

TOWN OF GOLDEN
Consolidated Financial Statements
Year Ended December 31, 2012

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Year Ended December 31, 2012

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Management's Responsibility for Financial Reporting

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

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

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

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



Ms. Christina Benty, Mayor



Mr. Jon Wilsgard, CAO

Golden, BC
April 23, 2013

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of Town of Golden

We have audited the accompanying consolidated financial statements of Town of Golden, which comprise the consolidated statement of financial position as at December 31, 2012 and the consolidated statements of operations, changes in net financial assets and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

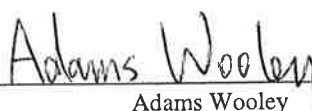
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements,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

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

Opinion

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

Cranbrook, BC
April 23, 2013


Adams Wooley
Certified General Accountants

TOWN OF GOLDEN
Consolidated Statement of Financial Position
December 31, 2012

	2012	2011
Financial assets		
Cash and short term investments <i>(Note 4)</i>	\$ 4,542,213	\$ 3,181,455
Accounts receivable <i>(Note 5)</i>	712,724	1,934,795
Municipal Finance Authority <i>(Note 6)</i>	255,216	252,915
	<u>5,510,153</u>	<u>5,369,165</u>
Liabilities		
Accounts payable and accrued liabilities	576,376	932,869
Wages and benefits payable	274,901	217,710
Municipal Finance Authority <i>(Note 6)</i>	255,216	252,915
Deferred revenue <i>(Note 7)</i>	1,310,366	1,315,135
Restricted deposits <i>(Note 8)</i>	208,378	175,113
Long term debt <i>(Notes 6 and 9)</i>	3,606,288	3,923,744
	<u>6,231,525</u>	<u>6,817,486</u>
Net financial assets	<u>(721,372)</u>	<u>(1,448,321)</u>
Non-financial assets		
Tangible capital assets <i>(Note 10)</i>	61,913,172	63,147,931
Prepaid expenses	104,962	97,669
	<u>62,018,134</u>	<u>63,245,600</u>
	<u>\$ 61,296,762</u>	<u>\$ 61,797,279</u>
Represented by:		
Operating fund	\$ 292,941	\$ 277,765
Statutory reserve fund <i>(Note 11)</i>	629,186	616,632
Non-statutory reserve fund <i>(Note 11)</i>	1,872,686	1,486,111
Capital fund reserves <i>(Note 11)</i>	195,069	192,585
	<u>2,989,882</u>	<u>2,573,093</u>
Equity in tangible capital assets <i>(Note 12)</i>	58,306,880	59,224,186
	<u>\$ 61,296,762</u>	<u>\$ 61,797,279</u>

ON BEHALF OF COUNCIL




Councillor

Councillor

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

TOWN OF GOLDEN
Consolidated Statement of Operations
Year Ended December 31, 2012

	Budget 2012	2012	2011
Revenues			
Net taxes for municipal purposes <i>(Note 13)</i>	\$ 4,557,376	\$ 4,535,633	\$ 4,353,521
Sale of services	605,977	683,060	635,914
Water user fees	585,018	614,802	584,758
Sewer user fees	651,084	682,281	635,255
Licences, permits and fines	106,000	106,823	97,428
Interest and penalties	106,820	134,802	127,341
Grants - conditional	619,355	598,185	2,782,672
Grants - unconditional	472,939	816,072	455,259
Transfers from other governments/agencies	586,581	405,068	836,348
MFA Actuarial adjustment	64,172	64,173	54,536
Other	4,360	4,360	-
	<u>8,359,682</u>	<u>8,645,259</u>	<u>10,563,032</u>
Expenses			
General government	2,216,972	2,155,533	2,081,918
Protective services	416,027	390,433	453,747
Transportation	1,249,991	1,217,555	1,448,406
Economic development	491,123	454,365	398,304
Planning development services	334,467	241,876	332,037
Environmental health services	371,358	388,826	312,162
Water supply and distribution	531,561	437,554	492,092
Sewer services	481,551	572,304	452,938
Cemetery	78,708	73,273	39,436
Parks, recreation and cultural services	658,406	612,552	524,264
Fiscal services	187,038	185,922	190,079
Loss on disposal of assets	-	15,952	68,368
Amortization	1,342,480	2,399,631	2,286,332
	<u>8,359,682</u>	<u>9,145,776</u>	<u>9,080,083</u>
Annual surplus/(deficit)	<u>-</u>	<u>(500,517)</u>	<u>1,482,949</u>
Accumulated surplus at beginning of year	-	61,797,279	61,069,404
Adjustment to correct assets overstated on initial recognition of tangible capital assets	-	-	(755,074)
	<u>-</u>	<u>61,797,279</u>	<u>60,314,330</u>
Accumulated surplus at end of year	<u>\$ -</u>	<u>\$ 61,296,762</u>	<u>\$ 61,797,279</u>

