

TOWN OF GOLDEN
Financial Statements
Year Ended December 31, 2015

TOWN OF GOLDEN
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Year Ended December 31, 2015

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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, Chartered Professional 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.



Mr. Ron Oszust, Mayor


Mr. Jon Wilsgard, CAO

Golden, BC
April 19, 2016

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councillors 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, 2015 and the statements of operations and accumulated surplus and cash flows for the year then ended, and 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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824 - 1st Street South, Cranbrook, BC V1C 7H5
Phone 250-426-8277 **Fax** 250-426-4109
Email mail@cgafirm.com **Web** www.cgafirm.com

David M.W. Adams, BSc, CPA, CGA, CFP*
James R. Wooley, BPE, CPA, CGA*
Brian F. Adams, FCPA, FCGA* (Associate)

** 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 Town of Golden as at December 31, 2015 and the results of its operations 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, flowing style.

Cranbrook, BC
April 19, 2016

Adams Wooley
Chartered Professional Accountants

TOWN OF GOLDEN
Statement of Financial Position
December 31, 2015

	2015	2014
FINANCIAL ASSETS		
Cash and cash equivalents <i>(Note 3)</i>	\$ 9,121,987	\$ 6,857,284
Accounts receivable <i>(Note 4)</i>	916,004	1,045,232
Land held for resale <i>(Note 5)</i>	186,297	10,000
Municipal Finance Authority <i>(Note 19)</i>	162,137	223,738
	<u>10,386,425</u>	<u>8,136,254</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	398,852	241,074
Wages and benefits payable	348,557	349,690
Municipal Finance Authority <i>(Note 19)</i>	162,137	223,738
Deferred revenue <i>(Note 6)</i>	2,482,249	2,517,297
Restricted deposits <i>(Note 7)</i>	422,603	294,988
Obligations under capital lease <i>(Note 8)</i>	-	22,831
Long term debt <i>(Note 9)</i>	2,937,649	3,189,082
	<u>6,752,047</u>	<u>6,838,700</u>
NET FINANCIAL ASSETS	<u>3,634,378</u>	<u>1,297,554</u>
NON-FINANCIAL ASSETS		
Tangible capital assets	57,836,359	59,091,893
Prepaid expenses	146,240	216,115
	<u>57,982,599</u>	<u>59,308,008</u>
ACCUMULATED SURPLUS	<u>\$ 61,616,977</u>	<u>\$ 60,605,562</u>

ON BEHALF OF COUNCIL

Commie Barlow Councillor
Adamo Councillor

See notes to financial statements

TOWN OF GOLDEN
Statement of Operations and Accumulated Surplus
For the Year Ended December 31, 2015

	Budget 2015	2015	2014
REVENUE			
Net taxes available for municipal purposes <i>(Note 15)</i>	\$ 4,872,247	\$ 4,857,571	\$ 4,775,165
Sale of services	593,965	642,829	689,473
Water user fees	658,791	686,358	635,146
Sewer user fees	765,560	781,591	718,897
Licences, permits, penalties and fines	94,620	124,762	99,495
Penalties and interest	168,705	194,920	162,368
Grants - conditional <i>(Note 16)</i>	1,775,826	1,269,944	656,105
Grants - unconditional <i>(Note 17)</i>	450,000	478,836	307,519
Government transfers/other agencies	928,553	826,450	441,655
MFA Actuarial adjustment	73,359	73,359	64,122
Other	-	41,967	3,350
	10,381,626	9,978,587	8,553,295
EXPENSES			
General government	1,993,060	1,723,829	1,595,382
Protective services	603,427	465,928	483,920
Transportation	1,604,655	1,451,895	1,545,779
Water supply and distribution	471,945	406,211	480,991
Sanitary sewer	500,787	511,746	501,472
Environmental health services	407,320	365,139	319,517
Cemetery	45,070	41,420	41,372
Economic development	137,104	138,032	125,707
Planning development services	308,095	234,173	273,526
Recreation, parks and culture	987,750	971,165	822,068
Fiscal services	182,854	176,893	179,950
Loss on disposal of tangible capital assets	-	33,408	104,338
Amortization	3,139,559	2,447,333	2,462,452
	10,381,626	8,967,172	8,936,474
ANNUAL SURPLUS (DEFICIT)	-	1,011,415	(383,179)
ACCUMULATED SURPLUS - BEGINNING OF YEAR	-	60,605,562	60,988,741
ACCUMULATED SURPLUS - END OF YEAR <i>(Note 11)</i>	\$ -	\$ 61,616,977	\$ 60,605,562

