

**Village of Silverton**  
Financial Statements  
For the year ended December 31, 2012

---

	<b>Contents</b>
	Page
<b>Management Report</b>	1
<b>Auditors' Report</b>	2
<b>Financial Statements</b>	
Consolidated Statement of Financial Position	3
Consolidated Statement of Financial Activities	4
Consolidated Statement of Financial Assets	5
Consolidated Statement of Cash Flows	6
Summary of Significant Accounting Policies	7-8
Notes to Consolidated Financial Statements	9-13
General Fund	
Statement of Financial Position	14
Capital Fund Statement of Financial Activities	15
Operating Fund Statement of Financial Activities	16
Water Fund	
Statement of Financial Position	17
Capital Fund Statement of Financial Activities	18
Operating Fund Statement of Financial Activities	19
Reserve Funds	
Statement of Financial Position	20
Statement of Financial Activities	21
Schedule 1 - General Operating Fund - Taxation and Grants in Lieu of Taxes	22
Schedule 2 - General Operating Fund - Grants and Transfers	23

---

## Management Report

---

### Responsibility for Financial Reporting

Management is responsible for the preparation of the accompanying consolidated financial statements. The financial statements have been prepared in accordance with the accounting principles disclosed in Note 1 to the consolidated financial statements and include amounts that are based on estimates and judgments. Management believes that the financial statements fairly present the Corporation of the Village of Silverton's consolidated financial position and results of operations. The integrity of the information presented in the financial statements, including estimates and judgments relating to matters not concluded by fiscal year-end, is the responsibility of management. The financial statements have been approved by Council.

Management has established and maintained appropriate systems of internal control including policies and procedures, which are designed to provide reasonable assurance that the Corporation of the Village of Silverton's assets are safeguarded and that reliable financial records are maintained to form a proper basis for preparation of the financial statements.

The independent external auditors, Berg Lehmann, Chartered Accountants, have been appointed by Council to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the Corporation of the Village of Silverton's financial position, results of operations, and changes in financial position in conformity with the accounting principles disclosed in Note 1 to the consolidated financial statements. The report of Berg Lehmann, Chartered Accounts, follows and outlines the scope of their examination and their opinion on the consolidated financial statements.



---

Elaine Rogers  
Chief Financial Officer  
March 19, 2013

---

## INDEPENDENT AUDITORS' REPORT

---

To the Mayor and Council  
Village of Silverton

We have audited the accompanying consolidated financial statements of the Village of Silverton, which comprise the consolidated statement of financial position as at December 31, 2012, and the consolidated statement of financial activities, consolidated statement of changes in net financial assets and consolidated statement of 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.

### **Auditors' 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 Village'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 Village'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.

### **Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Village of Silverton as at December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Accountants

March 19, 2013

Nelson, B.C.

Village of Silverton

Consolidated Statement of Financial Position

December 31,	2012	2011
<b>Financial Assets</b>		
Cash and investments (Note 1)	\$ 656,424	\$ 477,629
Accounts receivable (Note 2)	<u>129,054</u>	<u>55,255</u>
	<u>785,478</u>	<u>532,884</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	42,900	28,781
Deferred revenue - Gas Tax Agreement (Note 5)	207,547	149,722
Deferred revenue - Other (Note 6)	17,724	18,084
Capital leases (Note 7)	58,177	15,623
Long-term debt (Note 8)	<u>112,778</u>	<u>138,315</u>
	<u>439,126</u>	<u>350,525</u>
<b>Net financial assets</b>	346,352	182,359
<b>Non-financial assets</b>		
Prepaid expense	10,229	10,584
Tangible capital assets (Note 10)	<u>2,221,165</u>	<u>2,217,011</u>
<b>Accumulated Surplus</b>	<u>\$ 2,577,746</u>	<u>\$ 2,409,954</u>
<b>Accumulated Surplus consists of:</b>		
<b>Financial equity</b>		
Operating funds	\$ 427,566	\$ 262,839
Statutory reserve fund (page 21)	<u>99,970</u>	<u>84,043</u>
	<u>527,536</u>	<u>346,882</u>
Equity in tangible capital assets (Note 11)	<u>2,050,210</u>	<u>2,063,072</u>
	<u>\$ 2,577,746</u>	<u>\$ 2,409,954</u>

