

Town of Gibsons
Financial Statements
For the year ended December 31, 2009

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For the year ended December 31, 2009

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Auditors' Report

To the Mayor and Councilors of the
Town of Gibsons

We have audited the Statement of Financial Position of the Town of Gibsons as at December 31, 2009 and the Statements of Operations, Changes of Net Debt and Cash Flows for the year then ended. These financial statements are the responsibility of the Town's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Town of Gibsons as at December 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

Vancouver, British Columbia
March 12, 2010

Town of Gibsons
Statement of Financial Position

December 31	2009	2008
		(Restated - Note 1)
Assets		
Financial Assets		
Cash	\$ -	\$ 37,832
Taxes receivable	521,427	359,920
Accounts receivable	609,937	302,967
Portfolio investments (Note 2)	5,938,165	6,263,086
	7,069,529	6,963,805
Liabilities		
Cheques issued in excess of cash	33,788	-
Accounts payable and accrued liabilities	1,584,334	1,922,176
Unearned revenue (Note 3)	908,427	88,500
Long-term debt (Note 5) (Schedule 1)	3,748,129	2,992,770
Obligation under capital lease (Note 5)	354,925	400,428
Development cost charges	1,612,063	1,820,515
	8,241,666	7,224,389
Net Debt	(1,172,137)	(260,584)
Non-Financial Assets		
Tangible Capital Assets (Note 12)	35,441,563	33,179,158
Prepaid expenses	19,760	-
	\$35,461,323	\$ 33,179,158
Accumulated Surplus (Note 4 and 11)	\$34,289,186	\$ 32,918,574

_____ Treasurer

_____ Mayor

Town of Gibsons
Statement of Operations

For the year ended December 31	Fiscal Plan 2009 (Note 13)	2009	2008 (Restated - Note 1)
Revenue (Schedule 3)			
Taxation (Note 8)	\$ 2,733,710	\$ 2,750,931	\$ 2,737,841
Utility user rates and connection fees	1,260,348	1,272,098	1,121,497
Grants and contributions (Schedule 2)	4,135,452	1,422,601	584,907
Sale of services	95,794	123,932	162,606
Other revenue	841,282	913,123	1,092,823
Contribution from developers and others for capital	2,261,246	885,794	271,732
	<u>11,327,832</u>	<u>7,368,479</u>	<u>5,971,406</u>
Expenses (Schedule 3)			
General departmental expenditures	3,866,281	3,963,849	3,723,770
Water system	595,063	747,345	1,214,579
Sewer system	718,387	754,294	685,056
Motor vehicle license agency	217,666	220,139	229,642
Reserve - Municipal Finance Authority	2,030	1,454	2,148
Interest on long term debt	209,891	191,503	218,021
Bank charges and debt issue costs	5,200	71,203	5,626
Loss on disposal of tangible capital assets	-	48,080	-
	<u>5,614,518</u>	<u>5,997,867</u>	<u>6,078,842</u>
Annual Surplus	5,713,314	1,370,612	(107,436)
Accumulated Surplus, beginning of year	<u>32,918,574</u>	<u>32,918,574</u>	<u>33,026,010</u>
Accumulated Surplus, end of year	<u>\$38,631,888</u>	<u>\$34,289,186</u>	<u>\$ 32,918,574</u>

Town of Gibsons
Statement of Change in Net Debt

For the year ended December 31	Fiscal Plan 2009 (Note 13)	2009	2008 (Restated - Note 1)
Annual surplus	\$ 5,713,314	\$ 1,370,612	\$ (107,436)
Acquisition of tangible capital assets	(8,022,321)	(3,176,809)	(634,422)
Amortization of tangible capital assets	866,324	866,324	859,535
Loss on disposal of tangible capital assets	-	48,080	-
	(7,155,997)	(2,262,405)	225,113
Acquisition of prepaid expenses	-	(19,760)	-
Change in net debt for the year	(1,442,683)	(911,553)	117,677
Net debt, beginning of year	(260,584)	(260,584)	(378,261)
Net debt, end of year	\$ (1,703,267)	(1,172,137)	(260,584)

Town of Gibsons
Statement of Cash Flows

For the year ended December 31	2009	2008
		(Restated - Note 1)
Cash provided by (used in)		
Operating transactions		
Annual surplus	\$ 1,370,612	\$ (107,436)
Items not involving cash		
Development cost charges recognized	(363,769)	(271,732)
Contributed tangible capital assets	(522,025)	-
Loss on disposal of tangible capital assets	48,080	-
Amortization	866,324	859,535
	1,399,222	480,367
Changes in non-cash operating balances		
Accounts and taxes receivable	(468,477)	(15,723)
Accounts payable and accrued liabilities	(337,842)	535,133
Prepaid expenses	(19,760)	-
Other	819,927	6,470
	1,393,070	1,006,247
Capital transaction		
Cash used to acquire tangible capital assets	(2,654,784)	(634,422)
Investing transaction		
Proceeds from disposition of portfolio investments	324,921	(208,885)
Financing activities		
Issue of long-term debt	951,000	-
Development cost charges and contributions	30,204	(30,929)
Interest on development cost charges	125,111	109,401
Repayment of debt	(195,641)	(208,441)
Capital lease payments	(45,501)	(23,845)
	865,173	(153,814)
Increase (decrease) in cash during the year	(71,620)	9,126
Cash, beginning of year	37,832	28,706
Cash (Cheques issued in excess of Cash), end of year	\$ (33,788)	\$ 37,832

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

Town of Gibsons
Summary of Significant Accounting Policies

December 31, 2009

The Town of Gibsons (the "Town") is a municipality in the Province of British Columbia and operates under the provisions of the Local Government Act and Community Charter. The Town provides municipal services such as public works, planning, parks, garbage collection and other general government services.