See notes to financial statements

TOWN OF GOLDEN
Statement of Changes in Net Financial Assets
Year Ended December 31, 2015

	Budget 2015	2015	2014
ANNUAL SURPLUS (DEFICIT)	\$ -	\$ 1,011,415	\$ (383,179)
	-	1,011,415	(383,179)
CHANGES IN TANGIBLE CAPITAL ASSETS			
Acquisition of tangible capital assets	(2,517,443)	(1,393,207)	(845,621)
Amortization of tangible capital assets	3,139,559	2,447,333	2,462,452
Loss on sale of tangible capital assets	-	201,411	145,012
	622,116	1,255,537	1,761,843
CHANGES IN OTHER NON FINANCIAL ASSETS			
Acquisition of prepaid expenses	-	69,873	19,834
	-	69,873	19,834
	622,116	2,336,825	1,398,498
NET FINANCIAL ASSETS (DEBT) - BEGINNING OF YEAR	1,297,553	1,297,553	(100,944)
NET FINANCIAL ASSETS - END OF YEAR	\$ 1,919,669	\$ 3,634,378	\$ 1,297,554

See notes to financial statements

TOWN OF GOLDEN
Statement of Cash Flows
Year Ended December 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ 1,011,415	\$ (383,179)
Items not affecting cash:		
Amortization of tangible capital assets	2,447,333	2,462,452
Loss on sale/write down of tangible capital assets	201,411	145,012
Actuarial adjustment on long-term debt	(73,359)	(64,122)
	<u>3,586,800</u>	<u>2,160,163</u>
Changes in non-cash working capital:		
Accounts receivable	129,228	(67,566)
Land held for resale	(176,297)	(10,000)
Accounts payable and accrued liabilities	157,776	(270,299)
Deferred revenue	(35,048)	868,036
Restricted deposits	127,615	68,568
Wages and benefits payable	(1,133)	43,505
Prepaid expenses	69,875	19,833
	<u>272,016</u>	<u>652,077</u>
Cash flow from operating activities	<u>3,858,816</u>	<u>2,812,240</u>
INVESTING ACTIVITY		
Purchase of tangible capital assets	(1,393,207)	(845,621)
Cash flow used by investing activity	<u>(1,393,207)</u>	<u>(845,621)</u>
FINANCING ACTIVITIES		
Proceeds from borrowing	43,000	185,000
Principal payment on long term debt	(221,075)	(194,201)
Repayment of long term debt under capital lease	(22,831)	(34,553)
Cash flow from (used by) financing activities	<u>(200,906)</u>	<u>(43,754)</u>
INCREASE IN CASH FLOW	<u>2,264,703</u>	<u>1,922,865</u>
Cash - beginning of year	<u>6,857,284</u>	<u>4,934,419</u>
CASH - END OF YEAR	<u>\$ 9,121,987</u>	<u>\$ 6,857,284</u>

See notes to financial statements

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2015

1. DESCRIPTION OF ORGANIZATION

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 Community Charter. 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 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.

Land held for resale

Land held for resale is comprised of municipal land that is either actively listed for sale or has a sale contract in place. Council is responsible for determining the property that will be made available for sale and for negotiating the terms of the disposition. When a property is deemed "Available for Sale", it is removed from the Tangible Capital Assets of the Town, revalued to the lower of Fair Value and Net Realizable Value, and reclassified as Land Held for Resale.

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TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2015

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

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.

