

TOWN OF GOLDEN
Financial Statements
Year Ended December 31, 2013

TOWN OF GOLDEN
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Year Ended December 31, 2013

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Report of Responsibility of Management

The accompanying financial statements of the Town of Golden are the responsibility of the Town's management and have been prepared in compliance with legislation and in accordance with public sector accounting standards for local governments, recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 2 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.

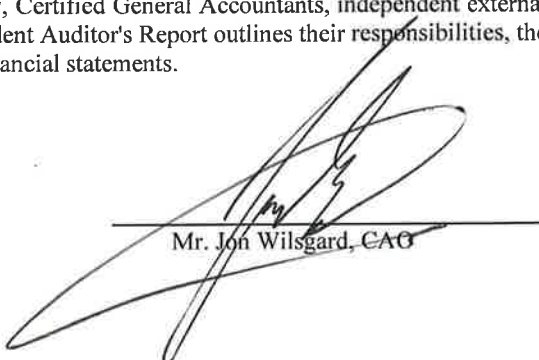
The Town's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely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

The Municipal Council, acting through its Standing Committee on Finance, meets with management to review the financial statements and discuss any significant reporting or internal control matters prior to their acceptance of the audited financial statements.

The financial statements have been audited by Adams Wooley, Certified General Accountants, 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.



Ms. Christina Benty, Mayor



Mr. Jon Wilsgard, CAG

Golden, BC
April 29, 2014



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James R. Wooley, B.P.E., CGA*
Brian F. Adams, FCGA* (Associate)

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councilors of Town of Golden

We have audited the accompanying financial statements of Town of Golden, which comprise the statement of financial position as at December 31, 2013 the statement of operations and accumulated surplus, changes in net financial assets, and the statement of cash flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

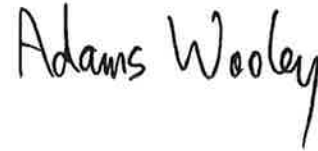
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*Denotes Professional Corporation

Independent Auditor's Report to the Mayor and Councilors of Town of Golden *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Town of Golden as at December 31, 2013 and its results of operations, its changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in black ink that reads "Adams Wooley". The signature is written in a cursive, slightly slanted style.

Adams Wooley
Certified General Accountants

Cranbrook, BC
April 29, 2014

TOWN OF GOLDEN
Statement of Financial Position
December 31, 2013

	2013	2012
Financial assets		
Cash and cash equivalents <i>(Note 3)</i>	\$ 4,934,419	\$ 4,542,213
Accounts receivable <i>(Note 4)</i>	977,666	712,724
Municipal Finance Authority <i>(Note 17)</i>	221,763	255,216
	<u>6,133,848</u>	<u>5,510,153</u>
Financial liabilities		
Accounts payable and accrued liabilities	511,371	576,376
Wages and benefits payable	306,185	274,901
Municipal Finance Authority <i>(Note 17)</i>	221,763	255,216
Deferred revenue <i>(Note 5)</i>	1,649,261	1,310,366
Restricted deposits <i>(Note 6)</i>	226,420	208,378
Obligations under capital lease <i>(Note 7)</i>	57,384	91,023
Long term debt <i>(Note 8)</i>	3,262,406	3,515,265
	<u>6,234,790</u>	<u>6,231,525</u>
Net debt	<u>(100,942)</u>	<u>(721,372)</u>
Non-financial assets		
Tangible capital assets <i>(Note 9)</i>	60,853,736	61,913,172
Prepaid expenses	235,948	104,962
	<u>61,089,684</u>	<u>62,018,134</u>
	<u>\$ 60,988,742</u>	<u>\$ 61,296,762</u>

ON BEHALF OF COUNCIL

 Councillor
 Councillor

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

TOWN OF GOLDEN
Statement of Operations and Accumulated Surplus
Year Ended December 31, 2013

