

**Town of Gibsons**  
**Financial Statements**  
December 31, 2020

**Town of Gibsons**  
**Financial Statements**  
**For the Year Ended December 31, 2020**

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## Management's Responsibility for the Financial Statements

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The accompanying financial statements of the Town of Gibsons (the "Town") are the responsibility of management and have been prepared in accordance with Canadian public sector accounting standards as prescribed by the Public Sector Accounting Board. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

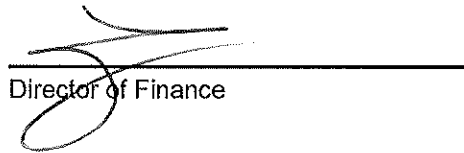
The Town's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

Mayor and Council meet with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by BDO Canada LLP, independent external auditors appointed by the Town. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Town's financial statements.



Chief Administrative Officer



Director of Finance

April 20, 2021



Tel: 604 688 5421  
Fax: 604 688 5132  
vancouver@bdo.ca  
www.bdo.ca

BDO Canada LLP  
Unit 1100 -Royal Centre  
1055 West Georgia Street P.O. Box 11101  
Vancouver, BC V6E 3P3 Canada

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## Independent Auditor's Report

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To the Mayor and Council of the Town of Gibsons

### Opinion

We have audited the financial statements of the Town of Gibsons (the "Town") which comprise the Statement of Financial Position as at December 31, 2020 and the Statements Operations, Changes in Net Debt, and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Town of Gibsons as at December 31, 2020 and its results of operations, its changes in net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally-accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of this report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Unaudited Information

We have not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Schedule A of the Town's financial statements.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.



## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally-accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally-accepted auditing standards we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


*BDO Canada LLP*

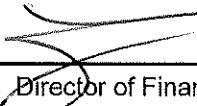
Chartered Professional Accountants

Vancouver, British Columbia  
April 27, 2021

**Town of Gibsons**  
**Statement of Financial Position**

December 31	2020	2019
<b>Assets</b>		
<b>Financial Assets</b>		
Cash	\$ 2,102,991	\$ 225,796
Portfolio investments (Note 2)	9,820,847	5,231,704
Taxes receivable	421,500	460,306
Accounts receivable	1,056,796	2,061,506
	<u>13,402,134</u>	<u>7,979,312</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	4,442,931	1,941,898
Deferred revenue (Note 3)	244,374	244,897
Long-term debt (Note 4) (Schedule 1)	9,602,508	6,979,854
Development cost charges (Note 5)	1,235,717	1,138,557
	<u>15,525,530</u>	<u>10,305,206</u>
<b>Net Debt</b>	<u>(2,123,396)</u>	<u>(2,325,894)</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 9)	59,678,727	56,729,965
Prepaid expenses	33,695	25,218
	<u>59,712,422</u>	<u>56,755,183</u>
<b>Accumulated Surplus (Note 6)</b>	<u>\$ 57,589,026</u>	<u>\$ 54,429,289</u>

  
\_\_\_\_\_  
Mayor

  
\_\_\_\_\_  
Director of Finance

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

**Town of Gibsons**  
**Statement of Operations**

<b>For the Year Ended December 31</b>	<b>Fiscal Plan 2020</b>	<b>2020</b>	<b>2019</b>
<b>Revenue</b> (Schedules 3 and 4)			
Taxation (Note 10)	\$ 4,905,083	\$ 4,900,114	\$ 4,754,784
Utility user rates and connection fees	2,044,024	2,005,760	1,886,997
Government transfers (Schedule 2)	1,113,752	2,675,604	2,588,664
Other contributions	-	148,945	42,368
Sales of services	1,039,048	646,434	599,225
Other revenue	1,397,419	1,542,153	1,825,697
Contributions from developers	349,208	524,621	454,560
	<b>10,848,534</b>	<b>12,443,631</b>	<b>12,152,295</b>
<b>Expenses</b> (Schedules 3 and 4)			
General departmental expenditures	7,009,527	6,383,466	6,428,628
Water system	1,306,112	1,356,012	1,431,499
Sewer system	1,498,175	1,298,941	1,320,921
Motor vehicle license agency	289,599	235,547	275,780
Loss on disposal of tangible capital assets	-	9,928	650
	<b>10,103,413</b>	<b>9,283,894</b>	<b>9,457,478</b>
<b>Annual Surplus</b>	<b>745,121</b>	<b>3,159,737</b>	<b>2,694,817</b>
<b>Accumulated Surplus, beginning of year</b>	<b>54,429,289</b>	<b>54,429,289</b>	<b>51,734,472</b>
<b>Accumulated Surplus, end of year</b>	<b>\$ 55,174,410</b>	<b>\$ 57,589,026</b>	<b>\$ 54,429,289</b>

