

Town of Gibsons
Financial Statements
December 31, 2022

Town of Gibsons
Financial Statements
For the Year Ended December 31, 2022

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Management's Responsibility for the Financial Statements

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

April 18, 2023



Director of Finance



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Independent Auditor's Report

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, 2022 and the Statements of Operations, Changes in Net Assets, 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, 2022 and its results of operations, its changes in net assets 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.

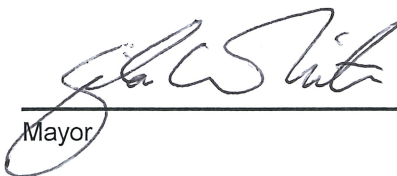
BDO Canada LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 21, 2023

Town of Gibsons
Statement of Financial Position

December 31	2022	2021
Assets		
Financial Assets		
Cash	\$ 896,085	\$ 634,180
Portfolio investments (Note 2)	16,409,938	16,213,735
Taxes receivable	298,356	293,505
Accounts receivable	1,273,393	1,071,556
	<u>18,877,772</u>	<u>18,212,976</u>
Liabilities		
Accounts payable and accrued liabilities	2,646,314	2,436,911
Deferred revenue (Note 3)	1,277,433	1,266,978
Long-term debt (Note 4) (Schedule 1)	9,485,914	10,031,442
Development cost charges (Note 5)	2,298,841	1,902,997
Refundable deposits	3,273,708	3,373,955
	<u>18,982,210</u>	<u>19,012,283</u>
Net Debt	<u>(104,438)</u>	<u>(799,307)</u>
Non-Financial Assets		
Tangible capital assets (Note 9)	61,508,337	61,295,451
Prepaid expenses	63,440	50,553
	<u>61,571,777</u>	<u>61,346,004</u>
Accumulated Surplus (Note 6)	<u>\$ 61,467,339</u>	<u>\$ 60,546,697</u>



Mayor



Director of Finance

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

Town of Gibsons
Statement of Operations

For the Year Ended December 31	Fiscal Plan 2022	2022	2021
Revenue (Schedules 3 and 4)			
Taxation (Note 10)	\$ 5,502,092	\$ 5,476,035	\$ 5,199,266
Utility user rates and connection fees	2,618,819	2,270,523	2,257,433
Government transfers (Schedule 2)	3,873,933	1,387,489	1,222,889
Other contributions	-	119,109	111,079
Sales of services	1,118,551	578,378	600,957
Other revenue	1,404,477	2,006,461	1,591,783
Contributions from developers	1,767,538	470,166	1,656,063
	16,285,410	12,308,161	12,639,470
Expenses (Schedules 3 and 4)			
General departmental expenditures	7,762,963	7,892,981	6,687,045
Water system	1,295,338	1,416,967	1,271,665
Sewer system	1,985,464	1,810,271	1,454,354
Motor vehicle license agency	269,365	252,566	259,434
Loss on disposal of tangible capital assets	-	14,734	9,301
	11,313,130	11,387,519	9,681,799
Annual Surplus	4,972,280	920,642	2,957,671
Accumulated Surplus, beginning of year	60,546,697	60,546,697	57,589,026
Accumulated Surplus, end of year	\$ 65,518,977	\$ 61,467,339	\$ 60,546,697

Fiscal Plan (Note 14)

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

Town of Gibsons
Statement of Changes in Net Debt

For the Year Ended December 31	Fiscal Plan 2022	2022	2021
Annual Surplus	\$ 155,340	\$ 920,642	\$ 2,957,671
Acquisition of tangible capital assets	(8,882,000)	(2,054,764)	(3,388,119)
Amortization of tangible capital assets	1,762,094	1,827,144	1,762,094
Loss on disposal of tangible capital assets	-	14,734	9,301
	(7,119,906)	(212,886)	(1,616,724)
Gross acquisition of prepaid expenses	-	(12,887)	(16,858)
Change in net assets (debt) for the year	(6,964,566)	694,869	1,324,089
Net debt, beginning of year	(799,307)	(799,307)	(2,123,396)
Net debt, end of year	\$ (7,763,873)	\$ (104,438)	\$ (799,307)

