



# 2010 Annual Report

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Presented by the Town of Golden Council per Section 98 of the *Community Charter*  
June 21<sup>st</sup>, 2011

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Authentic. Community. Adventure

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## Message from the Town Council

From the exciting Olympic Torch Relay's arrival in Golden to the mid-year first phase improvements to 12<sup>th</sup> Street South and ending with the start of the Civic Centre Redevelopment Project and Highway 1 improvements on the Golden Hill, 2010 was a year of beginnings and renewals.

Still in the grips of the global financial crisis, we also took the opportunity to entirely re-create our strategic planning and reporting cycle and examine our own part in the largest collective issue facing local governments in North America – aging municipal infrastructure and the cost of its upkeep.

Nevertheless, from infrastructure development and community protection; to land use and community tourism planning to cultural program support; and from green building and transportation initiatives to new partnerships in service delivery, we feel we have continued to usher in a tremendous amount of change in our corporation, and in turn, our community in 2010.

We delivered on some key components in our Official Community Plan, built beautiful and visitor friendly infrastructure, and have continued to support programs and initiatives that make our town more and more livable to our residents.

Having said this, we continued to be mindful of the sobering global economic situation, and while we knew that our community would weather this storm because of our great resilience in a wonderfully diversified economy, we took steps to recognize this situation by ensuring a zero tax increase again in 2010 for the second consecutive year.

To the citizens of Golden – municipal government is truly yours – where the benefits of your taxes and your fellow citizens' hard work can be seen and felt everyday and everywhere. Our door to you is always open as the most accessible level of government; we invite you to continue talking to us about our fabulous community and how we can make it better.

*Mayor Christina Benty*

*Councilors Jamie Fitzgerald, Chris Hambruch, Kuljit Jaswal, Mag Magnusson, Caleb Moss, and Mike Pecora*

### At a Glance:

Regular, Special, and Committee Open Meetings:	53
Closed Meetings:	33
Public Hearings:	02
Bylaws Adopted:	13



### Select and Community Liaison Committees, and External Board Appointment Representation

Benty	Downtown Revitalization, Broadband Project, Golden Area Initiatives Board, Olympic Torch Relay, Emergency Management Program
Fitzgerald	Airport, CBT Funds Local Selection, Olympic Torch Relay, Kicking Horse Country Chamber of Commerce
Hambruch	CSRD Board, CSRD Parks Commission, Olympic Torch Relay
Jaswal	Affordable Housing, Olympic Torch Relay
Magnusson	Arena Operations Advisory, East Kootenay Hospital Board, Olympic Torch Relay
Moss	Mount 7 RecPlex Board, Columbia River Stewardship Group, Giving Tree Child Care Society, Kicking Horse Culture, Olympic Torch Relay
Pecora	Civic Centre Redevelopment, Golden and District Air Quality, Olympic Torch Relay



## Message from the Chief Administrative Officer

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Since being planted in this seat in March of 2010 I have been immersed amongst a more dedicated, visionary, and team oriented council and staff I've seen in any other municipality. The volume of initiatives and services the Town of Golden provides is staggering and we have been acutely recognized for many of them by our colleagues and other governments throughout the province.

Two such initiatives I am compelled to mention here - one being extremely positive that will now drive our annual performance, create better accountability, and reveal our capacity to deliver an increasingly demanding workload. The second speaks to a nationally sobering issue and necessary attention to our growing municipal infrastructure deficit and will be a continuing aspect of our annual reporting as we shift our accounting structure to include these items as a part of our corporate assets.

*David Allen, CAO*

### **Development of a new Annual Strategic Planning and Performance Management Process**

In order to successfully identify, prioritize, implement and report out on Council's strategic goals, it became clear in early 2010 that there were four key components that needed to be integrated:

1. Implement an annual strategic planning cycle;
2. Develop a method of determining and monitoring corporate capacity and resource needs, ensuring that adjustments can be made based on changing circumstances;
3. Integrate Council approved Strategic and Corporate Work Plans with the Town's 2011 Five-Year Financial Plan; and
4. Implement a performance management program that provides Council and the public with quarterly progress reports that identify any significant variances.

Two half-day strategic planning sessions in August identified a list of strategic goals for 2011, which were then ranked by Council in order of importance. Based on this, staff developed an in-house corporate work plan program that identified, estimated, and tracked the various projects, programs, and services we provide. The new corporate work plan served as the basis for the development of the 2011 Five Year Financial Plan, and ultimately assisted in implementing a performance management system that will provide greater transparency and accountability to Council and the public.

We believe that adopting this cyclical annual approach sets the stage for a much more effective and focused use of limited municipal tax revenue, and human capital, as well as provide a superior annual reporting process in 2011 and beyond.

### **Protecting Municipal Infrastructure and Assets**

In 2007 the Federation of Canadian Municipalities released a report stating 80% of Canada's municipal infrastructure is past its service life and the infrastructure deficit - estimated at \$12 billion in 1985 - has risen to \$123 billion. In response to the growing awareness and concern that municipalities had little understanding of the financial implications of replacing the aging condition of their infrastructure, in 2009 municipalities began to be required to report on their Tangible Capital Assets.

Base on our acute attention to this issue, and our in-house development of an asset management program to protect and maintain municipal assets and infrastructure in a sustainable way, in late 2010 Town Administration was invited to join Asset Management BC, a diverse group of municipal and provincial managers, academic experts, and associations whose mission is to provide leadership and support for the management of community infrastructure assets.

# 1. 2010 Report on Council Objectives

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The following themes and objectives were determined by Town Council to guide corporate strategic thinking in 2010 and 2011. They represent initiatives felt important by Council to address at the time on behalf of the community. Completed works directly and indirectly related to these objectives are reported against them.

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## Theme: Energy Supply and Demand Management

### Objective: Corporate Energy Conservation

- *Implement climate action charter commitments.*

The town concluded its second year as a member community of the Carbon Neutral Kootenays (CNK) Project (led by CBT, Stantec Consulting and Canadian Energy Association). In 2010 staff training was completed and the town began development of Corporate Carbon Emissions Reduction Plan (primarily by creating a District Energy Project).

Although not legally required, the OCP was amended to include corporate emissions reduction targets and required Carbon Action Reduction Incentive Program (CARIP) refunds be used exclusively for emissions reductions projects (i.e. not to be used to purchase carbon off-sets).

The town also updated its existing vehicle/equipment fuel card system to include unit/mileage input system at the pumps for future tracking of fleet emissions, and the failed propane furnace at the airport terminal was replaced with an electric unit.

- *Calculate municipal corporate energy consumption and greenhouse gas emissions and develop a reduction strategy.*

Corporate energy audit and development of corporate reduction plan is scheduled for 2011 as part of the Carbon Neutral Kootenays Project.

- *Implement strategies and solutions for energy reduction.*

A fleet energy consumption and emissions study was started and the town became a member of the BC Hydro Power Smart Partner (PSP) Program (long-term facility light fixture replacement) and became member of Columbia Basin Trust's *Water Smart* Program.

### Objective: Energy Conservation Incentives/Disincentives

- *Implement Bill 10 incentives and disincentives for energy conservation (Development Cost Charges, Development Permit Areas and Energy Zones and density bonusing).*

The rewrite of the Zoning Bylaw began in 2010 with an anticipated adoption in late 2011. Innovative energy conservation initiatives will be contemplated and addressed within the bylaw.

### Objective: Best Practices in Design and Engineering

- *Adopt and implement best practices in projects undertaken by/within the town.*

Staff worked to include within the new Zoning Bylaw a target to build a compact and complete community to reduce GHG emissions and energy consumption through reduced vehicle dependency and the use of alternative energy systems, and a new Building Bylaw began with drafts to encourage solar and geothermal projects.

**Objective: Green and Alternative Energy**

- *Support and practice energy projects that promote and use green and alternative energy technologies, such as solar or geothermal power.*

A detailed engineering study of the merits and concerns surrounding community-wide geothermal use was commissioned as part of the continued development of a Groundwater Protection Plan.

**Objective: Energy Supply**

- *Resolve threat of impending power shortages by lobbying BCTC, BC Hydro and the Provincial Government to address capacity issues.*

Council worked proactively with BC Hydro in endorsing and determining power line locations and to lessen visual impacts in the development of the Columbia Valley Transmission Project as well as providing political support for BC Hydro's Clean Energy Fund Community Battery Back-Up Project.

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**Theme: Active Transportation and Trails****Objective: Trail Planning**

- *Re-invigorate the Active Transportation and Trails citizen's group to develop a long-term plan consistent with the OCP that clearly prioritizes projects and links to the five-year financial plan.*

The Active Transportation committee began planning in earnest for the development of a Community Bike Program and began lobbying the Province to create a dedicated cycle lane south of town.

**Objective: Projects for Short Term Implementation**

Council successfully lobbied the Province at the annual UBCM convention in September for the inclusion of a dedicated bike path along the outside corner of the rebuilt Golden Hill as a part of the Kicking Horse Canyon Project, at a value of nearly \$1million.

Council also successfully lobbied the Province for improvements to the crosswalk connecting the CPR Parking Lot to the downtown area, which will be implemented by mid 2011.

Golden's Green (outdoor) Gym was idealized and requisite components ordered for installation in 2011.

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**Theme: Water Supply and Demand Management****Objective: Water Conservation Initiatives and Disincentives**

- *Conduct a cost-benefit analysis of water metering and rebate/exchange programs.*

The Toilet Rebate Program continued, and the ICI (industrial/commercial/institutional) water meter installation project was completed including a cost-benefit analysis of universal residential water metering in a draft water conservation plan for implementation in 2011.

- *Invest in and expand existing rebate programs*

Despite its popularity, the actual consumption savings reclaimed through the Toilet Rebate Program was found to be minimal compared to excess outdoor water use by residential customers. An accounting of this will be planned for in 2011 under the CBT Water Smart Ambassador Program before determining whether to continue toilet rebates into 2012.

- *Consider establishment of a water metering program.*  
This consideration formed the principal component of the draft water consumption reduction plan; a limited volunteer program for residential meters in order to acquire use data will be implemented in 2011.
- *Implement Bill 10 incentives and disincentives for water conservation (Development Cost Charges, Development Permit Areas and Energy Zones and density bonusing)/Develop public water conservation educational materials and programs.*  
The CBT Water Smart Charter was signed by Council and Golden the first draft Community Water Consumption Reduction Plan in the basin. Staff visited local schools during Local Government Awareness Week to discuss delivery of water and water conservation measures and conservation messages were carried in the local media.

**Objective: Water Re-Use**

- *Identify legal/legislative barriers and opportunities for grey-water recycling.*  
In depth investigation of this issue was not undertaken. Anticipated water recycling associated with the spray park did not materialize due to Interior Health regulatory restrictions.

