

**VILLAGE OF SILVERTON  
2011 ANNUAL REPORT**



*June 2012*

**Village of Silverton**  
Financial Statements  
For the year ended December 31, 2011

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## Management Report

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These financial statements have been prepared by management in accordance with generally accepted accounting principles and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the notes to the financial 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 Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises this responsibility through the Council. The Council reviews internal financial statements on a monthly basis and external Audited Financial Statements yearly.

The external auditors, Berg Naqvi Lehmann, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination includes a review and evaluation of the Village's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to financial management of the Village of Silverton and meet when required.

On behalf of the Village of Silverton



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Elaine Rogers  
Chief Financial Officer  
April 17, 2012

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## INDEPENDENT AUDITORS' REPORT

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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, 2011, 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 generally accepted accounting principles and in accordance with Section 167 of the Community Charter of BC, 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 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.

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## INDEPENDENT AUDITORS' REPORT (Continued)

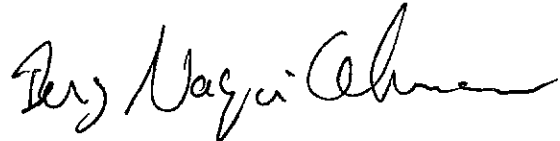
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To the Mayor and Council  
Village of Silverton

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 financial statements present fairly, in all material respects, the financial position of the Village of Silverton as at December 31, 2011, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

April 17, 2012

Nelson, B.C.

**Village of Silverton**

**Consolidated Statement of Financial Position**

December 31,	2011	2010
<b>Financial Assets</b>		
Cash and investments (Note 1)	\$ 477,629	\$ 347,807
Accounts receivable (Note 2)	<u>55,255</u>	<u>57,388</u>
	<u>532,884</u>	<u>405,195</u>
<b>Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	28,781	31,990
Deferred revenue - Gas Tax Agreement (Note 5)	149,722	161,696
Deferred revenue - Other (Note 6)	18,084	9,660
Capital leases (Note 7)	15,623	48,487
Long-term debt (Note 8)	<u>138,315</u>	<u>162,870</u>
	<u>350,525</u>	<u>414,703</u>
<b>Net financial assets (debt)</b>	182,359	(9,508)
<b>Non-financial assets</b>		
Prepaid expense	10,584	8,820
Tangible capital assets (Note 10)	<u>2,217,011</u>	<u>2,229,509</u>
	<u>\$ 2,409,954</u>	<u>\$ 2,228,821</u>
<b>Municipal position</b>		
<b>Financial equity</b>		
Operating funds	\$ 262,839	\$ 137,488
Statutory reserve fund (page 21)	<u>84,043</u>	<u>73,181</u>
	<u>346,882</u>	<u>210,669</u>
Equity in tangible capital assets (Note 11)	<u>2,063,072</u>	<u>2,018,152</u>
	<u>\$ 2,409,954</u>	<u>\$ 2,228,821</u>

Approved on behalf of the Council:

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

Village of Silverton

Consolidated Statement of Financial Activities

For the year ended December 31,	2011	Budget	2010
<b>Revenue</b>			
Taxation (Schedule 1)	\$ 104,196	\$ 103,419	\$ 98,169
Grants in lieu of taxes (Schedule 1)	3,229	2,869	2,763
Government grants (Schedule 2)	466,517	388,968	667,220
Sale of services			
Customer service	3,523	830	1,705
Water	63,421	62,817	59,778
Public health	17,061	17,070	15,965
Parks and cultural services	31,676	35,500	33,910
Rentals	7,488	7,925	7,475
Licenses, permits, penalties and fines	5,970	6,500	7,022
Return on investments	7,358	2,250	9,275
Donations and other	2,181	2,200	9,649
Gain on sale of tangible capital assets	0	0	12,376
	<u>712,620</u>	<u>630,348</u>	<u>925,307</u>
<b>Expenses (Note 12)</b>			
General governmental services	179,858	191,467	145,693
Protective services	31,610	35,220	31,356
Transportation services	107,873	123,375	77,806
Water system maintenance	37,790	39,089	43,698
Public health	12,713	14,000	13,293
Parks and cultural services	37,521	50,800	49,038
Environmental development services	15,262	15,000	0
Debt financing	12,401	12,402	14,251
Amortization	96,459	0	89,147
	<u>531,487</u>	<u>481,353</u>	<u>464,282</u>
Total operating expenditures			
<b>Annual surplus</b>	181,133	148,995	461,025
<b>Accumulated surplus at beginning of year</b>	<u>2,228,821</u>	<u>2,228,821</u>	<u>1,767,796</u>
<b>Accumulated surplus at end of year</b>	\$ 2,409,954	\$ 2,377,816	\$ 2,228,821

