

Financial Statements of

LONDON TRANSIT COMMISSION

Year ended December 31, 2015



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INDEPENDENT AUDITORS' REPORT

To the Commissioners, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of London

We have audited the accompanying financial statements of the London Transit Commission ("the Entity"), which comprise the statement of financial position as at December 31, 2015 and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements present fairly, in all material respects, the financial position of the London Transit Commission as at December 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants
March 30, 2016
London, Canada

LONDON TRANSIT COMMISSION

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	2015	2014
Financial Assets		
Cash and cash equivalents	\$ 32,883,164	\$ 33,226,676
Investments	19,002,214	18,643,651
Accounts receivable	884,179	617,620
Due from The City of London	352,156	56,743
	<u>53,121,713</u>	<u>52,544,690</u>
Financial Liabilities		
Accounts payable and accrued liabilities	8,596,631	8,324,380
Due to The City of London	15,951	61,282
Accrued liability insurance claims (note 8)	1,670,544	1,654,597
Employee future benefits (note 7)	4,077,000	4,138,000
Deferred fare media	3,994,995	4,133,077
Deferred revenue (note 4 and note 11)	28,478,802	27,482,766
	<u>46,833,923</u>	<u>45,794,102</u>
Net financial assets	6,287,790	6,750,588
Non - Financial Assets		
Inventories (note 2)	2,098,388	1,797,812
Tangible capital assets (note 10)	87,388,491	86,900,229
Prepays	734,536	764,745
	<u>90,221,415</u>	<u>89,462,786</u>
Commitments (note 9)		
Accumulated surplus (note 3)	\$ 96,509,205	\$ 96,213,374

See accompanying notes to financial statements.

LONDON TRANSIT COMMISSION

Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	Budget	2015	2014
Revenue:			
Grants:			
The City of London (note 5)	\$ 34,237,900	\$ 33,980,734	\$ 31,442,401
Province of Ontario (note 5)	12,722,300	8,426,404	10,295,969
	<u>46,960,200</u>	<u>42,407,138</u>	<u>41,738,370</u>
User charges, conventional transit:			
Cash fares	4,194,900	4,212,009	4,268,479
Ticket fares (note 5)	9,724,500	9,896,544	9,617,672
Pass fares (note 5)	17,350,700	16,488,680	18,396,062
Contract service	30,000	28,243	70,143
Other transportation revenue	-	52,069	93,409
	<u>31,300,100</u>	<u>30,677,545</u>	<u>32,445,765</u>
Other revenue, conventional transit:			
Advertising	578,200	578,200	608,440
Interest and discounts	760,000	735,239	805,988
Rent	2,500	2,534	2,676
Gain on disposal of capital assets	48,000	59,223	170,039
Miscellaneous	55,000	45,019	79,800
	<u>1,443,700</u>	<u>1,420,215</u>	<u>1,666,943</u>
User charges, specialized transit:			
Cash fares	15,500	14,960	16,509
Ticket fares (note 5)	338,500	316,297	300,401
Pass fares (note 5)	158,000	162,145	153,359
	<u>512,000</u>	<u>493,402</u>	<u>470,269</u>
Total revenue	<u>80,216,000</u>	<u>74,998,300</u>	<u>76,321,347</u>

See accompanying notes to financial statements.

LONDON TRANSIT COMMISSION

Statement of Operations

Year ended December 31, 2015, with comparative information for 2014

	Budget	2015	2014
Expenses:			
Salaries, wages and benefits:			
Transportation	\$ 30,559,123	\$ 30,322,546	\$ 28,667,926
Vehicle maintenance	8,104,483	7,827,530	7,489,597
Facility	449,093	465,214	442,664
Planning, marketing and general administration	2,948,301	2,853,855	2,829,300
	<u>42,061,000</u>	<u>41,469,145</u>	<u>39,429,487</u>
Materials, supplies, utilities and services:			
Transportation	2,114,800	2,205,811	2,535,589
Vehicle maintenance	4,344,500	4,488,242	4,527,636
Facility	2,813,400	2,729,955	2,825,089
Planning, marketing and general administration	1,521,600	1,638,705	1,508,163
Fuel	7,524,500	5,944,733	7,535,027
Amortization	-	10,453,942	10,724,879
	<u>18,318,800</u>	<u>27,461,388</u>	<u>29,656,383</u>
Current operations, specialized transit:			
Administration:			
Salaries and benefits	807,300	825,140	786,551
Materials and supplies	123,000	121,341	123,807
	<u>930,300</u>	<u>946,481</u>	<u>910,358</u>
Contracted service delivery	4,892,500	4,825,455	4,427,090
	<u>5,822,800</u>	<u>5,771,936</u>	<u>5,337,448</u>
Total expenses	<u>66,202,600</u>	<u>74,702,469</u>	<u>74,423,318</u>
Annual surplus (note 12)	\$ 14,013,400	295,831	1,898,029
Accumulated surplus, beginning of year		96,213,374	94,315,345
Accumulated surplus, end of year		<u>\$ 96,509,205</u>	<u>\$ 96,213,374</u>

See accompanying notes to financial statements.