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

TOWN OF GOLDEN
Consolidated Statement of Changes in Net Financial Assets
Year Ended December 31, 2012

	2012	2011
Annual surplus (deficit)	\$ (500,517)	\$ 1,482,949
Acquisition of tangible capital assets	(1,180,820)	(5,533,316)
Amortization	2,399,631	2,286,332
Loss on disposal of capital assets	15,952	68,368
	734,246	(1,695,667)
Consumption/use of inventories/prepaid expenses	(7,297)	105,831
NET FINANCIAL ASSETS - BEGINNING OF YEAR	<u>(1,448,321)</u>	<u>141,515</u>
NET FINANCIAL ASSETS - END OF YEAR	<u>\$ (721,372)</u>	<u>\$ (1,448,321)</u>

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

TOWN OF GOLDEN
Consolidated Statement of Cash Flow
Year Ended December 31, 2012

	2012	2011
Operating transactions		
Annual surplus (deficit)	\$ (500,517)	\$ 1,482,949
Non-cash items:		
Amortization	2,399,631	2,286,332
Loss on disposal of assets	15,952	68,368
Prepaid expenses	(7,294)	105,832
	<u>1,907,772</u>	<u>3,943,481</u>
Changes to financial assets/liabilities		
Accounts receivable	1,222,071	(815,020)
Accounts payable and accrued liabilities	(356,495)	208,422
Deferred revenue	(4,769)	(654,765)
Wages and benefits payable	57,191	34,568
	<u>917,998</u>	<u>(1,226,795)</u>
Cash flow from operating transactions	<u>2,825,770</u>	<u>2,716,686</u>
Capital transactions		
Purchase of tangible capital assets	<u>(1,180,820)</u>	<u>(5,533,316)</u>
Financing transactions		
Principal payment on long-term debt	(220,091)	(168,868)
Actuarial adjustment on long-term debt	(64,173)	(54,536)
Repayment of long-term debt under capital lease	(33,193)	(68,773)
Increase (decrease) in restricted deposits	33,265	(170,925)
Cash flow used by financing transactions	<u>(284,192)</u>	<u>(463,102)</u>
INCREASE (DECREASE) IN CASH FLOW	1,360,758	(3,279,732)
Cash and short term investments- beginning of year	<u>3,181,455</u>	<u>6,461,187</u>
CASH AND SHORT TERM INVESTMENTS - END OF YEAR	\$ 4,542,213	\$ 3,181,455

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

TOWN OF GOLDEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2012

1. DESCRIPTION OF BUSINESS

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

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

Basis of consolidation

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

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

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TOWN OF GOLDEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2012

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

Revenue recognition

Sources of revenue are recorded on an accrual basis, and include revenue in the period in which the transactions or events occurred which give rise to the revenues and expenses in the period that the goods and services are acquired and a liability is incurred or transfers due.

Taxation revenues are recognized at the time of issuing the property notices for the fiscal year.

Sale of services and user fees revenues are recognized when the service or product is rendered by the town.

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

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

Investments

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

Tangible capital assets

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

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

The town regularly reviews its tangible capital assets to eliminate obsolete items.

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

Deferred revenue

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

(continues)

TOWN OF GOLDEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2012

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

Reserve for future expenditures

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

Use of estimates

The preparation of consolidated financial 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 net recoverable value of assets and provisions for contingencies. As such actual amounts could differ from the estimates.