**Village of Silverton**

**Consolidated Statement of Financial Assets**

December 31,	2011	2010
<b>Annual surplus</b>	\$ 181,133	\$ 461,025
Acquisition of tangible capital assets	(83,961)	(454,799)
Amortization of tangible capital assets	96,459	89,147
(Gain)/loss on sale of tangible capital asset	0	(12,376)
Proceeds on sale of tangible capital assets	0	24,110
Reversal of P.S.T. obligation	<u>0</u>	<u>3,676</u>
	<u>193,631</u>	<u>110,783</u>
Change in prepaid expense	<u>(1,764)</u>	<u>(69)</u>
<b>Decrease in net debt</b>	191,867	110,714
<b>Net debt at beginning of year</b>	<u>(9,508)</u>	<u>(120,222)</u>
<b>Net financial assets (debt)</b>	<b>\$ 182,359</b>	<b>\$ (9,508)</b>



**Village of Silverton**

**Consolidated Statement of Cash Flows**

December 31,	2011	2010
<b>Operating transactions:</b>		
Annual surplus	\$ 181,133	\$ 461,025
Non-cash items:		
Amortization	96,459	89,147
Actuarial adjustments	(3,566)	(6,587)
Gain on sale of tangible capital assets	0	(12,376)
(Increase)/decrease in pre-paid expenses	(1,764)	(69)
Changes to financial assets/liabilities		
(Increase)/decrease in accounts receivable	2,133	7,505
Increase/(decrease) in accounts payable	(3,209)	(2,704)
Increase/(decrease) in deferred revenue	<u>(3,550)</u>	<u>(384,704)</u>
Cash provided by operating transactions	<u>267,636</u>	<u>151,237</u>
<b>Capital transactions:</b>		
Acquisition of tangible capital assets	(83,961)	(454,799)
Proceeds on the sale of tangible capital assets	<u>0</u>	<u>24,110</u>
Cash applied to capital transactions	<u>(83,961)</u>	<u>(430,689)</u>
<b>Financing transactions:</b>		
Debt repayment	<u>(53,853)</u>	<u>(66,951)</u>
Cash applied to financing transactions	<u>(53,853)</u>	<u>(66,951)</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>129,822</b>	<b>(346,403)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b><u>347,807</u></b>	<b><u>694,210</u></b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 477,629</b>	<b>\$ 347,807</b>

The accompanying notes and schedules are an integral part of these financial statements

Summary of Significant Accounting Policies

December 31, 2011

**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**

Sources of revenue are recorded on the accrual basis and include revenue in the period in which the transactions or events occurred that give rise to the revenues, and expenses in the period the goods and services are acquired and a liability is incurred or transfers are due. Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service or product is rendered by the Village. Grant revenues are recognized when the funding becomes receivable. Revenue unearned in the current period is recorded as deferred revenue.