Approved on behalf of the Council:



\_\_\_\_\_, Mayor

Village of Silverton

Consolidated Statement of Financial Activities

For the year ended December 31,	2012	Budget	2011
<b>Revenue</b>			
Taxation (Schedule 1)	\$ 103,827	\$ 103,838	\$ 104,196
Grants in lieu of taxes (Schedule 1)	3,286	3,281	3,229
Government grants (Schedule 2)	686,451	815,193	466,517
Sale of services			
Customer service	1,484	1,550	3,523
Water	62,555	63,554	63,421
Public health	17,041	17,090	17,061
Parks and cultural services	38,816	34,500	31,676
Rentals	9,115	8,675	7,488
Licenses, permits, penalties and fines	6,304	5,820	5,970
Return on investments	10,300	2,910	7,358
Donations and other	7,969	2,200	2,181
Gain (Loss) on sale of tangible capital assets	(825)	0	0
	<u>946,323</u>	<u>1,058,611</u>	<u>712,620</u>
<b>Expenses (Note 12)</b>			
General governmental services	135,092	144,045	179,858
Protective services	37,950	35,745	31,610
Transportation services	104,373	132,690	107,873
Water system maintenance	32,783	39,371	37,790
Public health	11,953	13,500	12,713
Parks and cultural services	45,976	47,185	37,521
Environmental development services	302,392	409,000	15,262
Debt financing	12,126	12,042	12,401
Amortization	95,886	0	96,459
	<u>778,531</u>	<u>833,578</u>	<u>531,487</u>
<b>Annual surplus</b>	167,792	225,033	181,133
<b>Accumulated surplus at beginning of year</b>	<u>2,409,954</u>	<u>2,409,954</u>	<u>2,228,821</u>
<b>Accumulated surplus at end of year</b>	\$ 2,577,746	\$ 2,634,987	\$ 2,409,954

---

**Village of Silverton****Consolidated Statement of Financial Assets**

<b>December 31,</b>	<b>2012</b>	<b>2011</b>
<b>Annual surplus</b>	\$ 167,792	\$ 181,133
Acquisition of tangible capital assets	(114,865)	(83,961)
Amortization of tangible capital assets	95,886	96,459
(Gain)/loss on sale of tangible capital asset	825	0
Proceeds on sale of tangible capital assets	<u>14,000</u>	<u>0</u>
	<u>163,638</u>	<u>193,631</u>
Change in prepaid expense	<u>355</u>	<u>(1,764)</u>
<b>Increase in net financial assets</b>	163,993	191,867
<b>Net financial assets at beginning of year</b>	<u>182,359</u>	<u>(9,508)</u>
<b>Net financial assets at end of year</b>	\$ 346,352	\$ 182,359

---

---

**Village of Silverton**

**Consolidated Statement of Cash Flows**

December 31,	2012	2011
<b>Operating transactions:</b>		
Annual surplus	\$ 167,792	\$ 181,133
Non-cash items:		
Amortization	95,886	96,459
Actuarial adjustments	(4,547)	(3,566)
(Gain)/Loss on sale of tangible capital assets	825	0
(Increase)/decrease in pre-paid expenses	355	(1,764)
Changes to financial assets/liabilities		
(Increase)/decrease in accounts receivable	(73,798)	2,133
Increase/(decrease) in accounts payable	14,117	(3,209)
Increase/(decrease) in deferred revenue	<u>57,465</u>	<u>(3,550)</u>
Cash provided by operating transactions	<u>258,095</u>	<u>267,636</u>
<b>Capital transactions:</b>		
Acquisition of tangible capital assets	(114,865)	(83,961)
Proceeds on the sale of tangible capital assets	<u>14,000</u>	<u>0</u>
Cash applied to capital transactions	<u>(100,865)</u>	<u>(83,961)</u>
<b>Financing transactions:</b>		
Debt repayment	(41,022)	(53,853)
New capital lease obligation	<u>62,587</u>	<u>0</u>
Cash applied to financing transactions	<u>21,565</u>	<u>(53,853)</u>
<b>Increase in cash and cash equivalents</b>	178,795	129,822
<b>Cash and cash equivalents at beginning of year</b>	<u>477,629</u>	<u>347,807</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 656,424</u>	<u>\$ 477,629</u>

Summary of Significant Accounting Policies

December 31, 2012

**Basis of Presentation**

The Consolidated Financial Statements of the Village of Silverton, which are the representation of management, are prepared in accordance with Canadian generally accepted accounting principles for governments 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. Inter-fund transactions have been eliminated on consolidation.