Fiscal Plan (Note 14)

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

**Town of Gibsons**  
**Statement of Changes in Net Debt**

<b>For the Year Ended December 31</b>	<b>Fiscal Plan 2020</b>	<b>2020</b>	<b>2019</b>
<b>Annual Surplus</b>	<b>\$ 70,214</b>	<b>\$ 3,159,737</b>	<b>\$ 2,694,817</b>
Acquisition of tangible capital assets	<b>(7,451,000)</b>	<b>(4,518,425)</b>	(3,862,675)
Amortization of tangible capital assets	<b>1,545,013</b>	<b>1,559,735</b>	1,545,013
Loss on disposal of tangible capital assets	-	<b>9,928</b>	650
	<b>(5,905,987)</b>	<b>(2,948,762)</b>	(2,317,012)
Gross acquisition of prepaid expenses	-	<b>(8,477)</b>	(2,323)
<b>Change in net debt for the year</b>	<b>(5,835,773)</b>	<b>202,498</b>	375,482
<b>Net debt, beginning of year</b>	<b>(2,325,894)</b>	<b>(2,325,894)</b>	(2,701,376)
<b>Net debt, end of year</b>	<b>\$ (8,161,667)</b>	<b>\$ (2,123,396)</b>	<b>\$ (2,325,894)</b>

Fiscal Plan (Note 14)

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



**Town of Gibsons**  
**Statement of Cash Flows**

**For the Year Ended December 31**

**2020**

**2019**

**Cash provided by (used in)**

**Operating transactions**

Annual surplus \$ 3,159,737 \$ 2,694,817

**Items not involving cash**

Development cost charges recognized (413,015) (376,810)

Contributed tangible capital assets - (638,000)

Loss on disposal of tangible capital assets 9,928 650

Amortization 1,559,735 1,545,013

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**4,316,385** 3,225,670

**Changes in non-cash operating balances**

Accounts and taxes receivable 1,043,516 133,295

Accounts payable and accrued liabilities 2,501,033 435,393

Prepaid expenses (8,477) (2,323)

Deferred revenue (523) (14,620)

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**7,851,934** 3,777,415

**Capital transaction**

Acquisition of tangible capital assets (4,518,425) (3,224,675)

**Investing transactions**

Change in portfolio investments, gross (4,589,143) (452,972)

**Financing transactions**

Development cost charges contributions 493,846 385,698

Interest on development cost charges 16,329 31,114

Issuance of debt 3,311,509 -

Repayment of debt (688,855) (611,153)

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**3,132,829** (194,341)

**Increase (decrease) in cash during year**

**1,877,195** (94,573)

**Cash, beginning of year**

**225,796** 320,369

**Cash, end of year**

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**\$ 2,102,991** \$ 225,796

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

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**Town of Gibsons**  
**Notes to the Financial Statements**

**December 31, 2020**

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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 public sector accounting standards as prescribed by the Public Sector Accounting Board ("PSAB").

**1. Significant Accounting Policies**

**(a) Cash**

Cash includes all highly liquid investments with maturity of three months or less at acquisition.

**(b) Portfolio Investments**

Portfolio investments represent pooled investment funds and term deposits and are recorded at market values which approximate cost.

**(c) Revenue Recognition**

Taxes are recorded in the period when they meet the definition of an asset, have been authorized and the taxable event occurs. Annual levies for non-optional municipal services and general administrative services are recorded as taxes for municipal services in the year they are levied. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts. Levies imposed by other taxing authorities and collected on their behalf are not included as taxation revenue.

Through the British Columbia Assessments appeal process, taxes may be adjusted by way of supplementary roll adjustments. The effects of these adjustments on taxes are recognized at the time they are awarded.

Sale of service and other revenue is recognized on an accrual basis as services are rendered.

Charges for sewer and water usage are recorded as utility user fees. Connection fee revenues are recognized when the connection has been established.

Receipts which are restricted by agreement with external parties are recorded as deferred revenue at the time they are received. When the qualifying expenditures are incurred the related contributions are brought into revenue.

**(d) 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. Government transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Government transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

**(e) Collection of Taxes on Behalf of Other Entities**

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.

**1. Significant Accounting Policies (Continued)**

**(f) Deferred Revenue**

Funds received for specific purposes as 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 period services are provided over the period to which they were collected.