Financial instruments

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

Pension expenditure

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

Taxes collected for others

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

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

Federal gas tax

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

3. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

TOWN OF GOLDEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2012

4. CASH AND SHORT TERM INVESTMENTS

	2012	2011
Cash and investments are comprised of:		
Cash	\$ 530,985	\$ 422,843
Money market investments	3,751,640	2,504,153
Wood Gundy cash and equivalents	407	21,492
Bond portfolio - (details below)	<u>259,181</u>	<u>232,967</u>
Total cash and investments	4,542,213	3,181,455
Less: deferred revenue - DCC Reserve funds (Note 7)	(601,759)	(551,179)
Less: restricted deposits (Note 8)	(208,378)	(175,113)
Less: amount held to fund statutory reserves (Schedule 2)	<u>(629,186)</u>	<u>(616,632)</u>
	\$ 3,102,890	\$ 1,838,531

Bond portfolio

				2012	2011
				Carrying	Carrying
Bond	Maturity	Market Value	Face Value	Value	Value
Province of BC	2012	-	-	-	228,155
CPN Bank of Montreal	2013	126,966	128,637	126,794	
CIBC Full Service GTD	2016	125,000	125,000	127,161	
Government of Canada	2021	7,097	11,000	5,226	4,812
		<u>\$ 259,063</u>	<u>\$ 264,637</u>	<u>\$ 259,181</u>	<u>\$ 232,967</u>

5. ACCOUNTS RECEIVABLE

	2012	2011
Accounts receivable are recorded net of allowance and comprised of:		
Taxes and grants in place of taxes	\$ 274,228	\$ 266,398
Trade and other	373,582	1,606,721
Mortgage receivable from Golden Key Developments Ltd., bearing interest at 5.25% per annum. The balance is due in full on June 1, 2013, and can be paid at any time without penalty.	<u>64,914</u>	<u>61,676</u>
	\$ 712,724	\$ 1,934,795

TOWN OF GOLDEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2012

6. COMMITMENTS AND CONTINGENT LIABILITY

1. Debt instruments

The town issues debt instruments through the Municipal Finance Authority. As a condition of these borrowings, 1% of gross proceeds are required to be deposited into a debt reserve fund. The town is also required to execute demand notes in connection with each debenture whereby the town may be required to loan certain amounts to the Municipal Finance Authority. These demand notes are contingent demand notes at December 31, 2012, as follows:

	General Fund	Water Utility Fund	Sanitary Sewer Fund	2012	2011
Cash deposits	\$ 59,561	\$ 4,623	\$ 14,301	\$ 78,485	\$ 76,184
Demand notes	136,029	12,156	28,546	176,731	176,731
	<u>\$ 195,590</u>	<u>\$ 16,779</u>	<u>\$ 42,847</u>	<u>\$ 255,216</u>	<u>\$ 252,915</u>

2. Pension

The municipality and its employees contribute to the Municipal Pension Plan (the plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the plan, including investment of the assets and administration of benefits. The plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The plan has about 176,000 active members and approximately 67,000 retired members. Active members include approximately 35,000 contributors from local governments.

The most recent valuation as at December 31, 2009, indicated a funding deficit 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 Town of Golden paid \$171,599 (2011 - \$155,431) for employer contributions to the plan in fiscal 2012.

3. Insurance

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

4. Capital leases

	Original Purchase Price	Monthly Payment	2012	Final Residual Value
MFA Lease - Sweeper ^(a)	222,822	3,303	91,023	91,023
	<u>\$ 222,822</u>	<u>\$ 3,303</u>	<u>\$ 91,023</u>	<u>\$ 91,023</u>

- a) The monthly payments are based upon the Canadian Prime Rate minus 1% for a term of 60 months. The lease interest rate is variable and changes in interest rates will result in adjustments in favour of the Lessor or Lessee, as applicable, on the final lease payment. The Canadian Prime Rate minus 1% at December 31, 2012 totaled 1% interest.

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

TOWN OF GOLDEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2012

7. DEFERRED REVENUE

	Development cost charge - Water	Development cost charge - Sewer	General Fund	Total
Balance December 31, 2011	\$ 453,009	\$ 98,170	\$ 763,956	\$ 1,315,135
Withdrawals during the year	-	-	(763,956)	(763,956)
Developer contribution	14,272	27,264	-	41,536
Interest earned	7,433	1,611	-	9,044
	<u>474,714</u>	<u>127,045</u>	<u>-</u>	<u>601,759</u>
Additions during the year				
Prepaid taxes, utilities and business licences	\$ -	\$ -	\$ 444,615	\$ 444,615
Gas tax	-	-	22,188	22,188
Resort Municipality Initiative funding	-	-	195,463	195,463
CBT Community Initiatives	-	-	30,165	30,165
Other donations and deposits	-	-	16,176	16,176
Balance December 31, 2012	<u>\$ 474,714</u>	<u>\$ 127,045</u>	<u>\$ 708,607</u>	<u>\$ 1,310,366</u>