	Budget 2013	2013	2012
Revenue			
Net taxes available for municipal purposes <i>(Note 13)</i>	\$ 4,671,269	\$ 4,660,548	\$ 4,535,633
Sale of services	642,028	797,650	683,060
Sewer user fees	683,397	693,146	682,281
Government transfers/other agencies	639,926	642,922	405,068
Water user fees	613,337	622,298	614,802
Grants - conditional <i>(Note 14)</i>	586,222	594,448	598,185
Grants - unconditional <i>(Note 15)</i>	118,850	325,247	816,072
Penalties and interest	102,705	166,270	134,802
MFA Actuarial adjustment	74,237	131,628	64,173
Licences, permits, penalties and fines	106,000	97,866	106,823
Other	-	6,200	4,360
	<u>8,237,971</u>	<u>8,738,223</u>	<u>8,645,259</u>
Expenses			
General government	2,170,328	1,990,687	2,155,533
Protective services	451,321	391,897	390,433
Transportation	1,231,205	1,290,311	1,217,555
Water supply and distribution	501,222	427,366	437,554
Sanitary sewer	541,319	501,289	572,304
Environmental health services	346,801	312,360	388,826
Cemetery	37,004	47,192	73,273
Economic development	454,473	473,795	454,365
Planning development services	311,774	226,550	241,876
Recreation, parks and culture	670,763	768,512	612,552
Fiscal services	185,779	180,735	185,922
Loss on disposal of tangible capital assets	-	10,182	15,952
Amortization	1,335,982	2,425,367	2,399,631
	<u>8,237,971</u>	<u>9,046,243</u>	<u>9,145,776</u>
Annual deficit	-	(308,020)	(500,517)
Accumulated surplus at beginning of year	<u>61,296,762</u>	<u>61,296,762</u>	<u>61,797,279</u>
Accumulated surplus at end of year <i>(Note 10)</i>	<u>\$ 61,296,762</u>	<u>\$ 60,988,742</u>	<u>\$ 61,296,762</u>

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

TOWN OF GOLDEN
Statement of Changes in Net Financial Debt
Year Ended December 31, 2013

	Budget 2013	2013	2012
Annual deficit	\$ -	\$ (308,020)	\$ (500,517)
Changes in tangible capital assets			
Acquisition of tangible capital assets	(1,533,911)	(1,397,077)	(1,180,820)
Amortization	1,335,982	2,425,367	2,399,631
(Gain)/loss on sale/write down of tangible capital assets	-	31,146	15,952
	(197,929)	1,059,436	1,234,763
Changes in other non-financial assets			
Acquisition (disposal) of prepaid expenses	-	(130,986)	(7,297)
	-	(130,986)	(7,297)
Changes in net financial assets	(197,929)	620,430	726,948
Net financial debt, beginning of year	(721,372)	(721,372)	(1,448,321)
Net financial debt, end of year	\$ (919,301)	\$ (100,942)	\$ (721,372)

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

TOWN OF GOLDEN
Statement of Cash Flows
Year Ended December 31, 2013

	2013	2012
Operating activities		
Annual deficit	\$ (308,020)	\$ (500,517)
Non-cash items:		
Amortization	2,425,367	2,399,631
(Gain)/loss on sale/write down of tangible capital assets	31,147	15,952
Actuarial adjustment on long-term debt	(131,628)	(64,173)
	<u>2,016,866</u>	<u>1,850,893</u>
Changes to financial assets/liabilities		
Accounts receivable	(264,942)	1,222,071
Accounts payable and accrued liabilities	(65,006)	(356,492)
Deferred revenue	338,895	(4,769)
Restricted deposits	18,042	33,265
Wages and benefits payable	31,284	57,191
Prepaid expenses	(130,986)	(7,297)
	<u>(72,713)</u>	<u>943,969</u>
Net change in cash from operating activities	<u>1,944,153</u>	<u>2,794,862</u>
Capital activities		
Purchase of tangible capital assets	<u>(1,397,077)</u>	<u>(1,180,820)</u>
Financing activities		
Proceeds from borrowing	74,487	-
Principal payment on long-term debt	(195,718)	(220,091)
Repayment of long-term debt under capital lease	(33,639)	(33,193)
Net change in cash used by financing activities	<u>(154,870)</u>	<u>(253,284)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	392,206	1,360,758
Cash and cash equivalents - beginning of year	<u>4,542,213</u>	<u>3,181,455</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,934,419	\$ 4,542,213

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

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2013

1. DESCRIPTION OF ORGANIZATION

The Town of Golden (the "Town") is a municipality in the province of British Columbia and operates under the direction of its council, guided by the provisions of the Local Government Act. The Town's principal activities are the provision of local government services to residents of the Town. These services include administrative, protective, transportation, environmental, recreation, water, sewer and fiscal services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements of the Town have been prepared in accordance with Canadian public sector accounting standards for governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Town are as follows:

Reporting entity

The financial statements reflect the assets, liabilities, accumulated surplus, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees, and local boards accountable for the administration of their financial affairs and resourced to the municipal Council and which are owned or controlled by the Town. Inter-departmental and organizational transactions have been eliminated.