- i) Operating Funds: These funds include the General and Water operations of the Village. They are used to record the operating costs of the services provided by the Village
- ii) Capital Funds: These funds include the General and Water Capital Funds. They are used to record the acquisition and disposal of property and equipment and their related financing
- iii) Reserve Funds: Under the *Community Charter*, Village 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, Village Council may, by bylaw, transfer all or part of the balance to another reserve fund.

**Revenue Recognition**

Revenue is recognized using the accrual method of accounting. Taxes and utility fees are recognized in the fiscal year to which they relate. Service revenues and grant revenue is recognized in the period in which the Village's service delivery obligations are discharged.

**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 recorded at cost less accumulated amortization and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset, commencing the year the asset is put in to service. Donated tangible capital assets are reported at fair value at the time of donation. Estimated useful lives are as follows:

Buildings	20 - 50 years
Furniture, Fixtures, Equipment and Vehicles	5 - 25 years
Technology	3 - 5 years
Roads	10 - 100 years
Water Infrastructure	10 - 100 years



Summary of Significant Accounting Policies

December 31, 2012

---

**Use of Estimates**

The preparation of consolidated financial statements 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 accrued payroll liabilities and provisions for contingencies. As such, actual amounts could differ from the estimates.

**Budget figures**

The budget figures are based on budget Bylaw 472 which was adopted May 10, 2012. Subsequent amendments to the budget have not been reflected in the financial statements

Notes to the Consolidated Financial Statements

December 31, 2012

1. Cash and investments

	2012	2011
Unrestricted cash and investments	\$ 331,183	\$ 225,780
Restricted cash and investments		
Statutory Reserve	99,970	84,043
Restricted Revenue	<u>225,271</u>	<u>167,806</u>
	<u>\$ 656,424</u>	<u>\$ 477,629</u>

Interest rates on investments range from .02% - 1.20% and mature at various dates in 2013. Recorded values are considered to approximate market values.

2. Accounts receivable

	2012	2011
Property taxes	\$ 32,632	\$ 29,086
Other governments	14,578	16,070
Trade and other	<u>81,844</u>	<u>10,099</u>
	<u>\$ 129,054</u>	<u>\$ 55,255</u>

3. Deposit and Reserve - Municipal Finance Authority

The Municipal Finance Authority of British Columbia (the Authority) provides capital financing for regional districts and their member municipalities. The Authority is required to establish a Debt Reserve Fund. The Authority must then use this fund if at any time there are insufficient funds to meet payments on its obligations. If this occurs the regional districts may be called upon to restore the fund.

Each regional district, through its member municipalities who share in the proceeds of a debt issue, is required to pay into the Debt Reserve Fund certain amounts set out in the financing agreements. The interest earned on the Debt Reserve Fund, less administrative expenses, becomes an obligation of the Authority to the regional district.

Upon the maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the Municipality. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, the total of the Debt reserve fund was comprised of:

	2012	2011
Cash deposits	\$ 3,204	\$ 3,008
Demand notes	<u>13,846</u>	<u>13,846</u>
	<u>\$ 17,050</u>	<u>\$ 16,854</u>

Notes to the Consolidated Financial Statements

December 31, 2012

4. Accounts payable and accrued liabilities

	2012	2011
Other governments	\$ 17,150	\$ 18,212
Trade and other	<u>25,750</u>	<u>10,569</u>
	<u>\$ 42,900</u>	<u>\$ 28,781</u>

5. Deferred Revenue - Gas Tax Agreement

Gas Tax and Public Transit funding is provided by the Government of Canada and use of the funding is restricted by the terms of a funding agreement between the local government and the Union of British Columbia Municipalities. Gas Tax funding may be used towards certain public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements. Public Transit funding may be used towards the cost of certain public transit projects, as specified in the funding agreements.