**Objective: Built Form and Landscaping Best Practices**

- *Pursue alternative infrastructure design standards that promote water conservation (under subdivision and development servicing bylaw) and establish bylaws for xeriscape landscaping.*  
Xeriscape or water-conserving landscape principles within the draft Zoning Bylaw's Landscape Requirements were written and shall be required in the landscape plan for commercial, industrial, institutional, and multiple-housing zones.
- *Establish bylaws for mandatory use of low flow plumbing fixtures.*  
This became unnecessary with the imminent amendments to the BC Building Code to take effect in October of 2011, requiring new restrictive flows for all plumbing fixtures.
- *Lead by example; incorporate water conservation best practices in all municipal buildings and landscaping.*  
The draft water consumption reduction plan addressed this; water meters were installed in all major town facilities and xeriscaping landscape principles will be considered.

**Objective: Water Supply**

- *Identify new opportunities for conservation-based water supply (e.g. rain capture).*
- *Identify and protect aquifer through the development of critical partnerships (e.g. CBT, RDCK and Ministry of Environment).*  
These objectives will be addressed in the anticipated 2011 adoption of a Groundwater Protection Plan, commensurate with the Province's update to the Water Act. The updated Building Bylaw will incorporate aquifer protection provisions as well.

**Theme: Tourism Product and Market Development**

**Objective: Community Amenities**

- *Develop family-oriented community amenities such as spray-park and Amenity Hub projects.*

Gusher's Spray Park was completed in 2010, jointly facilitated by staff and the Golden Community Spray Park committee after three years of fundraising, and local partnership support.



The Golden Community Bike Share Program was idealized and components purchased to enable 15 bikes and 2 hubs with anticipated program launch in 2011.



Reconstruction began of the municipal campground sani-dump and a phased capital upgrade plan for the campground was commissioned.

- *Complete a feasibility study for development of a tourist attraction on lands adjacent to existing visitor information centre.*

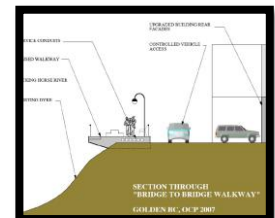
The updated Zoning Bylaw will propose designation of Comprehensive Development Zone at the town's eastern most and westernmost entrances to facilitate the creation of a gateway development that builds on the community's history and character.

**Objective: Downtown Revitalization**

- *Ensure implementation of projects:*

**Bridge to Bridge**

Department staff facilitated an application to Ministry of Environment for Bridge to Bridge Dike Improvement and Riverfront Enhancement for Flood Protection Grant Program. Provincial response is anticipated by mid-year 2011.



**Spirit Square**

Department staff facilitated the completion of Spirit Squares final features including landscaping, timeframe entrance ways, irrigation, power infrastructure and public art.



**Whitewater Amenity Hub**

The hub was substantially complete and fully commissioned in 2010. LEED accreditation is anticipated in 2011.



- *Conduct a parking and traffic flow study and implement recommendations.*

A Parking Study in Historic Downtown was commissioned to provide the municipality with recommendations and direction for a comprehensive parking strategy and traffic flow for the downtown core. Further discussion of the results is expected in late 2011.



- *Move forward with recommendations from the Downtown Revitalization Select Committee.*  
A Revitalization Tax Exemption bylaw and Business Improvement Area Society were created with a requisite process for enabling commercial beautification projects anticipated for 2011.

**Objective: Signage/Way-finding**

- *Complete a municipal signage plan and bylaw.*
- *Adopt signage design guidelines in cooperation with other agencies (e.g. Ministry of Transportation).*
- *Improve gateways to Golden (e.g. signage, way finding and landscaping).*

The Visitor Sign Program design and placement manual was completed and detailed design and permitting processes began. Limited layouts of designs were site tested to ensure design compatibility, costing, and visual impact. A broader outlay is anticipated in 2011 including corporate entrance and local directional components.




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**Theme: Derelict Property Revitalization and Brownfield Development**

**Objective: Municipal Tools**

- *Encourage compliance with OCP in existing and all new development.*  
All proposed developments were benchmarked against the goals, policies, and objectives of the Official Community Plan to ensure compliance.
- *Lobby for and utilize tax penalties and incentives to encourage clean up and re-development.*
- *Seek opportunities for fire and building code investigation and compliance.*
- *Develop zoning tools to encourage Brownfield redevelopment.*  
No appreciable progress was able to be made in under these directives.

**Objective: Intergovernmental and Community Partnerships**

- *Utilize pressure from MOE and Compliance Officer for compliance and prevention.*
- *Lobby for and secure intergovernmental funding for Brownfield redevelopment projects.*
- *Utilize positive community peer pressure to foster community pride and responsibility.*  
A Feasibility Study and Development Plan for the former public works yard were commissioned with recommendations forthcoming to council in 2011.



## 2. 2010 Report on Municipal Services and Operations

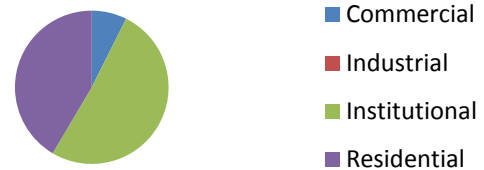
Apart from strategic goals and objectives, the municipality also undertakes a wide array of other statutory and contractual obligations. Some are set within provincial governance legislation, others are planning, service, and amenity responsibilities to residents, as well as ongoing contractual, and licensing obligations. Also included are special and capital projects either freshly initiated or ongoing as a part of a larger program. The following is a compilation highlights of ongoing service, operations, statistics, and projects accomplished across all departments in 2010.

### Development and Building Statistics

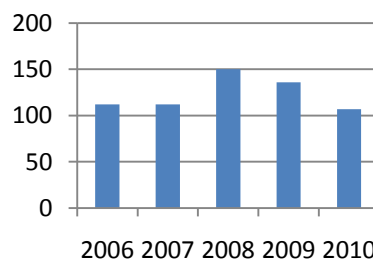
We are showing a consistent decrease in the number of permits issued, since the peak of the boom of recreational housing in 2008, as we stabilize towards a level of building that is likely more consistent with Golden's traditional patterns. The peak in 2008 seems to reflect the impact of the 2007 crisis as a delay would exist as contracts had largely been signed and financing achieved before the US housing crisis.

Given that the Civic Centre accounts for the abnormally high ratio of institutional vs. other classifications of construction, then the Construction Value in millions is significantly lower in most areas of construction than what the above chart would indicate. An example of the impact of this one project is that while in 2007 the overall

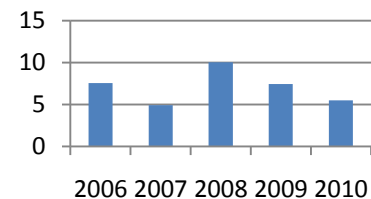
### Construction Value by Class



### Number of Permits



### Construction Value in Millions



Construction Value in millions is slightly lower than 2010, commercial and residential construction account for 90% of the 2007 total, while in 2010 they account for only 49%.

There is a tangible trend in fewer housing starts and growing renovation projects which may serve as an indicator when assessing the core stability of the Golden construction industry, which may be possible by the end of 2011, while also comparing these statistics with pre resort development numbers.

### Land Development Applications in 2010

Development Permits:	3
Development Variance Permits:	4
Subdivisions:	4
Rezoning:	2

## Projects, Highlights, and Ongoing Initiatives

- Civic Centre Redevelopment Project construction phase underway
- Completion of Phase 1 of 12<sup>th</sup> Street South Redevelopment Project
- Initiated redesign of corporate website for release in late 2011
- Completion of the United Church green public parking area
- Introduced a new digital Dog Licensing and Tracking Program
- Completed a component of locally owned fibre optic and wireless network capability to serve through independent providers, wireless broadband in Golden and area and fibre connection in selected commercial areas.
- Enabled disaster recovery hardware, software and a plan to protect and preserve public records.
- Distributed nearly over \$300,000 to community groups as the delivery agent to the Columbia Basin Trust's *Community Initiatives* and *Affected Areas* Programs
- Commissioned a Housing Needs Assessment for Golden and area; the Housing Committee was accepted into Columbia Basin Trust and BC Non Profit Housing Association's *Affordable Housing Resource Program* which links housing organizations to housing resources in an effort to further housing initiatives in the community.
- Developed a revised corporate work plan template, time management, and reporting infrastructure
- Planned and coordinated the local components and requirements for the Olympic Torch Relay event
- Adopted the 5<sup>th</sup> Pesticide Regulation bylaw in the Kootenays in support of a UBCM position to the Province to ban these substances in BC
- Commissioned engineering design for 14<sup>th</sup> St. lift station replacement.
- Began planning for the implementation of curb-side recycling for Golden residents.
- Issued 13 Temporary Licenses of Occupation for community events, Farmers Market activities, and other non-profit happenings on public lands.
- Coordinated and facilitated Canada Day celebrations, annual Stompdown, summer camps, Non Profit Connection, and participated in the Fall Faire.
- Completed a Land Use Plan Brief and commissioned a Business Case Report for the Golden Airport to rationalize grant funding for technological improvements to the facility.
- Funded the Summer Kicks Concert series in Spirit Square





### 3. 2011 and 2012 Strategic Priorities

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For 2011 the following priorities have been endorsed by Town Council to guide the direction of the municipality, incorporating strategic thinking with the existing and continuing obligations and programs required of local government. For 2012, the list may be tempered by the outcome of Council's annual strategic planning exercise held in the 3<sup>rd</sup> quarter of 2011.

Measures by which progress or success shall be measured for each initiative are also provided.

#### **A. Back to Basics – finishing projects and bylaws**

A significant number of projects are now underway, ranging from capital infrastructure improvements, amenity enhancements, implementation of studies, and the updating of fundamental bylaws which regulate and set standards for programs, services, and resident compliance. Council recognizes this backlog and has set as its first priority the completion or revision of a number of these in 2011 and will report on their particulars in the next annual report.

#### **B. Maintain Golden's Cultural Vibrancy**

A dynamic and vibrant social and cultural community is a necessary for a livable community. Maintaining this important fabric is Council's second priority which will be measured by the completion of the Civic Centre Redevelopment Project, sustaining cultural services through Kicking Horse Culture, funding the Summer Kicks Concert Series in the square, enabling a Public Art Program, and fostering the continuation of the annual Farmers Market.