8. RESTRICTED DEPOSITS

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

	2012	2011
Assets		
Cash	<u>\$ 208,378</u>	<u>\$ 175,113</u>
Equity		
Security temporary building	\$ 98,058	\$ 94,334
Landscaping deposits	70,747	41,100
Development Deposits	20,211	-
Sponsor Beach and Park donations	10,917	9,567
FreeRide Park additions	4,309	4,309
Olympic Legacy fund	1,753	19,000
Dance recital - Mirror fund	1,189	1,189
Willy Forest Snofest	754	754
Communities in Bloom	500	500
Air Quality Management	-	4,360
General Deposits	(60)	-
	<u>\$ 208,378</u>	<u>\$ 175,113</u>

TOWN OF GOLDEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2012

9. LONG TERM DEBT

	<u>2012</u>	<u>2011</u>
General fund	\$ 2,763,632	\$ 2,993,870
Water utility fund	345,434	361,125
Sanitary sewer fund	406,199	444,533
Capital leases (<i>Note 6(4)</i>)	<u>91,023</u>	<u>124,216</u>
	<u>\$ 3,606,288</u>	<u>\$ 3,923,744</u>

Principal repayment terms are approximately:

2013	\$ 276,207
2014	281,669
2015	280,583
2016	168,367
2017	174,942
Thereafter	<u>2,424,520</u>
	<u>\$ 3,606,288</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.

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TOWN OF GOLDEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2012

9. LONG TERM DEBT *(continued)*

Bylaw Number	Purpose	Interest Rate	Maturity Date	2012	2011
General					
942	Street paving and construction	8.880	2015	\$ 12,820	\$ 16,693
943	Street paving and construction	8.880	2015	16,822	21,904
948	Street paving and construction	8.880	2015	131,664	171,440
954	Street paving and construction	8.000	2015	57,946	75,452
1211	Street paving and construction	4.820	2027	1,034,910	1,084,607
1211	Street paving and construction	4.650	2028	557,308	581,861
	Land purchase	1.250	2014	-	50,000
1211	Street paving and construction	4.900	2029	897,937	932,806
	Loan Payable - College of the Rockies	-		54,225	59,107
				<u>\$ 2,763,632</u>	<u>\$ 2,993,870</u>
Water					
1211	Waterworks construction	4.650	2028	\$ 257,219	\$ 268,552
1211	Waterworks construction	4.900	2029	88,215	92,573
				<u>\$ 345,434</u>	<u>\$ 361,125</u>
Sewer					
875	Sewer construction	8.000	2013	\$ 6,515	\$ 12,720
944	Sewer treatment plant upgrade	8.880	2015	54,412	70,850
1211	Sewer construction	4.650	2028	257,219	268,551
1211	Sewer construction	4.900	2029	88,053	92,412
				<u>\$ 406,199</u>	<u>\$ 444,533</u>
				<u>\$ 3,515,265</u>	<u>\$ 3,799,528</u>

10. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2012 Net book value	2011 Net book value
Land and improvements	\$ 11,175,515	\$ 1,048,053	\$ 10,127,462	\$ 10,157,411
Buildings	9,020,721	2,666,057	6,354,664	6,228,504
Equipment, vehicles and technology	5,087,660	2,522,679	2,564,981	2,805,376
Roads and transportation infrastructure				
(comparative figure restated)	52,319,508	24,114,200	28,205,308	29,029,229
Sewer infrastructure	14,568,587	5,563,063	9,005,524	9,365,658
Water infrastructure (comparative figure restated)	10,023,272	4,622,877	5,400,395	5,362,644
	102,195,263	40,536,929	61,658,334	62,948,822
Capital work-in-progress	254,838	-	254,838	199,109
	<u>\$ 102,450,101</u>	<u>\$ 40,536,929</u>	<u>\$ 61,913,172</u>	<u>\$ 63,147,931</u>

A review of TCA during the year revealed that some asset values were overstated on initial recognition of TCA in 2009, in accordance with PSAB 3150. The prior year adjustment corrects the original balance in TCA, along with the related accumulated amortization.