**Federal Gas Tax Agreement Funds**

	2012	2011
Opening balance of unspent funds	\$ 149,722	\$ 161,697
Add: Amount received during the year	57,458	57,458
Interest earned	2,099	2,064
Less: Amount spent on eligible project costs	(1,732)	(71,497)
Amount spent on administration	<u>0</u>	<u>0</u>
Closing balance of unspent funds	<u>\$ 207,547</u>	<u>\$ 149,722</u>

6. Deferred Revenue - Other

	2012	2011
R.D.C.K. Community Development Funds	\$ 17,724	\$ 17,724
2012 Campground Reservation	<u>0</u>	<u>360</u>
	<u>\$ 17,724</u>	<u>\$ 18,084</u>

Notes to the Consolidated Financial Statements

December 31, 2012

7. Capital Leases

The Village has entered into capital lease agreements with the Municipal Finance Authority to finance the acquisition of capital assets. The required minimum lease payments over the next three years are as follows:

2013	\$ 22,497
2014	22,497
2015	<u>14,682</u>
Total minimum payments	59,676
Less amount representing interest	<u>(1,499)</u>
	<u>\$ 58,177</u>

Total interest expense during the year was \$383 (\$658 in 2011) and interest rates ranged from 1.25% - 5.25% (1.25% - 5.25% in 2011)

8. Long-term debt

By-law Number	Purpose	Term Remaining	% Rate	2012	2011
<b>General fund</b>					
411	Breakwater project	4yrs	3%	\$ 23,272	\$ 28,541
<b>Water fund</b>					
410	Water upgrade	4yrs	3%	<u>89,506</u>	<u>109,774</u>
				<u>\$ 112,778</u>	<u>\$ 138,315</u>

Future annual principal requirements on existing debt in the next five years and thereafter are as follows:

	General Fund	Water Fund
2013	\$ 4,331	\$ 16,658
2014	4,331	16,658
2015	4,331	16,658
2016	4,331	16,658
2017	4,331	16,658
And thereafter	<u>1,617</u>	<u>6,216</u>
	\$ 23,272	\$ 89,506

Notes to the Consolidated Financial Statements

December 31, 2012

**9. Pension liability**

The municipality and its employees contribute to the Municipal Pension Plan (Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local governments.

The latest 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. Defined contribution plan accounting is applied to the Plan as the Plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, Plan assets and cost to individual entities participating in the Plan.

The Village of Silverton paid \$3,279 for employer contributions to the Plan in fiscal 2012.

**10. Tangible Capital Assets**

	2012	2011
<b>General fund</b>		
Land	\$ 93,917	\$ 93,917
Buildings	768,002	794,067
Machinery and equipment	133,892	76,498
Roads - Paving	87,331	93,622
Engineering structures	<u>251,856</u>	<u>239,100</u>
	<u>1,334,998</u>	<u>1,297,204</u>
<b>Water fund</b>		
Engineering structures	878,438	908,987
Machinery and equipment	<u>7,729</u>	<u>10,820</u>
	<u>886,167</u>	<u>919,807</u>
	<u>\$ 2,221,165</u>	<u>\$ 2,217,011</u>

Notes to the Consolidated Financial Statements

December 31, 2012

11. Equity in Tangible Capital Assets

Equity in tangible capital assets (TCA) represents 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:

	2012	2011
Equity in TCA, beginning of year	\$ 2,063,072	\$ 2,018,152
Add: Capital acquisitions	114,865	83,961
Debt principal repayment	41,022	53,853
Actuarial adjustment	4,547	3,565
Less: Amortization	(95,886)	(96,459)
Disposal of tangible capital assets	(14,825)	0
New debt acquired	<u>(62,585)</u>	<u>0</u>
Equity in TCA, end of year	<u>\$ 2,050,210</u>	<u>\$ 2,063,072</u>