#### **C. Enhance Recreation for Residents and Tourists**

As a recognized Resort Municipality by the Province combined with our active lifestyle, Council will work to ensure opportunities continue to be improved for us and visitors alike, measured through the completion of the bike lane on the Golden Hill, a safer and more amenable crosswalk over Highway 95, upgrading municipal campground features, and building associated amenities that lend to our identity and quality of life including a green gym, iconic way finding signage on our streets and trails, mountain bike trail improvements in the area, completion of the spray park, scrubbing the CPR Bridge, and the launch of Canada's second only 3<sup>rd</sup> generation Community Bike Program.

#### **D. Protect Our Community Assets**

The Town of Golden maintains an obligation to ensure preservation of taxpayer assets through maintenance programs and upgrading projects. Assurance in achieving measures of success will in the form of advancing initiatives and completing capital projects concerning water and waste water use and management, infrastructure repairs, emergency preparedness, and asset management.

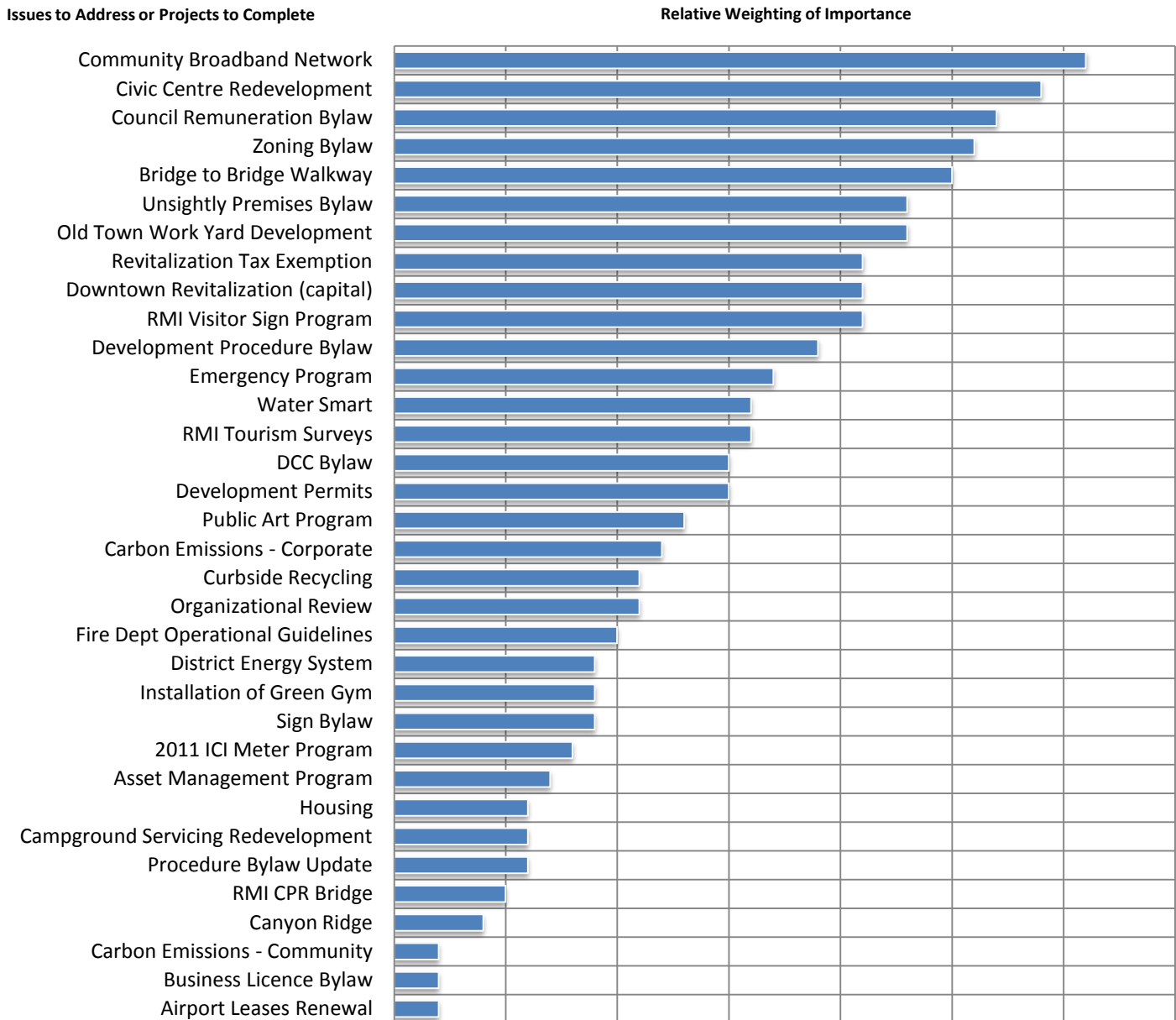
#### **E. Statutory Absolute, Statutory Flexible, Existing Projects, and Unplanned Initiatives**

These categories summarize the host of continuing legal, contractual, programmatic, and unforeseen projects and obligations required both generally of local government concerning governance, financial management, human resources, reporting and processes, but also the Golden-specific projects we continue to implement and those which are forthcoming but not yet anticipated. This category of strategic priorities includes the greater majority of work responsibilities of both council and staff and is measured in the accomplishments of corporate and financial goals, submission and receipt of reports, tactical milestones, contract executions, and completion of events.



## 4. 2011 and 2012 Strategic Goals – Issues and Projects

The following issues and projects represent the major initiatives of council and staff in 2011, each having a placement under a category within the Strategic Priorities. Success will be measured by the progress and/or completion of each by the end of 2011.



## 5. Governance and Administrative Structure

### Governing Body

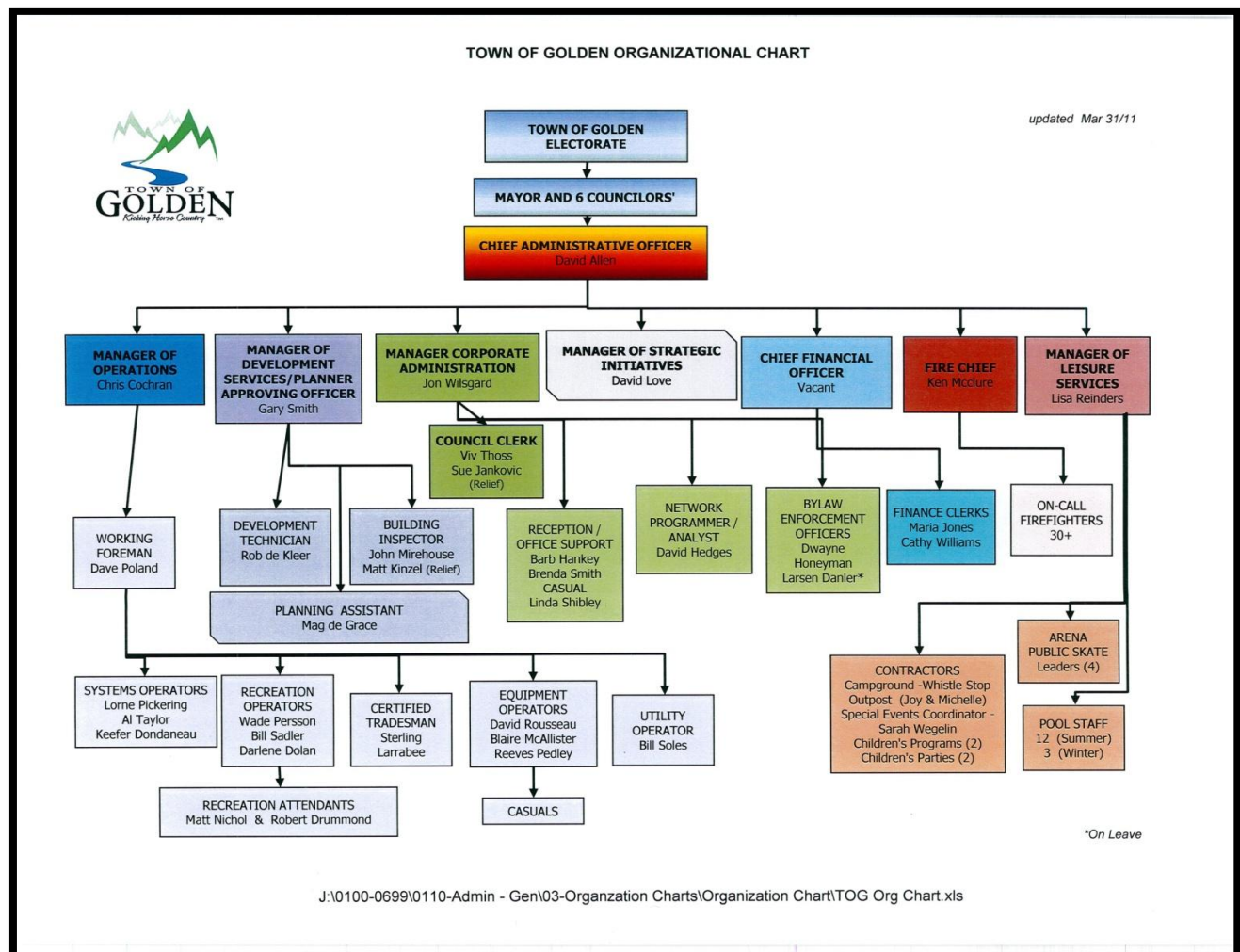
#### Town Council

Your municipal government is led by 7 elected officials being a Mayor and six Councilors. Empowered by the Community Charter to be a governing body, the town council must consider the well being and interests in its decision making, contribute to the evaluation of all policies and programs, participate in council meetings and carry out other duties they are assigned by legislation.

### Executive Administration

#### Chief Administrative Officer

The Chief Administrative Officer (CAO) is responsible for the overall management of the operations of the municipality, ensuring that the policies, programs and other directions of Council are implemented, and for advising and informing Council on the operations and affairs of the municipality. This includes ensuring that all the statutory obligations required under Provincial and Federal legislation are met, and that Council's strategic priorities are identified and addressed through the development of an approved corporate work plan, and ultimately through the annual Five Year Financial Plan.



## **The Departments**

### **Strategic Initiatives**

Created as a nimble and focused shop, the department develops strategic and tactical processes for council and staff, undertakes new provincially mandated programs and partnerships, and other special projects. The department is highly analytical, also providing advice and project support to other departments in the development of new legislative and contractual frameworks.

### **Corporate Services**

The department provides administrative services to Council, the public, and across all departments, responsible for developing and managing the majority of governance and corporate processes, agreements, protocols, licensing, communications, human resources, technology, bylaws and bylaw enforcement, front counter services and special service management including public transit, COTR House, and oversight of the Resort Municipality Initiative.

### **Development Services**

As the gatekeeper for the Official Community Plan, zoning, and subdivision and servicing bylaws, the department ensures and assists with the proper planning, mapping of resources, and development within the municipality to meet its vision, goals, and objectives. It influences the growth and change of the community physically, economically, socially, culturally and environmentally.