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	2022	2021
Cash provided by (used in)		
Operating transactions		
Annual surplus	\$ 1,063,100	\$ 2,957,671
Items not involving cash		
Development cost charges recognized	(133,283)	(286,494)
Contributed tangible capital assets	(325,332)	(1,327,951)
Loss on disposal of tangible capital assets	14,734	9,301
Amortization	1,827,144	1,762,094
	2,446,363	3,114,621
Changes in non-cash operating balances		
Accounts and taxes receivable	(206,688)	113,235
Accounts payable and accrued liabilities	(49,245)	(1,635,350)
Prepaid expenses	(12,887)	(16,858)
Deferred revenue	26,398	1,022,604
	2,203,941	2,598,252
Capital transaction		
Acquisition of tangible capital assets	(1,729,432)	(2,060,168)
Investing transactions		
Change in portfolio investments, gross	(196,203)	(3,389,603)
Financing transactions		
Development cost charges contributions	478,958	938,384
Interest on development cost charges	50,169	15,390
Issuance of debt	43,000	960,000
Repayment of debt	(588,528)	(531,066)
	(16,401)	1,382,708
Increase (decrease) in cash during year	261,905	(1,468,811)
Cash, beginning of year	634,180	2,102,991
Cash, end of year	\$ 896,085	\$ 634,180

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

Town of Gibsons

Notes to the Financial Statements

December 31, 2022

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.

Town of Gibsons
Notes to the Financial Statements

December 31, 2022

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, 2022 and 2021, 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, riparian areas and wetlands (storm water management), the marine foreshore (natural seawall) and the urban forest (numerous social, environmental and economic benefits). 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 the importance of this, the Town continues to invest in natural assets to increase our resiliency to climate change. This investment includes: coastal resiliency modeling, urban forest planning, creek assessment and monitoring, aquifer monitoring, expansion of storm water retention ponds, upgrading a seaside sanitary pump station and undertaking a watershed scale mapping study.

Town of Gibsons
Notes to the Financial Statements

December 31, 2022

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.

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 0.80% - 4.34% (2021 - 0.80% - 2.70%) 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 1.93% (2021 - 0.15%) and its investments are redeemable at any time. These investments are held by the Town for the purposes of earning investment income.

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.

	2021	Receipts	Revenue Recognized	2022
Donations	\$ 17,668	\$ -	\$ -	\$ 17,668
Prepaid rent	132,595	139,982	(155,925)	116,652
Prepaid services	137,438	71,202	(137,439)	71,201
Grants	979,277	279,394	(186,759)	1,071,912
	<u>\$ 1,266,978</u>	<u>\$ 490,578</u>	<u>\$ (480,123)</u>	<u>\$ 1,277,433</u>

Town of Gibsons
Notes to the Financial Statements
December 31, 2022

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).

2023	\$ 513,680
2024	529,925
2025	546,756
2026	506,693
2027	524,760
2027 and onwards	6,864,100
	<u>\$ 9,485,914</u>

(b) Unissued Debt

The following approved debt remained unissued as at December 31, 2022:

Loan Authorization	Expiry	Gross Amount Approved	Unissued Amount	Temporary Borrowings
1264 Sewer Capital Improvements	2024	1,760,000	267,000	1,493,000
1265 Water Capital Improvements	2024	3,329,000	879,000	2,450,000

5. Development Cost Charges

	Roads	Drainage	Water	Sewer	Total
Balance, January 1, 2021	\$ 355,492	\$ 516,652	\$ 122,512	\$ 241,061	\$ 1,235,717
Interest received	6,115	4,437	2,138	2,700	15,390
Developer contributions	569,444	36,240	207,118	125,582	938,384
Expenditures	(273,873)	(7,371)	(5,250)	-	(286,494)
Balance, December 31, 2021	657,178	549,958	326,518	369,343	1,902,997
Interest received	18,576	13,526	8,569	9,498	50,169
Developer contributions	296,807	11,030	95,710	75,411	478,958
Expenditures	(38,723)	(26,009)	(29,815)	(38,736)	(133,283)
Balance, December 31, 2022	\$ 933,838	\$ 548,505	\$ 400,982	\$ 415,516	\$ 2,298,841