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.

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TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2015

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

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.

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 19.

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.

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TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2015

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

Standards amendments and interpretations not yet effective

PS3210 - Assets standard. This section establishes standards that provide guidance for applying the definition of assets set out in financial statement concepts. Disclosure of information about the major categories of assets that are not recognized is required. When an asset is not recognized reasonable estimate of the amount involved cannot be made, the reason(s) for this should be disclosed. The standard applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

PS3320 - Contingent assets standard. This section defines and establishes disclosure standards on contingent assets. Disclosure of information about contingent assets is required when the occurrence of the conforming future event is likely. This standard applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

PS3380 - Contractual rights standard. This section defines and establishes disclosure standard on contractual rights. Disclosure of information about contractual rights is required when the occurrence of the conforming future event is likely. This standard applies to fiscal years beginning on or after April 1, 2017. Earlier adoption is permitted.

The Town is in the process of evaluating the impact of the new standards.

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 0.75% and 1.90% and have maturities at varying dates.

	2015	2014
Cash on hand	\$ 1,133,324	\$ 957,864
Money market investments	7,709,907	5,627,219
Term deposits	266,035	259,783
Bonds	12,721	12,418
	<u>\$ 9,121,987</u>	<u>\$ 6,857,284</u>

4. ACCOUNTS RECEIVABLE

	2015	2014
Taxes and grants in place of taxes	\$ 459,771	\$ 500,075
Trade and other	386,820	479,168
GST receivable	69,413	65,989
	<u>\$ 916,004</u>	<u>\$ 1,045,232</u>

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2015

5. LAND HELD FOR RESALE

Land held for resale is comprised of two properties that have been removed from Tangible Capital Assets:

	2015	2014
Property one	\$ 10,000	\$ 10,000
Property two	176,297	-
	\$ 186,297	\$ 10,000

Property one requires that the sale must be completed by December 31, 2019 and all condition costs shall be the responsibility of the purchaser. The conditions include: parcel survey, subdivision and consolidation, paving with the required storm water management and a commitment to allow parking for adjacent property.

The disposal of the property created a loss of \$10,630 when the asset was removed from Tangible Capital Assets. The property is being sold for \$10,000 which is less than market value (appraised \$18,550).

Property two is being prepared for sale. The removal of the property from Tangible Capital Assets created a loss of \$197,463 (land and buildings). The property is being sold at fair value.

6. 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, 2014	\$ 487,697	\$ 130,514	\$ 1,899,086	\$ 2,517,297
Withdrawals during the year	-	-	(1,899,086)	(1,899,086)
Developer contribution	4,378	4,183	-	8,561
Interest earned	6,476	1,762	-	8,238
	498,551	136,459	-	635,010
Additions during the year				
Prepaid taxes, utilities and business licences	-	-	554,866	554,866
Resort Municipality Initiative funding	-	-	1,082,814	1,082,814
CBT Community Initiatives	-	-	121,741	121,741
CBT CDP-IMP11-197 Pool Grant	-	-	76,545	76,545
BC Plaza Provincial Grant	-	-	323	323
Other donations and deposits	-	-	10,950	10,950
Balance December 31, 2015	\$ 498,551	\$ 136,459	\$ 1,847,239	\$ 2,482,249

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2015

7. RESTRICTED DEPOSITS

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

	2015	2014
General Deposits	\$ 146,079	\$ 52,924
Security temporary building	128,314	102,157
Landscaping deposits	116,116	114,766
Development Deposits	14,022	7,069
Sponsor Beach and Park donations	9,567	9,567
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
	\$ 422,603	\$ 294,988

8. OBLIGATIONS UNDER CAPITAL LEASE

	2015	2014
MFA Leasing Corporation - Sweeper (a)	\$ -	\$ 22,831
	\$ -	\$ 22,831

(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 final lease payment was made on July 28, 2015. The Canadian Prime Rate minus 1% at July 28, 2015 totaled 1% interest.