These financial statements are prepared by management in accordance with Canadian generally accepted accounting principles for local government using guidelines developed by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

Tangible Capital
Assets

Effective January 1, 2008, the Town adopted the provisions of PSAB Accounting Handbook Section 3150 which requires that tangible capital assets be recorded at cost and amortized over their useful lives. This is a change from the policy of previous years where tangible capital assets were not amortized (Note 1).

Tangible capital assets 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. Contributed tangible capital assets are recorded at fair value at the time of the contribution.

Estimate useful lives of tangible capital assets are as follows:

Buildings	50 to 60 years
Equipment and Furniture	5 to 25 years
Vehicles	10 to 15 years
Roads	15 to 80 years
Drainage	30 to 80 years
Other Tangible Capital Assets	15 to 40 years
Sewer Infrastructure	3 to 80 years
Water Infrastructure	10 to 80 years
Work in Progress	Not amortized until put into use

Town of Gibsons
Summary of Significant Accounting Policies

December 31, 2009

Revenue Recognition	<p>Taxation revenue is recognized as revenue in the year it is levied.</p> <p>Through the British Columbia Assessments appeal process, taxation revenue may be adjusted by way of supplementary roll adjustments. The effects of these adjustments on taxation revenue are recognized at the time they are awarded. Levies imposed by other taxing authorities are not included as taxes for municipal purposes.</p> <p>Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.</p> <p>Sales of service and other revenue is recognized on an accrual basis.</p> <p>Receipts which are restricted by legislation of senior governments or by agreement with external parties are reported as contributions from developers and others for capital at the time they are received. When the qualifying expenditures are incurred the related contributions from developers and others for capital are brought into revenue.</p>
Government Transfers	<p>Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates of the amount can be made.</p>
Cash	<p>Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.</p>
Portfolio Investments	<p>Portfolio investments are recorded at cost unless there has been a decline in the market value which is other than temporary in nature in which case the investments are written down to market value.</p>
Leased Assets	<p>Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the Town and the obligation, including interest thereon, is repaid over the term of the lease. All other leases are accounted for as operating leases and the rental costs are expensed as incurred.</p>
Collection of Taxes on Behalf of Other Taxation Authorities	<p>The Town collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of entities are not reflected in these financial statements.</p>

Town of Gibsons
Summary of Significant Accounting Policies

December 31, 2009

Unearned Revenue Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.

Revenues from the sale of business licenses, dog tags and rental revenues pertaining to the subsequent year have been deferred. These amounts will be recognized as revenue in the next fiscal year.

Use of Estimates The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Areas requiring the greatest degree of estimation include useful lives of tangible capital assets and collectability of receivables.

Town of Gibsons
Notes to Financial Statements

December 31, 2009

1. Prior Period Adjustments

The Town has adopted the provisions of Section 3150 and 1200 of the PSAB Handbook and has applied these on a retroactive basis. This resulted in the restatement of the 2008 comparative figures presented in this financial statements which differ from from those pre adoption. The adoption of Section 3150 and 1200 have resulted in the following changes to accounting methods:

- tangible capital assets recorded only when such expenditures represent a new asset or extend the life of service capacity or improve the quality of an existing asset
- tangible capital assets amortized over their estimated useful lives
- operating surpluses, reserve funds and equity in capital assets now grouped together and presented as "accumulated surplus"

In addition, changes were made to presentation to reclassify portfolio investments as a separate financial asset

The impact of these changes was to:

- decrease overall accumulated surplus in the prior year by \$596,356 as follows:

	2008	2008
	(restated)	(prev reported)
Investment in Property and Equipment	\$ -	\$ 30,382,317
Current Fund	-	2,426,216
Reserve Fund	-	706,397
Accumulated surplus	32,918,574	-
	\$32,918,574	\$ 33,514,930

- decrease the carrying value of tangible capital assets in the prior year by \$596,356
- Increase in annual surplus reported in the prior year by \$7,173 as follows:

	2008	2008
	(restated)	(prev reported)
Revenues	\$ 5,971,406	\$ 5,971,406
Expenses (expenditures) other than capital and amortization	4,900,582	4,900,582
Capital repairs and maintenance	318,725	-
Capital expenditures	-	1,266,505
Amortization expense	859,535	-
	(107,436)	(195,681)
Debt principal repaid	-	(232,286)
Capital lease issued	-	313,358
Annual surplus (change in fund balance)	\$ (107,436)	\$ (114,609)

Town of Gibsons
Notes to Financial Statements

December 31, 2009

1. Prior Period Adjustments (Continued)

- impact of adjustments on cash and short-term deposits:

	2008	2008
	(restated)	(prev reported)
Cash and short-term deposits	\$ -	\$ 6,300,918
Cash and cash equivalents	37,832	-
Portfolio investments	6,263,086	-
	\$ 6,300,918	\$ 6,300,918

2. Portfolio Investments

	2009	2008
Short term bonds and Money Market Funds		
- Municipal Finance Authority	\$ 5,938,165	\$6,263,086

Short term bonds and money market funds include bank issued notes, bonds and Provincial bonds and debentures. Short term bonds bear interest at 7.34% (2008 - 5.36%) with maturities ranging from March 2010 to December 2027. Money market funds bear interest at 1.07% (2008 - 3.62%) and are redeemable at any time. Portfolio investments are recorded at cost unless, in the opinion of management, there has been in a decline in the market value other than temporary in nature in which case the investments are written down to market value.