Town of Gibsons
Notes to the Financial Statements

December 31, 2022

6. Accumulated Surplus

The Town segregates its accumulated surplus in the following categories:

	2022	2021
Total Operating Fund (a)	\$ 7,437,591	\$ 6,924,453
Reserve Fund (b)	2,149,783	2,358,235
Investment in tangible capital assets (c)	52,022,423	51,264,009
	<u>\$ 61,609,797</u>	<u>\$ 60,546,697</u>

(a) Included in the total are funds: 1) Funds related to the Estate of Muriel E. Haynes of \$213,378 (2021 - \$208,275). 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 (\$775,575) 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 Acquisition	Affordable Housing	Community Amenity	Total
Balance, January 1, 2021	\$ 543,848	\$ 680,517	\$ 124,634	\$ 30,483	\$ 529,739	\$ 5,510	\$1,914,731
Interest Received	5,905	7,351	1,022	250	4,344	45	18,917
Contributions and transfers	-	509,606	-	-	24,615	1,873	536,094
Operating fund transfers	489,670	-	-	-	-	-	489,670
Expenditures	(94,609)	(506,568)	-	-	-	-	(601,177)
Balance, December 31, 2021	944,814	690,906	125,656	30,733	558,698	7,428	2,358,235
Interest received	23,671	18,099	3,079	753	13,748	605	59,955
Contributions and transfers	10,289	260,555	-	-	-	61,591	332,435
Transfers between reserves	-	-	-	-	24,615	-	24,615
Operating fund transfers	239,230	-	-	-	-	-	239,230
Expenditures	(279,895)	(234,878)	-	-	(349,914)	-	(864,687)
Balance, December 31, 2022	\$ 938,109	\$ 734,682	\$ 128,735	\$ 31,486	\$ 247,147	\$ 69,624	\$2,149,783

Town of Gibsons
Notes to the Financial Statements

December 31, 2022

6. Accumulated Surplus (Continued)

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

	2022	2021
Tangible capital assets	\$61,508,337	\$61,295,451
Amounts financed by:		
Long-term debt	(9,485,914)	(10,031,442)
Investment in Tangible Capital Assets	<u>\$52,022,423</u>	<u>\$51,264,009</u>

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. As of August 1, 2020, the Town expanded the use of its own 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. There is no minimum purchase required under this agreement. The Town did not purchase any water under this agreement in 2022 or 2021. 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-trusted 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, 2021, the Plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 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, 2021 indicated a \$3,761 million funding surplus for

8. Pension Plan (Continued)

basic pension benefits on a going concern basis.

The Town paid \$258,455 (2021 - \$246,930) for employer contributions while employee contributions totaled \$239,107 (2021 - \$217,163) to the Plan in fiscal 2022.

The next valuation will be as at December 31, 2024, with results available in 2025. 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.

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.	2022	2021
Cost, beginning of year	\$11,390,262	\$ 7,458,443	\$ 639,646	\$ 1,751,869	\$18,659,145	\$ 7,110,842	\$ 1,250,867	\$ 3,361,709	\$18,362,652	\$18,195,094	\$ 1,026,191	\$89,206,720	\$ 85,953,536
Additions	-	-	81,374	258,001	295,233	-	-	166,006	72,000	35,534	1,146,616	2,054,764	3,388,119
Disposals	-	(40,511)	(15,340)	(18,294)	(113,696)	-	-	-	-	-	-	(187,841)	(134,935)
Transfers	-	-	-	-	-	-	-	14,000	11,636	-	(25,636)	-	-
Cost, end of year	11,390,262	7,417,932	705,680	1,991,576	18,840,682	7,110,842	1,250,867	3,541,715	18,446,288	18,230,628	2,147,171	91,073,643	89,206,720
Accumulated amortization, beginning of year	-	3,828,850	489,691	1,125,649	8,320,900	1,865,740	253,162	1,640,000	5,728,490	4,658,787	-	27,911,269	26,274,809
Amortization	-	185,481	44,149	100,879	555,834	91,202	26,926	98,653	364,507	359,513	-	1,827,144	1,762,094
Disposals	-	(34,772)	(15,340)	(9,299)	(113,696)	-	-	-	-	-	-	(173,107)	(125,634)
Accumulated amortization, end of year	-	3,979,559	518,500	1,217,229	8,763,038	1,956,942	280,088	1,738,653	6,092,997	5,018,300	-	29,565,306	27,911,269
Net carrying amount, end of year	\$11,390,262	\$ 3,438,373	\$ 187,180	\$ 774,347	\$10,077,644	\$ 5,153,900	\$ 970,779	\$ 1,803,062	\$12,353,291	\$13,212,328	\$ 2,147,171	\$61,508,337	\$ 61,295,451