12. Expenditure by Object

	2012	2011
Wages, benefits and council indemnity	\$ 171,636	\$ 209,889
Goods and services	498,883	212,738
Interest and finance charges	12,126	12,401
Amortization	<u>95,886</u>	<u>96,459</u>
	<u>\$ 778,531</u>	<u>\$ 531,487</u>

13. Reconciliation to Budget

<b>Budgeted Annual Surplus</b>	\$ 225,033
Capital expenditures	(67,877)
Principal repayments	(47,506)
Budgeted transfer to surplus	<u>(109,650)</u>
Financial Plan Bylaw #472	<u>\$ 0</u>

**Village of Silverton**  
**General Fund Statement of Financial Position**

December 31,	2012	2011
<b>Assets</b>		
<b>Operating fund</b>		
Cash and investments	\$ 547,199	\$ 384,376
Accounts receivable (Note 2)	129,054	55,255
Prepaid expenses	<u>10,229</u>	<u>10,584</u>
	<u>686,482</u>	<u>450,215</u>
<b>Capital fund</b>		
Tangible capital assets (Note 10)	<u>1,334,998</u>	<u>1,297,204</u>
	\$ 2,021,480	\$ 1,747,419
<b>Liabilities and Equity</b>		
<b>Operating fund</b>		
Accounts payable (Note 4)	\$ 42,900	\$ 28,781
Due to other funds	42,247	41,670
Deferred revenue - Gas Tax Agreement (Note 5)	207,547	149,722
Deferred revenue - Other (Note 6)	17,724	18,084
Accumulated Surplus	<u>376,063</u>	<u>211,959</u>
	<u>686,481</u>	<u>450,216</u>
<b>Capital fund</b>		
Long-term debt (Note 8)	23,272	28,541
Obligation under capital leases (Note 7)	58,177	15,623
Equity in tangible capital assets	<u>1,253,550</u>	<u>1,253,039</u>
	<u>1,334,999</u>	<u>1,297,203</u>
	\$ 2,021,480	\$ 1,747,419

Approved on behalf of the Council:



, Mayor

Village of Silverton

General Capital Fund Statement of Financial Activities

For the year ended December 31,	2012	2011
<b>Sources of Financing</b>		
<b>Transfers</b>		
Proceeds from capital lease	\$ 62,586	\$ 0
Transfer from general operating fund	36,547	17,466
Proceeds from sale of assets	<u>14,000</u>	<u>6,000</u>
	<u>\$ 113,133</u>	<u>\$ 17,466</u>
<b>Capital Expenditures</b>		
General government services	\$ 113,133	\$ 17,466
<b>Equity in Tangible Capital Assets</b>		
<b>Increases</b>		
Debt reduction		
Principal repayment	\$ 24,364	\$ 37,194
Actuarial adjustment	939	737
Capital expenditures		
General operating fund contribution	<u>36,547</u>	<u>17,466</u>
	61,850	55,397
<b>Decrease</b>		
Amortization	(60,514)	(61,914)
Loss on Sale of Capital Assets	<u>(825)</u>	<u>0</u>
<b>Change in equity in tangible capital assets</b>	511	(6,517)
<b>Balance, beginning of year</b>	<u>1,253,039</u>	<u>1,259,556</u>
<b>Balance, end of year</b>	<u>\$ 1,253,550</u>	<u>\$ 1,253,039</u>