3. Unearned revenue

	2009	2008
Unspent grants	\$ 815,870	\$ -
Other	92,557	88,500
	\$ 908,427	\$ 88,500

Town of Gibsons
Notes to Financial Statements

December 31, 2009

4. Community Works Funds

Included in accumulated surplus (reserve fund) are amounts relating to the community works gas tax agreement funds:

	2009	2008
Opening balance of unspent funds	\$ 115,368	\$ 103,918
Add:		
Amounts received in the year	221,228	120,538
Interest earned	8,569	11,450
Less:		
Project expense	(221,228)	(120,538)
Closing balance of unspent funds	\$ 123,937	\$ 115,368

Community works funds are provided by the Government of Canada. The use of the funds is established by a funding agreement between the Town and the Union of British Columbia Municipalities. Community works funds may be used towards designated community energy, water, wastewater, solid waste and capacity building projects as specified in the funding agreements.

5. Debt

(a) Future principal requirements on existing debt:

2010	\$ 236,437
2011	200,187
2012	207,406
2013	181,778
2014	189,640
2015 and onwards	2,732,681
	\$ 3,748,129

(b) The following approved debt remained unissued as at December 31, 2009:

Loan Authorization Bylaw	Expiry	Gross Amount Approved	Unissued Amount	Temporary Borrowings
1057 General Capital Improvements	2012	\$1,052,986	\$1,052,986	\$ -
1084 General Capital Improvements	2028	\$1,374,738	\$1,374,738	\$ -
1105 General Capital Improvement	2029	\$ 525,686	\$ 525,686	\$ 294,000

Town of Gibsons
Notes to Financial Statements

December 31, 2009

5. Debt (Continued)

(c) Obligation under capital lease for equipment:

The future minimum lease payments due under capital lease are as follows:

2010	\$	60,053
2011		60,053
2012		104,731
2013		143,841
		368,678
Total future minimum lease payments		368,678
Less amount representing interest at 3.75% - 5.0%		(13,753)
Present value of minimum lease payments	\$	354,925

6. Commitments

(a) Marina Facilities

The Town has entered into an agreement with Gibsons Marina Hotel Inc. allowing the company to operate a marina facility until December 31, 2011 in return for lease rental payments.

(b) Integration of Regional District and Town Water Supply

The Town has entered into a Water Supply Agreement with the Sunshine Coast Regional District to ensure adequate water supply to the residents of the Town. The Town and the Regional District have, in the past, collaborated on several projects.

The Town is in consultation with the Sunshine Coast Regional District, to review this agreement to ensure that it adequately addresses both parties goals of providing adequate water supply.

(c) The Town has the following service commitments with other organizations for various services:

Nature of Services	Approximate Annual Cost	Expiry of Term	Contract Length
Residential garbage pickup and disposal	\$ 94,000	2010	3 years

Town of Gibsons
Notes to Financial Statements

December 31, 2009

7. Pension Plan

The Town and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly-trusted pension plan. The Plan's 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 the benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 158,000 active members and approximately 57,000 retired members. Active members include approximately 33,000 contributors from local government.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of Plan funding. The most recent valuation as at December 31, 2006 indicates a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the unfunded liability to individual employers. The Town paid \$129,344 for employer contributions to the plan in the year ended December 31, 2009 (2008 - \$123,555) while employee contributions totaled \$121,264 (2008 - \$116,643).

8. Taxation

	Budget 2009	2009	2008
General municipal purposes	\$ 2,146,590	\$ 2,160,074	\$ 2,150,065
Specified area requisitions	48,026	48,021	47,741
Collections for other governments			
Province of British Columbia - School	2,130,000	2,206,517	2,129,607
Regional Hospital District	195,000	190,163	194,317
Municipal Finance Authority	165	202	163
British Columbia Assessment Authority	67,000	70,198	66,661
Regional District	1,730,847	1,608,913	1,428,564
Police Tax	210,000	206,726	205,192
	6,527,628	6,490,814	6,222,310
Transfer to Other Governments			
Province of British Columbia - School	2,130,000	2,206,517	2,129,607
Regional Hospital District	195,000	190,135	194,317
Municipal Finance Authority	166	202	163
British Columbia Assessment Authority	67,000	70,171	66,662
Regional District	1,730,847	1,608,951	1,424,964
Police Tax	210,000	206,726	205,191
	4,333,013	4,282,702	4,020,904
Total general municipal taxes	2,194,615	2,208,112	2,201,406

Town of Gibsons
Notes to Financial Statements

December 31, 2009

8. Taxation (Continued)

Total general municipal taxes (brought forward)	2,194,615	2,208,112	2,201,406
Frontage, local improvement and parcel taxes			
Water system	52,275	52,625	52,025
Sewer system	486,820	490,194	484,410
	<u>539,095</u>	<u>542,819</u>	<u>536,435</u>
	<u>\$ 2,733,710</u>	<u>\$ 2,750,931</u>	<u>\$ 2,737,841</u>

9. Gibsons Landing Harbour Authority

The Gibsons Landing Harbour Authority (GLHA) is an independently operated organization of which the Town of Gibsons is the sole member. The Town controls the board appointments of the GLHA, however its bylaws require that upon dissolution or wind-up its net assets will revert to the Department of Fisheries - Government of Canada. As such, the GLHA is not accounted for on a consolidated or equity basis and the transactions and balances of the Harbour Authority are not disclosed elsewhere in these financial statements.