**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

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Village of Silverton

Summary of Significant Accounting Policies

December 31, 2011

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**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 468 which was adopted May 12, 2011. Subsequent amendments to the budget have not been reflected in the financial statements

**Village of Silverton**

**Notes to the Consolidated Financial Statements**

**December 31, 2011**

**1. Cash and investments**

	2011	2010
Unrestricted cash and investments	\$ 225,780	\$ 103,270
Restricted cash and investments		
Statutory Reserve	84,043	73,181
Restricted Revenue	<u>167,806</u>	<u>171,356</u>
	<u>\$ 477,629</u>	<u>\$ 347,807</u>

Interest rates on investments range from .05% - 1.20% and mature at various dates in 2012. Recorded values are considered to approximate market values.

**2. Accounts receivable**

	2011	2010
Property taxes	\$ 29,086	\$ 16,087
Other governments	16,070	30,569
Trade and other	<u>10,099</u>	<u>10,732</u>
	<u>\$ 55,255</u>	<u>\$ 57,388</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:

	2011	2010
Cash deposits	\$ 3,110	\$ 3,008
Demand notes	<u>13,846</u>	<u>13,846</u>
	<u>\$ 16,956</u>	<u>\$ 16,854</u>

Village of Silverton

Notes to the Consolidated Financial Statements

December 31, 2011

4. Accounts payable and accrued liabilities

	2011	2010
Other governments	\$ 18,212	\$ 17,736
Trade and other	<u>10,569</u>	<u>14,254</u>
	<u>\$ 28,781</u>	<u>\$ 31,990</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	2011	2010
Opening balance of unspent funds	\$ 161,697	\$ 148,755
Add: Amount received during the year	57,458	57,458
Interest earned	2,064	1,711
Less: Amount spent on eligible project costs	(71,497)	(46,228)
Amount spent on administration	<u>0</u>	<u>0</u>
Closing balance of unspent funds	<u>\$ 149,722</u>	<u>\$ 161,696</u>

6. Deferred Revenue - Other

	2011	2010
R.D.C.K. Community Development Funds	\$ 17,724	\$ 9,660
2012 Campground Reservation	<u>360</u>	<u>0</u>
	<u>\$ 18,084</u>	<u>\$ 9,660</u>

**Village of Silverton**

**Notes to the Consolidated Financial Statements**

**December 31, 2011**

**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:

	15,725
2012	
Total minimum payments	15,725
Less amount representing interest	(102)
	\$ 15,623

Total interest expense during the year was \$658 (\$2,485 in 2010) and interest rates ranged from 1.25% - 5.25% (1.25% - 5.25% in 2010)

**8. Long-term debt**

By-law Number	Purpose	Term Remaining	% Rate	2011	2010
<b>General fund</b>					
411	Breakwater project	5yrs	3%	\$ 28,541	\$ 33,608
<b>Water fund</b>					
410	Water upgrade	5yrs	3%	109,774	129,262
				\$ 138,315	\$ 162,870

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

	General Fund	Water Fund
2012	\$ 4,331	\$ 16,658
2013	4,331	16,658
2014	4,331	16,658
2015	4,331	16,658
2016	4,331	16,658
And thereafter	6,886	26,484
	\$ 28,541	\$ 109,774

Notes to the Consolidated Financial Statements

December 31, 2011

**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 \$3,247 for employer contributions to the Plan in fiscal 2011.

**10. Tangible Capital Assets**

	2011	2010
<b>General fund</b>		
Land	\$ 93,917	\$ 93,917
Buildings	794,067	812,178
Machinery and equipment	76,498	96,258
Roads - Paving	93,622	90,288
Engineering structures	<u>239,100</u>	<u>249,010</u>
	<u>1,297,204</u>	<u>1,341,651</u>
<b>Water fund</b>		
Engineering structures	908,987	873,947
Machinery and equipment	<u>10,820</u>	<u>13,911</u>
	<u>919,807</u>	<u>887,858</u>
	<u>\$ 2,217,011</u>	<u>\$ 2,229,509</u>

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Village of Silverton

Notes to the Consolidated Financial Statements

December 31, 2011

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**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:

	2011	2010
Equity in TCA, beginning of year	\$ 2,018,152	\$ 1,590,696
Add: Capital acquisitions	83,961	454,799
Debt principal repayment	53,853	66,951
Actuarial adjustment	3,565	6,587
Less: Amortization	(96,459)	(89,147)
Disposal of tangible capital assets	<u>0</u>	<u>(11,734)</u>
Equity in TCA, end of year	\$ 2,063,072	\$ 2,018,152

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**12. Expenditure by Object**

	2011	2010
Salary, wages and benefits	\$ 209,889	\$ 267,516
Goods and services	212,738	93,368
Interest and finance charges	12,401	14,251
Amortization	<u>96,459</u>	<u>89,147</u>
	\$ 531,487	\$ 464,282

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**13. Reconciliation to Budget**

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Annual Surplus	\$ 148,995
Capital expenditures	(95,143)
Principal repayments	<u>(53,852)</u>
Financial Plan Bylaw #468 surplus for the year	\$ <u>0</u>



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

December 31	2011	2010
<b>Assets</b>		
<b>Operating fund</b>		
Cash and investments	\$ 384,376	\$ 261,042
Accounts receivable (Note 2)	55,255	57,388
Prepaid expenses	<u>10,584</u>	<u>8,820</u>
	<u>450,215</u>	<u>327,250</u>
<b>Capital fund</b>		
Tangible capital assets (Note 10)	<u>1,297,204</u>	<u>1,341,651</u>
	<u>\$ 1,747,419</u>	<u>\$ 1,668,901</u>
<b>Liabilities and Equity</b>		
<b>Operating fund</b>		
Accounts payable (Note 4)	\$ 28,781	\$ 31,990
Due to other funds	41,670	36,127
Deferred revenue - Gas Tax Agreement (Note 5)	149,722	161,696
Deferred revenue - Other (Note 6)	18,084	9,660
Surplus	<u>211,959</u>	<u>87,777</u>
	<u>450,216</u>	<u>327,250</u>
<b>Capital fund</b>		
Long-term debt (Note 8)	28,541	33,608
Obligation under capital leases (Note 7)	15,623	48,487
Equity in tangible capital assets	<u>1,253,039</u>	<u>1,259,556</u>
	<u>1,297,203</u>	<u>1,341,651</u>
	<u>\$ 1,747,419</u>	<u>\$ 1,668,901</u>

Approved on behalf of the Council:

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

**Village of Silverton**

**General Capital Fund Statement of Financial Activities**

For the year ended December 31	2011	2010
<b>Sources of Financing</b>		
<b>Transfers</b>		
Transfer from reserve fund	\$ 0	\$ 0
Transfer from general operating fund	17,466	210,866
Proceeds from sale of fire truck	<u>0</u>	<u>6,000</u>
	<u>\$ 17,466</u>	<u>\$ 210,866</u>
<b>Capital Expenditures</b>		
General government services	\$ 17,466	\$ 216,866
<b>Equity in Tangible Capital Assets</b>		
<b>Increases</b>		
Debt reduction		
Principal repayment	\$ 37,194	\$ 50,293
Actuarial adjustment	737	4,507
Capital expenditures		
Own funds	0	6,000
General operating fund	<u>17,466</u>	<u>210,866</u>
	55,397	271,666
<b>Decrease</b>		
Amortization		
	(61,914)	(58,140)
Loss on Sale of Capital Assets	<u>0</u>	<u>(11,734)</u>
<b>Change in equity in tangible capital assets</b>	(6,517)	201,792
<b>Balance, beginning of year</b>	<u>1,259,556</u>	<u>1,057,764</u>
<b>Balance, end of year</b>	<u>\$ 1,253,039</u>	<u>\$ 1,259,556</u>