TOWN OF GOLDEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2012

11. RESERVES

	Balance Dec 31/11	Contributions from Developers Earnings	Transfers and Others	2012 Interest	Balance Dec 31/12
Statutory reserves:					
Land sales	\$ 88,077	\$ -	\$ (82,836)	\$ 591	\$ 5,832
Parking	75,113	-	-	1,233	76,346
Equipment replacement	199,329	-	69,835	4,880	274,044
Container replacement	-	-	11,239	184	11,423
Cemetery care fund	254,113	-	2,300	5,128	261,541
	<u>\$ 616,632</u>	<u>\$ -</u>	<u>\$ 538</u>	<u>\$ 12,016</u>	<u>\$ 629,186</u>
Non-statutory reserves:					
Airport	\$ 57,165	\$ -	\$ -	\$ 938	\$ 58,103
Asset renewal	20,000	-	-	328	20,328
Cemetery expansion	61,547	-	(24,676)	986	37,857
Carbon tax	5,309	-	(5,309)	81	81
Computer and office	14,432	-	-	237	14,669
Contingency	-	-	533,873	-	533,873
Fire hall and equipment	140,057	-	(66,121)	2,229	76,165
Flood and snow	67,236	-	38,253	1,445	106,934
Legal and insurance	20,629	-	(691)	331	20,269
Planning and studies	45,930	-	-	754	46,684
Public works	34,704	-	(10,060)	559	25,203
Recreation	191,165	-	(137,171)	2,994	56,988
Safety	38,445	-	-	631	39,076
Solid waste	68,698	-	-	1,127	69,825
Water meters	626	-	(626)	10	10
Water	575,146	-	28,480	9,465	613,091
Sewer	145,022	-	6,122	2,386	153,530
	<u>\$ 1,486,111</u>	<u>\$ -</u>	<u>\$ 362,074</u>	<u>\$ 24,501</u>	<u>\$ 1,872,686</u>
Capital Fund Reserves:					
General	\$ 52	\$ -	\$ -	\$ 1	\$ 53
New deal gas tax	665	-	(665)	-	-
MFA deposit refund					
Water	161,811	-	-	2,655	164,466
Sewer	30,057	-	-	493	30,550
	<u>\$ 192,585</u>	<u>\$ -</u>	<u>\$ (665)</u>	<u>\$ 3,149</u>	<u>\$ 195,069</u>
	<u>\$ 2,295,328</u>	<u>\$ -</u>	<u>\$ 361,947</u>	<u>\$ 39,666</u>	<u>\$ 2,696,941</u>

TOWN OF GOLDEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2012

12. EQUITY IN TANGIBLE CAPITAL ASSETS

Equity in tangible capital 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:

	2012	2011
Equity in TCA, beginning of year (as previously reported)	\$ 59,224,186	\$ 56,508,467
Adjustment to correct assets overstated on initial recognition of tangible capital assets	-	(755,074)
Equity in TCA , beginning of year (as restated)	59,224,186	55,753,393
Add: Capital acquisitions	1,180,820	5,533,316
Debt principal repayment	220,091	168,868
Capital lease repayment	33,193	68,773
Actuarial Adjustment	64,173	54,536
Less: Dispositions at NBV	(15,952)	(68,368)
Amortization	(2,399,631)	(2,286,332)
Equity in TCA, end of year	\$ 58,306,880	\$ 59,224,186

A review of TCA during the year revealed that some asset values were overstated on initial recognition of TCA in 2009, in accordance with PSAB 3150. The prior year adjustment corrects the original balance in TCA, along with the related accumulated amortization.

13. NET TAXATION FOR MUNICIPAL PURPOSES

	2012	2011
Property taxes		
General purposes	\$ 4,217,739	\$ 4,048,954
Collections for other governments	2,926,942	3,007,469
Frontage taxes	205,790	205,084
	7,350,471	7,261,507
Requisitions		
Province of B.C. school taxes	(2,004,947)	(2,008,760)
Columbia Shuswap Regional District	(411,025)	(431,930)
Police Tax	(223,715)	(228,490)
Kootenay East Regional Hospital District	(131,674)	(178,412)
British Columbia Assessment Authority	(57,940)	(60,231)
Municipal Finance Authority	(161)	(163)
Columbia Shuswap Regional Hospital District	14,624	-
	(2,814,838)	(2,907,986)
	\$ 4,535,633	\$ 4,353,521

TOWN OF GOLDEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2012

14. TOTAL EXPENDITURES BY OBJECT

	<u>2012</u>	<u>2011</u>
Salaries, wages and benefits	\$ 2,835,494	\$ 2,797,006
Contracted and general services	2,651,071	2,727,555
Materials, goods and utilities	998,972	952,008
Bank charges, short/long-term interest	244,656	248,814
Other expenditures	15,952	68,368
Amortization	2,399,631	2,286,332
	<u>\$ 9,145,776</u>	<u>\$ 9,080,083</u>

TOWN OF GOLDEN
Notes to Consolidated Financial Statements
Year Ended December 31, 2012

15. SEGMENTATION INFORMATION

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

General Government

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

Protective Services

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

Transportation

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

Environmental Health Services

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

Water Supply and Distribution

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

Sewer Services

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

Cemetery

This service relates to the care of the town's cemetery.