The following summarizes the transactions and balances of the Gibsons Landing Harbour Authority as of its latest fiscal year ended March 31, 2009 as presented in their annual unaudited financial statements:

	<u>2009</u>	<u>2008</u>
Assets		
Cash and investments	\$ 116,737	\$ 67,213
Other assets	11,068	46,058
Property and equipment	528,350	587,653
	<u>\$ 656,155</u>	<u>\$ 700,924</u>
Liabilities		
Deferred capital contributions	\$ 50,187	\$ 54,506
Net assets	101,467	112,741
	<u>504,501</u>	<u>533,677</u>
	<u>\$ 656,155</u>	<u>\$ 700,924</u>
Revenues for the year		
Moorage	\$ 161,129	\$ 147,637
Other revenues	106,330	86,045
	<u>267,459</u>	<u>233,682</u>

Town of Gibsons
Notes to Financial Statements

December 31, 2009

9. Gibsons Landing Harbour Authority (Continued)

Brought forward	267,459	233,682
Expenses for the year		
Wages	118,091	107,363
Other expenses	178,544	167,401
	<u>296,635</u>	<u>274,764</u>
Deficiency of revenues over expenses for the year	<u>\$ (29,176)</u>	<u>\$ (41,082)</u>

10. Contingent Liabilities

- a) As a member of the Sunshine Coast Regional District, the Town is responsible for its portion of any operating deficit or long-term debt related to functions in which it participates.
- b) The Sunshine Coast Regional District has requested and has been provided with demand notes drawn in its favour totaling \$146,190 (2008 - \$120,093) to provide for additional funds, should the need arise, to service its debt in which the Town shares.
- c) The Town is partially self-insured through the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible that the Town, along with the other participants, would be required to contribute towards the deficit.

Town of Gibsons
Notes to Financial Statements

December 31, 2009

11. Accumulated Surplus

The Town segregates its accumulated surplus in the following categories:

	<u>2009</u>	<u>2008</u>
Current Fund ¹	\$ 2,455,097	\$ 2,426,216
Reserve Fund (Note 4)	769,820	706,397
Investment in non-financial assets	<u>31,064,269</u>	<u>29,785,961</u>
	<u>\$34,289,186</u>	<u>\$ 32,918,574</u>

¹Included in the total are funds held in trust from the Estate of Muriel Hayes of \$167,184 (2008 - \$155,621). The Town, as trustee, hold these funds to be spent on capital improvements at the Gibsons Pool for the general benefit of the community of Gibsons as a whole.

Reserve funds represent funds set aside by bylaw or council resolution for specific purposes.

The investment in non-financial assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Town of Gibsons
Notes to Financial Statements

December 31

12. Tangible Capital Assets

	Land	Buildings	Equipment and Furniture	Vehicles	Roads	Drainage	Other Tangible Capital Assets	Sewer Infrastructure	Water Infrastructure	Work in Progress	2009 Total	2008 Total
Cost, beginning of year	\$ 4,798,666	\$ 6,773,115	\$ 366,898	\$ 1,078,628	\$ 10,788,211	\$ 4,883,330	\$ 1,679,580	\$ 10,215,113	\$ 6,384,234	\$ -	\$ 46,967,775	\$ 46,333,353
Additions	173,767	78,083	31,044	64,459	962,610	86,680	18,654	11,778	319,785	1,429,949	3,176,809	634,422
Disposals		(9,305)	-	(27,245)	(96,877)	-	-	-	(30,206)	-	(163,633)	-
Cost, end of year	4,972,433	6,841,893	397,942	1,115,842	11,653,944	4,970,010	1,698,234	10,226,891	6,673,813	1,429,949	49,980,951	46,967,775
Accumulated amortization, beginning of year	-	2,138,856	198,933	450,039	4,969,760	944,803	664,077	2,399,491	2,022,658	-	13,788,617	12,929,082
Amortization	-	129,155	40,706	97,978	192,035	62,673	46,231	191,938	105,608	-	866,324	859,535
Disposals	-	(9,305)	-	(24,745)	(56,030)	-	-	-	(25,473)	-	(115,553)	-
Accumulated amortization, end of year	-	2,258,706	239,639	523,272	5,105,765	1,007,476	710,308	2,591,429	2,102,793	-	14,539,388	13,788,617
Net carrying amount, end of year	\$ 4,972,433	\$ 4,583,187	\$ 158,303	\$ 592,570	\$ 6,548,179	\$ 3,962,534	\$ 987,926	\$ 7,635,462	\$ 4,571,020	\$ 1,429,949	\$ 35,441,563	\$ 33,179,158

December 31, 2009

13. Fiscal Plan

Fiscal plan amounts represent the Financial Plan By-Law adopted by Council on May 5, 2009 with estimates for amortization of tangible capital assets.

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

The following shows how these amounts were combined:

	<u>2009</u>
Financial Plan Bylaw surplus for the year	\$ -
Addback:	
Capital expenditures	8,022,321
Less:	
Budgeted transfers from accumulated surplus	(1,442,683)
Amortization	<u>(866,324)</u>
Adjusted Annual Surplus	<u>\$ 5,713,314</u>

14. 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, garbage collection and parkland. The Town also contributes to the costs of fire protection and transit which are under the jurisdiction of the Sunshine Coast Regional District. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Corporate Services

The Corporate Services Department is the communications link between Council and other Municipal Departments and the general public, providing assistance and advice to citizens with respect to Council/Committee processes, reporting procedures and decisions.