### **Finance**

This department is responsible for ensuring the financial health of the municipality, from long term planning of capital and operating expenditures, to collections and billing of taxes and accounts payable. Included are payroll and utility billing, insurance monitoring, and management of permissive tax exemptions, tax sale and audit requirements, and provincial government reporting.

### **Operations and Public Works**

Front and centre to residents, it ensures the day to day functionality of the systems and infrastructure that provide for us our basic community needs for living, including roads, sidewalks and boulevards, water and waste water system management, parks and trails, recreation facilities operations, waste collection services, the cemetery, airport, dykes, and capital works projects related to them.

### **Leisure Services**

The department provides for a variety of recurring and special community events, celebrations and networking, children's programs, outdoor camps and tournaments. It also manages summer and winter public swimming programs, schedules and books programming in other public recreational facilities, manages campground operations, undertakes many new initiatives to promote active transportation and fitness, and assists in the development of new parks, playgrounds, and amenities with other departments and many community interest groups.

### **Fire/Rescue**

The department combines the expertise and professionalism of a full time Fire Chief and a number of highly trained volunteers to ensure the town is able to respond to fires and life threatening incidents. Armed with the latest apparatus and vehicle technology, the department regularly trains to be an able first responder and incident command entity and takes steps to educate and enforce applicable regulations to businesses and residents.

## **6. Financial Information**

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### **6.1 Statement of Financial Information**

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all statements and schedules included in this Statement of Financial Information, produces under the *Financial Information Act*.



David Allen  
A/Chief Financial Officer  
June 7<sup>th</sup>, 2011



Christina Benty  
Mayor  
June 7<sup>th</sup>, 2011

### **6.2 Statement of Severance Agreements**

There were no severance agreements under which payment commenced between the Town of Golden and a non-unionized employee during the fiscal year 2010.



David Allen  
A/Chief Financial Officer  
June 7<sup>th</sup>, 2011



Christina Benty  
Mayor  
June 7<sup>th</sup>, 2011

### **6.3 Schedule of Guarantee and Indemnity Agreements**

In 2010 the Town of Golden did not guarantee any loans under the Guarantee and Indemnities Regulation



David Allen  
A/Chief Financial Officer  
June 7<sup>th</sup>, 2011



Christina Benty  
Mayor  
June 7<sup>th</sup>, 2011



## 6.4 Management Report

The Financial Statements contained in this Statement of Financial Information under the Financial Information Act have been prepared by management in accordance with Canadian Generally Accepted Accounting Principles, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Mayor and Council of the Town of Golden are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal controls and exercise this responsibility through its external auditors.

The external auditors, Adams Wooley Certified General Accountants, conducted an independent examination, in accordance with Canadian Generally Accepted Auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. Their examination includes a review and evaluation of the corporation's system of internal control and appropriate tests and procedures to prove reasonable assurance that the financial statements are presented fairly.



David Allen  
A/Chief Financial Officer

## 6.5 Key Capital Expenditures for 2010

**2010 CAPITAL ASSETS ADDITIONS****General Capital Expenditures**General Government

IT Systems, Software, Upgrades	33,508
Town Hall Upgrade	27,626
Town Shop Upgrades	21,645

Protective Services

Design plans F.Hall additions	2,990
Flood Control	11,951

Transportation Services

Highway Maintenance Shared Work	5,608
John Deer Back Hoe	124,281
Parking Lots	24,897
Street Sweeper	222,822
Streets - Contracted Services	867,342
Streets - Engineering	61,798
Streets - General	11,001

Recreation

Civic Centre	368,584
Keith King Park	109,063
Mt. 7 Rec Plex	44,587
Municipal Campground	12,560
Spirit Square	107,639
Spray Park	30,086
Swimming Pool	5,498

\$ 2,093,486**Water Capital Expenditures**

Connections	\$ 10,000
Meters - Read/Install/Repair	20,615
Power Pumping	17,663
Transmissions & Distribution	61,988

110,266**Sewer Capital Expenditures**

Lift Stations	18,034
Sewerage Collection System	177,609

195,643**Resort Municipality Init. Expenditures**

Amenity HUB	13,295
Signage Program	181,910
Spirit Square	62,626

\$ 257,832**Broadband Capital Expenditures**

Conduit/cable/startup costs	\$ 148,259
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**Total Capital Expenditures**\$ 2,805,486

## 6.6 2011-2015 Financial Plan

TOWN OF GOLDEN - FINANCIAL PLAN					SCHEDULE 'A'	
BYLAW NO. 1284, 2011						
FOR THE 5 YEAR PERIOD 2011 TO 2015						
	2011	2012	2013	2014	2015	2011 - %
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	OF TOTAL
REVENUES						
Property Taxes						
Municipal property tax	(4,023,000)	(4,224,150)	(4,308,633)	(4,394,806)	(4,482,702)	31.52%
Grants in lieu and 1% utility tax	(125,830)	(132,122)	(134,764)	(137,459)	(140,208)	0.99%
	(4,148,830)	(4,356,272)	(4,443,397)	(4,532,265)	(4,622,910)	32.50%
Other government requisitions	(2,985,575)	(3,134,854)	(3,197,551)	(3,261,502)	(3,326,732)	23.39%
Less: other government tax transfers	2,985,325	3,134,591	3,197,283	3,261,229	3,326,453	-23.39%
Net property taxes	(4,149,080)	(4,356,534)	(4,443,665)	(4,532,538)	(4,623,189)	32.50%
Water and Sewer User Fees	(1,353,000)	(1,516,000)	(1,613,650)	(1,619,860)	(1,651,847)	10.60%
Sales of Services	(637,145)	(669,597)	(683,009)	(696,669)	(709,583)	4.99%
Arena Revenues	(137,200)	(135,000)	(135,000)	(135,000)	(135,000)	1.07%
Other Rev.Own Sources (Licences, Penalty)	(223,500)	(234,675)	(239,369)	(244,156)	(249,039)	1.75%
Unconditional Government Grants	(2,474,263)	(2,430,000)	(965,000)	(705,800)	(749,796)	19.38%
Other Government Transfers and Grants	(945,250)	(680,150)	(674,093)	(689,155)	(705,838)	7.40%
Other Contributions	(30,000)	(631,500)	(32,130)	(32,773)	(33,428)	0.24%
Proceeds from Borrowing	0	(3,827,500)	(1,700,000)	0	0	0.00%
Transfers from own funds						
Reserve funds	(1,112,490)	(627,200)	(666,694)	(311,568)	(211,923)	8.72%
From other accounts or funds	(1,343,400)	(542,000)	(552,000)	(562,200)	(574,104)	10.52%
Development cost charges	0	0	0	0	0	0.00%
Accumulated surplus'	(367,815)	(1,306,395)	(239,822)	(283,599)	(337,271)	2.82%
TOTAL REVENUES	(12,773,143)	(16,956,551)	(11,944,432)	(9,813,318)	(9,981,018)	100.00%
EXPENDITURES						
Municipal Operations						
General government services	1,396,442	1,476,264	1,495,589	1,525,501	1,571,011	10.94%
Protective services	456,182	478,991	488,571	498,342	508,309	3.57%
Transportation services	1,387,410	1,456,781	1,485,916	1,515,634	1,545,947	10.87%
Environmental health services	294,050	308,753	314,928	321,226	327,651	2.30%
Economic development services	436,990	458,840	468,016	477,377	486,924	3.42%
Planning & Development services	510,229	655,740	608,855	661,032	707,253	4.00%
Recreation and cultural services	568,390	589,810	601,606	613,638	625,911	4.45%
Shared Emergency services	95,050	110,000	110,000	110,000	110,000	0.74%
Airport services	84,600	55,000	56,000	57,000	60,000	0.66%
Cemetery services	41,500	50,000	50,000	50,000	50,000	0.33%
Broadband services	76,000	28,000	28,000	28,000	28,000	
Waterworks services	529,500	656,000	604,650	554,190	569,174	4.15%
Sewerage services	535,490	710,000	599,000	665,670	682,674	4.19%
Total operations	6,411,833	7,034,178	6,911,131	7,077,611	7,272,854	49.63%
Arena expenditures	384,800	346,000	354,000	363,000	372,000	3.01%
Fiscal Services	6,000	6,300	6,426	6,555	6,686	0.05%
Debt & interest	464,610	587,841	499,597	509,589	519,781	3.64%
Capital expenditures	4,982,500	8,380,000	3,559,000	1,230,000	1,170,604	38.97%
Transfers to Own Funds						
Reserve funds	20,000	21,000	21,420	21,848	22,285	0.16%
To other accounts or funds	503,400	581,233	592,858	604,715	616,809	3.94%
Accumulated surplus'	0	0	0	0	0	0.00%
TOTAL EXPENDITURES	12,773,143	16,956,551	11,944,432	9,813,318	9,981,019	100.00%

**Schedule B**

**Town of Golden 2011-2015 Financial Objectives and Policies**

**Community Charter Requirement #1: Funding Sources**

Table 1 shows the proportion of total revenue to be raised from each funding source in 2011.

Revenue Source	% of Total Revenue	Dollar Value
Property Taxes	41.7%	\$4,149,080
User Fees and Charges	21.4%	\$2,127,345
Other Sources	2.5%	\$253,500
Proceeds from Borrowing	0.0%	\$0.0
Government Grants	34.4%	\$3,419,513
<b>Total</b>	<b>100%</b>	<b>\$9,949,438</b>

Table 1.

**Community Charter Requirement #2: Distribution among Property Classes**

Table 2 shows the distribution of property taxes among the property classes in 2011.

Property Class	% of Total Property Taxation	Dollar Value
Class 1 – Residential	46.49%	\$1,870,466
Class 2 – Utilities	4.62%	\$185,714
Class 4 – Major Industry	5.37%	\$215,863
Class 5 – Light Industry	0.82%	\$32,980
Class 6 – Business	42.58%	\$1,713,061
Class 8 – Recreational/non-profit	0.12	\$4,916
<b>Total</b>	<b>100%</b>	<b>\$4,023,000</b>

Table 2.

**Community Charter Requirement #3: Use of Permissive Tax Exemptions**

The Town will continue the practice of adopting an annual "Permissive Tax Exemption Bylaw" with total annual support not to exceed \$100,000 from General Revenue, and will implement in 2011 a five-year Revitalization Tax Exemption Program to improve the physical appearance of businesses in Historical Downtown and Downtown South using revenues restricted to the Resort Municipalities Initiative Program.



## 6.7 Statement of Permissive Tax Exemptions for 2010

In accordance with the notice requirements of Section 227 and the authority of Section 224 of the *Community Charter*, the following properties were exempted from property taxation for the 2010 calendar year. Also included are required estimates of exemption amounts for the following two years.