Village of Silverton

General Operating Fund Statement of Financial Activities

For the year ended December 31,	2012	Budget	2011
<b>Revenue</b>			
Taxation - net (Schedule 1)	\$ 103,827	\$ 103,838	\$ 104,196
Grants in lieu of taxes (Schedule 1)	3,286	3,281	3,229
Grants and transfers	684,719	807,893	400,023
Sales of services			
Customer service	1,484	1,550	3,523
Public health	17,041	17,090	17,061
Parks and cultural services	38,816	34,500	31,676
Rentals	9,115	8,675	7,488
Licenses, permits, penalties and fines	6,303	5,820	5,970
Returns on investments	4,782	2,900	2,914
Other	7,969	2,200	2,180
	<u>877,342</u>	<u>987,747</u>	<u>578,260</u>
<b>Expenditures</b>			
General governmental services	135,092	144,045	179,858
Protective services	37,950	35,745	31,610
Transportation services	104,373	132,690	107,873
Public health	11,953	13,500	12,713
Parks and cultural services	45,976	47,185	37,521
Environmental development services	302,392	409,000	15,262
Interest on long-term debt	2,806	2,722	3,081
	<u>640,542</u>	<u>784,887</u>	<u>387,918</u>
<b>Net operating revenues over expenditures</b>	<u>236,800</u>	<u>202,860</u>	<u>190,342</u>
<b>Fiscal services</b>			
Debt principal repayments	(24,364)	(30,848)	(37,194)
Transfer to general capital fund	(36,547)	(60,577)	(17,466)
Transfer to capital reserve fund	(10,000)	(10,000)	(10,000)
Transfer to water operating	(1,785)	(1,785)	(1,500)
<b>Change in surplus</b>	<u>164,104</u>	<u>99,650</u>	<u>124,182</u>
<b>Accumulated Surplus, beginning of year</b>	<u>211,959</u>	<u>211,959</u>	<u>87,777</u>
<b>Accumulated Surplus, end of year</b>	\$ 376,063	\$ 311,609	\$ 211,959

Village of Silverton

Water Fund Statement of Financial Position

December 31,	2012	2011
<b>Assets</b>		
<b>Operating fund</b>		
Cash and investments	\$ 9,194	\$ 9,150
Due from other funds	<u>42,309</u>	<u>41,730</u>
	<u>51,503</u>	<u>50,880</u>
<b>Capital fund</b>		
Tangible capital assets (Note 10)	<u>886,167</u>	<u>919,807</u>
	\$ 937,670	\$ 970,687

**Liabilities and Equity**

<b>Operating fund</b>		
Accumulated Surplus	\$ <u>51,503</u>	\$ <u>50,880</u>
<b>Capital fund</b>		
Long-term debt (Note 8)	89,507	109,774
Equity in tangible capital assets	<u>796,660</u>	<u>810,033</u>
	<u>886,167</u>	<u>919,807</u>
	\$ 937,670	\$ 970,687

Approved on behalf of the Council:

*K. P. ...*

, Mayor

**Village of Silverton**

**Water Capital Fund Statement of Financial Activities**

For the year ended December 31,	2012	2011
<b>Source of Financing</b>		
<b>Transfers</b>		
Gas Tax Agreement funds	\$ <u>1,732</u>	\$ <u>66,495</u>
<b>Capital expenditures</b>		
Water system	\$ <u>1,732</u>	\$ <u>66,495</u>
<hr/>		
<b>Equity in Tangible Capital Assets</b>		
<b>Increases</b>		
Principal repayment	\$ 16,658	\$ 16,658
Actuarial adjustment	3,609	2,829
Capital expenditures	<u>1,732</u>	<u>66,495</u>
	<u>21,999</u>	<u>85,982</u>
<b>Decrease</b>		
Amortization	<u>(35,372)</u>	<u>(34,545)</u>
<b>Change in equity in tangible capital assets</b>	(13,373)	51,437
<b>Balance, beginning of year</b>	<u>810,033</u>	<u>758,596</u>
<b>Balance, end of year</b>	\$ <u>796,660</u>	\$ <u>810,033</u>

Village of Silverton

Water Operating Fund Statement of Financial Activities

For the year ended December 31,	2012	Budget	2011
<b>Revenue</b>			
Water user charges	\$ 62,505	\$ 62,554	\$ 61,991
Grants	1,732	7,300	66,495
Connections and inspections	50	1,000	1,430
Return on investments	<u>44</u>	<u>10</u>	<u>16</u>
	<u>64,331</u>	<u>70,864</u>	<u>129,932</u>
<b>Expenditure</b>			
Administration	12,214	17,685	17,857
Water system maintenance	20,569	21,686	19,933
Interest on long-term debt	<u>9,320</u>	<u>9,320</u>	<u>9,320</u>
	<u>42,103</u>	<u>48,691</u>	<u>47,110</u>
<b>Net operating revenues over expenditures</b>	22,228	22,173	82,822
<b>Fiscal services</b>			
Debt principal repayments	(16,658)	(16,658)	(16,658)
Transfer to water capital fund	(1,732)	(7,300)	(66,495)
Transfer to water capital reserve fund	(5,000)	(5,000)	0
Transfer from general operating fund	<u>1,785</u>	<u>1,785</u>	<u>1,500</u>
	<u>(21,605)</u>	<u>(27,173)</u>	<u>(81,653)</u>
<b>Change in surplus</b>	623	(5,000)	1,169
<b>Accumulated Surplus, beginning of year</b>	<u>50,880</u>	<u>50,880</u>	<u>49,711</u>
<b>Accumulated Surplus, end of year</b>	51,503	\$ 45,880	\$ 50,880