Finance

The Finance Department is responsible for the overall financial and risk management of the Town. A segment of this department is the ICBC Autoplan and Driver Licensing Agency which provides ICBC driver licensing services.

ICBC Autoplan and Driver Licensing Agency

This department provides ICBC Autoplan and Driver Licensing services. Autoplan services consist of vehicle registration and insurance renewals and Driver Licensing involves driver licence renewals, road tests and processing motor vehicle fines to name a few.

December 31, 2009

14. Segmented Information (Continued)

Parks and Cultural Services

The Parks and Cultural Services Department contributes to the quality of life and personal wellness of the community through the provision of a variety of special events, programs, services and facilities.

Planning

This department provides short-term and long-term planning services.

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

Protective Services

Protection is comprised of bylaw enforcement and building inspection.

- Bylaw enforcement administers, monitors, and seeks compliance with the bylaws enacted by the Mayor & Council to regulate the conduct of affairs in the Town of Gibsons.
- The Town of Gibsons Building Department maintains the quality of life for Gibsons' citizens by regulating all construction within the Town. This is achieved through the use of the Town of Gibsons Building and Plumbing Bylaw, the British Columbia Building Code, the British Columbia Fire Code and other related bylaws and enactments within the Town of Gibsons.

Public Works

Public works is responsible for the essential services of the Town:

- ensuring clean and safe water to our Town, supplied through underground pipes, wells 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 coordination of residential garbage collection services

Town of Gibsons
Notes to Financial Statements

December 31, 2009

15. Expenditures by Function

	2009			2008 Total
	Operations	Capital Acquisitions	Total	
Goods and services	\$2,421,935	\$2,654,784	\$5,076,719	\$ 2,765,845
Labour	2,397,368	-	2,397,368	2,862,089
Contributed tangible capital assets	-	522,025	522,025	-
Debt charges - interest	264,160	-	264,160	225,795
Loss on disposal of capital assets	48,080	-	48,080	-
Total expenditures	5,131,543	3,176,809	8,308,352	5,853,729
Amortization expense	866,324	-	866,324	859,535
Total expenditures and expenses	<u>\$5,997,867</u>	<u>\$3,176,809</u>	<u>\$9,174,676</u>	<u>\$ 6,713,264</u>

Town of Gibsons
Schedule 1 - Long-Term Debt

For the year ended December 31

Security Issuing By-law	Purpose	Year of Maturity	Rate	Balance Outstanding	
				2009	2008
General					
881	Local improvement	2018	5.550%	\$ 242,969	\$ 263,955
890	Downtown revitalization	2019	5.490%	685,911	737,846
911	Local improvement	2010	6.450%	43,168	84,281
1049	Road improvements	2012	*	99,480	132,640
1093	Road improvements	2029	4.130%	85,000	-
				<u>1,156,528</u>	<u>1,218,722</u>
Water					
1093	Cross connection control and water meter	2029	4.130%	<u>866,000</u>	-
Sewer					
576	Waste Water Treatment Plant upgrade	2031	4.850%	<u>1,725,601</u>	<u>1,774,048</u>
				<u>\$ 3,748,129</u>	<u>\$ 2,992,770</u>

* This financing bears interest at the 30-day Banker's Acceptance rate and is calculated daily, and payable monthly

Town of Gibsons
Schedule 2 - Grants and Contributions

For the year ended December 31	Budget 2009	2009	2008
Federal grants			
In lieu of taxes - general	\$ 9,000	\$ 8,250	\$ 8,568
In lieu of taxes - water	225	225	225
In lieu of taxes - sewer	2,100	2,169	2,169
	<u>11,325</u>	<u>10,644</u>	<u>10,962</u>
Provincial grants			
General fund			
Small Communities grant	485,000	485,000	408,967
Trees for tomorrow	-	35,000	-
Community tourism	5,802	4,944	3,623
Planning - general	50,000	59,985	24,990
Street lighting	1,100	1,099	1,099
West Nile virus	3,500	-	4,728
Water fund			
Towns for tomorrow	220,000	125,000	-
Sewer fund			
Planning	-	-	10,000
	<u>765,402</u>	<u>711,028</u>	<u>453,407</u>
Total operating grants	<u>776,727</u>	<u>721,672</u>	<u>464,369</u>
Other capital grants			
General fund			
Community Works	-	81,285	-
ICE/ICET	51,400	43,556	-
Other general	2,238,960	-	-
Water fund			
Community Works	225,000	139,943	120,538
Other water	843,365	436,145	-
Total capital grants	<u>3,358,725</u>	<u>700,929</u>	<u>120,538</u>
Total Grants to Town	<u>4,135,452</u>	<u>1,422,601</u>	<u>584,907</u>
Provincial Home Owners' Grants	<u>905,313</u>	<u>937,352</u>	<u>905,313</u>
Total government grants to Town and Taxpayers	<u>\$ 5,040,765</u>	<u>\$ 2,359,953</u>	<u>\$ 1,490,220</u>