<u>Property Holder</u>	<u>Property Address</u>	<u>Roll Number</u>	<u>Exempted Municipal Taxes</u>		
			<u>2010</u>	<u>2011</u>	<u>2012</u>
Golden Sikh Cultural Society (Sikh Temple)	603 13 <sup>th</sup> St. S.	00186.005	2,040	2,080	2,120
Christian and Missionary Alliance	710 10 <sup>th</sup> St. S.	00227.000	490	500	510
Christian & Missionary Alliance (Free Methodist Church)	712 10 <sup>th</sup> St. S.	00229.000	1,070	1,091	1,115
Pentecostal Assemblies of Canada (Pentecostal Church)	717 10 <sup>th</sup> St. S.	00269.000	1,210	1,235	1,260
Trinity Lutheran Church of Golden	909 9 <sup>th</sup> St. S.	00371.007	2,010	2,050	2,090
Synod Diocese Kootenay (St. Paul's Anglican Church)	911 9 <sup>th</sup> St. S.	00371.008	286	292	300
Church of England (St. Paul's Anglican Church)	913 9 <sup>th</sup> St. S.	00371.010	1,135	1,158	1,180
Trustees of the Congregation of the United Church of Canada	901 11 <sup>th</sup> Ave. S.	00393.000	1,225	1,250	1,275
Trustees - Golden Jehovah's Witnesses	1218 9 <sup>th</sup> St. S.	00404.008	540	550	560
Trustees - Golden Jehovah's Witnesses	1218 9 <sup>th</sup> St. S.	00404.010	1,160	1,185	1,210
BC Corp. Seventh Day Adventist Church	913 11 <sup>th</sup> St. S.	00441.020	960	980	1000
Sacred Heart Catholic Church	808 11 <sup>th</sup> St. S.	00590.150	4,180	4,263	4,350
President of Lethbridge Stake (Church of Jesus Christ of the LDS)	1529 Lafontaine Rd.	00196.070	2,480	2,530	2,580
Trustees Golden Baptist Church	1343 Pine Dr.	00660.045	3,150	3,213	3,277
Interior Health Authority (Golden Hospital)	835 9 <sup>th</sup> Ave. S.	00345.025	21,290	21,715	22,150
Interior Health Authority (Durand Manor)	803 9 <sup>th</sup> St. S.	00345.026	5,340	5,445	5,555
Interior Health Authority (Mountain View Assisted Living)	750 8 <sup>th</sup> Ave. S.	00345.023	4,080	4,162	4,245
Interior Health Authority	825 9 <sup>th</sup> Ave. S.	00289.020	7,690	7,845	8,000
Golden and District Senior Citizens Housing Society (Purcell View Apts.)	806 12 <sup>th</sup> St. S.	00501.000	*2,525	2,575	2,625
Rocky Mountain Housing Society (Home for the Handicapped)	601 11 <sup>th</sup> St. S.	00234.000	*1,150	1,175	1,200
Synod Diocese Kootenay (Abbeyfield House)	915 9 <sup>th</sup> St. S.	00372.000	*4,555	4,646	4,740
Golden Community Resources Society (Patlar Holdings Ltd.)	421 - 9 <sup>th</sup> Ave. N.	00141.000	*710	725	740
Golden Light Horse Association (Golden Rodeo Grounds)	1700 Reflection Lk Rd.	00193.008	2,415	2,465	2,515
Golden Pacific #122 Branch - Royal Canadian Legion (Class 8 only)	1011 11 <sup>th</sup> St. S.	00426.010	495	505	515
Golden & District Historical Society (Museum)	1302 11 <sup>th</sup> Ave. S.	00554.020	*1,565	1,595	1,630
Town of Golden & BC Hydro (Golden & District Search & Rescue)	1100 12 <sup>th</sup> St. S.	00470.100	2,635	2,690	2,745
Golden Family Centre Society (Patlar Holdings Ltd.)	421 - 9 <sup>th</sup> Ave. N.	00141.000	*3,390	3,460	3,530
Crown Provincial (Golden and Area Comm. Econ. Devt. Soc.)	111 Gldn-Dnld Uppr Rd.	00655.015	*14,200	14,485	14,775
Town of Golden (Golden Seniors Branch #150)	1401 9 <sup>th</sup> St. S.	00193.015	*4,235	4,320	4,405
Golden Women's Resource Centre Society (Forrisdahl Enterprises Ltd.)	419 9 <sup>th</sup> Ave. N.	00143.000	*2,130	2,175	2,220
Golden Food Bank Society (Marie Lynn Simard, Ann Elizabeth Galligan)	1115 9 <sup>th</sup> St. S.	00348.000	*1,600	1,632	1,665
Golden District Arts Council (0798724 BC Ltd.)	516 9 <sup>th</sup> Ave. N.	00160.000	*4,285	4,370	4,460
Golden and District Chamber of Commerce (CP Railway Co.)	500 10 <sup>th</sup> Ave. S.	00595.009	*2,180	2,225	2,270
School District #6 (Golden Alternate School)	1019 15 <sup>th</sup> St. S.	00556.011	7,620	7,775	7,930
<b>TOTAL EXEMPTION VALUE</b>			<b>\$116,026</b>	<b>\$118,362</b>	<b>\$120,742</b>

\* Indicates required application renewal date if within this 3-year period

## 6.8 Schedule of Remuneration and Expenses

### **ELECTED COUNCIL**

	<b>Indemnities</b>	<b>Expenses</b>	<b>Benefits</b>
BENTY, Christina	\$ 19,290.00	\$ 1,799.92	\$ 71.42
FITZGERALD, Jamie	\$ 10,895.00	\$ 2,290.60	\$ 71.43
HAMBRUCH, Chris	\$ 10,020.00	\$ 630.80	\$ 71.43
JASWAL, Kuljit	\$ 9,895.00	\$ 811.99	\$ 71.43
MAGNUSSON, Magnus	\$ 10,145.00	\$ 2,480.17	\$ 71.43
MOSS, Caleb	\$ 10,020.00	\$ 936.56	\$ 71.43
PECORA, Michael	\$ 9,895.00	\$ 1,522.88	\$ 71.43
	<u>\$ 80,160.00</u>	<u>\$ 10,472.92</u>	<u>\$ 500.00</u>

### **WAGES and SALARIES**

	<b>Salaries</b>	<b>Expenses</b>
COCHRAN, Chris	\$ 93,722.54	\$ 33.85
ALLEN, David	\$ 88,447.65	\$ 3,800.36
POLAND, David	\$ 79,531.85	\$ 805.48
PICKERING, Lorne	\$ 75,282.62	\$ 2,435.73
WILSGARD, Jon	\$ 75,038.49	\$ 1,417.04
Total under \$75,000	<u>\$ 1,788,733.44</u>	<u>\$ 37,258.24</u>
TOTAL WAGES & SALARIES	<u>\$ 2,200,756.59</u>	<u>\$ 45,750.70</u>
Volunteer Fireman Honourarium	<u>\$ 74,890.00</u>	<u>\$ 18,249.73</u>

### **EMPLOYEE BENEFIT COSTS PAID BY EMPLOYER**

Canada Pension Plan	\$ 79,305.63
Employment Insurance	\$ 33,381.55
BC Life & Casualty Company	\$ 62,083.51
Pacific Blue Cross	\$ 86,405.82
Medical Services Plan	\$ 35,715.00
Municipal Pension Plan	\$ 154,965.63
Worker's Compensation	\$ 19,429.37
	<u>\$ 471,286.51</u>

## 6.9 Schedule of Payments to Suppliers of Goods and Services

<b>Name</b>	<b>Amount</b>
ABSOLUTELY HAMMERED CONTRACTING INC.	\$ 25,134.69
ANVY DIGITAL	\$ 28,778.83
BC ASSESSMENT AUTHORITY	\$ 63,699.80
BC HYDRO & POWER AUTHORITY	\$ 348,514.07
BC LIFE & CASUALTY COMPANY	\$ 62,083.51
BC TRANSIT	\$ 189,003.00
BDO CANADA LLP	\$ 97,720.00
BLACK PRESS GROUP LTD.	\$ 38,079.40
BLACKLINE ASPHALT MAINTENANCE SERVICES	\$ 33,769.56
BRANDT TRACTOR LTD.	\$ 99,973.04
CANADIAN UNION OF PUBLIC EMPLOYEES	\$ 29,771.72
CAPRI INSURANCE SERVICES LTD	\$ 25,300.00
CENTAUR PRODUCTS INC.	\$ 27,410.88
COLUMBIA SHUSWAP REGIONAL DISTRICT	\$ 941,258.40
CVCU MASTERCARD	\$ 61,349.47
D.S.G. COMMUNICATIONS	\$ 176,043.43
EBA ENGINEERING CONSULTANTS LTD.	\$ 25,122.45
FALKINS INSURANCE - GOLDEN	\$ 119,445.43
FOCUS (GOLDEN)	\$ 38,848.08
FRED SURRIDGE LTD	\$ 25,381.59
G. KEENLEYSIDE CONSTRUCTION	\$ 37,089.02
GOLDEN & DISTRICT COMMUNITY FOUNDATION	\$ 287,043.34
GOLDEN & DISTRICT SENIOR CITIZENS	\$ 51,602.50
GOLDEN AREA INITIATIVES	\$ 222,659.95
GOLDEN COMMUNITY RESOURCES SOCIETY	\$ 90,138.66
GOLDEN HARDWARE & BUILDING SUPPLIES LTD.	\$ 32,740.08
GOLDEN INSTALLATIONS LTD.	\$ 82,743.90
GOTTLER BROS. TRUCKING & EXCAVATING LTD.	\$ 44,100.35
GREENGYM OUTDOOR FITNESS EQUIPMENT	\$ 35,694.40
GURSKI ENTERPRISES	\$ 26,188.16
INSURANCE CORPORATION OF BC	\$ 26,760.00
JACOB BROS. CONSTRUCTION LTD.	\$ 141,633.55
JEPSON PETROLEUM LTD.	\$ 79,711.47
KEN OLSON LTD.	\$ 87,327.10
KICKING HORSE CULTURE	\$ 85,115.00
KOOTENAY PUMPING SYSTEMS LTD.	\$ 56,410.39
LEONARD BROWN ARCHITECTS	\$ 100,977.55
MAGLIO INSTALLATIONS LTD.	\$ 988,788.73
MICHELS CANADA CO.	\$ 58,860.48
MINISTER OF FINANCE	\$ 1,699,259.87
MINISTER OF FINANCE - MPP	\$ 298,988.99
MINISTER OF FINANCE - MSP	\$ 35,715.00
MUNICIPAL INSURANCE ASSOCIATION OF B.C.	\$ 28,338.60
NEPTUNE TECHNOLOGY GROUP (CANADA) LTD.	\$ 27,850.66
PACIFIC BLUE CROSS	\$ 86,405.02

