sales Cheakamus Crossing	-	-	-	-	-	450,000	450,000	815,670
	<u>8,027,693</u>	<u>12,144,073</u>	<u>22,124,111</u>	<u>19,284,599</u>	<u>5,230,475</u>	<u>2,799,402</u>	<u>69,610,353</u>	<u>68,032,914</u>
Amortization	-	-	-	-	10,906,856	658,047	11,564,903	10,963,633
	<u>8,027,693</u>	<u>12,144,073</u>	<u>22,124,111</u>	<u>19,284,599</u>	<u>16,137,331</u>	<u>3,457,449</u>	<u>81,175,256</u>	<u>78,996,547</u>
Surplus (deficit)	48,324,652	(10,256,589)	1,296,570	(12,908,288)	(13,032,930)	1,156,936	14,580,351	4,575,212
Transfer to/from Other funds	25,497,254	(4,084,147)	4,965,944	987,203	(25,605,112)	(1,761,142)	-	-
Net Change in Financial Equity	<u>22,827,398</u>	<u>(6,172,442)</u>	<u>(3,669,374)</u>	<u>(13,895,491)</u>	<u>12,572,182</u>	<u>2,918,078</u>	<u>14,580,351</u>	<u>4,575,212</u>