Economic Development and Planning

Economic development consists of support provision to Golden Area Initiatives (GAI), which includes direct funding for GAI, Kicking Horse Culture and the regional film commission. The Columbia Basin Trust Community Initiative Grant funds and broadband service costs form the remaining components.

Planning and Development

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

Parks, Recreation 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 the recreation facilities (excluding 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, 2012

(Schedule 1)

	Engineering Structures							2012	2011
	Land and improvements	Buildings	Equipment, vehicles and technology	Infrastructure - Water	Infrastructure - Sewer	Infrastructure - Roads	Capital Work In Progress		
Cost									
Opening Balance, at January 1	\$ 11,116,650	\$ 8,665,085	\$ 4,997,983	\$ 9,762,154	\$ 14,568,587	\$ 51,959,713	\$ 199,109	\$ 101,269,281	\$ 96,547,543
Additions	58,865	355,636	89,677	261,118	-	359,795	55,729	1,180,820	5,533,316
Disposals	-	-	-	-	-	-	-	-	(811,578)
Write downs	-	-	-	-	-	-	-	-	-
Closing balance, at December 31	\$ 11,175,515	\$ 9,020,721	\$ 5,087,660	\$ 10,023,272	\$ 14,568,587	\$ 52,319,508	\$ 254,838	\$ 102,450,101	\$ 101,269,281
Accumulated Amortization									
Opening Balance, at January 1	\$ 959,239	\$ 2,435,933	\$ 2,192,607	\$ 4,399,510	\$ 5,203,573	\$ 22,930,484	\$ -	\$ 38,121,346	\$ 36,578,225
Amortization	88,814	230,124	330,072	221,369	359,490	1,169,762	-	2,399,631	2,286,332
Effects of disposals and write down adjustments	-	-	-	1,998	-	13,954	-	15,952	(743,211)
Closing balance, at December 31	\$ 1,048,053	\$ 2,666,057	\$ 2,522,679	\$ 4,622,877	\$ 5,563,063	\$ 24,114,200	\$ -	\$ 40,536,929	\$ 38,121,346
Net Book Value, end of year	\$ 10,127,462	\$ 6,354,664	\$ 2,564,981	\$ 5,400,395	\$ 9,005,524	\$ 28,205,308	\$ 254,838	\$ 61,913,172	\$ 63,147,931

TOWN OF GOLDEN
Consolidated Statement of Statutory Reserve Fund Activities
December 31, 2012

(Schedule 2)

	Land Sales	Parking	Equipment Replacement	Cemetery Care Fund	Container Replacement	2012	2011
Balance, January 1	\$ 88,077	\$ 75,113	\$ 199,329	\$ 254,113	\$ -	\$ 616,632	\$ 595,825
Transfers in / (out)	(82,836)	-	69,835	2,300	11,239	538	7,258
Development Fees	-	-	-	-	-	-	-
Earnings	591	1,233	4,880	5,128	184	12,016	13,549
Balance, December 31	\$ 5,832	\$ 76,346	\$ 274,044	\$ 261,541	\$ 11,423	\$ 629,186	\$ 616,632

TOWN OF GOLDEN
Segment Information
Year Ended December 31, 2012

(Schedule 3)