**CONTINUED...**

## 6.9 Schedule of Payments to Suppliers of Goods and Services (continued)

POWER PAVING	\$	125,561.72
RECEIVER GENERAL FOR CANADA	\$	629,446.79
REGIONAL DIST. OF EAST KOOTENAY	\$	184,532.00
STARTEC REFRIGERATION SERVICES LTD	\$	38,482.12
SUDDWICK HOMES	\$	101,334.82
SUPERIOR PROPANE INC.	\$	53,693.67
TELUS	\$	31,093.24
TEMPLE CONSULTING GROUP LTD.	\$	28,377.44
TWENTY FOUR SEVEN RESPONSE INC.	\$	43,536.00
URBAN SYSTEMS (KAMLOOPS)	\$	63,122.40
URBAN SYSTEMS LTD. (CALGARY)	\$	245,077.00
VP WASTE SOLUTIONS LTD.	\$	153,993.73
<b>Total Aggregate Amount Paid to Suppliers</b>		
Exceeding \$25,000	\$	8,867,081.05
Miscellaneous Payments (\$25,000 and under)	\$	1,649,329.94
Total Payments Made	\$	10,516,410.99

Prepared on a "Cash Basis", and due to the timing of payments is different from related expenditure totals in the Consolidated Financial Statement prepared on an "Accrual Basis"



## 6.10 Consolidated Financial Statements (attached)

**TOWN OF GOLDEN**  
**Consolidated Financial Statements**  
**Year Ended December 31, 2010**

**TOWN OF GOLDEN**  
**Index to Consolidated Financial Statements**  
**Year Ended December 31, 2010**

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## INDEPENDENT AUDITOR'S REPORT

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To the Mayor and Council of Town of Golden

We have audited the accompanying consolidated financial statements of Town of Golden, which comprise the consolidated statement of financial position as at December 31, 2010, and the consolidated statements of operations and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

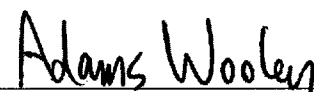
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, 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 consolidated 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 consolidated financial statements.

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

### *Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Town of Golden as at December 31, 2010, and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

Cranbrook, BC  
May 10, 2011



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Adams Wooley  
Certified General Accountants



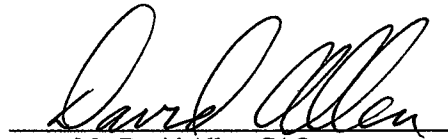
### **Management's Responsibility for Financial Reporting**

The Consolidated financial statements of the Town of Golden have been prepared in accordance with generally accepted accounting principles. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of the Town of Golden reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Mayor and Council are responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council meets periodically with management and the auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, Council approves the financial statements. Council also considers the engagement or re-appointment of the external auditors.

The Consolidated financial statements have been audited on behalf of the mayor and council by Adams Wooley, Certified General Accountants, in accordance with Canadian Auditing Standards.

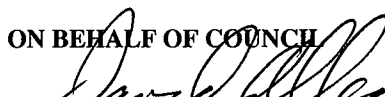
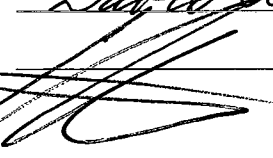
  
\_\_\_\_\_  
Ms. Christina Benty, Mayor  
\_\_\_\_\_  
Mr. David Allen, CAO

Golden, BC  
May 10, 2011

**TOWN OF GOLDEN**  
**Consolidated Statement of Financial Position**  
**December 31, 2010**

	2010	2009
<b>Financial assets</b>		
Cash and short term investments (Note 3)	\$ 6,461,187	\$ 7,551,761
Accounts receivable (Note 4)	1,119,776	967,242
Municipal Finance Authority (Notes 13 and 15)	250,404	248,086
	<u>7,831,367</u>	<u>8,767,089</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	724,447	930,037
Wages and benefits payable	183,142	254,076
Municipal Finance Authority (Note 13)	250,404	248,086
Deferred revenue (Note 5)	1,969,900	1,872,708
Restricted deposits (Note 6)	346,038	193,108
Long term debt (Note 7)	4,215,921	4,451,903
	<u>7,689,852</u>	<u>7,949,918</u>
<b>Net financial assets</b>	<u>141,515</u>	<u>817,171</u>
<b>Non-financial assets</b>		
Tangible capital assets (Note 8)	60,724,388	60,167,258
Prepaid expenses	203,501	243,696
	<u>60,927,889</u>	<u>60,410,954</u>
	<u>\$ 61,069,404</u>	<u>\$ 61,228,125</u>
<b>Represented by:</b>		
Operating fund	\$ 1,494,602	\$ 1,302,902
Statutory reserve fund (Note 11)	595,825	706,548
Non-statutory reserve fund (Note 11)	2,210,409	3,318,165
Capital fund reserves (Note 11)	260,101	185,153
	<u>4,560,937</u>	<u>5,512,768</u>
Equity in tangible capital assets (Note 9)	56,508,467	55,715,357
	<u>\$ 61,069,404</u>	<u>\$ 61,228,125</u>

ON BEHALF OF COUNCIL

 ~~Councilor~~ CAO  
 ~~Councilor~~ MAYOR

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

**TOWN OF GOLDEN**  
**Consolidated Statement of Operations**  
**Year Ended December 31, 2010**

	Budget 2010	2010	2009
<b>Revenues</b>			
Net taxes for municipal purposes <i>(Note 10)</i>	\$ 4,219,730	\$ 4,226,259	\$ 4,038,747
Sale of services	1,879,640	1,899,409	1,773,334
Licences, permits and fines	123,800	86,811	114,202
Interest and penalties	114,500	214,601	152,057
Transfers from other governments/agencies	2,105,032	1,672,258	3,444,068
MFA Actuarial adjustment	5,000	45,309	38,024
Gain on disposal of assets and other	30,000	45,079	10,347
	<u>8,477,702</u>	<u>8,189,726</u>	<u>9,570,779</u>
<b>Expenses</b>			
General government	1,323,930	1,435,324	1,276,543
Protective services	658,470	452,863	555,786
Transportation	1,501,400	1,368,743	1,233,167
Environmental health services	285,560	247,915	272,398
Water supply and distribution	463,580	453,566	469,995
Sewer services	518,960	449,222	504,255
Cemetery	41,500	26,986	40,747
Economic development and planning	438,097	459,154	425,371
Planning development services	429,120	377,641	324,186
Recreation and cultural services	630,375	614,244	523,365
Fiscal services	179,560	188,666	184,990
Loss on disposal of assets	-	5,706	124,389
Amortization	2,007,150	2,268,416	2,010,087
	<u>8,477,702</u>	<u>8,348,446</u>	<u>7,945,279</u>
<b>Annual surplus/(deficit)</b>	-	(158,720)	1,625,500
<b>Accumulated surplus at beginning of year</b>	61,288,125	61,228,125	59,602,626
<b>Accumulated surplus at end of year</b>	<u>\$ 61,288,125</u>	<u>\$ 61,069,405</u>	<u>\$ 61,228,126</u>

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

**TOWN OF GOLDEN**  
**Consolidated Statement of Changes in Net Financial Assets**  
**Year Ended December 31, 2010**

	2010	2009
<b>Annual surplus/(deficit)</b>	<b>\$ (158,721)</b>	<b>\$ 1,625,499</b>
Acquisition of tangible capital assets	(2,831,251)	(4,249,363)
Amortization	2,268,416	2,010,087
Loss on disposal of assets	5,706	124,389
	<u>(557,129)</u>	<u>(2,114,887)</u>
	<u>(715,850)</u>	<u>(489,388)</u>
(Acquisition) consumption of prepaid expense	40,194	(101,893)
	<u>(675,656)</u>	<u>(591,281)</u>
<b>Net financial assets, beginning of year</b>	<b>817,171</b>	<b>1,408,452</b>
<b>Net financial assets, end of year</b>	<b>\$ 141,515</b>	<b>\$ 817,171</b>

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



**TOWN OF GOLDEN**  
**Consolidated Statement of Cash Flow**  
**Year Ended December 31, 2010**

	2010	2009
<b>Operating transactions</b>		
Annual surplus (deficit)	\$ (158,720)	\$ 1,625,500
Non-cash items:		
Amortization	2,268,416	2,010,087
Loss on disposal of assets	5,706	124,389
Prepaid expenses	40,194	(101,896)
	<u>2,155,596</u>	<u>3,658,080</u>
Changes to financial assets/liabilities		
Accounts receivable	(152,533)	301,568
Accounts payable and accrued liabilities	(205,593)	86,740
Deferred revenue	97,192	(416,603)
Wages and benefits payable	(70,934)	83,888
	<u>(331,868)</u>	<u>55,593</u>
Cash flow from operating transactions	<u>1,823,728</u>	<u>3,713,673</u>
<b>Capital transactions</b>		
Purchase of tangible capital assets	<u>(2,831,251)</u>	<u>(4,249,363)</u>
<b>Financing transactions</b>		
Proceeds from borrowing	173,325	1,350,000
Principal payment on long-term debt	(270,155)	(124,911)
Actuarial adjustment on long-term debt	(45,309)	(38,024)
Repayment of long-term debt under capital lease	(93,842)	(80,407)
Increase in restricted deposits	152,930	16,248
	<u>(83,051)</u>	<u>1,122,906</u>
Cash flow from (used by) financing transactions	<u>(83,051)</u>	<u>1,122,906</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>(1,090,574)</b>	<b>587,216</b>
Cash and short term investments- beginning of year	<u>7,551,761</u>	<u>6,964,545</u>
<b>CASH AND SHORT TERM INVESTMENTS - END OF YEAR</b>	<b>\$ 6,461,187</b>	<b>\$ 7,551,761</b>

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

**TOWN OF GOLDEN**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2010**

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**1. DESCRIPTION OF BUSINESS**

Town of Golden (the "Town") was incorporated on June 26, 1957 under statute of the Province of British Columbia. The Town's principal activities include the provision of local government services to residents of the incorporated area. These include cemetery, community development, fire, infrastructure maintenance, legislative and enforcement, parks, recreation and leisure, police, public transit, solid waste, water utility, sewer utility and fiscal services. The town is also responsible for the Golden Airport and the running of the Golden and District Recreation Centre.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of presentation

The Consolidated Financial Statements of the Town of Golden (the "town"), which are the representation of management, are prepared in accordance with Canadian generally accepted accounting principles for government as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. The Consolidated Financial statements reflect the combined results and activities of the reporting entity which is comprised of the Operating, Capital and Reserve funds and all organizations that are accountable for the administration of their financial affairs and resources to the Council and are controlled or owned by the Town. Inter-fund transactions have been eliminated on consolidation:

1. Operating funds: These funds include the General, Water and Sewer operations of the town. They are used to record the operating costs of the services provided by the town.
2. Capital funds: These funds include the General, Water and Sewer Capital Funds. They are used to record the acquisition and disposal of property and equipment and their related financing.
3. Reserve Funds: Under the Community Charter, City Council may, by bylaw, establish reserve funds for specified purposes. Money in a reserve fund, and interest earned thereon, must be expended by bylaw only for the purpose for which the fund was established. If the amount in a reserve fund is greater than required, City Council may, by bylaw, transfer all or part of the balance to another reserve fund.