**(g) Liability for Contaminated Sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Town is directly responsible or accepts responsibility;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

As at December 31, 2020 and 2019, the Town has reported no amounts as liability for contaminated sites.

**1. Significant Accounting Policies (Continued)**

**(h) Tangible Capital Assets**

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
Geo Utility	10 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

The Town is fortunate to have many natural assets that reduce the need for engineered infrastructure that would otherwise be required. This includes the Gibsons aquifer (water storage and filtration), creeks, ditches and wetlands (rain water management) and the foreshore area (natural seawall). Canadian public sector accounting standards do not allow for the valuation and recording of such assets into the financial statements of the Town. As such, these natural assets are not reported in these financial statements. The Town's ability to provide services is dependent on the ability of these assets to withstand the impacts of climate change and to continue to perform as required. Recognizing this importance of this, the Town is investing in natural assets to increase our resiliency to climate change. This investment includes: foreshore restoration, urban forest planning, creek assessment and monitoring, aquifer monitoring, expansion of drainage ponds as well as upgrading a seaside sanitary pump station.

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**Town of Gibsons**  
**Notes to the Financial Statements**

December 31, 2020

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**1. Significant Accounting Policies (Continued)**

**(i) Use of Estimates**

The preparation of financial statements 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 significant estimation include useful lives of tangible capital assets and collectability of receivables.

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**2. Portfolio Investments**

Portfolio investments include CIBC high interest savings, BC Credit Union term deposits and Municipal Finance Authority Pooled Investments. CIBC high interest savings and BC Credit Union term deposits yielded an effective interest rate of 0.90% - 2.55% (2019 - 2.25% - 2.46%) and are redeemable at any time. MFA money market funds include securities issued by federal and provincial governments, Canadian banks and highly rated corporations. The money market fund yielded an annualized interest rate of 0.85% (2019 - 1.86%) and its investments are redeemable at any time. These investments are held by the Town for the purposes of earning investment income.

Not included in portfolio investments are \$3,003,285 (2019 - \$2,832,652) related to developer deposits that are refundable should the developer meet certain conditions.

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**3. Deferred Revenue**

Deferred revenue represents funds received, that are held for various restricted purposes. These funds are recognized as revenue in the period when the eligible related expenditures have been incurred or restrictions have been met.

	2019	Receipts	Revenue Recognized	2020
Donations	\$ 17,668	\$ -	\$ -	\$ 17,668
Prepaid rent	132,595	-	-	132,595
Prepaid services	94,634	94,111	(94,634)	94,111
	<u>\$ 244,897</u>	<u>\$ 94,111</u>	<u>\$ (94,634)</u>	<u>\$ 244,374</u>

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**Town of Gibsons**  
**Notes to the Financial Statements**  
December 31, 2020

**4. Debt**

**(a) Future principal requirements on existing long-term debt:**

Loan payments over the next five years and thereafter are as follows. For additional detailed information see Schedule of Long Term Debt (Schedule 1).

2021	\$ 531,066
2022	528,981
2023	452,824
2024	469,793
2025	487,407
2024 and onwards	<u>7,132,437</u>
	<u>\$ 9,602,508</u>

**(b) Unissued Debt**

The following approved debt remained unissued as at December 31, 2020:

Loan Authorization	Expiry	Gross Amount Approved	Unissued Amount	Temporary Borrowings
1264 Sewer Capital Improvements	2024	1,760,000	790,000	970,000
126 5 Water Capital Improvements	2024	3,329,000	1,129,000	2,200,000

**5. Development Cost Charges**

	Roads	Drainage	Water	Sewer	Total
Balance, January 1, 2019	\$ 316,103	\$ 474,041	\$ 92	\$ 308,319	\$ 1,098,555
Interest received	10,034	12,272	554	8,254	31,114
Developer contributions	219,162	41,483	53,005	72,048	385,698
Expenditures	(32,879)	(34,555)	-	(309,376)	(376,810)
Balance, December 31, 2019	512,420	493,241	53,651	79,245	1,138,557
Interest received	7,651	6,202	1,072	1,404	16,329
Developer contributions	182,416	54,701	67,789	188,940	493,846
Expenditures	(346,995)	(37,492)	-	(28,528)	(413,015)
<b>Balance, December 31, 2020</b>	<b>\$ 355,492</b>	<b>\$ 516,652</b>	<b>\$ 122,512</b>	<b>\$ 241,061</b>	<b>\$ 1,235,717</b>