LONDON TRANSIT COMMISSION

Statement of Change in Net Financial Assets

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Annual surplus	\$ 295,831	\$ 1,898,029
Acquisition of tangible capital assets	(10,942,204)	(11,065,698)
Amortization of tangible capital assets	10,453,942	10,724,879
Gain on disposal of tangible capital assets	(59,223)	(170,039)
Proceeds on sale of tangible capital assets	59,223	170,039
	(192,431)	1,557,210
Inventories	(300,576)	(113,631)
Prepaid expenses	30,209	83,599
	(270,367)	(30,032)
Change in net financial assets	(462,798)	1,527,178
Net financial assets, beginning of year	6,750,588	5,223,410
Net financial assets, end of year	\$ 6,287,790	\$ 6,750,588

See accompanying notes to financial statements.

LONDON TRANSIT COMMISSION

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 295,831	\$ 1,898,029
Items not involving cash:		
Amortization	10,453,942	10,724,879
Gain on disposal of tangible capital assets	(59,223)	(170,039)
Change in employee future benefit liability	(61,000)	11,000
Changes in non-cash assets and liabilities:		
Accounts receivable	(266,559)	33,539
Due from The City of London	(295,413)	469,070
Inventories	(300,576)	(113,631)
Prepays	30,209	83,599
Investments	(358,563)	(54,656)
Accounts payable and accrued liabilities	272,251	13,475
Due to The City of London	(45,331)	(13,818)
Accrued liability insurance claims	15,947	308,817
Deferred fare media	(138,082)	1,645,541
Deferred revenue	996,036	(5,467,908)
Net change in cash from operating activities	10,539,469	9,367,897
Capital activities:		
Proceeds on sale of tangible capital assets	59,223	170,039
Cash used to acquire tangible capital assets	(10,942,204)	(11,065,698)
Net change in in cash from capital activities	(10,882,981)	(10,895,659)
Net change in cash and cash equivalents	(343,512)	(1,527,762)
Cash and cash equivalents, beginning of year	33,226,676	34,754,438
Cash and cash equivalents, end of year	\$ 32,883,164	\$ 33,226,676

See accompanying notes to financial statements.

LONDON TRANSIT COMMISSION

Notes to Financial Statements

Year ended December 31, 2015

1. Significant accounting policies:

The financial statements of the London Transit Commission (the "Commission") are the representation of management prepared in accordance with Canadian generally accepted accounting principles as defined in the CPA Canada Public Sector Accounting Handbook.

(a) Basis of accounting:

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

(b) Cash and cash equivalents:

The balances reported for cash and cash equivalents in these financial statements include both funds for current purposes and balances held for reserve funds.

Cash and cash equivalents include amounts held in banks and highly liquid investments with maturities at time of purchase of three months or less.

(c) Deferred fare media and revenue:

The Commission receives contributions pursuant to legislation, regulations or agreement that may be only used for certain programs or in the completion of specific work. In addition, certain user charges and fees are collected for which the related services have yet to be performed. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or the services performed.

Government transfer payments from the City of London are recognized in the financial statements in the year in which the payment is authorized and the events giving rise to the transfer occur, performance criteria are met, and a reasonable estimate of the amount can be made. Funding that is stipulated to be used for specific purposes is only recognized as revenue in the fiscal year that the related expenses are incurred or services performed. If the funding is received for which the related expenses have not yet been incurred or services performed, these amounts are recorded as deferred revenue at year end.

(d) Post-employment benefits liability:

The Commission provides defined retirement and other future benefits to specified employee groups. These benefits include pension, health, dental, life insurance, compensated absences, and workers' compensation benefits. The Commission has adopted the following policies with respect to accounting for these benefits:

- (i) The cost of employee future benefit plans are actuarially determined using management's best estimate of salary escalation, insurance and health care cost trends, long-term inflation rates and discount rates.
- (ii) The cost of multi-employer defined benefit pension plan, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are the employer's contributions to the plan in the period. OMERS provides benefits for employees of Ontario municipalities, local boards, public utilities and school boards. As this is a multi employer plan, no liability is recorded on the Commission's books.