The town operates the Golden and District Recreation Centre for the Columbia Shuswap Regional District on a full cost-recovery basis. The assets, liabilities, revenues and expenditures of the Golden and District Recreation Centre are not included in the consolidated financial statements of the town.

Basis of accounting

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

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Investments

Investments are recorded at cost, except for investments in the Municipal Finance Authority of British Columbia pooled investments, which are carried at market value. When, in the opinion of management, there is a permanent decline in value, investments are written down to their net realizable value.

Financial instruments

Unless otherwise noted, it is management's opinion that the town is not exposed to significant interest, currency or credit risk arising from its financial instruments. The fair value of its financial instruments approximate their carrying value, unless otherwise noted.

Inventory held for consumption

Inventory of supplies are held for consumption and are stated at the lower of cost and replacement cost.

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TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Non-financial assets

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

a. Tangible capital assets

Tangible capital assets are recorded at cost (or estimated cost when historical cost records are not available), which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the asset.

The cost, less residual value, of the tangible capital assets, including land, are amortized on a straight-line basis over their estimated useful lives as follows:

Assets	Useful Life - Years
Land improvements	15 to 50
Buildings and other structures	10 to 75
Equipment, vehicles and technology	3 to 50
Water infrastructure	10 to 100
Sewer infrastructure	10 to 100
Roads and transportation infrastructure	10 to 100

Amortization is charged from the date of acquisition to the date of disposal. Assets under construction are not amortized until the asset is put into service.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Town's ability to provide goods and services, or when the value of future economic benefits associated with the asset is less than the book value.

- Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also recorded as revenue. Where an estimate of fair value cannot be made or where there is no future benefit related to the asset, the tangible capital asset is recognized at a nominal value.

- Capitalized interest

Interest is capitalized whenever debt is issued to finance the construction of tangible capital assets.

- Leased tangible capital assets

Leases that transfer substantially all the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

Deferred revenue and deposits

Deferred revenue includes grants, contributions, and other amounts received from third parties pursuant to legislation, regulation, or agreement, which may only be used in certain programs, in the completion of specific work, or for the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services are performed, or the tangible capital assets are acquired.

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TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Employee future benefit obligations

The Town and its employees make contributions to the pension plan. These contributions are expensed as incurred. The plan is a multi-employer defined benefit plan, as detailed in Note 17.

Leases

Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred,

Government grants

Government grants are recognized as revenues in the period in which events giving rise to the grant occur, providing the grants are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Receipts that are restricted by legislation of senior governments are reported as deferred revenue and included in revenues in the year that they are applied to qualifying expenditures.

Taxes collected for others

The town acts as an agent for the collection of taxes imposed by other authorities as follows:

1. Kootenay East Kootenay Regional Hospital District
2. Columbia Shuswap Regional District
3. B.C. Assessment Authority
4. Municipal Finance Authority of British Columbia
5. Minister of Finance - Education and Police

Use of estimates

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include assumptions used in estimating historical cost and useful lives of tangible capital assets and estimating provisions for accrued liabilities, including employee future benefits. Actual results could differ from the estimates.

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2013

3. CASH AND CASH EQUIVALENTS

These financial instruments consist of cash on hand and MFA money market fund investments, the fair value of which approximates their carrying value. These instruments earn interest at rates varying between 0.9% and 1.7% and have maturities at varying dates.

	2013	2012
Cash on hand	\$ 1,116,302	\$ 530,986
Money market investments	3,552,657	3,751,640
Term deposits	259,783	127,567
Bonds	5,677	132,020
	\$ 4,934,419	\$ 4,542,213

4. ACCOUNTS RECEIVABLE

	2013	2012
Taxes and grants in place of taxes	\$ 445,310	\$ 274,228
Trade and other	532,356	373,582
Mortgage receivable	-	64,914
	\$ 977,666	\$ 712,724

Mortgage receivable from Golden Key Developments Ltd., bearing interest at 5.25% per annum. The balance was paid in full on July 4, 2013.

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2013

5. DEFERRED REVENUE

Deferred revenue and deposits reported on the statement of financial position is comprised of the following:

	Development cost charge - water	Development cost charge - sewer	General fund	Total
Balance December 31, 2012	\$ 474,714	\$ 127,045	\$ 708,607	\$ 1,310,366
Withdrawals during the year	-	-	(708,607)	(708,607)
Developer contribution	-	-	-	-
Interest earned	5,980	1,600	-	7,580
	<u>480,694</u>	<u>128,645</u>	<u>-</u>	<u>609,339</u>

Additions during the year

Prepaid taxes, utilities and business licences	-	-	514,159	514,159
Federal gas tax	-	-	11,973	11,973
Resort Municipality Initiative funding	-	-	461,118	461,118
CBT Community Initiatives	-	-	27,033	27,033
BC Plaza Provincial Grant	-	-	3,093	3,093
UBCM Age Friendly	-	-	13,720	13,720
Other donations and deposits	-	-	8,826	8,826
Balance December 31, 2013	<u>\$ 480,694</u>	<u>\$ 128,645</u>	<u>\$ 1,039,922</u>	<u>\$ 1,649,261</u>

The Town periodically receives gas tax agreement funds from the federal government. These funds, along with interest earned on the funds, are recorded as deferred revenue until they are used to fund eligible expenditures under the agreement.