The town exercised its exclusive purchase option on this lease on July 28, 2015 and has included the asset and the corresponding debt on the Statement of Financial Position.

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2015

9. LONG TERM DEBT

	2015	2014
General fund	\$ 2,341,341	\$ 2,559,108
Water utility fund	298,154	314,987
Sanitary sewer fund	298,154	314,987
	<u>\$ 2,937,649</u>	<u>\$ 3,189,082</u>

Principal repayment terms are approximately:

2016	\$ 224,996
2017	232,668
2018	230,097
2019	223,140
2020	230,715
Thereafter	1,796,033
	<u>\$ 2,937,649</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	2015	2014
General					
948	Street paving and construction	3.000	2015	-	46,046
954	Street paving and construction	3.000	2015	-	20,265
1211	Street paving and construction	4.820	2027	873,571	929,473
1211	Street paving and construction	4.650	2028	477,595	505,214
1211	Street paving and construction	4.900	2029	777,253	818,111
	Short Term Loan - 13-158 (Floating 1.35%)		2017	20,517	37,484
	Short Term Loan - 13-159 (Floating 1.35%)		2015	-	17,515
	Short Term Loan - 14-109 (Floating 1.35%)		2019	149,405	185,000
	MFA Equipment Loan - 15-293 (Floating 1.35%)		2018	43,000	-
				<u>\$ 2,341,341</u>	<u>\$ 2,559,108</u>
Water					
1211	Waterworks construction	4.650	2028	\$ 220,429	\$ 233,176
1211	Waterworks construction	4.900	2029	77,725	81,811
				<u>\$ 298,154</u>	<u>\$ 314,987</u>
Sewer					
1211	Sewer construction	4.650	2028	220,429	233,176
1211	Sewer construction	4.900	2029	77,725	81,811
				<u>\$ 298,154</u>	<u>\$ 314,987</u>
				<u>\$ 2,937,649</u>	<u>\$ 3,189,082</u>

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2015

10. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Land and improvements	\$ 11,098,113	\$ 1,296,750	\$ 9,801,363	\$ 9,965,407
Buildings	9,204,481	3,381,246	5,823,235	6,098,028
Equipment, vehicles and technology	5,478,959	3,298,575	2,180,384	2,489,179
Roads and transportation infrastructure	53,038,219	27,543,602	25,494,617	26,278,660
Sewer infrastructure	15,227,308	6,669,191	8,558,117	8,901,754
Water infrastructure	10,355,996	5,320,966	5,035,030	5,157,717
	104,403,076	47,510,330	56,892,746	58,890,745
Capital work-in-progress	943,613	-	943,613	201,148
	\$ 105,346,689	\$ 47,510,330	\$ 57,836,359	\$ 59,091,893

11. ACCUMULATED SURPLUS

Accumulated surplus consists of:

	2015	2014
<u>Surplus</u>		
Invested in tangible capital assets (Note 12)	\$ 54,898,707	\$ 55,879,979
Surplus from operations	1,768,528	600,434
	56,667,235	56,480,413
<u>Reserves set aside by Council</u>		
Non-statutory reserves (Note 13)	3,728,520	3,110,946
<u>Reserve funds set aside for specific purpose by Council</u>		
Statutory reserves (Note 13)	1,018,228	813,862
Capital fund reserves (Note 13)	202,994	200,341
	1,221,222	1,014,203
Total reserve funds	61,616,977	\$ 60,605,562

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2015

12. 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:

	2015	2014
Equity in TCA, beginning of year	\$ 55,879,979	\$ 57,554,906
Add:		
Purchases of tangible capital assets	1,393,207	845,261
Principal payment on long-term debt	221,075	194,201
Repayment of long-term debt under capital lease	22,831	34,553
Actuarial adjustment on long-term debt	73,359	64,122
Less:		
Proceeds from borrowing	(43,000)	(185,000)
Loss on disposal of assets	(201,411)	(145,012)
Amortization	(2,447,333)	(2,462,452)
Write down of tangible capital assets	-	(20,600)
Equity in TCA, end of year	<u>\$ 54,898,707</u>	<u>\$ 55,879,979</u>