LONDON TRANSIT COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2015

1. Significant accounting policies (continued):

(e) Tangible capital assets:

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

Asset	Useful life - years
Site work	25
Buildings	10 - 60
Shelters, pads, and terminals	10
Rolling stock	12
Fare and data collection equipment	15
Radio/communication equipment	15
Bike racks on buses	5
Service fleet	3
Shop equipment	5
Small tools	3
Computer hardware	3
Computer software	3

Tangible capital assets which are under construction are not amortized until the tangible capital assets are ready for productive use.

(f) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

LONDON TRANSIT COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2015

2. Inventories:

	2015	2014
Spare parts	\$ 2,097,427	\$ 1,797,132
Returnable containers	961	680
	<u>\$ 2,098,388</u>	<u>\$ 1,797,812</u>

3. Accumulated surplus:

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

	2015	2014
Surplus:		
Invested in tangible capital assets	\$ 87,388,491	\$ 86,900,229
To be recovered from public liability insurance reserve fund	(1,670,544)	(1,654,597)
Unfunded:		
Employee future benefits liability	(4,077,000)	(4,138,000)
Vacation pay earned and accrued payroll	(2,805,969)	(2,725,809)
Total surplus	78,834,978	78,381,823
Reserve set aside for specific purposes of the Commission (note 11):		
Energy management reserve	3,203,250	3,203,250
General operating reserve	3,275,765	3,443,865
Health care management reserve	2,647,488	2,440,337
Total reserves	9,126,503	9,087,452
Reserve funds set aside for specific purposes by the Commission (note 11):		
Capital program reserve fund	4,658,384	4,752,935
Public liability insurance reserve fund	3,889,340	3,991,164
Total reserve funds	8,547,724	8,744,099
	<u>\$ 96,509,205</u>	<u>\$ 96,213,374</u>

4. Deferred revenue:

	2015	2014
Provincial gas tax	\$ 28,471,566	\$ 27,482,766
The City of London capital funding	7,236	-
	<u>\$ 28,478,802</u>	<u>\$ 27,482,766</u>

LONDON TRANSIT COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2015

5. Grants:

(a) The City of London:

Grants from The City of London for current and capital operations for conventional transit and specialized transit are as follows:

	2015	2014
Operating grants:		
Specialized transit	\$ 4,160,800	\$ 3,862,000
Conventional transit	22,881,400	22,234,000
	27,042,200	26,096,000
Capital grants:		
Capital levy and debentures	6,480,164	5,346,401
Development	458,370	-
	6,938,534	5,346,401
Total grants received from The City of London	\$ 33,980,734	\$ 31,442,401

In addition The City of London sponsors certain groups using both conventional and specialized public transit. These groups receive reduced fares or free fares. The Commission receives grants, on behalf of the respective groups, as fare offsets and are shown as such on the Statement of Operations as part of the ticket and pass fares. Particulars of the grants are as follows:

	2015	2014
Equalization grant, seniors (reduced fares)	\$ 355,786	\$ 339,406
Free transportation, blind	164,289	177,954
	\$ 520,075	\$ 517,360

(b) Province of Ontario:

Provincial grants recognized as revenue during the year ended December 31, for capital and operating programs are as follows:

	2015	2014
Capital grants:		
Gas tax program	\$ 3,109,895	\$ 4,912,577
Operating grants:		
Gas tax program	5,316,509	5,383,392
	\$ 8,426,404	\$ 10,295,969

LONDON TRANSIT COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2015

6. Pension agreement:

Effective February 1, 1989, the London Transit Commission commenced participation in the Ontario Municipal Employees Retirement System (OMERS) which is a multi employer plan, for all active employees at that date as well as for all new employees. As of December 31, 2015 there were 509 (495 for 2014) active employees. The plan is a contributory defined benefit plan which specifies the amount of retirement benefit to be received by the employees based on their length of service and rates of pay. Changes by OMERS to the plan, since February 1, 1989, apply to service after February 1, 1989. For pre-February 1, 1989 service, the Commission provides pension benefits, as determined by the pension plan document.

Employer contributions to OMERS for 2015 were \$2,703,475 (2014 - \$2,610,908).