Town of Gibsons
Notes to the Financial Statements

December 31

9. Tangible Capital Assets (Continued)

	Land	Buildings	Furn. and Equip.	Vehicles	Roads	Drainage	Geo Utility	Other Tangible Capital Assets	Sewer Utility	Water Utility	Work In Progr.	2021	2020
Cost, beginning 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	\$85,953,536	\$ 81,566,786
Additions	425,370	-	21,973	94,606	1,362,736	214,953	-	92,942	540,915	244,136	390,488	3,388,119	4,518,425
Disposals	-	-	-	-	(74,292)	(20,077)	-	-	(28,472)	(12,094)	-	(134,935)	(131,675)
Transfers	-	-	-	-	363,101	75,137	-	43,630	3,147,190	89,583	(3,718,641)	-	-
Cost, end of year	11,390,262	7,458,443	639,646	1,751,869	18,659,145	7,110,842	1,250,867	3,361,709	18,362,652	18,195,094	1,026,191	89,206,720	85,953,536
Accumulated amortization, beginning 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	-	26,274,809	24,836,821
Amortization	-	185,549	44,680	87,029	525,696	89,286	26,926	96,183	349,027	357,718	-	1,762,094	1,559,735
Disposals	-	-	-	-	(74,292)	(10,775)	-	-	(28,472)	(12,095)	-	(125,634)	(121,747)
Accumulated amortization, end of year	-	3,828,850	489,691	1,125,649	8,320,900	1,865,740	253,162	1,640,000	5,728,490	4,658,787	-	27,911,269	26,274,809
Net carrying amount, end of year	\$11,390,262	\$ 3,629,593	\$ 149,955	\$ 626,220	\$10,338,245	\$ 5,245,102	\$ 997,705	\$ 1,721,709	\$12,634,162	\$13,536,307	\$ 1,026,191	\$61,295,451	\$ 59,678,727

Town of Gibsons
Notes to the Financial Statements
December 31, 2022

10. Taxation

	Fiscal Plan 2022	2022	2021
General municipal purposes	\$ 3,827,289	\$ 3,823,896	\$ 3,673,824
Collections for other governments			
Province of British Columbia - School	-	3,058,998	2,907,719
Regional District Hospital	-	155,149	171,698
Municipal Finance Authority	-	499	395
British Columbia Assessment Authority	-	92,756	85,656
Regional District	-	3,362,794	3,212,439
Police Tax	-	419,115	419,752
	<u>3,827,289</u>	<u>10,913,207</u>	<u>10,471,483</u>
Transfers to other governments			
Province of British Columbia - School	-	(3,058,715)	(2,907,719)
Regional Hospital District	-	(155,147)	(172,180)
Municipal Finance Authority	-	(500)	(394)
British Columbia Assessment Authority	-	(92,759)	(84,778)
Regional District	-	(3,362,793)	(3,225,567)
Police Tax	-	(419,124)	(419,752)
	<u>-</u>	<u>(7,089,038)</u>	<u>(6,810,390)</u>
Total general municipal taxes	<u>3,827,289</u>	<u>3,824,169</u>	<u>3,661,093</u>
Frontage, local improvement and parcel taxes			
Water system	684,444	674,869	630,361
Sewer system	990,359	976,997	907,812
	<u>1,674,803</u>	<u>1,651,866</u>	<u>1,538,173</u>
	<u>\$ 5,502,092</u>	<u>\$ 5,476,035</u>	<u>\$ 5,199,266</u>

Town of Gibsons
Notes to the Financial Statements

December 31, 2022

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.