Village of Silverton

General Operating Fund Statement of Financial Activities

For the year ended December 31	2011	Budget	2010
<b>Revenue</b>			
Taxation - net (Schedule 1)	\$ 104,196	\$ 103,419	\$ 98,169
Grants in lieu of taxes (Schedule 1)	3,229	2,869	2,763
Grants and transfers	400,023	315,196	429,287
Sales of services			
Customer service	3,523	830	1,705
Public health	17,061	17,070	15,965
Parks and cultural services	31,676	35,500	33,910
Rentals	7,488	7,925	7,475
Licenses, permits, penalties and fines	5,970	6,500	7,022
Returns on investments	2,914	1,500	1,421
Other	<u>2,180</u>	<u>12,200</u>	<u>9,649</u>
	<u>578,260</u>	<u>503,009</u>	<u>607,366</u>
<b>Expenditures</b>			
General governmental services	179,858	191,467	145,693
Protective services	31,610	35,220	31,356
Transportation services	107,873	123,375	77,806
Public health	12,713	14,000	13,293
Parks and cultural services	37,521	50,800	49,039
Environmental development services	15,262	15,000	0
Interest on long-term debt	<u>3,081</u>	<u>3,082</u>	<u>4,931</u>
	<u>387,918</u>	<u>432,944</u>	<u>322,118</u>
<b>Net operating revenues over expenditures</b>	<u>190,342</u>	<u>70,065</u>	<u>285,248</u>
<b>Fiscal services</b>			
Debt principal repayments	(37,194)	(37,194)	(50,293)
Transfer to general capital fund	(17,466)	(21,371)	(210,866)
Transfer to capital reserve fund	(10,000)	(10,000)	(10,000)
Transfer to water operating	<u>(1,500)</u>	<u>(1,500)</u>	<u>0</u>
<b>Change in surplus</b>	<u>124,182</u>	<u>0</u>	<u>14,089</u>
<b>Surplus, beginning of year</b>	<u>87,777</u>	<u>87,777</u>	<u>73,688</u>
<b>Surplus, end of year</b>	\$ 211,959	\$ 87,777	\$ 87,777

Village of Silverton

Water Fund Statement of Financial Position

December 31	2011	2010
<b>Assets</b>		
<b>Operating fund</b>		
Cash and investments	\$ 9,150	\$ 901
Due from other funds	<u>41,730</u>	<u>48,810</u>
	<u>50,880</u>	<u>49,711</u>
<b>Capital fund</b>		
Tangible capital assets (Note 10)	<u>919,807</u>	<u>887,858</u>
	<u>\$ 970,687</u>	<u>\$ 937,569</u>
<b>Liabilities and Equity</b>		
<b>Operating fund</b>		
Surplus	\$ <u>50,880</u>	\$ <u>49,711</u>
<b>Capital fund</b>		
Long-term debt (Note 8)	109,774	129,262
Equity in tangible capital assets	<u>810,033</u>	<u>758,596</u>
	<u>919,807</u>	<u>887,858</u>
	<u>\$ 970,687</u>	<u>\$ 937,569</u>

Approved on behalf of the Council:

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

Village of Silverton

Water Capital Fund Statement of Financial Activities

For the year ended December 31	2011	2010
<b>Source of Financing</b>		
<b>Transfers</b>		
Water operating fund	\$ 66,495	\$ 237,933
<b>Capital expenditures</b>		
Water system	\$ 66,495	\$ 237,933
<b>Equity in Tangible Capital Assets</b>		
<b>Increases</b>		
Principal repayment	\$ 16,658	\$ 16,658
Actuarial adjustment	2,829	2,080
Capital expenditures	66,495	237,933
	<u>85,982</u>	<u>256,671</u>
<b>Decrease</b>		
Amortization	<u>(34,545)</u>	<u>(31,007)</u>
<b>Change in equity in tangible capital assets</b>	51,437	225,664
<b>Balance, beginning of year</b>	<u>758,596</u>	<u>532,932</u>
<b>Balance, end of year</b>	\$ 810,033	\$ 758,596