Town of Gibsons
Schedule 3 - Statement of Operations by Segment

For the year ended December 31, 2009

	General Government Services	ICBC Autoplan Driver Licence Agency	Protective Services	Planning and Economic Development Services	Public Works	Park Services	Unallocated	Water Utility	Sewer Utility	Total 2009 Actual	Total 2009 Fiscal Plan (Note 13)
Revenues											
General taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,208,112	\$ 52,625	\$ 490,194	\$ 2,750,931	\$ 2,733,710
Grants	129,785	-	-	59,985	1,099	35,000	493,250	701,313	2,169	1,422,601	4,135,452
Deferred cost charge revenue other funding of capital works	885,794	-	-	-	-	-	-	-	-	885,794	2,261,246
Utility charges	-	-	-	-	-	-	-	844,167	427,931	1,272,098	1,260,348
Sales of services	(48,870)	-	-	-	172,802	-	-	-	-	123,932	95,794
Other revenue	582,377	255,158	-	-	-	-	48,204	23,131	4,253	913,123	841,282
Total revenue	1,549,086	255,158	-	59,985	173,901	-	2,749,566	1,621,236	924,547	7,368,479	11,327,832
Expenses											
Operating											
Goods and services	448,184	8,019	23,456	150,800	692,187	346,022	-	449,596	303,671	2,421,935	2,272,081
Labour	712,227	212,120	145,228	170,701	427,726	321,049	-	191,065	217,252	2,397,368	2,258,992
Interest, issue and other	150,770	-	-	-	-	-	-	22,917	90,473	264,160	217,121
Loss on disposal of tangible capital assets	-	-	-	-	-	-	43,347	4,733	-	48,080	-
	1,311,181	220,139	168,684	321,501	1,119,913	667,071	43,347	668,311	611,396	5,131,543	4,748,194
Amortization	526,269	-	-	-	-	-	-	106,684	233,371	866,324	866,324
Total expenses	1,837,450	220,139	168,684	321,501	1,119,913	667,071	43,347	774,995	844,767	5,997,867	5,614,518
Excess (deficiency) in revenues over expenses	\$ (288,364)	\$ 35,019	\$ (168,684)	\$ (261,516)	\$ (946,012)	\$ (667,071)	\$ 2,706,219	\$ 846,241	\$ 79,780	\$ 1,370,612	\$ 5,713,314

Town of Gibsons
Schedule 3 - Statement of Operations by Segment

For the year ended December 31, 2008

	General Government Services	ICBC Autoplan Driver Licence Agency	Protective Services	Planning and Economic Development Services	Public Works	Park Services	Unallocated	Water Utility	Sewer Utility	Total 2008 Actual	Total 2008 Budget
										(Restated - Note 1)	
Revenues											
General taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,201,406	\$ 52,025	\$ 484,410	\$ 2,737,841	\$ 2,734,041
Grants	128,889	-	-	24,990	1,099	-	417,535	225	12,169	584,907	606,266
Deferred cost charge revenue other funding of capital works	271,732	-	-	-	-	-	-	-	-	271,732	1,107,863
Utility charges	-	-	-	-	-	-	-	707,198	414,299	1,121,497	1,063,788
Sales of services	6,624	-	-	-	136,059	-	-	-	19,923	162,606	75,278
Other revenue	760,009	255,914	-	-	-	-	36,136	15,048	25,716	1,092,823	841,282
Total revenue	1,167,254	255,914	-	24,990	137,158	-	2,655,077	774,496	956,517	5,971,406	6,428,518
Expenses											
Operating											
Goods and services	526,207	9,655	22,066	169,862	842,592	279,489	-	435,316	480,658	2,765,845	2,468,625
Labour	607,917	219,987	127,380	178,889	423,272	307,815	-	158,009	204,398	2,227,667	2,217,847
Debt charges - interest	128,814	-	-	-	-	-	-	-	96,981	225,795	217,121
	1,262,938	229,642	149,446	348,751	1,265,864	587,304	-	593,325	782,037	5,219,307	4,903,593
Amortization	238,281	-	-	-	-	-	-	621,254	-	859,535	-
Total expenses	1,501,219	229,642	149,446	348,751	1,265,864	587,304	-	1,214,579	782,037	6,078,842	4,903,593
Excess (deficiency) in revenues over expenses	\$ (333,965)	\$ 26,272	\$ (149,446)	\$ (323,761)	\$ (1,128,706)	\$ (587,304)	\$ 2,655,077	\$ (440,083)	\$ 174,480	\$ (107,436)	\$ 1,524,925

Town of Gibsons
Supplementary Financial Information
Reserve Fund Transactions

For the year ended December 31, 2009

	Capital Works	Public Parking	Parkland Acquisition	Roads	Development Cost Charges Drainage	Water	Sewer	2009	2008
Balance, beginning of year	\$ 342,621	\$ 90,886	\$ 272,890	\$ 537,282	\$ 339,603	\$ 602,197	\$ 341,433	\$2,526,912	\$ 2,651,412
Interest received	21,202	6,751	20,271	35,729	25,851	38,129	25,402	173,335	145,287
Contributions General operating fund	98,918	-	-	-	-	-	-	98,918	134,782
Developers	-	-	-	5,888	13,895	7,921	2,502	30,206	(30,929)
Expenditures	(83,719)	-	-	(87,270)	-	(276,499)	-	(447,488)	(373,640)
Balance, end of year	\$ 379,022	\$ 97,637	\$ 293,161	\$ 491,629	\$ 379,349	\$ 371,748	\$ 369,337	\$2,381,883	\$ 2,526,912



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Auditors' Report

To the Mayor and Councilors of the
Town of Gibsons

We have audited the Statement of Financial Position of the Town of Gibsons as at December 31, 2009 and the Statements of Operations, Changes of Net Debt and Cash Flows for the year then ended.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Exhibits A - J is presented for purposes of additional analysis. Such supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The supplemental information included in the Exhibit section has not been subject to audit and, accordingly, we express no opinion on the information in that section.