6. RESTRICTED DEPOSITS

The town has received the following deposits which have been specifically designed and set aside for internally and externally restricted purposes.

	<u>2013</u>	<u>2012</u>
Security temporary building	\$ 96,159	\$ 98,058
Landscaping deposits	100,241	70,747
Development Deposits	7,069	20,211
Sponsor Beach and Park donations	9,567	10,917
FreeRide Park additions	4,309	4,309
Olympic Legacy fund	1,753	1,753
Dance recital - Mirror fund	1,189	1,189
Willy Forest Snofest	754	754
Communities in Bloom	500	500
General Deposits	<u>4,879</u>	<u>(60)</u>
	<u>\$ 226,420</u>	<u>\$ 208,378</u>

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2013

7. OBLIGATIONS UNDER CAPITAL LEASE

	2013	2012
MFA Leasing Corporation - Sweeper (a)	\$ 57,384	\$ 91,023
	\$ 57,384	\$ 91,023

Future minimum capital lease payments are approximately:

2014	\$ 34,553
2015	22,831
Total minimum lease payments	\$ 57,384

(a) The monthly payments are based upon the Canadian Prime Rate minus 1% for a term of 60 months. The lease interest rate is variable and changes in interest rates will result in adjustments in favour of the Lessor or Lessee, as applicable, on the final lease payment. The Canadian Prime Rate minus 1% at December 31, 2013 totaled 1% interest.

The town intends to exercise its exclusive purchase option on this lease in the future and has included the asset and the corresponding debt on the Statement of Financial Position.

8. LONG TERM DEBT

	2013	2012
General fund	\$ 2,604,337	\$ 2,763,632
Water utility fund	329,115	345,434
Sanitary sewer fund	328,954	406,199
	\$ 3,262,406	\$ 3,515,265

Principal repayment terms are approximately:

2014	\$ 244,207
2015	253,200
2016	184,814
2017	190,767
2018	177,779
Thereafter	2,211,639
	\$ 3,262,406

The Town issues debt instruments through the Municipal Finance Authority, pursuant to loan authorization bylaws issued under the authority of section 179 of the Community Charter, to finance certain capital expenditures. Debenture debt principal is disclosed not of sinking fund balances managed by the Municipal Finance Authority.

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TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2013

8. LONG TERM DEBT (continued)

Bylaw Number	Purpose	Interest Rate	Maturity Date	2013	2012
General					
942	Street paving and construction	4.750	2015	\$ -	\$ 12,820
943	Street paving and construction	4.750	2015	-	16,822
948	Street paving and construction	3.000	2015	89,899	131,664
954	Street paving and construction	3.000	2015	39,565	57,946
1211	Street paving and construction	4.820	2027	983,225	1,034,910
1211	Street paving and construction	4.650	2028	531,772	557,308
1211	Street paving and construction	4.900	2029	861,673	897,937
	Loan Payable-College Of The Rockies			43,204	54,225
	Short Term Loan - 13-158 (Floating 1.72%)		2017	37,484	-
	Short Term Loan - 13-159 (Floating 1.72%)		2015	17,515	-
				\$ 2,604,337	\$ 2,763,632
Water					
1211	Waterworks construction	4.650	2028	\$ 245,433	\$ 257,219
1211	Waterworks construction	4.900	2029	83,682	88,215
				\$ 329,115	\$ 345,434
Sewer					
875	Sewer construction	8.500	2013	\$ -	\$ 6,515
944	Sewer treatment plant upgrade	4.750	2013	-	54,412
1211	Sewer construction	4.650	2028	245,433	257,219
1211	Sewer construction	4.900	2029	83,521	88,054
				\$ 328,954	\$ 406,199
				\$ 3,262,406	\$ 3,515,265

9. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2013 Net book value	2012 Net book value
Land and improvements	\$ 11,180,026	\$ 1,137,518	\$ 10,042,508	\$ 10,127,462
Buildings	9,210,594	2,907,839	6,302,755	6,354,664
Equipment, vehicles and technology	5,345,401	2,832,680	2,512,721	2,564,981
Roads and transportation infrastructure	52,495,030	25,268,851	27,226,179	28,205,308
Sewer infrastructure	15,159,803	5,888,669	9,271,134	9,005,524
Water infrastructure	10,213,248	4,854,932	5,358,316	5,400,395
	103,604,102	42,890,489	60,713,613	61,658,334
Capital work-in-progress	140,123	-	140,123	254,838
				\$ 61,913,172
				\$ 103,744,225
		\$ 42,890,489	\$ 60,853,736	\$ 61,913,172

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2013

10. ACCUMULATED SURPLUS

Accumulated surplus consists of:

	2013	2012
<u>Surplus</u>		
Invested in tangible capital assets (Note 11)	\$ 57,554,906	\$ 58,306,880
Surplus from operations	303,126	292,941
	57,858,032	58,599,821
<u>Reserves set aside by Council</u>		
Non-statutory reserves (Note 12)	2,202,335	1,872,686
<u>Reserve funds set aside for specific purpose by Council</u>		
Statutory reserves (Note 12)	730,848	629,186
Capital fund reserves (Note 12)	197,527	195,069
	928,375	824,255
 Total reserve funds	60,988,742	\$ 61,296,762

11. EQUITY IN TANGIBLE CAPITAL ASSETS

Equity in tangible assets (TCA) represent the net book value (NBV) of total capital assets less long term obligations assumed to acquire those assets. The change in consolidated equity in tangible capital assets is as follows:

	2013	2012
Equity in TCA, beginning of year	\$ 58,306,880	\$ 59,224,186
Add: Purchases of tangible capital assets	1,397,077	1,180,820
Principal payment on long-term debt	195,718	220,091
Repayment of long-term debt under capital lease	33,639	33,193
Actuarial adjustment on long-term debt	131,628	64,173
Less: Proceeds from borrowing	(74,487)	-
Loss on disposal of assets	(10,182)	(15,952)
Amortization	(2,425,367)	(2,399,631)
 Equity in TCA, end of year	\$ 57,554,906	\$ 58,306,880

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2013

12. RESERVES

	Balance Dec 31/12	Contributions from Developers Earnings	Transfers and Others	2013 Interest	Balance Dec 31/13
Statutory reserves:					
Land sales	\$ 5,832	\$ -	\$ 5,264	\$ 109	\$ 11,205
Parking	76,346	-	4,500	994	81,840
Equipment replacement	274,044	-	66,367	4,028	344,439
Container Replacement	11,423	-	11,239	225	22,887
Cemetery care fund	261,541	-	3,063	5,873	270,477
	<u>\$ 629,186</u>	<u>\$ -</u>	<u>\$ 90,433</u>	<u>\$ 11,229</u>	<u>\$ 730,848</u>
Non-statutory reserves:					
Airport	\$ 58,103	\$ -	\$ -	\$ 732	\$ 58,835
Asset Renewal	20,328	-	89,570	872	110,770
Cemetery expansion	37,857	-	625	476	38,958
Carbon Tax	81	-	19,160	169	19,410
Computer and office	14,669	-	-	184	14,853
Contingency	533,873	-	25,938	6,314	566,125
Fire hall and equipment	76,165	-	(5,331)	555	71,389
Flood and snow	106,934	-	52,730	1,337	161,001
Legal and insurance	20,269	-	25,966	272	46,507
Planning and studies	46,684	-	-	588	47,272
Public works	25,203	-	-	317	25,520
Recreation	56,988	-	(16,957)	595	40,626
Safety	39,076	-	(4,721)	489	34,844
Solid waste	69,825	-	-	880	70,705
Water Meters	10	-	-	-	10
Water	613,091	-	123,119	7,799	744,009
Sewer	153,530	-	(3,155)	1,126	151,501
	<u>\$ 1,872,686</u>	<u>\$ -</u>	<u>\$ 306,944</u>	<u>\$ 22,705</u>	<u>\$ 2,202,335</u>
Capital Fund Reserves:					
General	\$ 53	\$ -	\$ -	\$ 1	\$ 54
MFA deposit refund					
Water	164,466	-	-	2,072	166,538
Sewer	30,550	-	-	385	30,935
	<u>\$ 195,069</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,458</u>	<u>\$ 197,527</u>
	<u>\$ 2,696,941</u>	<u>\$ -</u>	<u>\$ 397,377</u>	<u>\$ 36,392</u>	<u>\$ 3,130,710</u>