	General Government	Protective Services	Transportation	Economic Development	Planning & Development Services	Environmental	Water Service	Sewer Services	Cemetery	Recreation & Cultural Serv	Unallocated	Grand Total
Revenue												
Net Taxes	\$ 4,282,088	\$ -	\$ 33,352	\$ -	\$ -	\$ -	\$ 90,156	\$ 115,634	\$ 14,403	\$ -	\$ -	\$ 4,535,633
Sale of Services	175,759	56,819	61,628	5,010	6,586	249,645			23,528	104,085		683,060
Water User Fees							614,802					614,802
Sewer User Fees								682,281				682,281
Conditional Grant	153,257				10,000		10,000				424,928	598,185
Unconditional Grant	816,072											816,072
Licences, permits and fines				42,529	64,294							106,823
Interest and Penalties	117,609						5,584	6,481	5,128			134,802
Transfer from other governments/agencies		51,260	33,352	278,805			10,000		14,403	4,000	13,248	405,068
Other Revenue	4,360		48,575				1,532	14,066				68,533
Total Revenue	\$ 5,549,145	\$ 108,079	\$ 176,907	\$ 326,344	\$ 80,880	\$ 249,645	\$ 732,074	\$ 818,462	\$ 57,462	\$ 108,085	\$ 438,176	\$ 8,645,259
Expenses												
Salaries, wages, benefits	1,420,930	135,306	443,897	345	201,355	34,128	144,577	184,089	16,331	254,537		2,835,495
Contracted and general Services	616,494	207,449	370,103	454,020	37,799	336,817	163,024	200,187	50,733	214,444		2,651,070
Materials, goods, and utilities	118,108	47,678	403,556		2,722	17,880	110,123	149,124	6,210	143,571		998,972
Bank charges, short/long-term interest	11,149		174,773				19,830	38,904				244,656
Amortization	649,010		1,169,762				221,369	359,490				2,399,631
Loss on disposal of assets			13,954				1,998					15,952
Total Expenses	2,815,691	390,433	2,576,045	454,365	241,876	388,825	660,921	931,794	73,274	612,552	-	9,145,776
	\$ 2,733,454	\$ (282,354)	\$ (2,399,138)	\$ (128,021)	\$ (160,996)	\$ (139,180)	\$ 71,153	\$ (113,332)	\$ (15,812)	\$ (504,467)	\$ 438,176	\$ (500,517)

TOWN OF GOLDEN
Segment Information
Year Ended December 31, 2011

(Schedule 4)

	General Government	Protective Services	Transportation	Economic Development	Planning & Development Services	Environmental	Water Service	Sewer Services	Cemetery	Recreation & Cultural Services	Unallocated	Grand Total
Revenue												
Net Taxes	\$ 4,102,265	\$ -	\$ 27,349	\$ -	\$ -	\$ -	\$ 89,846	\$ 115,238	\$ 18,823	\$ -	\$ -	\$ 4,353,521
Sale of Services	163,595		165,461	3,306		183,601			3,780	116,171		635,914
Water User Fees							584,758					584,758
Sewer User Fees								635,255				635,255
Conditional Grant	455,259											455,259
Unconditional Grant	143,776	39,200									2,599,696	2,782,672
Licences, permits and fines				42,800	54,628							97,428
Interest and Penalties	115,045						5,607	6,689				127,341
Transfer from other governments/agencies	579	69,864	27,349	263,947			10,000		18,823		445,786	836,348
Other Revenue			41,168				956	12,412				54,536
Total Revenue	\$ 4,980,519	\$ 109,064	\$ 261,327	\$ 310,053	\$ 54,628	\$ 183,601	\$ 691,167	\$ 769,594	\$ 41,426	\$ 116,171	\$ 3,045,482	\$ 10,563,032
Expenses												
Salaries, wages, benefits	\$ 1,360,861	\$ 160,980	\$ 547,001	\$ 1,471	\$ 213,768	\$ 30,630	\$ 145,555	\$ 142,029	\$ 14,833	\$ 179,876	\$ -	\$ 2,797,005
Contracted and general Services	578,419	243,432	518,247	396,833	116,717	267,885	198,552	151,473	19,237	236,760		2,727,556
Materials, goods, and utilities	142,638	49,334	383,158		1,551	13,647	128,154	120,533	5,366	107,626		952,008
Bank charges, short/long-term interest	13,195		176,885				19,830	38,904				248,814
Amortization	578,464		1,149,928				201,417	356,523				2,286,332
Other Expenditures			10,460				29,083	28,825				68,368
Total Expenses	2,673,578	453,747	2,785,679	398,304	332,037	312,162	722,592	838,286	39,436	524,262	-	9,080,083
	\$ 2,306,941	\$ (344,683)	\$ (2,524,352)	\$ (88,251)	\$ (277,409)	\$ (128,561)	\$ (31,425)	\$ (68,692)	\$ 1,990	\$ (408,091)	\$ 3,045,482	\$ 1,482,949