Chartered Accountants

Vancouver, British Columbia
March 12, 2010

Town of Gibsons
Supplementary Financial Information - Exhibit A
General Fund - Statement of Financial Position

December 31	2009	2008
Assets		
Current		
Cash	\$ -	\$ 37,832
Portfolio investments	3,556,282	3,736,174
Accounts receivable		
Province of British Columbia	39,092	44,371
Other	350,700	120,663
Due from general capital fund	294,000	-
Taxes receivable	521,427	359,920
Prepaid expenses	19,760	-
Deposit - Municipal Finance Authority	31,590	29,883
	<u>4,812,851</u>	<u>4,328,843</u>
Capital fund	<u>19,679,213</u>	<u>18,847,553</u>
	<u>\$24,492,064</u>	<u>\$ 23,176,396</u>

Liabilities

Operating fund		
Cheques issued in excess of cash	\$ 33,788	\$ -
Accounts payable and accrued liabilities	1,454,747	1,427,496
Due to water operating fund	881,531	741,461
Due to sewer operating fund	891,383	816,779
Unearned revenue	458,427	88,500
Provision for future expenditures	726,106	807,290
Reserve - Municipal Finance Authority	31,590	29,883
Fund balance	335,279	417,434
	<u>4,812,851</u>	<u>4,328,843</u>
Capital fund		
Due to general operating fund	294,000	-
Long-term debt	1,156,528	1,218,722
Obligation under lease payable	354,925	400,428
Investment in property and equipment	17,873,760	17,228,403
	<u>19,679,213</u>	<u>18,847,553</u>
	<u>\$24,492,064</u>	<u>\$ 23,176,396</u>

Town of Gibsons
 Supplementary Financial Information - Exhibit B
 General Fund - Operating Fund Balance
 and Investment in Property and Equipment

For the year ended December 31	2009	2008
Operating fund balance		
Balance, beginning of year	\$ 417,434	\$ 480,451
Deficit for the year	<u>(82,155)</u>	<u>(63,017)</u>
Balance, end of year	<u>\$ 335,279</u>	<u>\$ 417,434</u>
Investment in Property and Equipment		
Balance, beginning of year	\$17,228,403	\$ 17,111,492
Contributions from operating fund for:		
Acquisition of property and equipment	180,289	96,573
Lease payments	45,502	23,845
Reduction of long-term debt	107,348	107,348
Acquisition of property and equipment from provision for future expenditures	24,135	-
Reserve fund for:		
Acquisition of property and equipment	83,719	101,908
Developer's Cost Credits	87,270	271,732
Provincial Grants	124,841	-
Contributed tangible capital assets	522,025	-
Contribution from Municipal Finance Authority		
Sinking fund for debt reduction	39,844	34,416
Disposition of assets	(43,347)	-
Amortization	<u>(526,269)</u>	<u>(518,911)</u>
Balance, end of year	<u>\$17,873,760</u>	<u>\$ 17,228,403</u>

Town of Gibsons
Supplementary Financial Information - Exhibit C
General Fund - Operating Fund Financial Activities

For the year ended December 31	2009	2008
Revenue		
Taxation	\$ 2,208,112	\$ 2,201,406
Grants and contributions		
Federal government	8,250	8,568
Province of British Columbia	586,028	443,407
Sale of services		
General government services	228,963	242,474
Transportation services	172,802	136,059
Capital equipment recoveries	98,918	134,782
Other revenue		
Licences, permits and fines	150,366	221,658
Rents	155,245	153,901
I.C.B.C. Autoplan and Driver Licensing Commissions	255,158	255,914
Interest on investments	43,283	167,245
Penalties and interest on taxes	65,033	63,272
Contributed tangible capital assets	90,650	81,374
Sundry	37,956	38,143
Appropriation from provision for future expenditures	135,229	141,968
	<u>4,235,993</u>	<u>4,290,171</u>
Expenditures		
General departmental expenditures		
General government	1,160,430	1,134,124
Protective services	168,684	149,446
Transportation services	803,697	955,390
Environmental services	316,216	310,474
Planning and economic development services	321,501	348,751
Park services	667,071	587,304
Motor vehicle licence agency	220,139	229,642
Debt charges		
Interest	101,030	121,040
Sundry	48,286	5,626
Transfers		
Reserve fund	98,918	134,782
Provision for future expenditures	78,180	147,639
Reserve - Municipal Finance Authority	857	1,204
Capital Fund	180,289	96,573
Debt principal	152,850	131,193
	<u>4,318,148</u>	<u>4,353,188</u>
Deficit for the year	\$ (82,155)	\$ (63,017)

Town of Gibsons
Supplementary Financial Information - Exhibit D
Water Fund - Statement of Financial Position

December 31 2009 2008

Assets

Operating fund

Accounts receivable		
Due from general operating fund	\$ 881,531	\$ 741,461
Province of British Columbia	220,145	-
Regional District	-	127,933
Deposit - Municipal Finance Authority	8,721	-
	1,110,397	869,394

Capital fund

Property and equipment	6,030,616	4,378,280
	\$ 7,141,013	\$ 5,247,674

Liabilities

Operating fund

Accounts payable	\$ 111,493	\$ 476,589
Reserve - Municipal Finance Authority	8,721	-
Unearned revenue	450,000	-
Provision for future expenditures	55,000	-
Fund balance	485,183	392,805
	1,110,397	869,394