Village of Silverton

Water Operating Fund Statement of Financial Activities

For the year ended December 31	2011	Budget	2010
<b>Revenue</b>			
Water user charges	\$ 61,991	\$ 61,817	\$ 59,628
Water grants	66,495	73,772	237,933
Connections and inspections	1,430	1,000	150
Return on investments	<u>16</u>	<u>750</u>	<u>765</u>
	<u>129,932</u>	<u>137,339</u>	<u>298,476</u>
<b>Expenditure</b>			
Administration	17,857	18,733	15,244
Water system maintenance	19,933	20,356	28,453
Interest on long-term debt	<u>9,320</u>	<u>9,320</u>	<u>9,320</u>
	<u>47,110</u>	<u>48,409</u>	<u>53,017</u>
<b>Net operating revenues over expenditures</b>	82,822	88,930	245,459
<b>Fiscal services</b>			
Debt principal repayments	(16,658)	(16,658)	(16,658)
Transfer to water capital fund	(66,495)	(73,772)	(237,933)
Transfer from general operating fund	<u>1,500</u>	<u>1,500</u>	<u>0</u>
	<u>(81,653)</u>	<u>(88,930)</u>	<u>(254,591)</u>
<b>Change in surplus</b>	1,169	0	(9,132)
<b>Surplus, beginning of year</b>	<u>49,711</u>	<u>49,711</u>	<u>58,843</u>
<b>Surplus, end of year</b>	50,880	\$ 49,711	\$ 49,711

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Village of Silverton

Reserve Funds Statement of Financial Position

December 31	2011	2010
<b>Assets</b>		
<b>Reserve funds</b>		
Cash and investments	\$ 84,103	\$ 85,864
	\$ 84,103	\$ 85,864
<b>Liabilities</b>		
<b>Reserve funds</b>		
Due to other funds	\$ 60	\$ 12,683
Reserve fund balance	84,043	73,181
	\$ 84,103	\$ 85,864

Approved on behalf of the Council:

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

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Village of Silverton

Reserve Funds Statement of Financial Activities

For the year ended December 31	2011	2010
<b>Reserve funds</b>		
<b>Sources of funds</b>		
Return on investments	\$ 862	\$ 502
Transfer from operating fund	10,000	10,000
Proceed from Sale of Land	<u>0</u>	<u>18,110</u>
	<u>10,862</u>	<u>28,612</u>
<b>Change in reserve fund balance</b>	10,862	28,612
<b>Fund balance, beginning of year</b>	<u>73,181</u>	<u>44,569</u>
<b>Fund balance, end of year</b>	<u>\$ 84,043</u>	<u>\$ 73,181</u>



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

For the year ended December 31	2011	Budget	2010
<b>Taxation - net</b>			
Taxation revenue is comprised of the following amounts raised less transfers to other governments			
<b>Taxation</b>			
General municipal purposes	\$ 103,796	\$ 103,419	\$ 98,340
<b>Collections for other governments</b>			
School District	123,378	133,388	127,346
Regional District	42,061	41,757	40,173
Regional Hospital District	9,608	9,541	8,526
British Columbia Assessment Authority	2,971	2,942	3,254
Municipal Finance Authority	9	9	9
Police tax	<u>10,512</u>	<u>10,436</u>	<u>10,139</u>
	<u>292,335</u>	<u>301,492</u>	<u>287,787</u>
<b>Transfers to other Governments</b>			
School district	123,378	133,388	127,346
Regional District	41,757	41,757	40,304
Regional Hospital District	9,541	9,541	8,552
Municipal Finance Authority	9	9	9
British Columbia Assessment Authority	2,942	2,942	3,268
Police Tax	<u>10,512</u>	<u>10,436</u>	<u>10,139</u>
	<u>188,139</u>	<u>198,073</u>	<u>189,618</u>
	<u>\$ 104,196</u>	<u>\$ 103,419</u>	<u>\$ 98,169</u>
<b>Grants in lieu of taxes</b>			
B.C. Hydro	\$ 1,965	\$ 1,965	\$ 1,797
Telus	904	904	966
B.C. Housing	<u>360</u>	<u>0</u>	<u>0</u>
	<u>\$ 3,229</u>	<u>\$ 2,869</u>	<u>\$ 2,763</u>