Basis of consolidation

The consolidated financial statements include the accounts of the General, Water and Sewer funds as well as the Golden Airport and Cemetery. Inter-fund balances and transactions have been eliminated. The consolidated financial statements include organizations that are owned or controlled by the municipality and are, therefore, accountable to the Council for the administration of their financial affairs and resources.

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.

Revenue recognition

Unrestricted grants and contributions are recognized as revenue in the year received or receivable if the amount to be receivable can be reasonably estimated and collection is reasonably assured.

Restricted grants or contributions received under funding agreements which relate to a subsequent period are recognized as revenue in the period in which the resources are used for the purpose or purposes specified. Funding received before this criterion has been met, is reported as deferred revenue on the statement of financial position until the period in which the specified purpose or related expense is incurred.

*(continues)*

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**TOWN OF GOLDEN**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2010**

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

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.

Tangible capital assets

Tangible capital assets, comprised of capital assets and capital work-in-progress, are stated at cost less accumulated amortization and are classified according to their functional use. Donated tangible capital assets are reported at fair value at the time of donation. Tangible capital assets are amortized over their estimated useful lives using the straight-line method at the following rates:

Land improvements	15 - 50 years
Buildings and other structures	10 - 75 years
Equipment, vehicles and technology	3 - 50 years
Roads and transportation infrastructure	10 - 100 years
Water infrastructure	10 - 100 years
Sewer infrastructure	10 - 100 years

The Town regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets cost.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Deferred revenue

Deferred revenue includes amounts collected from developers under Development Cost Charge bylaw, interest earned on these charges, prepaid taxes and funding received for which the resources have not yet been used for the purpose or purposes specified.

Reserve for future expenditures

Reserve funds are allocations within Equity for Future operating and capital expenditures, reserved either internally or by statute for specific future purposes. Transfers to or from reserves are reflected as an adjustment to the respective fund.

Use of estimates

The preparation of consolidated financial statement in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the period. Significant areas requiring estimates include the determination of net recoverable value of assets and provisions for contingencies. As such actual amounts could differ from the estimates.

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 values of its financial instruments approximate their carrying values, unless otherwise noted.

*(continues)*

**TOWN OF GOLDEN**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2010**

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

Pension expenditure

The town and its employees contribute to the Municipal Pension Plan, a joint trusted pension plan. The plan is a multi-employer defined benefit plan. The plan is accounted for as a defined contribution plan.

Taxes collected for others

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

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

Federal gas tax

The federal gas tax is funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Town of Golden and the Union of British Columbia Municipalities. Gas tax funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

3. CASH AND SHORT TERM INVESTMENTS

	<u>2010</u>	<u>2009</u>
Cash and investments are comprised of:		
Cash	\$ 852,762	\$ 55,506
Money market investments	5,357,715	7,249,271
Wood Gundy cash and equivalents	21,492	21,485
Bond portfolio (1)	<u>229,218</u>	<u>225,499</u>
Total cash and investments	6,461,187	7,551,761
Less: amount held to fund statutory reserves per schedule 2	(595,825)	(706,548)
Less: restricted deposits (note 6)	(346,038)	(193,108)
Less: deferred revenue - DCC Reserve funds (note 5)	<u>(525,352)</u>	<u>(510,416)</u>
	<u>\$ 4,993,972</u>	<u>\$ 6,141,689</u>

1. Bond portfolio

				<u>2010</u>	<u>2009</u>
Bond	Maturity	Market Value	Face Value	Carrying Value	Carrying Value
Province of BC	2012	219,194	228,857	224,788	221,421
Government of Canada	2021	7,097	11,000	4,430	4,078
		<u>\$ 226,291</u>	<u>\$ 239,857</u>	<u>\$ 229,218</u>	<u>\$ 225,499</u>



**TOWN OF GOLDEN**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2010**

**4. ACCOUNTS RECEIVABLE**

	2010	2009
Accounts receivable are recorded net of allowance and comprised of:		
Taxes and grants in place of taxes	\$ 628,247	\$ 530,545
Trade and other	491,529	436,697
	<u>\$ 1,119,776</u>	<u>\$ 967,242</u>

**5. DEFERRED REVENUE**

	Development cost charge - Water	Development cost charge - Sewer	General Fund	Total
Balance December 31, 2009	\$ 419,572	\$ 90,844	\$ 1,362,292	\$ 1,872,708
Withdrawals during the year			(1,362,292)	(1,362,292)
Developer contribution	1,419	2,709		4,128
Interest earned	8,884	1,924		10,808
	<u>429,875</u>	<u>95,477</u>	-	<u>525,352</u>
Additions during the year				
Prepaid taxes			477,108	477,108
Civic Centre / Local Motion funding			278,832	278,832
Hotel Room Tax ( Resorts) funding			688,608	688,608
Balance December 31, 2010	<u>\$ 429,875</u>	<u>\$ 95,477</u>	<u>\$ 1,444,548</u>	<u>\$ 1,969,900</u>

**6. RESTRICTED DEPOSITS**

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

	2010	2009
<b>Assets</b>		
Cash	\$ 346,038	\$ 193,108
<b>Equity</b>		
Willy Forest Snofest	\$ 756	\$ 755
Dance recital - Mirror fund	1,189	1,189
Olympic Legacy fund	19,000	-
Air Quality Management	64,360	64,360
Sponsor Beach and Park donations	9,567	9,762
FreeRide Park additions	4,309	4,309
Communities in Bloom	500	500
Tax Sale Deposits	132,139	-
Landscaping deposits	41,100	41,100
Security temporary building	73,118	71,133
	<u>\$ 346,038</u>	<u>\$ 193,108</u>

**TOWN OF GOLDEN**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2010**

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7. LONG TERM DEBT

	<u>2010</u>	<u>2009</u>
General fund	\$ 3,165,696	\$ 3,432,875
Water utility fund	376,051	389,925
Sanitary sewer fund	481,185	515,597
Capital leases ( <i>Note 13(4)</i> )	<u>192,989</u>	<u>113,506</u>
	<u>\$ 4,215,921</u>	<u>\$ 4,451,903</u>

*(continues)*

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**TOWN OF GOLDEN**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2010**

7. LONG TERM DEBT (continued)

Principal repayment terms are approximately:

2011	\$ 342,518
2012	268,046
2013	278,110
2014	281,781
2015	277,973
Thereafter	<u>2,767,493</u>
	<u>\$ 4,215,921</u>

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 net of sinking fund balances managed by the Municipal Finance Authority.

Bylaw Number	Purpose	Interest Rate	Maturity Date	2010	2009
<b>General</b>					
942	Street paving and construction	8.880	2015	\$ 20,382	\$ 23,895
943	Street paving and construction	8.880	2015	26,744	31,353
948	Street paving and construction	8.880	2015	209,322	245,400
954	Street paving and construction	8.000	2015	92,124	108,002
1211	Street paving and construction	4.820	2027	1,132,391	1,178,339
1211	Street paving and construction	4.650	2028	605,471	628,172
	Land purchase	1.250	2014	50,000	150,000
1211	Street paving and construction	4.900	2029	966,495	1,000,000
	Loan Payable - College of the Rockies	-		62,767	67,714
				<u>\$ 3,165,696</u>	<u>\$ 3,432,875</u>
<b>Water</b>					
1211	Waterworks construction	4.650	2028	\$ 279,448	\$ 289,925
1211	Waterworks construction	4.900	2029	96,603	100,000
				<u>\$ 376,051</u>	<u>\$ 389,925</u>
<b>Sewer</b>					
875	Sewer construction	8.000	2012	\$ 18,629	\$ 24,257
944	Sewer treatment plant upgrade	8.880	2015	86,505	101,414
1211	Sewer construction	4.650	2028	279,448	289,926
1211	Sewer construction	4.900	2029	96,603	100,000
				<u>\$ 481,185</u>	<u>\$ 515,597</u>
				<u>\$ 4,022,932</u>	<u>\$ 4,338,397</u>

**TOWN OF GOLDEN**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2010**

**8. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2010 Net book value	2009 Net book value
Land and improvements	\$ 11,116,649	\$ 871,075	\$ 10,245,574	\$ 10,170,783
Buildings	6,325,430	2,604,659	3,720,771	3,284,432
Equipment, vehicles and technology	4,786,470	1,892,610	2,893,860	2,590,863
Roads and transportation infrastructure	52,023,649	23,013,381	29,010,268	29,012,371
Sewer infrastructure	14,462,131	4,893,692	9,568,439	9,731,118
Water infrastructure	9,621,496	4,336,020	5,285,476	5,377,691
	<b>\$ 98,335,825</b>	<b>\$ 37,611,437</b>	<b>\$ 60,724,388</b>	<b>\$ 60,167,258</b>

**9. 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:

	2010	2009
Equity in TCA, beginning of year	\$ 55,715,357	\$ 54,707,128
Add: Capital Acquisitions	2,831,251	4,249,363
Debt principal repayment	270,155	124,911
Capital lease repayment	93,842	80,407
Actuarial Adjustment	45,309	38,024
Less: Proceeds from the issue of debt	(173,325)	(1,350,000)
Dispositions at NBV	(5,706)	(124,389)
Amortization	(2,268,416)	(2,010,087)
Equity in TCA, end of year	<b>\$ 56,508,467</b>	<b>\$ 55,715,357</b>

**10. NET TAXATION FOR MUNICIPAL PURPOSES**

	2010	2009
<b>Property taxes</b>		
General purposes	\$ 3,965,359	\$ 3,778,830
Collections for other governments	3,059,570	2,929,652
Frontage taxes	204,096	203,033
	<b>7,229,025</b>	<b>6,911,515</b>
<b>Requisitions</b>		
Province of B.C. school taxes	(2,069,612)	(2,003,114)
Columbia Shuswap Regional Hospital District	(18,635)	(18,159)
East Kootenay Regional Hospital District	(184,532)	(187,105)
Columbia Shuswap Regional District	(448,041)	(411,145)
British Columbia Assessment Authority	(63,700)	(60,243)