Capital fund

Long-term debt	866,000	-
Investment in property and equipment	5,164,616	4,378,280
	6,030,616	4,378,280
	\$ 7,141,013	\$ 5,247,674

Town of Gibsons
 Supplementary Financial Information - Exhibit E
 Water Fund - Operating Fund Balance
 and Investment in Property and Equipment

For the year ended December 31	2009	2008
Operating fund balance		
Balance, beginning of year	\$ 392,805	\$ 425,791
Surplus (deficit) for the year	92,378	(32,986)
Balance, end of year	\$ 485,183	\$ 392,805
Investment in Property and Equipment		
Balance, beginning of year	\$ 4,378,280	\$ 4,321,717
Contributions from operating fund for:		
Acquisition of property and equipment	45,166	43,671
Contribution from reserve fund for:		
Acquisition of property and equipment	276,499	-
Disposition of property and equipment	(4,733)	-
Amortization	(106,684)	(107,646)
Provincial grants	576,088	120,538
Balance, end of year	\$ 5,164,616	\$ 4,378,280

Town of Gibsons
 Supplementary Financial Information - Exhibit F
 Water Fund - Operating Fund Financial Activities

For the year ended December 31	2009	2008
Revenue		
User rates	\$ 823,186	\$ 698,298
Parcel tax	52,625	52,025
Connection fees	20,981	8,900
Grants and contributions	125,225	225
Miscellaneous	23,131	15,048
	<u>1,045,148</u>	<u>774,496</u>
Expenditures		
Water supply		
Administration	325,930	252,394
Service of supply	235,108	287,986
Transmission, distribution and pumping	268,649	223,431
Debt charges		
Interest	22,917	-
Transfers		
Capital fund	45,166	43,671
Provision for future expenditures	55,000	-
	<u>952,770</u>	<u>807,482</u>
Surplus (deficit) for the year	\$ 92,378	\$ (32,986)

Town of Gibsons
Supplementary Financial Information - Exhibit G
Sewer Fund - Statement of Financial Position

December 31 2009 2008

Assets

Operating fund

Accounts receivable - Province of British Columbia	\$	-	\$	10,000
Deposit - Municipal Finance Authority		21,563		20,966
Due from general operating fund		891,383		816,779
		<u>912,946</u>		<u>847,745</u>

Capital fund

Property and equipment		<u>9,731,734</u>		<u>9,953,326</u>
		<u>\$10,644,680</u>		<u>\$ 10,801,071</u>

Liabilities

Operating fund

Accounts payable	\$	18,094	\$	18,092
Reserve - Municipal Finance Authority		21,563		20,966
Provision for future expenditures		94,800		74,800
Fund balance		<u>778,489</u>		<u>733,887</u>
		<u>912,946</u>		<u>847,745</u>

Capital fund

Long-term debt		1,725,601		1,774,048
Investment in property and equipment		<u>8,006,133</u>		<u>8,179,278</u>
		<u>9,731,734</u>		<u>9,953,326</u>
		<u>\$10,644,680</u>		<u>\$ 10,801,071</u>

Town of Gibsons
 Supplementary Financial Information - Exhibit H
 Sewer Fund - Operating Fund Balance
 and Investment in Property and Equipment

For the year ended December 31	2009	2008
Operating fund balance		
Balance, beginning of year	\$ 733,887	\$ 706,980
Surplus for the year	44,602	26,907
Balance, end of year	\$ 778,489	\$ 733,887
Investment in Property and Equipment		
Balance, beginning of year	\$ 8,179,278	\$ 8,345,578
Contributions from operating fund for:		
Acquisition of property and equipment	11,778	-
Reduction of long-term debt	44,793	54,941
Amortization	(233,371)	(232,978)
Contributions from Municipal Finance Authority for:		
Sinking fund for debt reduction	3,655	11,737
Balance, end of year	\$ 8,006,133	\$ 8,179,278

Town of Gibsons
 Supplementary Financial Information - Exhibit I
 Sewer Fund - Operating Fund Financial Activities

For the year ended December 31	2009	2008
Revenue		
User rates	\$ 420,411	\$ 411,109
Parcel tax	490,194	484,410
Local improvement tax	-	-
Connection fees	7,520	3,190
Grants and contributions	2,169	12,169
Miscellaneous	597	33,901
Appropriations from provision for future expenditures	-	119,951
	920,891	1,064,730
Expenditures		
Administration	214,966	275,348
Maintenance		
Collection system	184,027	250,933
Treatment system	309,655	358,676
Debt charges		
Interest	90,473	96,981
Transfers		
Reserve - Municipal Finance Authority	597	944
Provision for future expenditures	20,000	-
Capital fund	11,778	-
Debt Principal	44,793	54,941
	876,289	1,037,823
Surplus for the year	\$ 44,602	\$ 26,907

Town of Gibsons
 Supplementary Financial Information - Exhibit J
 Reserve Fund - Statement of Financial Position

December 31	2009	2008
Assets		
Cash and short-term deposits	\$ 2,381,883	\$ 2,526,912
Liabilities and Fund Balances		
Development cost charges		
Roads	\$ 491,629	\$ 537,282
Drainage	379,349	339,603
Water	371,748	602,197
Sewer	369,337	341,433
	1,612,063	1,820,515
Fund balances		
Capital works	379,022	342,621
Public parking	97,637	90,886
Parkland acquisition	293,161	272,890
	769,820	706,397
	\$ 2,381,883	\$ 2,526,912