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2015

13. RESERVES

	Balance Dec 31/14	Contributions from Developers Earnings	Transfers and Others	2015 Interest	Balance Dec 31/15
Statutory reserves:					
Land sales	\$ 11,365	\$ -	\$ -	\$ 150	\$ 11,515
Parking	83,006	-	-	1,099	84,105
Equipment replacement	326,715	-	149,500	5,781	481,996
Container replacement	71,968	-	30,902	1,362	104,232
Road Reserve	-	-	25,000	331	25,331
Cemetery expansion	41,470	-	(19,218)	472	22,724
Cemetery care fund	279,338	-	2,432	6,555	288,325
	<u>\$ 813,862</u>	<u>\$ -</u>	<u>\$ 188,616</u>	<u>\$ 15,750</u>	<u>\$ 1,018,228</u>
Non-statutory reserves:					
Airport	\$ 59,673	\$ -	\$ -	\$ 790	\$ 60,463
Asset Renewal	283,640	-	45,304	5,089	334,033
Carbon Tax	23,903	-	-	316	24,219
Computer and office	42,953	-	(460)	390	42,883
Contingency	575,979	-	29,375	7,868	613,222
Fire hall and equipment	152,470	-	-	2,019	154,489
Flood and snow	186,507	-	99,750	3,234	289,491
Gas Tax	113,836	-	(10,367)	1,182	104,651
Legal and insurance	59,507	-	(5,950)	776	54,333
Planning and studies	90,498	-	9,309	1,158	100,965
Public works	8,101	-	-	107	8,208
Recreation	16,786	-	261,659	998	279,443
Safety	35,340	-	7,500	521	43,361
Solid waste	71,712	-	-	950	72,662
Water Meters	10	-	-	-	10
Water	950,751	-	68,249	12,346	1,031,346
Sewer	439,280	-	69,595	5,866	514,741
	<u>\$ 3,110,946</u>	<u>\$ -</u>	<u>\$ 573,964</u>	<u>\$ 43,610</u>	<u>\$ 3,728,520</u>
Capital Fund Reserves:					
General	\$ 55	\$ -	\$ -	\$ 1	\$ 56
MFA deposit refund					
Water	168,910	-	-	2,237	171,147
Sewer	31,376	-	-	415	31,791
	<u>\$ 200,341</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,653</u>	<u>\$ 202,994</u>
	<u>\$ 4,125,149</u>	<u>\$ -</u>	<u>\$ 762,580</u>	<u>\$ 62,013</u>	<u>\$ 4,949,742</u>

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2015

14. CONTAMINATED SITES

In 2015, the Town engaged WSP to complete an inventory of potentially contaminated sites that would qualify for recognition under the PSAB Liability for Contaminated Sites Section 3260. The review identified six sites of potential concern. Following a review of the detailed description of the history and environmental concerns associated with each of these assets in relation to PSAB 3260, only one asset was identified as meeting the PSAB 3260 criteria, the Old Public Works Yard.

The Old Public Works Yard contains road salt residue found under the former salt storage, mixing and handling operations in the western portion of the site. The risk identified was ecological or risk of ingestion and dermal contact by soil invertebrates and plants. The contamination has been under a natural attenuation management strategy for several years now.

A liability is not recognized at this time because it is not expected that a future economic benefit will be given up. The estimated environmental liability to complete remediation to a commercial/residential land use standard and receipt of a BC Ministry of the Environment Certificate of Compliance (BC MOE COC) is \$707,400.