**Town of Gibsons**  
**Notes to the Financial Statements**

December 31, 2020

**6. Accumulated Surplus**

The Town segregates its accumulated surplus in the following categories:

	2020	2019
Total Operating Fund (a)	<b>\$ 5,598,076</b>	\$ 2,881,488
Reserve Fund (b)	<b>1,914,731</b>	1,797,690
Investment in tangible capital assets (c)	<b>50,076,219</b>	49,750,111
	<b>\$ 57,589,026</b>	\$ 54,429,289

(a) Included in the total are funds: 1) Funds related to the Estate of Muriel Haynes of \$206,581 (2019 - \$204,698). These funds are to be spent on capital improvements at the Gibsons Pool for the general benefit of the community of Gibsons as a whole. 2) Covid-19 Safe Restart Grant for Local Governments. These funds were provided to ensure the Town can continue to provide essential services during the effects of the pandemic.

(b) Reserve funds represent funds set aside in accordance with a bylaw or council resolution for specific purposes and are comprised of the following:

	Capital Works	Community Works	Public Parking	Park Aquisition	Affordable Housing	Community Amenity	Total
Balance, January 1, 2019	\$ 352,600	\$ 333,556	\$ 120,165	\$ 29,390	\$ 585,864	\$ 124,151	<b>\$1,545,726</b>
Interest Received	8,674	13,397	2,956	723	14,412	3,054	<b>43,216</b>
Contributions and transfers	-	500,142	-	-	1,650	-	<b>501,792</b>
Operating fund transfers	170,000	-	-	-	-	-	<b>170,000</b>
Expenditures	(6,000)	(299,593)	-	-	(34,175)	(123,276)	<b>(463,044)</b>
<b>Balance, December 31, 2019</b>	<b>525,274</b>	<b>547,502</b>	<b>123,121</b>	<b>30,113</b>	<b>567,751</b>	<b>3,929</b>	<b>1,797,690</b>
Interest received	6,457	8,018	1,513	370	7,073	48	<b>23,480</b>
Contributions and transfers	-	249,051	-	-	24,915	1,533	<b>275,499</b>
Operating fund transfers	167,000	-	-	-	-	-	<b>167,000</b>
Expenditures	(154,884)	(124,054)	-	-	(70,000)	-	<b>(348,938)</b>
<b>Balance, December 31, 2020</b>	<b>\$ 543,847</b>	<b>\$ 680,517</b>	<b>\$ 124,634</b>	<b>\$ 30,483</b>	<b>\$ 529,739</b>	<b>\$ 5,510</b>	<b>\$1,914,731</b>

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**Town of Gibsons**  
**Notes to the Financial Statements**  
December 31, 2020

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**6. Accumulated Surplus (Continued)**

(c) The investment in tangible capital assets represents amounts already spent and invested in infrastructure.

	<b>2020</b>	<b>2019</b>
Tangible capital assets	<b>\$ 59,678,727</b>	\$ 56,729,965
Amounts financed by:		
Long-term debt	<b>(9,602,508)</b>	(6,979,854)
<b>Investment in TCA</b>	<b>\$ 50,076,219</b>	\$ 49,750,111

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**7. Commitments**

**(a) Integration of Regional District and Town Water Supply**

The Town has entered into a Bulk Water Supply Agreement with the Sunshine Coast Regional District ("Regional District") to provide water supply to Zone 3 residents. In 2020, the Town purchased 118,040 m<sup>3</sup> of water (2019 – 228,395 m<sup>3</sup>) at a cost of \$254,294 (2019 - \$315,036). As of August 1, 2020, the Town expanded the use of its water supply and now supplies Zone 3 with aquifer water. The Town's reliance on the Regional District supplied water is now limited to fire flow and peak demand supply for Zone 3 as required. The twenty-five year agreement commenced June 3, 2013 and expires June 2, 2038.

**8. Pension Plan**

The Town and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly-trusteed pension plan. The board of Trustees, representing plan members and employers, is responsible for administering the management of the Plan, including investment of the assets and administration of the benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2019, the Plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local government.

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 may be adjusted for the amortization of any funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation as at December 31, 2018 indicated a \$2,866 Million funding surplus for basic pension benefits on a going concern basis.



**8. Pension Plan (Continued)**

The Town paid \$261,820 (2019 - \$248,691) for employer contributions while employee contributions totaled \$232,711 (2019 - \$220,053) to the Plan in fiscal 2020.