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2013

13. NET TAXATION AVAILABLE FOR MUNICIPAL PURPOSES

	2013	2012
Property taxes		
General purposes	\$ 4,323,634	\$ 4,217,739
Collections for other governments	2,985,755	2,926,942
Frontage taxes	205,545	205,790
	7,514,934	7,350,471
Less: transfers to other governments		
Province of B.C. school taxes	(2,009,246)	(2,004,947)
Columbia Shuswap Regional Hospital District	-	14,624
East Kootenay Regional Hospital District	(130,070)	(131,674)
Columbia Shuswap Regional District	(414,966)	(411,025)
British Columbia Assessment Authority	(57,755)	(57,940)
Police Tax	(242,191)	(223,715)
Municipal Finance Authority	(158)	(161)
	(2,854,386)	(2,814,838)
Net taxes available for municipal purposes	\$ 4,660,548	\$ 4,535,633

14. CONDITIONAL GRANTS

The Town recognizes the transfer of government funding as revenues in the year that the events giving rise to the transfer occurred. The Government conditional transfers reported on the statement of operations are:

	2013	2012
Resort Municipality Initiative	\$ 292,135	\$ 396,410
Gas Tax agreement	214,121	181,775
BC Plaza	61,907	-
MFA surplus (debt)	23,285	-
Heritage Canada (Canada Day)	2,000	-
Water grant	1,000	-
CMHC	-	10,000
Water model distribution grant	-	10,000
Total	\$ 594,448	\$ 598,185

15. UNCONDITIONAL GRANTS

The Town recognizes the transfer of government funding as revenues in the year that the events giving rise to the transfer occurred. The Government unconditional transfers reported on the statement of operations are:

	2013	2012
Small community protection grant	\$ 301,373	\$ 803,168
CARIP	23,874	12,904
Total	\$ 325,247	\$ 816,072

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2013

16. EXPENSES BY OBJECT

	2013	2012
Salaries, wages and employee benefits	\$ 2,810,087	\$ 2,835,494
Contracted services	2,595,414	2,651,071
Materials, goods and utilities	978,828	998,972
Bank charges, short/long-term interest	226,365	244,656
Other	10,182	15,952
Amortization	2,425,367	2,399,631
	\$ 9,046,243	\$ 9,145,776

17. COMMITMENTS AND CONTINGENCIES

1. Debt Instruments

The Town issues debt instruments through the Municipal Finance Authority. As a condition of these borrowings, 1% of gross proceeds are required to be deposited into a debt reserve fund. The Town is also required to execute demand notes in connection with each debenture whereby the Town may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent demand notes at December 31, 2013 are as follows:

	General fund	Water Utility fund	Sanitary Sewer fund	2013	2012
Cash Deposits	\$ 58,443	\$ 4,848	\$ 4,848	\$ 68,140	\$ 78,484
Demand Notes	129,312	12,156	12,156	153,623	176,731
	\$ 187,755	\$ 17,004	\$ 17,004	\$ 221,763	\$ 255,215

2. Municipal Pension Plan

The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributor pension plan. Basic pension benefits provided are based on a formula. The Plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 32,494 contributors from local governments.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as 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 with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The Town of Golden paid \$175,397 (2012 - \$171,599) for employer contributions to the plan in fiscal 2013.

(continues)

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2013

17. COMMITMENTS AND CONTINGENCIES *(continued)*

3. Municipal Insurance Association of British Columbia

The Town participates in the Municipal Insurance Association of British Columbia pooled insurance plan. Under the terms of participation, the town could become liable for its proportional share of any claim losses in excess of funds held by the Association. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

18. SEGMENTATION INFORMATION

The Town of Golden is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and activities they encompass are as follows:

General Government

This segment is comprised of the Mayor and Council, Corporate Administration, Corporate Services, Financial Services, Information Technology, Labour Management and Health and Safety, Elections and Referendums, Resort Municipality Initiatives, Asset Management, Energy and Emissions and other areas that are not directly related to a specific segment.

Protective Services

Protective services is comprised of fire protection, flood protection services and the shared emergency services program.

Transportation

Transportation consists of the maintenance of the roads, sidewalks, pathways, street signs, street lighting, snow removal, surface drainage, fleet equipment, shop yard and buildings, operation and maintenance of the airport, and BC Transit (ended 2012).

Economic Development

Economic Development consists of support provided to Golden Area Initiatives (GAI) which includes direct funding for GAI, Kicking Horse Culture and the regional film commission (ended 2013). The Columbia Basin Trust Community Initiative Grant funds, and Broadband service costs form the other components.