15. NET TAXATION AVAILABLE FOR MUNICIPAL PURPOSES

	2015	2014
Property taxes		
General purposes	\$ 4,557,800	\$ 4,478,933
Collections for other governments	2,922,832	2,911,847
Frontage taxes	206,096	206,235
	<u>7,686,728</u>	<u>7,597,015</u>
Less: transfers to other governments		
Province of B.C. school taxes	(1,980,958)	(1,977,524)
East Kootenay Regional Hospital District	(128,111)	(126,502)
Columbia Shuswap Regional District	(409,999)	(413,824)
British Columbia Assessment Authority	(55,605)	(56,647)
Police Tax	(254,324)	(247,196)
Municipal Finance Authority	(160)	(157)
	<u>(2,829,157)</u>	<u>(2,821,850)</u>
Net taxes available for municipal purposes	<u>\$ 4,857,571</u>	<u>\$ 4,775,165</u>

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2015

16. 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:

	2015	2014
Resort Municipality Initiative	\$ 784,957	\$ 224,258
Gas Tax agreement	201,829	213,894
Emergency Management BC - Fisher Dyke	84,010	59,819
BC Plaza	70,820	16,949
MMBC	56,948	33,220
Prescriptive Fire Program	52,624	31,268
MFA surplus (debt)	10,219	-
Emergency Management BC - PEP 153984	5,537	32,505
Heritage Canada (Canada Day)	3,000	2,000
Age Friendly	-	18,421
Emergency Management BC - PEP 144196	-	13,771
KH River Hydraulic Model	-	10,000
Total	\$ 1,269,944	\$ 656,105

17. 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:

	2015	2014
Small community protection grant	\$ 469,147	\$ 299,497
CARIP	9,689	8,022
Total	\$ 478,836	\$ 307,519

18. EXPENSES BY OBJECT

	2015	2014
Salaries, wages and employee benefits	\$ 2,729,882	\$ 2,763,618
Contracted services	2,490,550	2,410,660
Materials, goods and utilities	1,051,406	975,797
Bank charges, short/long-term interest	214,593	219,609
Other	33,408	104,338
Amortization	2,447,333	2,462,452
	\$ 8,967,172	\$ 8,936,474

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2015

19. 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, 2015 are as follows:

	General fund	Water Utility fund	Sanitary Sewer fund	2015	2014
Cash Deposits	\$ 37,433	\$ 5,116	\$ 5,116	\$ 47,665	\$ 70,115
Demand Notes	90,160	12,156	12,156	114,472	153,623
	<u>\$ 127,593</u>	<u>\$ 17,272</u>	<u>\$ 17,272</u>	<u>\$ 162,137</u>	<u>\$ 223,738</u>

2. Municipal Pension Plan

The Town and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2014, the plan had about 185,000 active members and approximately 80,000 retired members. Active members include approximately 37,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate is then adjusted to the extent there is amortization of any funding deficit.

The most recent valuation for the Municipal Pension Plan as at December 31, 2012, indicated a \$1,370 million funding deficit for basic pension benefits on a going concern basis.

The next valuation will be as at 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, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

The Town of Golden paid \$179,708 (2014 - \$173,237) for employer contributions to the plan in fiscal 2015.

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.

TOWN OF GOLDEN
Notes to Financial Statements
Year Ended December 31, 2015

20. SEGMENTATION INFORMATION

The Town of Golden is a diversified municipal government institution that provides a wide range of services to its residents. 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, Columbia Basin Trust Community Initiatives Grant funds, and other areas that are not directly related to a specific segment.

Protective Services

Protective services is comprised of fire protection, flood protection services, bylaw 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.

Economic Development

Economic Development consists of support provided to Kicking Horse Culture, Imagine Kootenay and Broadband services.

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.

Environmental health services

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

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.

Cemetery

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

Recreation, parks and cultural services

This segment is responsible for the development and maintenance of the Town'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.