The next valuation will be as at December 31, 2021, with results available in 2022. Employers participating in the plan record their pension expense at the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

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**Town of Gibsons**  
**Notes to the Financial Statements**

December 31

**9. Tangible Capital Assets**

	Land	Buildings	Furn. and Equip.	Vehicles	Roads	Drainage	Geo Utility	Other Tangible Capital Assets	Sewer Utility	Water Utility	Work In Progr.	2020	2019
Cost, beginning of year	\$10,964,892	\$ 7,317,478	\$ 509,158	\$ 1,472,493	\$17,007,600	\$ 6,840,829	\$ 1,250,867	\$ 3,265,282	\$14,469,244	\$15,560,326	\$ 2,908,617	<b>\$81,566,786</b>	\$ 77,707,652
Additions	-	77,323	165,737	184,770	-	-	-	-	248,184	2,258,902	1,583,509	<b>4,518,425</b>	3,862,675
Disposals	-	-	(57,222)	-	-	-	-	(40,145)	(14,409)	(19,899)	-	<b>(131,675)</b>	(3,541)
Transfers	-	63,642	-	-	-	-	-	-	-	74,140	(137,782)	-	-
Cost, end of year	10,964,892	7,458,443	617,673	1,657,263	17,007,600	6,840,829	1,250,867	3,225,137	14,703,019	17,873,469	4,354,344	<b>85,953,536</b>	81,566,786
Accumulated amortization, beginning of year	-	3,461,656	468,289	957,096	7,384,349	1,699,177	199,310	1,474,479	5,186,733	4,005,732	-	<b>24,836,821</b>	23,294,699
Amortization	-	181,645	34,052	81,524	485,147	88,052	26,926	99,447	235,611	327,331	-	<b>1,559,735</b>	1,545,013
Disposals	-	-	(57,330)	-	-	-	-	(30,109)	(14,409)	(19,899)	-	<b>(121,747)</b>	(2,891)
Accumulated amortization, end of year	-	3,643,301	445,011	1,038,620	7,869,496	1,787,229	226,236	1,543,817	5,407,935	4,313,164	-	<b>26,274,809</b>	24,836,821
Net carrying amount, end of year	\$10,964,892	\$ 3,815,142	\$ 172,662	\$ 618,643	\$ 9,138,104	\$ 5,053,600	\$ 1,024,631	\$ 1,681,320	\$ 9,295,084	\$13,560,305	\$ 4,354,344	<b>\$59,678,727</b>	\$ 56,729,965

**Town of Gibsons**  
**Notes to the Financial Statements**  
December 31, 2020

**10. Taxation**

	Fiscal Plan 2020	2020	2019
General municipal purposes	\$ 3,425,682	\$ 3,417,853	\$ 3,336,783
Specified area requisitions	-	-	7,639
Collections for other governments			
Province of British Columbia - School	-	2,348,043	2,766,901
Regional District Hospital	-	174,278	178,295
Municipal Finance Authority	-	383	387
British Columbia Assessment Authority	-	83,756	79,243
Regional District	-	2,854,740	2,674,283
Police Tax	-	418,916	400,882
	<b>3,425,682</b>	<b>9,297,969</b>	9,444,413
Transfers to other governments			
Province of British Columbia - School	-	(2,346,399)	(2,766,729)
Regional Hospital District	-	(173,994)	(178,417)
Municipal Finance Authority	-	(383)	(387)
British Columbia Assessment Authority	-	(83,771)	(79,261)
Regional District	-	(2,853,058)	(2,674,428)
Police Tax	-	(419,787)	(401,054)
	-	<b>(5,877,392)</b>	(6,100,276)
Total general municipal taxes	<b>3,425,682</b>	<b>3,420,577</b>	3,344,137
Frontage, local improvement and parcel taxes			
Water system	607,626	608,148	581,106
Sewer system	871,775	871,389	829,541
	<b>1,479,401</b>	<b>1,479,537</b>	1,410,647
	<b>\$ 4,905,083</b>	<b>\$ 4,900,114</b>	<b>\$ 4,754,784</b>

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**Town of Gibsons**  
**Notes to the Financial Statements**

**December 31, 2020**

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**11. Gibsons Landing Harbour Authority**

The Gibsons Landing Harbour Authority (the "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 Town does not meet the definition of control over GLHA according to public sector accounting standards and therefore, the transactions and balances of the GLHA are not included in these financial statements.