Planning and Development

Planning & Development consists of community and land use planning; development issues generally, including the process of re-zoning applications, development permits and development variances; building permit review and inspections; bylaw services.

Environmental health services

Environmental health services covers the administration of the collection and disposal of household garbage and recyclables; mosquito control.

Water Supply and Distribution

Water supply and distribution consists of the development of water sources, and supply, storage, treatment and transportation of potable and irrigation water.

Sewer Services

Sewer services comprises the gathering, treatment, storage, utilization and discharge of municipal sewage and reclaimed water.

(continues)

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2013

18. SEGMENTATION INFORMATION *(continued)*

Cemetery

This services relates the to care of the Town's cemetery.

Parks, recreation and cultural services

This segment is responsible for the development and maintenance of the City's open space, parks and other landscaped areas, maintenance and operation of recreation facilities (excludes Arena), campground, Wixon House and the development and provision of recreation programs and services.

19. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with the current year's financial statement presentation.

TOWN OF GOLDEN
Consolidated Schedule of Tangible Capital Assets
Year Ended December 31, 2013

Schedule 1

	Land and improvements	Buildings	Equipment, furniture and vehicles	Engineering Structures				Capital Work In Progress	2013 Total	2012 Total
				Infrastructure - Water	Infrastructure - Sewer	Infrastructure - Roads	Infrastructure -			
Cost										
Opening balance, January 1	\$ 11,175,515	\$ 9,020,721	\$ 5,087,660	\$ 10,023,272	\$ 14,568,587	\$ 52,319,508	\$ 254,838	\$ 102,450,101	\$ 101,269,281	
Additions	55,389	210,835	267,741	190,926	638,996	198,783	140,123	1,702,793	1,180,820	
Disposals	(50,878)	(20,962)	(10,000)	(950)	(47,780)	(23,261)	(254,838)	(408,669)	-	
Write downs	-	-	-	-	-	-	-	-	-	
Closing balance, December 31	11,180,026	9,210,594	5,345,401	10,213,248	15,159,803	52,495,030	140,123	103,744,225	102,450,101	
Accumulated amortization										
Opening balance, January 1	1,048,053	2,666,057	2,522,679	4,622,877	5,563,063	24,114,200	-	40,536,929	38,121,346	
Amortization	89,465	241,782	320,001	232,463	373,386	1,168,271	-	2,425,368	2,399,631	
Effects of disposals and write down adjustments	-	-	(10,000)	(408)	(47,780)	(13,620)	-	(71,808)	15,952	
Closing balance, December 31	1,137,518	2,907,839	2,832,680	4,854,932	5,888,669	25,268,851	-	42,890,489	40,536,929	
Net book value, end of year	\$ 10,042,508	\$ 6,302,755	\$ 2,512,721	\$ 5,358,316	\$ 9,271,134	\$ 27,226,179	\$ 140,123	\$ 60,853,736	\$ 61,913,172	

TOWN OF GOLDEN
Consolidated Statement of Statutory Reserve Fund Activities
Year Ended December 31, 2013

Schedule 2

	Land Sales	Parking	Equipment Replacement	Cemetery Care Fund	Container Replacement	2013 Total	2012 Total
Opening balance, January 1	\$ 5,832	\$ 76,346	\$ 274,044	\$ 261,541	\$ 11,423	\$ 629,186	\$ 616,632
Transfers in / (out)	5,264	4,500	66,367	3,063	11,239	90,433	538
Development fees	-	-	-	-	-	-	-
Earnings	109	994	4,028	5,873	225	11,229	12,016
Closing balance, December 31	\$ 11,205	\$ 81,840	\$ 344,439	\$ 270,477	\$ 22,887	\$ 730,848	\$ 629,186