Village of Silverton

Reserve Funds Statement of Financial Position

December 31,	2012	2011
<b>Assets</b>		
<b>Reserve funds</b>		
Cash and investments	\$ 100,030	\$ 84,103
	\$ 100,030	\$ 84,103
<b>Liabilities</b>		
<b>Reserve funds</b>		
Due to other funds	\$ 60	\$ 60
General Capital Reserve Fund Balance	94,960	84,043
Water Capital Reserve Fund Balance	5,010	0
	\$ 100,030	\$ 84,103

Approved on behalf of the Council:

*K. P. ...*

, Mayor

---

Village of Silverton

Reserve Funds Statement of Financial Activities

For the year ended December 31,	2012	2011
<b>Reserve funds</b>		
<b>Sources of funds</b>		
Return on investments	\$ 927	\$ 862
Transfer from operating funds	<u>15,000</u>	<u>10,000</u>
	<u>15,927</u>	<u>10,862</u>
<b>Change in reserve fund balance</b>	15,927	10,862
<b>Fund balance, beginning of year</b>	<u>84,043</u>	<u>73,181</u>
<b>Fund balance, end of year</b>	<u>\$ 99,970</u>	<u>\$ 84,043</u>

**Village of Silverton**  
**Schedule 1**  
**General Operating Fund - Taxation and Grants in Lieu of Taxes**

For the year ended December 31,	2012	Budget	2011
<b>Taxation - net</b>			
Taxation revenue is comprised of the following amounts raised less transfers to other governments			
Taxation			
General municipal purposes	\$ 103,838	\$ 103,838	\$ 103,796
Collections for other governments			
School District	126,708	126,708	123,378
Regional District	43,087	43,086	42,061
Regional Hospital District	9,869	9,874	9,608
British Columbia Assessment Authority	2,949	2,949	2,971
Municipal Finance Authority	9	9	9
Police tax	<u>10,927</u>	<u>10,755</u>	<u>10,512</u>
	<u>297,387</u>	<u>297,219</u>	<u>292,335</u>
Transfers to other Governments			
School district	126,708	126,708	123,378
Regional District	43,086	43,086	41,757
Regional Hospital District	9,873	9,874	9,541
Municipal Finance Authority	9	9	9
British Columbia Assessment Authority	2,957	2,949	2,942
Police Tax	<u>10,927</u>	<u>10,755</u>	<u>10,512</u>
	<u>193,560</u>	<u>193,381</u>	<u>188,139</u>
	\$ 103,827	\$ 103,838	\$ 104,196
<b>Grants in lieu of taxes</b>			
B.C. Hydro	\$ 2,074	\$ 2,074	\$ 1,965
Telus	876	876	904
B.C. Housing	<u>336</u>	<u>331</u>	<u>360</u>
	\$ 3,286	\$ 3,281	\$ 3,229

**Village of Silverton**  
**Schedule 2**  
**General Operating Fund - Grants and Transfers**

For the year ended December 31,	2012	Budget	2011
<b>Government Grants</b>			
Strategic Community Investment Funds	\$ 375,252	\$ 375,252	\$ 365,786
B.C. Street Lighting Grant	581	576	576
Other Provincial Grants	276,325	397,000	10,000
Other Federal Grants	1,313	1,477	13,872
Other Grants	31,248	33,588	4,788
Gas Tax/Public Transit Grant	<u>1,732</u>	<u>7,300</u>	<u>71,495</u>
	<b>\$ 686,451</b>	<b>\$ 815,193</b>	<b>\$ 466,517</b>