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**12. Contingent Liabilities**

- (a) As a member of the Sunshine Coast Regional District, the Town is jointly and severally liable with the other member municipalities for the net capital liabilities of those authorities.
  - (b) The Sunshine Coast Regional District has requested and has been provided with demand notes drawn in its favour totaling \$266,377 (2019 - \$282,296) to provide for additional funds, should the need arise, to service its debt in which the Town shares. The demand notes are callable only if there are additional requirements to be met to service its debt in which the Town shares, and therefore have not been recorded in the statement of financial position.
  - (c) The Town is partially self-insured through the Municipal Insurance Association of British Columbia. Should the Association in aggregate 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.
- 

**13. Contractual Rights**

**(a) Contributed Tangible Capital Assets**

Subdivision developers are required to provide subdivision infrastructure such as streets, lighting, sidewalks, and drainage. Upon completion these assets are turned over to the Town. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

**(b) RCMP Funding**

The Town has entered into an agreement with the Royal Canadian Mounted Police for the occupancy of the RCMP station on Sunnycrest Road for the provision of policing services for the Town. In return, the Town has received a commitment to receive annual lease revenue of \$159,000. This agreement will be reviewed once the Town's population exceeds 5,000 according to the Canadian Census. The next Census takes place in 2021.

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**Town of Gibsons**  
**Notes to the Financial Statements**

**December 31, 2020**

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**13. Contractual Rights (Continued)**

**(c) Marina Lease**

The Town has entered into a Marina Lease Agreement with Gibsons Marina Hotel Incorporated (GMHI) for a 30 year term, expiring February 28, 2042. In return, the Town has received a commitment to receive annual lease revenue which is based on a portion of annual gross revenue earned by GMHI. The annual lease revenue received in 2020 was \$146,608 (2019 - \$134,257).

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**14. Fiscal Plan**

Fiscal plan amounts represent the Financial Plan Bylaw adopted by Council on May 5, 2020. The Financial Plan does not include certain revenues that are accounted for under Canadian public sector accounting standards. The budget amounts disclosed in the statement of operations and statement of changes in net debt include \$349,208 related to contributions from developers and \$325,700 related to government transfers that were not included as revenues in the Financial Plan Bylaw.

The Financial Plan Bylaw included certain revenues and expenses that the Town administers on behalf of the Gibsons Public Market. As these amounts do not relate to the Town's operations they are excluded from the budget amounts disclosed in the statement of operations and statement of changes in net debt.

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**15. 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 parks. 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. For additional detailed information see Statement of Operations by Segment (Schedules 3 and 4).

**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. A segment of this department is the ICBC Autoplan and Driver Licensing Agency.

**Finance**

The Finance Department is responsible for the overall human resources, financial and risk management of the Town.

**15. Segmented Information (Continued)**

**ICBC Autoplan and Driver Licensing Agency**

This department, under an agency agreement, provides ICBC Autoplan and Driver Licensing services. Autoplan services consist of vehicle registration and insurance renewals, and Driver Licensing services include driver licence renewals, road tests and the processing of motor vehicle fines.

**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.

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

**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 and 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;

**15. Segmented Information (Continued)**

**Public Works (Continued)**

- providing and maintaining the Town's roads, sidewalks, street lights, signage and line markings, storm drainage and hydrants; and
  - providing other key services including street cleaning and the coordination of residential garbage collection services.
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**16. Uncertainty arising from COVID-19**

During the year, the impact of COVID-19 in Canada and the global economy increased significantly. Impacts on the Town were primarily increased operational costs relating to the required public health protocols. As the impacts of COVID-19 continue, there could be further impact on the Town, its citizens, employees and suppliers that could affect the timing and amounts realized on the Town's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the Town is not known. Given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The Town's ability to continue delivering non-essential services and employ related staff will depend on the legislative mandates from the various levels of government. The Town will continue to focus on collecting receivables, managing expenditures, and leveraging existing reserve and available credit facilities to ensure it is able to continue providing essential services to its citizens.

**Town of Gibsons**  
**Schedule 1 - Long-Term Debt**

**For the Year Ended December 31**

Loan Authorization Bylaw	Purpose	Year of Maturity	Rate	Balance	Outstanding
				2020	2019
<b>General</b>					
1057	Road improvement	2022	2.90%	\$ 108,130	\$ 159,097
1093	Road improvements	2029	2.25%	46,515	50,741
1105	Capital improvements	2020	4.50%	-	34,853
1126	RCMP Building	2031	3.56%	1,482,606	1,588,311
1231	Road improvement	2027	2.80%	286,309	322,585
1234	Capital improvements	2021	*	22,000	44,000
1246	Road improvements	2038	3.15%	1,649,223	1,717,607
				<b>3,594,783</b>	<b>3,917,194</b>
<b>Water</b>					
1093	Cross connection control and water meter	2029	2.25%	473,782	516,829
1057	Water mains	2022	2.90%	72,087	106,065
1134	Zone 2 Reservoir	2032	2.90%	686,150	730,059
1186	Water mains	2034	3.30%	559,622	589,040
1272	Zone 3 Aquifer Expansion		*	2,200,000	-
				<b>3,991,641</b>	<b>1,941,993</b>
<b>Sewer</b>					
977	Waste Water Treatment Plant upgrade	2031	4.85%	1,046,084	1,120,667
1271	Capital improvements		*	970,000	-
				<b>2,016,084</b>	<b>1,120,667</b>
				<b>\$ 9,602,508</b>	<b>\$ 6,979,854</b>