TOWN OF GOLDEN
Segment Information
Year Ended December 31, 2013

Schedule 3

	General Government	Protective Services	Transportation	Economic Development	Planning & Development Services				Unallocated	2013 Total
					Environmental	Water Service	Sewer Services	Cemetery		
Revenue										
Net taxes	\$ 4,411,849	\$ -	\$ 28,147	\$ -	\$ -	\$ 90,049	\$ 115,497	\$ 15,006	\$ -	\$ 4,660,548
Sale of services	182,517	50,567	103,266	4,241	257,551	-	-	18,620	180,888	797,650
Water service fees	-	-	-	-	-	622,298	-	-	-	622,298
Sewer user fees	-	-	-	-	-	-	693,146	-	-	693,146
Conditional grants	142,842	-	5,070	-	-	1,000	47,387	-	398,149	594,448
Unconditional grants	325,247	-	-	-	-	-	-	-	-	325,247
Licenses, Permits, & Fines	-	-	-	42,249	-	-	-	-	-	97,866
Interest & penalties	127,489	-	3,873	-	3,207	7,501	-	5,873	-	166,270
Transfer from other governments/agencies	-	73,859	30,676	307,911	-	-	-	17,254	-	642,922
Other revenue	-	-	76,548	-	-	2,131	52,949	-	6,200	137,828
Total Revenue	5,189,944	124,426	247,580	354,401	260,758	722,979	927,306	56,753	611,371	8,738,223
Expenses										
Salaries, wages, benefits	1,380,397	126,183	473,169	-	35,090	151,166	149,797	16,619	289,146	2,810,085
Contracted and general services	499,548	215,518	356,577	473,795	276,786	160,908	212,555	22,505	341,253	2,595,414
Materials, goods, & utilities	110,741	50,196	460,565	-	484	95,462	113,136	8,068	138,113	978,828
Bank charges, short/long term interest	10,851	-	169,884	-	-	19,830	25,802	-	-	226,367
Amortization	651,247	-	1,168,270	-	-	232,464	373,386	-	-	2,425,367
Loss on disposal of assets	-	-	9,640	-	-	542	-	-	-	10,182
Total Expenses	2,652,784	391,897	2,638,105	473,795	312,360	660,372	874,676	47,192	768,512	9,046,243
	\$ 2,537,160	\$ (267,471)	\$ (2,390,525)	\$ (119,394)	\$ (51,602)	\$ 62,607	\$ 52,630	\$ 9,561	\$ (581,424)	\$ 611,371
										\$ (308,020)

TOWN OF GOLDEN
Segment Information
Year Ended December 31, 2012

Schedule 4

	General Government	Protective Services	Transportation	Economic Development	Planning & Development Services				Cemetery	Recreation & Cultural Services	Unallocated	2012 Total
					Environmental	Water Service	Sewer Services					
Revenue												
Net Taxes	\$ 4,282,088	\$ -	\$ 33,352	\$ -	\$ -	\$ -	\$ 90,156	\$ 115,634	\$ 14,403	\$ -	\$ -	\$ 4,535,633
Sale of Services	175,759	56,819	61,628	5,010	6,586	249,645	614,802	-	23,528	104,085	-	683,060
Water User Fees	-	-	-	-	-	-	-	-	-	-	-	614,802
Sewer User Fees	-	-	-	-	-	-	-	682,281	-	-	-	682,281
Conditional Grant	153,257	-	-	-	10,000	-	10,000	-	-	-	424,928	598,185
Unconditional Grant	816,072	-	-	-	64,294	-	-	-	-	-	-	816,072
Licenses, permits and fines	-	-	-	42,529	-	-	5,584	-	-	-	-	106,823
Interest and Penalties	117,609	-	-	-	-	-	-	6,481	-	-	-	134,802
Transfer from other governments/agencies	-	51,260	33,352	278,805	-	-	10,000	-	14,403	4,000	13,248	405,068
Other Revenue	4,360	-	48,575	-	-	-	1,532	14,066	-	-	-	68,533
Total Revenue	5,549,145	108,079	176,907	326,344	80,880	249,645	732,074	818,462	57,462	108,085	438,176	8,645,259
Expenses												
Salaries, wages, benefits	1,420,930	135,306	443,897	345	201,355	34,128	144,577	184,089	16,331	254,537	-	2,835,095
Contracted and general Services	616,494	207,449	370,103	454,020	37,799	336,817	163,024	200,187	50,733	214,444	-	2,651,070
Materials, goods, and utilities	118,108	47,678	403,556	-	2,722	17,880	110,123	149,124	6,210	143,571	-	998,972
Bank charges, short/long-term interest	11,149	-	174,773	-	-	-	19,830	38,904	-	-	-	244,656
Amortization	649,010	-	1,169,762	-	-	-	221,369	359,490	-	-	-	2,399,631
Loss on disposal of assets	-	-	13,954	-	-	-	1,998	-	-	-	-	15,952
Total Expenses	2,815,691	390,433	2,576,045	454,365	241,876	388,825	660,921	931,794	73,274	612,552	-	9,145,776
	\$ 2,733,454	\$ (282,354)	\$ (2,399,138)	\$ (128,021)	\$ (160,996)	\$ (139,180)	\$ 71,153	\$ (113,332)	\$ (15,812)	\$ (504,467)	\$ 438,176	\$ (500,517)