TOWN OF GOLDEN
Consolidated Schedule of Tangible Capital Assets
Year Ended December 31, 2015

Schedule I

	Engineering Structures							
	Land and improvements	Buildings	Equipment, vehicles and technology	Infrastructure - Water	Infrastructure - Sewer	Infrastructure - Roads	Capital Work In Progress	
								2015 Total
								2014 Total
Cost								
Opening balance, January 1	\$ 11,170,109	\$ 9,256,209	\$ 5,453,785	\$ 10,246,850	\$ 15,180,020	\$ 52,688,837	\$ 201,148	\$ 104,196,958
Additions	12,904	90,272	25,174	109,146	47,288	365,958	742,465	1,393,207
Disposals	(84,900)	(142,000)	-	-	-	(16,576)	-	(243,476)
Write downs	-	-	-	-	-	-	-	-
Closing balance, December 31	11,098,113	9,204,481	5,478,959	10,355,996	15,227,308	53,038,219	943,613	105,346,689
Accumulated amortization								
Opening balance, January 1	1,204,702	3,158,181	2,964,606	5,089,133	6,278,266	26,410,177	-	45,105,065
Amortization	92,048	252,503	333,969	231,833	390,925	1,146,055	-	2,447,333
Effect of disposals and write down adjustments	-	(29,438)	-	-	-	(12,630)	-	(42,068)
Closing balance, December 31	1,296,750	3,381,246	3,298,575	5,320,966	6,669,191	27,543,602	-	47,510,330
Net book value, end of year	\$ 9,801,363	\$ 5,823,235	\$ 2,180,384	\$ 5,035,030	\$ 8,558,117	\$ 25,494,617	\$ 943,613	\$ 57,836,359
								\$ 59,091,893

See notes to financial statements

TOWN OF GOLDEN
Consolidated Statement of Statutory Reserve Fund Activities
Year Ended December 31, 2015

Schedule 2

	Land Sales	Parking	Equipment Replacement	Container Replacement	Road Reserve	Cemetery Expansion	Cemetery Care Fund	2015 Total	2014 Total
Opening balance	\$ 11,365	\$ 83,006	\$ 326,715	\$ 71,968	\$ -	\$ 41,470	\$ 279,338	\$ 813,862	\$ 769,806
Transfers in / (out)	-	-	149,500	30,902	25,000	(19,218)	2,432	188,616	29,820
Developer fees	-	-	-	-	-	-	-	-	-
Earnings	150	1,099	5,781	1,362	331	472	6,555	15,750	14,236
Closing balance, December 31	\$ 11,515	\$ 84,105	\$ 481,996	\$ 104,232	\$ 25,331	\$ 22,724	\$ 288,325	\$ 1,018,228	\$ 813,862

See notes to financial statements

TOWN OF GOLDEN
Segment Information
Year Ended December 31, 2015

Schedule 3

	General Government	Protective Services	Transportation	Economic Development	Planning & Development Services	Environmental	Water Service	Sewer Services	Cemetery	Recreation & Cultural Services	Unallocated	2015 Total
Revenues												
Net Taxes	\$ 4,531,935	\$ -	\$ 28,856	\$ 3,311	\$ -	\$ -	\$ 90,290	\$ 115,806	\$ 14,201	\$ -	\$ 73,172	\$ 4,857,571
Sale of Services	154,225	18,486	32,589	-	8,684	226,959	-	-	15,635	186,251	-	642,829
Water User Fees	-	-	-	-	-	-	667,877	-	-	-	18,481	686,358
Sewer User Fees	-	-	-	-	-	-	-	769,824	-	-	11,767	781,591
Conditional Grant	134,605	142,171	201,829	-	-	51,979	-	-	-	-	739,360	1,269,944
Unconditional Grant	478,836	-	-	-	-	-	-	-	-	-	-	478,836
Licenses, permits and fines	-	-	800	42,748	81,214	-	-	-	-	-	-	124,762
Interest and Penalties	178,714	-	-	-	-	2,608	3,073	3,970	6,555	-	-	194,920
Transfer from other governments/agencies	287,101	59,979	31,411	419,500	-	-	-	-	15,459	-	13,000	826,450
Other Revenue	-	-	66,557	-	-	-	3,401	3,401	-	2,000	39,967	115,326
Total Revenues	5,765,416	220,636	362,042	465,559	89,898	281,546	764,641	893,001	51,850	188,251	895,747	9,978,587
Expenses												
Salaries, wages & benefits	925,399	166,479	611,157	-	196,654	38,364	136,968	144,342	22,857	487,662	-	2,729,882
Contracted and general services	671,483	253,215	386,454	138,032	35,823	325,107	148,378	219,313	13,062	299,683	-	2,490,550
Materials, goods, and utilities	126,947	46,234	454,284	-	1,696	1,668	102,015	129,241	5,501	183,820	-	1,051,406
Bank charges, short/long-term interest	7,878	-	169,015	-	-	-	18,850	18,850	-	-	-	214,593
Amortization	678,520	-	1,146,056	-	-	-	231,832	390,925	-	-	-	2,447,333
Loss on disposal of assets	-	-	33,408	-	-	-	-	-	-	-	-	33,408
Total Expenses	2,410,227	465,928	2,800,374	138,032	234,173	365,139	638,043	902,671	41,420	971,165	-	8,967,172
	\$ 3,355,189	\$ (245,292)	\$ (2,438,332)	\$ 327,527	\$ (144,275)	\$ (83,593)	\$ 126,598	\$ (9,670)	\$ 10,430	\$ (782,914)	\$ 895,747	\$ 1,011,415