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



**Town of Gibsons**  
**Schedule 2 - Government Transfers**

For the Year Ended December 31	Fiscal Plan 2020	2020	2019
<b>Government Transfers</b>			
<b>Federal Government</b>			
In lieu of taxes - general	\$ 11,562	\$ 56,486	\$ 14,207
Land Transfer	-	-	638,000
	<b>11,562</b>	<b>56,486</b>	<b>652,207</b>
<b>Provincial Government</b>			
Small Communities	497,000	499,252	497,203
Planning	-	54,280	55,000
Street lighting	1,318	1,648	1,318
Other	81,995	30,120	36,516
Community Works	251,177	249,051	500,142
Covid-19 Safe ReStart Funding*	-	1,512,000	-
New Build Canada Fund**	270,700	272,768	846,278
	<b>1,102,190</b>	<b>2,619,119</b>	<b>1,936,457</b>
	<b>\$ 1,113,752</b>	<b>\$ 2,675,605</b>	<b>\$ 2,588,664</b>

\* This grant is provided under the COVID-19 Safe Restart for Local Governments program from the Province of BC.

\*\* This grant is provided under the New Build Canada - Small Communities Fund. The program is administered by the Province and includes matching Federal funding.

**Town of Gibsons**  
**Schedule 3 - Statement of Operations by Segment**

For the Year Ended December 31, 2020	General Government Services	ICBC Autoplan Driver Licence Agency	Protective Services	Planning and Economic Devel. Services	Public Works	Park Services	Unallocated	Water Utility	Sewer Utility	Total 2020 Actual	Total 2020 Fiscal Plan
<b>Revenues</b>											
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,420,577	\$ 608,148	\$ 871,389	\$ 4,900,114	\$ 4,905,083
Utility user rates and connection fees	-	-	-	-	-	-	-	1,157,148	848,613	2,005,760	2,044,024
Government transfers	279,170	-	-	54,280	1,648	-	2,067,738	-	272,768	2,675,604	1,113,752
Other contributions	2,400	-	-	-	-	-	-	3,659	142,886	148,945	-
Sales of services	4,771	-	10,310	-	631,353	-	-	-	-	646,434	1,039,048
Other revenue	215,354	327,781	322,330	-	134,175	5,482	443,439	49,181	44,412	1,542,153	1,397,419
Contributions from developers	37,492	-	-	24,915	432,153	1,533	-	-	28,528	524,621	349,208
<b>Total Revenues</b>	<b>539,187</b>	<b>327,781</b>	<b>332,640</b>	<b>79,195</b>	<b>1,199,329</b>	<b>7,015</b>	<b>5,931,754</b>	<b>1,818,136</b>	<b>2,208,596</b>	<b>12,443,631</b>	<b>10,848,534</b>
<b>Expenses</b>											
<b>Operating</b>											
Goods and Services	943,088	5,774	25,032	332,166	918,209	255,046	-	649,607	615,023	3,743,945	4,512,688
Labour	1,012,127	229,774	225,248	319,503	672,320	505,702	-	296,708	350,303	3,611,684	3,857,872
Debt interest and other	178,232	-	-	-	-	-	-	82,366	98,004	358,601	187,840
Amortization of tangible capital assets	996,794	-	-	-	-	-	-	327,331	235,611	1,559,736	1,545,013
	3,130,241	235,548	250,280	651,669	1,590,529	760,748	-	1,356,012	1,298,941	9,273,966	10,103,413
Loss on disposal of tangible capital assets	9,928	-	-	-	-	-	-	-	-	9,928	-
<b>Total Expenses</b>	<b>3,140,169</b>	<b>235,548</b>	<b>250,280</b>	<b>651,669</b>	<b>1,590,529</b>	<b>760,748</b>	<b>-</b>	<b>1,356,012</b>	<b>1,298,941</b>	<b>9,283,894</b>	<b>10,103,413</b>
<b>Excess (deficiency) in revenues over expenses</b>	<b>\$ (2,600,982)</b>	<b>\$ 92,233</b>	<b>\$ 82,360</b>	<b>\$ (572,474)</b>	<b>\$ (391,200)</b>	<b>\$ (753,733)</b>	<b>\$ 5,931,754</b>	<b>\$ 462,124</b>	<b>\$ 909,655</b>	<b>\$ 3,159,737</b>	<b>\$ 745,121</b>