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 \$230,614 (2021 - \$266,377) 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 \$140,000. This agreement will be reviewed once the Town's population exceeds 5,000 according to the Canadian Census. The next Census takes place in 2026.

Town of Gibsons
Notes to the Financial Statements

December 31, 2022

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 2022 was \$175,895 (2021 - \$169,428).

14. Fiscal Plan

Fiscal plan amounts represent the Financial Plan Bylaw adopted by Council on May 3, 2022. 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 \$1,767,538 related to contributions from developers and \$3,873,933 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.

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).

General Government Services

General Government Services is comprised of the Corporate Services and Financial Services Departments. 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.

The Financial Services Department is responsible for the overall financial, human resources 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 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 and Development Services

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 includes the Water and Sewer Utilities and 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.
-

Town of Gibsons
Schedule 1 - Long-Term Debt

For the Year Ended December 31

Loan Authorization Bylaw	Purpose	Year of Maturity	Rate	Balance	Outstanding
				2022	2021
General					
1057	Road improvement	2022	2.90%	\$ -	\$ 55,126
1093	Road improvements	2029	2.25%	37,548	42,119
1126	RCMP Building	2031	2.41%	1,255,664	1,372,672
1231	Road improvement	2027	2.80%	210,458	248,944
1234	Capital improvements	2026	*	172,500	230,000
1246	Road improvements	2038	3.15%	1,506,237	1,578,786
				3,182,407	3,527,647
Water					
1093	Cross connection control and water meter	2029	2.25%	382,453	429,013
1057	Water mains	2022	2.90%	-	36,750
1134	Zone 2 Reservoir	2032	2.90%	592,994	640,486
1186	Water mains	2034	3.30%	497,211	529,028
1272	Zone 3 Aquifer Expansion		*	2,450,000	2,450,000
				3,922,658	4,085,277
Sewer					
977	Waste Water Treatment Plant upgrade	2031	4.85%	887,849	968,518
1271	Capital improvements		*	1,493,000	1,450,000
				2,380,849	2,418,518
				\$ 9,485,914	\$ 10,031,442

* 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 2022	2022	2021
Government Transfers			
Federal Government			
In lieu of taxes - general	\$ 57,749	\$ 62,685	\$ 56,617
Federal Grant	150,000	47,452	-
	207,749	110,137	56,617
Provincial Government			
Small Communities	505,000	636,000	502,000
Planning	-	141,915	63,139
Street lighting	1,318	1,318	1,318
Other	2,899,402	99,872	3,564
Community Works	260,464	260,555	509,606
ICIP - Rural & Northern Communities - White Tower	-	46,398	54,098
BC Tourism - Active Transportation	-	91,294	32,547
	3,666,184	1,277,352	1,166,272
	\$ 3,873,933	\$ 1,387,489	\$ 1,222,889