(continues)



**TOWN OF GOLDEN**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2010**

**10. NET TAXATION FOR MUNICIPAL PURPOSES** *(continued)*

Police Tax	(218,082)	(192,904)
Municipal Finance Authority	(164)	(98)
	<u>(3,002,766)</u>	<u>(2,872,768)</u>
	<u>\$ 4,226,259</u>	<u>\$ 4,038,747</u>

**11. RESERVES**

	Balance Dec 31/09	Contributions from Developers Earnings	Transfers and Others	2010 Interest	Balance Dec 31/10
<b>Statutory reserves:</b>					
Land sales	\$ 53,723	\$ 130,800	\$ (100,000)	\$ 1,137	\$ 85,660
Parking	77,903	-	(6,500)	1,649	73,052
Equipment replacement	330,784	-	(147,000)	4,340	188,124
Cemetery care fund	244,138	1,125	-	3,726	248,989
	<u>\$ 706,548</u>	<u>\$ 131,925</u>	<u>\$ (253,500)</u>	<u>\$ 10,852</u>	<u>\$ 595,825</u>
<b>Non-statutory reserves:</b>					
Airport	\$ 49,245	\$ -	\$ 5,000	\$ 1,352	\$ 55,597
Amenity	10,107	-	(10,000)	(107)	-
Cemetery expansion	58,617	-	-	1,241	59,858
Carbon tax	-	5,163	-	-	5,163
Computer and office	-	-	6,500	-	6,500
Economic development	30,000	-	(30,000)	-	-
Fire hall and equipment	253,808	-	29,500	5,374	288,682
Flood and snow	142,388	-	(2,000)	3,015	143,403
Legal and insurance	19,647	-	-	416	20,063
Planning and studies	43,744	-	-	926	44,670
Public works	885,961	-	(858,000)	5,791	33,752
Recreation	495,185	-	(89,000)	9,304	415,489
Safety	36,615	-	-	775	37,390
Solid waste	65,428	-	-	1,385	66,813
Water meters	23,992	-	-	508	24,500
Water	805,045	-	(69,739)	17,047	752,353
Sewer	398,383	-	(150,643)	8,436	256,176
	<u>\$ 3,318,165</u>	<u>\$ 5,163</u>	<u>\$ (1,168,382)</u>	<u>\$ 55,463</u>	<u>\$ 2,210,409</u>
<b>Capital Fund Reserves:</b>					
General	\$ 2,418	\$ -	\$ (2,626)	\$ 259	\$ 51
New deal gas tax	-	73,446	-	-	73,446
MFA deposit refund					
Water	154,109	-	-	3,263	157,372
Sewer	28,626	-	-	606	29,232
	<u>\$ 185,153</u>	<u>\$ 73,446</u>	<u>\$ (2,626)</u>	<u>\$ 4,128</u>	<u>\$ 260,101</u>
	<u>\$ 4,209,866</u>	<u>\$ 210,534</u>	<u>\$ (1,424,508)</u>	<u>\$ 70,443</u>	<u>\$ 3,066,335</u>

**TOWN OF GOLDEN**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2010**

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12. TOTAL EXPENDITURES BY OBJECT

	<u>2010</u>	<u>2009</u>
Salaries, wages and benefits	\$ 2,524,411	\$ 2,279,356
Contracted and general services	2,279,623	2,206,607
Materials, goods and utilities	855,915	914,279
Bank charges, short/long-term interest	246,109	222,093
Other expenditures	173,972	312,857
Amortization	2,268,416	2,010,087
	<u>\$ 8,348,446</u>	<u>\$ 7,945,279</u>

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**TOWN OF GOLDEN**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2010**

**13. COMMITMENTS AND CONTINGENT LIABILITY**

**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, 2010 are as follows:

	General Fund	Water Utility Fund	Sanitary Sewer Fund	2010	2009
Cash deposits	\$ 55,909	\$ 4,339	\$ 13,424	\$ 73,672	\$ 71,354
Demand notes	136,030	12,156	28,546	176,732	176,732
	<u>\$ 191,939</u>	<u>\$ 16,495</u>	<u>\$ 41,970</u>	<u>\$ 250,404</u>	<u>\$ 248,086</u>

**2. Pension**

The municipality and its employees contribute to the Municipal Pension Plan (plan), a jointly trusted 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 contributory pension plan. Basic pension benefits provided are defined. The plan has about 163,000 active members and approximately 60,000 retired members. Active members include approximately 35,000 contributions from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the plan funding. The most recent valuation as at December 31, 2009, indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012, with results available in 2013. The actuary does not attribute portions of the unfunded liability to individual employers. The Town of Golden paid \$149,022 (2009 - \$131,608) for employer contributions to the plan in fiscal 2010.

**3. Insurance**

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.

**4. Capital leases**

	Original Purchase Price	Monthly Payment	2010	Final Residual Value
MFA Lease - Loader <sup>(a)</sup>	\$ 268,309	\$ 3,595	\$ 34,108	\$ 34,108
MFA Lease - Sweeper <sup>(b)</sup>	222,822	3,303	158,881	158,881
	<u>\$ 491,131</u>	<u>\$ 6,898</u>	<u>\$ 192,989</u>	<u>\$ 192,989</u>

- 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, 2010 is 1.5%.

*(continues)*

**TOWN OF GOLDEN**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2010**

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13. COMMITMENTS AND CONTINGENT LIABILITY (*continued*)

- b) 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, 2010 is 1.5 %.

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 Consolidated Statement of Financial Position.

5. Civic Centre materials

The town is aware of the presence of asbestos in various building materials in the Civic Centre. The town has started a major renovation in late 2010 and the asbestos has been removed.

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14. FISCAL PLAN

The Financial Plan (Budget) By-law adopted by Council on May 4, 2010 was not prepared on a basis consistent with that used to report results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use surplus accumulated in previous years to reduce current year expenditures in excess of current year revenues to nil. In addition, the budget expensed all tangible capital asset expenditures and did not provide a provision for amortization expense. As a result the budget figures presented in the statements of operations and change in Net Debt represent the Financial Plan adopted by Council on May 4, 2010 with the adjustment as follows:

	<u>2010</u>	<u>2009</u>
Capital expenditures	\$ 4,211,000	\$ 5,529,844
Long term debt repayment	345,900	205,418
Budget transfers from(to) accumulated surplus	(2,379,750)	(1,203,818)
Borrowing	<u>(170,000)</u>	<u>(1,350,000)</u>
Budget surplus per statement of operations	<u>\$ 2,007,150</u>	<u>\$ 3,181,444</u>

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**TOWN OF GOLDEN**  
**Notes to Consolidated Financial Statements**  
**Year Ended December 31, 2010**

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**15. SEGMENTATION INFORMATION**

The Town of Golden is a diversified municipal government institution that provides a wide range of services to its citizens such as transit, police, fire, water and sewer. 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 item related to the revenues and expenses that relate to the operations of the Municipality itself and cannot be directly attributed to specific segment.

**Protective Services**

Protection is comprised of fire and flood protection services. The fire department is responsible to provide fire suppression service, fire prevention programs and education. Parts of the Town are on a flood plain and every spring flooding is a problem.

**Transportation**

Transportation is responsible for the Town's roadways, pathways, sidewalks and BC Transit services.

**Environmental health services**

Environmental services consists of providing waste disposal.

**Water Supply and Distribution**

This service provides the Town's drinking water.

**Sewer Services**

This service provides the Town's solid waste water processing service, which meets Provincial standards.

**Cemetery**

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

**Economic Development and Planning**

This department provides a number of services including Town planning, maintenance and enforcement of building and construction codes and review all property development plans.

**Recreation and Culture**

This service is meant to improve the health and well being of the Town's citizens. Which includes activities like swimming, skating and walking.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenues from transactions with other segments. Amounts that are directly attributed to a number of segments have been allocated on a reasonable basis as follows:

Taxation, fees and user charges - allocated to those segments that are funded, based on the net surplus.

Grants - based on percent of budgeted expenses.

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**16. COMPARATIVE FIGURES**

The prior year comparative figures were audited by another firm of chartered accountants.

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**TOWN OF GOLDEN**  
**Consolidated Schedule of Tangible Capital Assets**  
**Year Ended December 31, 2010**

	Land and Land Improvements	Buildings	Equipment/ Furniture/ Vehicles	Water	Engineering Structures Sewer	Roads	2010 Total	2009 Total
Opening balance	\$ 10,958,951	\$ 5,755,303	\$ 4,471,834	\$ 9,511,230	\$ 14,266,488	\$ 50,859,195	\$ 95,823,001	\$ 91,698,024
Additions	157,698	570,127	633,061	110,266	195,643	1,164,455	2,831,250	4,249,363
Disposals	-	-	(318,424)	-	-	-	(318,424)	(124,389)
Write downs	-	-	-	-	-	-	-	-
Closing balance, Dec. 31	11,116,649	6,325,430	4,786,471	9,621,496	14,462,131	52,023,650	98,335,827	95,822,998
Accumulated amortization								
Opening balance	788,168	2,470,871	1,880,969	4,133,539	4,535,370	21,846,823	35,655,740	33,645,652
Amortization expense	82,907	133,788	324,360	202,481	358,322	1,166,559	2,268,417	2,010,088
Effects of disposals and write down adjustments	-	-	(312,718)	-	-	-	(312,718)	-
Closing balance, Dec. 31	871,075	2,604,659	1,892,611	4,336,020	4,893,692	23,013,382	37,611,439	35,655,740
Net book value for year ended December 31, 2010	\$ 10,245,574	\$ 3,720,771	\$ 2,893,860	\$ 5,285,476	\$ 9,568,439	\$ 29,010,268	\$ 60,724,388	\$ 60,167,258

**TOWN OF GOLDEN**  
**Consolidated Statement of Statutory Reserve Fund Activities**  
**Year Ended December 31, 2010**

	Land Sales	Parking	Equipment Replacement	Cemetery Care Fund	2010 Total	2009 Total
Opening balance	\$ 53,723	\$ 77,903	\$ 330,784	\$ 244,138	\$ 706,548	\$ 718,289
Transfers in	-	-	-	-	-	-
Developer fees	130,800	-	-	1,125	131,925	650
Earnings	1,137	1,650	4,340	3,725	10,852	14,609
Transfers out	(100,000)	(6,500)	(147,000)	-	(253,500)	(27,000)
Closing balance, Dec. 31	\$ 85,660	\$ 73,053	\$ 188,124	\$ 248,988	\$ 595,825	\$ 706,548