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

For the year ended December 31	2011	Budget	2010
<b>Government Grants</b>			
B.C. Small Community Grant	\$ 365,786	\$ 265,000	\$ 281,774
B.C. Street Lighting Grant	576	564	538
Other Provincial Grants	10,000	10,000	199,132
Other Federal Grants	13,872	15,972	99,050
Other Grants	4,788	18,660	40,498
Gas Tax/Public Transit Grant	<u>71,495</u>	<u>78,772</u>	<u>46,228</u>
	<b>\$ 466,517</b>	<b>\$ 388,968</b>	<b>\$ 667,220</b>

**VILLAGE OF SILVERTON**  
**PERMISSIVE TAX EXEMPTIONS GRANTED – 2011**

In accordance with Section 98(2)(b) of the Community Charter, the following properties in the Village of Silverton were provided permissive property tax exemptions by Council in 2011:

<b>Legal Description</b>	<b>Civic Address</b>	<b>Organization</b>	<b>Value of Exemption</b>
Lots 15-16, Block 40, Plan 574A, DL434, KLD	324 Alpha Street	United Church of Canada	\$ 324.91
Lots 5-6, Block 28, Plan 574, DL434, KLD	704 Lake Avenue	Congregation of Jehovah's Witnesses	\$ 388.56

VILLAGE OF SILVERTON  
2011 REPORT ON MUNICIPAL SERVICES AND OPERATIONS

Municipal Services and Operations in 2011 consisted of:

- Garbage pick up
- Water supply
- Road maintenance
- Sidewalk maintenance and repair
- Lawn mowing and park improvements
- Fire protection services

The Village continued to improve the Main Campground and expand the Creekside Campground. Future plans include a covered picnic shelter at the Creekside.

The Village also continued their water system improvements. A new well was drilled, a new reservoir was constructed and the exiting pump and pipe was replaced in the existing well. The electrical and the plumbing at the pumphouse was upgraded from the control panels to the pump starters. We also replaced old service connections and completed the required repairs to the asphalt.

VILLAGE OF SILVERTON  
DECLARATION OF DISQUALIFICATION

Pursuant to Section 111(6)(b) or (c) of the Community Charter, no members of Council were disqualified from holding office in the 2011 fiscal year.

VILLAGE OF SILVERTON  
2011 COMPREHENSIVE PROGRESS REPORT

<u>SERVICE</u>	<u>OBJECTIVE</u>	<u>STRATEGY</u>	<u>MEASURE</u>
Recreation	improvements to campground	construct sani-dump at the creekside campground	Under review
		install power to creekside campground sites	Under review
		construct picnic shelter at creekside campground	In planning
	repairs at boat launch	rebuild and anchor the docks at the boat launch	In planning
	improvements to beach	properly secure raft at Coopers' beach	Completed
	recognition at playground	build and install bench at playground recognizing Norris family donation	Completed
Water	improvements to water system	water main upgrade	In progress
		install new pump	Completed
		replace mechanical in pumphouse for both wells	Completed
		road repairs	Completed
Streets and Sidewalks	assess sidewalks,	repair sidewalks on Lake Ave.	Ongoing
	apply for funding for trees on boulevards and parks	funding obtained, remaining trees to be planted in 2012	In progress