Town of Gibsons
Schedule 3 - Statement of Operations by Segment

For the Year Ended December 31, 2022	General Government Services	ICBC Autoplan Driver Licence Agency	Protective Services	Planning and Devel. Services	Public Works	Parks Services	Unallocated	Water Utility	Sewer Utility	Total 2022 Actual	Total 2022 Fiscal Plan
Revenues											
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,824,169	\$ 674,869	\$ 976,997	\$ 5,476,035	\$ 5,502,092
Utility user rates and connection fees	-	-	-	-	-	-	-	1,326,468	944,055	2,270,523	2,618,819
Government transfers	545,571	-	-	141,915	1,318	-	698,685	-	-	1,387,489	3,873,933
Other contributions	25,253	-	-	-	-	-	-	-	93,856	119,109	-
Sales of services	15,766	-	16,110	-	546,502	-	-	-	-	578,378	1,118,551
Other revenue	454,330	263,770	597,415	-	42,269	5,830	471,936	92,530	78,381	2,006,461	1,404,477
Contributions from developers	26,009	-	-	-	269,683	61,591	-	29,815	83,068	470,166	1,767,538
Total Revenues	1,066,929	263,770	613,525	141,915	859,772	67,421	4,994,790	2,123,682	2,176,357	12,308,161	16,285,410
Expenses											
Operating											
Goods and Services	1,124,629	6,120	20,052	583,033	1,182,857	316,886	-	488,284	878,279	4,600,140	4,854,432
Labour	1,442,418	246,446	207,617	379,064	876,354	509,491	-	426,799	439,733	4,527,922	4,551,004
Debt interest and other	147,456	-	-	-	-	-	-	142,371	127,752	417,579	145,600
Amortization of tangible capital assets	1,103,124	-	-	-	-	-	-	359,513	364,507	1,827,144	1,762,094
	3,817,627	252,566	227,669	962,097	2,059,211	826,377	-	1,416,967	1,810,271	11,372,785	11,313,130
Loss on disposal of tangible capital assets	14,734	-	-	-	-	-	-	-	-	14,734	-
Total Expenses	3,832,361	252,566	227,669	962,097	2,059,211	826,377	-	1,416,967	1,810,271	11,387,519	11,313,130
Excess (deficiency) in revenues over expenses	\$ (2,765,432)	\$ 11,204	\$ 385,856	\$ (820,182)	\$ (1,199,439)	\$ (758,956)	\$ 4,994,790	\$ 706,715	\$ 366,086	\$ 920,642	\$ 4,972,280

Town of Gibsons
Schedule 4 - Statement of Operations by Segment

For the Year Ended December 31, 2021	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 2021 Actual	Total 2021 Fiscal Plan
Revenues											
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,661,093	\$ 630,361	\$ 907,812	\$ 5,199,266	\$ 5,234,459
Utility user rates and connection fees	-	-	-	-	-	-	-	1,319,288	938,145	2,257,433	2,278,021
Government transfers	599,815	-	-	63,139	1,318	-	558,617	-	-	1,222,889	2,603,097
Other contributions	62,232	-	-	-	-	-	-	-	48,847	111,079	-
Sales of services	5,326	-	38,860	-	556,771	-	-	-	-	600,957	1,070,421
Other revenue	181,772	279,923	439,831	-	131,850	10,042	450,346	55,670	42,349	1,591,783	1,295,689
Contributions from developers	7,371	-	-	24,615	1,362,369	1,873	-	180,472	79,363	1,656,063	353,070
Total Revenues	856,516	279,923	478,691	87,754	2,052,308	11,915	4,670,056	2,185,791	2,016,516	12,639,470	12,834,757
Expenses											
Operating											
Goods and Services	936,205	4,825	21,940	235,822	1,028,804	280,925	-	464,600	650,739	3,623,860	4,679,221
Labour	1,140,955	254,609	198,660	360,827	766,739	505,336	-	347,619	354,830	3,929,575	4,060,880
Debt interest and other	155,482	-	-	-	-	-	-	101,729	99,758	356,969	143,910
Amortization of tangible capital assets	1,055,350	-	-	-	-	-	-	357,717	349,027	1,762,094	1,559,735
	3,287,992	259,434	220,600	596,649	1,795,543	786,261	-	1,271,665	1,454,354	9,672,498	10,443,746
Loss on disposal of tangible capital assets	9,301	-	-	-	-	-	-	-	-	9,301	-
Total Expenses	3,297,293	259,434	220,600	596,649	1,795,543	786,261	-	1,271,665	1,454,354	9,681,799	10,443,746
Excess (deficiency) in revenues over expenses	\$ (2,440,777)	\$ 20,489	\$ 258,091	\$ (508,895)	\$ 256,765	\$ (774,346)	\$ 4,670,056	\$ 914,126	\$ 562,162	\$ 2,957,671	\$ 2,391,011

Town of Gibsons

Schedule A - COVID-19 Safe Restart Grants for Local Governments

Unaudited

For the Year Ended December 31	2022	2021
Opening Balance	\$ 946,321	\$ 1,213,448
Less amount allocated to eligible categories:		
Facility reopening and operating costs	22,652	152,327
Computer and other electronic technology costs	120,894	91,525
Services for vulnerable people	27,200	23,275
Total allocations	170,746	267,127
Ending Balance	775,575	\$ 946,321

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.