**Town of Gibsons**  
**Schedule 4 - Statement of Operations by Segment**

For the Year Ended December 31, 2019	General Government Services	ICBC Autoplan Driver Licence Agency	Protective Services	Planning and Economic Devel. Services	Public Works	Park Services	Unallocated	Water Utility	Sewer Utility	Total 2019 Actual	Total 2019 Fiscal Plan
<b>Revenues</b>											
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,344,137	\$ 581,106	\$ 829,541	\$ 4,754,784	\$ 4,720,716
Utility user rates and connection fees	-	-	-	-	-	-	-	1,110,272	776,725	1,886,997	1,925,574
Government transfers	503,878	-	-	55,000	672,098	-	511,410	-	846,278	2,588,664	2,472,379
Other contributions	2,000	-	-	-	-	-	-	-	40,368	42,368	-
Sales of services	5,169	-	15,534	-	578,522	-	-	-	-	599,225	1,050,936
Other revenue	283,279	362,747	465,900	-	171,002	4,943	442,813	44,466	50,547	1,825,697	1,256,212
Contributions from developers	40,064	-	-	1,650	103,469	-	-	-	309,377	454,560	766,655
<b>Total Revenues</b>	<b>834,390</b>	<b>362,747</b>	<b>481,434</b>	<b>56,650</b>	<b>1,525,091</b>	<b>4,943</b>	<b>4,298,360</b>	<b>1,735,844</b>	<b>2,852,836</b>	<b>12,152,295</b>	<b>12,192,472</b>
<b>Expenses</b>											
<b>Operating</b>											
Goods and Services	1,007,270	7,624	24,380	276,342	871,827	358,227	-	751,256	619,754	3,916,679	4,163,568
Labour	941,277	268,156	220,556	205,190	778,405	555,030	-	280,362	354,776	3,603,752	3,607,752
Debt interest and other	203,581	-	-	-	-	-	-	97,330	90,473	391,384	197,300
Amortization of tangible capital assets	986,543	-	-	-	-	-	-	302,551	255,919	1,545,013	1,390,100
	3,138,671	275,780	244,936	481,532	1,650,232	913,257	-	1,431,499	1,320,922	9,456,828	9,358,720
Loss on disposal of tangible capital assets	650	-	-	-	-	-	-	-	-	650	-
<b>Total Expenses</b>	<b>3,139,321</b>	<b>275,780</b>	<b>244,936</b>	<b>481,532</b>	<b>1,650,232</b>	<b>913,257</b>	<b>-</b>	<b>1,431,499</b>	<b>1,320,922</b>	<b>9,457,478</b>	<b>9,358,720</b>
<b>Excess (deficiency) in revenues over expenses</b>	<b>\$ (2,304,931)</b>	<b>\$ 86,967</b>	<b>\$ 236,498</b>	<b>\$ (424,882)</b>	<b>\$ (125,141)</b>	<b>\$ (908,314)</b>	<b>\$ 4,298,360</b>	<b>\$ 304,345</b>	<b>\$ 1,531,914</b>	<b>\$ 2,694,817</b>	<b>\$ 2,833,752</b>

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**Town of Gibsons**  
**Schedule A - COVID-19 Safe Restart Grants for Local Governments**  
**Unaudited**

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<b>Grant Funding Received</b>	<b>\$ 1,512,000</b>
<b>Less amount allocated to eligible categories:</b>	
Facility reopening and operating costs	\$ 70,929
Computer and other electronic technology costs	155,572
Other related costs	72,051
	<hr/>
<b>Total allocations</b>	<b>298,552</b>
	<hr/>
<b>Balance as at December 31, 2020</b>	<b>\$ 1,213,448</b>

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In November 2020, the Town of Gibsons was the recipient of a \$1,512,000 grant under the COVID-19 Safe Restart for Local Governments program from the Province of BC.

This grant funding was provided to support local governments deal with increased operating costs and lower revenue due to the COVID-19 pandemic and ensure local governments can continue to deliver the services people depend on in the community.