TOWN OF GOLDEN
Segment Information
Year Ended December 31, 2014

Schedule 4

	General Government	Protective Services	Transportation	Economic Development	Planning & Development Services	Environmental	Water Service	Sewer Services	Cemetery	Recreation & Cultural Services	Unallocated	2014 Total
Revenues												
Net Taxes	\$ 4,368,760	\$ -	\$ 42,606	\$ 5,707	\$ -	\$ -	\$ 90,351	\$ 115,884	\$ 13,386	\$ -	\$ 138,471	\$ 4,775,165
Sale of Services	237,889	18,921	38,613	-	-	226,695	-	-	17,180	150,175	-	689,473
Water User Fees	-	-	-	-	-	-	635,146	-	-	-	-	635,146
Sewer User Fees	-	-	-	-	-	-	-	718,897	-	-	-	718,897
Conditional Grant	127,686	56,276	169,865	-	-	31,149	-	-	-	-	271,129	656,105
Unconditional Grant	307,519	-	-	-	-	-	-	-	-	-	-	307,519
Licenses, permits and fines	-	-	-	36,693	62,802	-	-	-	-	-	-	99,495
Interest and Penalties	150,858	-	-	-	-	1,196	1,590	1,983	6,741	-	-	162,368
Transfer from other governments/agencies	191,884	51,538	47,331	120,000	-	-	9,994	-	14,871	6,037	-	441,655
Other Revenue	-	-	58,616	-	-	-	2,753	2,753	-	3,350	-	67,472
Total Revenues	\$ 5,384,596	126,735	357,031	162,400	62,802	259,040	739,834	839,517	52,178	159,562	409,600	8,553,295
Expenses												
Salaries, wages & benefits	903,591	195,678	662,367	-	240,037	33,568	156,380	141,225	18,794	411,978	-	2,763,618
Contracted and general services	575,682	263,172	425,621	125,544	31,200	284,914	209,150	221,399	15,124	258,854	-	2,410,660
Materials, goods, and utilities	116,110	25,070	457,791	163	2,289	1,035	95,631	119,018	7,454	151,236	-	975,797
Bank charges, short/long-term interest	11,250	-	168,699	-	-	-	19,830	19,830	-	-	-	219,609
Amortization	663,674	-	1,174,623	-	-	-	234,558	389,597	-	-	-	2,462,452
Loss on disposal of assets	-	-	104,338	-	-	-	-	-	-	-	-	104,338
Total Expenses	2,270,307	483,920	2,993,439	125,707	273,536	319,517	715,549	891,069	41,372	822,068	-	8,936,474
	\$ 3,114,289	\$ (357,185)	\$ (2,636,408)	\$ 36,693	\$ (210,724)	\$ (60,477)	\$ 24,285	\$ (51,552)	\$ 10,806	\$ (662,506)	\$ 409,600	\$ (383,179)