The London Transit Commission continues to sponsor a pre-February 1, 1989, contributory defined benefit pension plan for employees on long term disability at February 1, 1989 that are not likely to return to active employment.

7. Employee future benefits:

The Commission provides benefits to retirees until they reach sixty-five years of age and provides certain benefits to employees on long term disability. The employee future benefit liability has been estimated based on an actuarial valuation which was completed at December 31, 2012.

	2015	2014
Employee future benefits liability as of December 31	\$ 4,077,000	\$ 4,138,000

Retirement and other future benefit expenses included in total expenditures consist of the following:

	2015	2014
Current year benefit cost	\$ 225,000	\$ 217,000
Interest on accrued benefit obligation	136,000	135,000
Amortized gain	(39,000)	(39,000)
Benefits paid	(383,000)	(302,000)
	\$ (61,000)	\$ 11,000

Significant assumptions are as follows:

Discount rate	3.75%
Rate of compensation increase	3.00%
Healthcare cost current	6.50%
Healthcare cost ultimate	4.50%

LONDON TRANSIT COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2015

8. Public liability insurance:

At December 31, 2015, there were 98 liability claims and 14 accident benefits claims outstanding that may result in payment under the insurance deductible provisions. The estimated cost to the Commission is \$1,476,375 and \$194,169 (2014 - \$1,471,013 and \$183,584) respectively for a total of \$1,670,544 (2014 - \$1,654,597) to be funded from the public liability reserve fund.

9. Commitments:

(a) Lease obligation:

The Commission rents a portion of a property located at 150 Dundas Street for an information office and sales outlet. The lease expires August 31, 2016. The annual base lease amount is \$19,189 plus an approximate additional amount of \$8,400 for taxes and common area maintenance. Lease payments until the expiry of the lease total \$18,361.

(b) Bus procurement:

The Commission has approved the awarding of contracts with New Flyer Industries for the purchase of fifteen replacement and expansion buses (\$8.3 million). All buses are anticipated to be on site by the end of October 2016.

LONDON TRANSIT COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2015

10. Tangible capital assets:

The historical cost, accumulated amortization and net book value of tangible capital assets employed by the Commission at December 31 is as follows:

Cost	Balance		Additions	Disposals	Balance	
	December 31, 2014				December 31, 2015	
Land	\$ 2,804,632	\$ -	\$ -	\$ -	\$ 2,804,632	
Site work	2,625,769	26,217	-	-	2,651,986	
Buildings	43,111,347	266,547	-	-	43,377,894	
Shelters, pads, and terminals	1,039,886	38,970	-	-	1,078,856	
Rolling stock	96,937,533	9,355,943	(4,223,114)	-	102,070,362	
Fare and data collection equipment	4,719,659	722,067	-	-	5,441,726	
Radio/communication equipment	7,922,317	173,802	-	-	8,096,119	
Bike racks on buses	158,878	-	-	-	158,878	
Service fleet	341,577	31,434	(30,277)	-	342,734	
Shop equipment	2,762,688	148,595	(25,986)	-	2,885,297	
Small tools	169,491	51,843	(55,808)	-	165,526	
Computer hardware	531,999	36,019	-	-	568,018	
Computer software	755,261	90,767	-	-	846,028	
	\$ 163,881,037	\$ 10,942,204	\$ (4,335,185)	\$ -	\$ 170,488,056	

Accumulated amortization	Balance		Disposals	Amortization	Balance	
	December 31, 2014				December 31, 2015	
Land	\$ -	\$ -	\$ -	\$ -	\$ -	
Site work	892,355	-	-	106,079	998,434	
Buildings	11,091,086	-	-	1,414,210	12,505,296	
Shelters, pads, and terminals	716,098	-	-	66,417	782,515	
Rolling stock	55,016,703	(4,223,114)	-	7,589,040	58,382,629	
Fare and data collection equipment	1,571,626	-	-	362,034	1,933,660	
Radio/communication equipment	3,435,061	-	-	539,741	3,974,802	
Bike racks on buses	133,920	-	-	24,958	158,878	
Service fleet	302,537	(30,277)	-	39,430	311,690	
Shop equipment	2,504,467	(25,986)	-	151,881	2,630,362	
Small tools	112,114	(55,808)	-	55,176	111,482	
Computer hardware	496,145	-	-	38,827	534,972	
Computer software	708,696	-	-	66,149	774,845	
	\$ 76,980,808	\$ (4,335,185)	\$ -	\$ 10,453,942	\$ 83,099,565	