Cultural	assess Gallery building	assess building to identify priorities for repairs	Ongoing
	increase rentals at Memorial Hall	council will work with manager to explore ways to increase rental revenue	Ongoing
	designate Handicap parking at Memorial Hall	public works to establish Handicap parking at front entrance with signage	Completed
Buildings	plan for renovations to Municipal office	improvements to Municipal office	Completed
		look for funding to construct public washrooms at Municipal office and a Handicap access	Ongoing
	complete Curling Rink renovations	renovations complete and Curling Rink/Arena operational	Completed
Administration	prepare staffing, snow removal, etc. Policies	staffing policy other policies and procedures in planning	Completed In progress
	finalize OCP and Zoning bylaws	final adoption of OCP Zoning bylaw in planning	Completed Completed
	establish individual equipment and water reserves	water reserve bylaw prepared	Completed
	prepare mail-in-ballot bylaw for 2011 election	bylaw prepared	Completed
	review Council Remuneration bylaw	Committee established and new bylaw prepared	Completed
	prepare geothermal feasibility study	study completed	Completed
	hire addition staff in Municipal office	staff hired and training commenced	Ongoing

VILLAGE OF SILVERTON  
2011 STATEMENT OF OBJECTIVES AND MEASURES

<u>Project</u>	<u>Accomplished/On Schedule</u>	<u>Behind Schedule</u>
Water system upgrade		X
Campground improvements	X	
Curling Rink improvements	X	
Municipal Building Renovation	X	
Rate/Fee Structure Review	X	
Policy Review		X
Gallery building assessment		X

2011 STATEMENT OF OBJECTIVES AND MEASURES

<u>Project</u>
Complete Water System Upgrade
Complete Municipal Building Renovation
Complete Policy Manual
Complete Geothermal Study
Complete Updated Emergency Plan
Establish Individual Equipment, Building and Water Reserve Funds



VILLAGE OF SILVERTON  
STRATEGIC COMMUNITY INVESTMENT FUNDS PLAN AND REPORT

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<b>Intended Use</b>	<b>Performance Target</b>	<b>Progress Made to First Reporting Period (June 30, 2011)</b>	<b>Progress Made to Second Reporting Period (June 30, 2012)</b>
Use funding to support local government services to avoid excessive tax rate increases	Minimize tax rate increases	Tax increases have remained consistent	no increase to general overall municipal taxation

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## MAYOR'S REPORT

On behalf of Council, I am pleased to take this opportunity to provide the citizens of Silverton with this update. The Village is undertaking a number of initiatives that will significantly benefit the community in the long term.

Over the past year, Council has worked with staff and many dedicated volunteers to provide residents of Silverton with the best possible municipal services. Many thanks to the staff and residents who take a continued interest in local government matters.

Council, working with Administration, adopted a new Zoning Bylaw to conform to the Official Community Plan. Numerous other bylaws were updated and adopted.

2011 saw us make active use of our website, [www.silverton.ca](http://www.silverton.ca) to help keep residents and visitors informed and in 2012 we will create an electronic mailing list to more quickly inform our citizens of developments and news in the Village.

The opening of the curling rink with the Arena Society, installation of the TELUS booster tower, updating the Emergency Preparedness Plan, Geothermal Study, Sewage Disposal Study and ongoing tree planting were some of the key 2011 projects completed.

Looking ahead to 2012, Council has established a list of objectives including forming a "Green Committee" dedicated to environmental sustainability and energy conservation, and signing onto the Climate Action Charter, as we are committed to reducing greenhouse gases. We are also working with Columbia Basin Trust to enhance the sustainability of Silverton's water supply through Water Smart Initiatives. Improving the appearance of the community through a number of beautification programs is also a priority. These include improved signage and tree planting, improvements to the Breakwater and Boat Launch area and the Wildfire Interface Project on the southern edge of the Village.

The Silverton Gallery will be the centre of attention for 2012, as it has been many years since it has had any renovations. Streets and sidewalks will be assessed and repairs undertaken, as well risk management policies will be developed.

Infrastructure improvements and the livability of our Village remain high priorities. Our commitment is to maintain a friendly, appealing, sustainable community while seeking new economic development opportunities.

Respectfully submitted  
Mayor Kathy Provan