Net book value	Balance		Balance	
	December 31, 2014		December 31, 2015	
Land	\$ 2,804,632		\$ 2,804,632	
Site work	1,733,414		1,653,552	
Buildings	32,020,261		30,872,598	
Shelters, pads, and terminals	323,788		296,341	
Rolling stock	41,920,830		43,687,733	
Fare and data collection equipment	3,148,033		3,508,066	
Radio/communication equipment	4,487,256		4,121,317	
Bike racks on buses	24,958		-	
Service fleet	39,040		31,044	
Shop equipment	258,221		254,935	
Small tools	57,377		54,044	
Computer hardware	35,854		33,046	
Computer software	46,565		71,183	
	\$ 86,900,229		\$ 87,388,491	

LONDON TRANSIT COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2015

11. Analysis of reserves, reserve funds, and deferred revenues:

	For Energy Management Reserve	General Operating Reserve	For Health Care Management Reserve	2015 Total	2014 Total
Reserves:					
Balance, beginning of year	\$ 3,203,250	\$ 3,443,865	\$ 2,440,337	\$ 9,087,452	\$ 8,631,254
Contributions from current operations	-	(168,100)	454,766	286,666	637,177
Appropriations to current operations	-	-	(247,615)	(247,615)	(180,979)
	\$ 3,203,250	\$ 3,275,765	\$ 2,647,488	\$ 9,126,503	\$ 9,087,452

	Capital program	Public liability insurance	2015 Total	2014 Total
Reserve funds:				
Balance, beginning of year	\$ 4,752,935	\$ 3,991,164	\$ 8,744,099	\$ 7,277,012
Interest earned	43,844	39,881	83,725	87,805
Contributions from current operations	259,233	380,000	639,233	2,372,088
	5,056,012	4,411,045	9,467,057	9,736,905
Expenditures:				
Appropriations (to) current				
Appropriations to current operations	-	(521,705)	(521,705)	(731,517)
Appropriations to capital LTC	(397,628)	-	(397,628)	(261,289)
	(397,628)	(521,705)	(919,333)	(992,806)
Balance, end of year	\$ 4,658,384	\$ 3,889,340	\$ 8,547,724	\$ 8,744,099

	City of London	Provincial gas tax program	2015 Total	2014 Total
Deferred revenues:				
Balance, beginning of year	\$ -	\$ 27,482,766	\$ 27,482,766	\$ 32,950,674
Interest earned	-	496,146	496,146	545,430
Contributions	7,236	9,415,204	9,422,440	4,828,061
	7,236	37,394,116	37,401,352	38,324,165
Expenditures:				
Appropriations to current operations		(5,316,509)	(5,316,509)	(5,383,392)
Appropriations to capital LTC		(3,606,041)	(3,606,041)	(5,458,007)
		(8,922,550)	(8,922,550)	(10,841,399)
Balance, end of year	\$	28,471,566	\$ 28,478,802	\$ 27,482,766

LONDON TRANSIT COMMISSION

Notes to Financial Statements (continued)

Year ended December 31, 2015

12. Reconciliation of annual surplus to Commission approved operating surplus:

The Commission's annual operating and capital budget programs are fully funded with actual to budget performance expected to be in a balanced position, that is the Commission does not budget for a surplus or deficit.

PSAB requirements impact how and where revenue and expenditure items are reported and on what financial statement. This results in the reporting of a 2015 paper budget surplus, a 2015 actual surplus and a 2014 actual surplus.

These reported surplus and deficits, budgeted and actual, are reconciled to the balanced position in the following table:

	Budget	2015	2014
Annual surplus	\$ 14,013,400	\$ 295,831	\$ 1,898,029
Capital expenditures	(14,888,000)	(10,942,203)	(11,065,698)
Transfers from reserves and reserve funds	2,350,000	1,166,947	1,173,786
Contributions to reserves and reserve funds	(1,475,400)	(1,177,724)	(2,841,371)
Amortization of fixed assets	-	10,453,942	10,724,879
Other	-	203,207	110,375
Commission approved surplus	\$ -	\$ -	\$ -

13. Adoption of new accounting policy:

The Commission adopted Public Sector Accounting Board Standard PS 3260 Liability for Contaminated Sites effective January 1, 2015. Under PS 3260, contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. This Standard relates to sites that are not in productive use where an unexpected event resulted in contamination. The commission adopted this standard on a retroactive basis and there were no adjustments as a result of the adoption of this standard.