

TOWN OF LADYSMITH
CONSOLIDATED FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2012
Audited

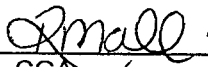
STATEMENT OF RESPONSIBILITY

The accompanying Consolidated Financial Statements are the responsibility of the management of the Town of Ladysmith and have been prepared in compliance with legislation, and in accordance with Canadian Public Sector Accounting standards.

In carrying out its responsibilities, management maintains appropriate systems of internal and administrative controls designed to provide reasonable assurance that transactions are executed in accordance with proper authorization, that assets are properly accounted for and safeguarded, and that financial information produced is relevant and reliable.

The Council of the Town met with management and the external auditors to review the consolidated financial statements and to discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

Hayes Stewart Little & Company as the Municipality's appointed external auditors, have audited the Consolidated Financial Statements. The Auditor's report is addressed to the Mayor and members of Council and appears on the following page. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures as they consider necessary to obtain reasonable assurance that the Consolidated Financial Statements are free of material misstatement and present fairly the financial position and results of the Municipality in accordance with Canadian generally accepted accounting principles.



Ruth Malli, CGA
Chief Administrative Officer

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DECEMBER 31, 2012

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AUDITOR'S REPORT

To the Mayor and members of Council of the
THE TOWN OF LADYSMITH

Report on Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Town of Ladysmith, which comprise the consolidated statement of financial position as at December 31, 2012, and the consolidated statements of operations, change in net financial assets, and cash flows 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 generally accepted auditing standards. These 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 of 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 evaluation of 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, these consolidated financial statements present fairly, in all material respects, the financial position of The Town of Ladysmith as at December 31, 2012 and its financial performance, changes in net financial assets and its cash flow for the year then ended in accordance with Canadian public sector accounting standards

Other Matter

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The current year's supplementary information, including Schedules 1 to XI, has been presented for purposes of additional analysis. The supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, this supplementary information is presented fairly, in all material respects, in relation to the consolidated financial statements taken as a whole.

Hayes Stewart Little & Co.

Chartered Accountants

Duncan, B.C.
May 13, 2013

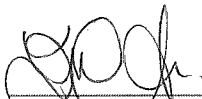
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TOWN OF LADYSMITH
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2012

	2012	2011
Financial Assets		
Cash and short term deposits (Note 3)	\$ 11,439,569	\$ 9,934,536
Accounts receivable (Note 4)	<u>2,663,634</u>	<u>2,506,020</u>
	<u>14,103,203</u>	<u>12,440,556</u>
 Liabilities		
Accounts payable (Note 5)	1,239,606	1,473,578
Post-employment benefits (Note 6)	247,200	253,000
Deferred revenue	212,738	756,318
Restricted reserves (Note 7 & 9)	2,629,144	2,113,537
Refundable deposits and other	416,637	434,439
Long term debt (Note 10 & Schedule I)	<u>3,867,422</u>	<u>3,006,628</u>
	<u>8,612,747</u>	<u>8,037,500</u>
 Net Financial Assets	<u>5,490,456</u>	<u>4,403,056</u>
 Non-Financial Assets		
Tangible Capital Assets (Schedule X & XI)	77,375,354	77,042,302
Prepays	98,834	38,234
Inventory	<u>83,642</u>	<u>91,496</u>
	<u>77,557,830</u>	<u>77,172,033</u>
 Accumulated Surplus (Note 15)	<u><u>\$ 83,048,286</u></u>	<u><u>\$ 81,575,089</u></u>
 Commitments and Contingencies (Note 11)		



 Director of Financial Services

TOWN OF LADYSMITH
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Actual 2012	Budget 2012	Actual 2011
Revenue			
Taxes (Schedule II)	\$ 8,124,168	\$ 8,116,230	\$ 7,375,542
Fees and charges			
General (Schedule III)	1,684,808	1,699,113	1,721,581
Sewer (Schedule III)	680,043	657,854	635,101
Water (Schedule III)	694,452	651,614	646,117
Return on investments	112,183	60,000	96,744
Penalty and interest on tax	117,983	120,000	138,761
Grants	1,871,963	2,253,968	2,818,839
Donations, contributions and contributed property	168,506	1,000	263,185
Gain (loss) on disposal of tangible capital assets	14,309	-	23,547
Development fees	162,780	363,680	1,031,127
Local area improvements	8,922	8,920	8,922
	<u>13,640,117</u>	<u>13,932,379</u>	<u>14,759,466</u>
Expenditures			
General government services	1,989,616	2,213,094	1,945,291
Library	286,236	286,234	266,368
Protective services	1,387,523	1,516,235	1,402,639
Transportation services	1,486,597	1,146,300	1,403,003
Garbage services	465,798	446,230	449,013
Cemetery services	38,073	38,580	24,368
Development services	520,685	739,401	526,120
Recreation and cultural services	2,066,305	2,042,945	1,993,683
Parks operation services	618,464	659,630	601,204
Sewer	528,670	625,300	462,986
Water	525,863	1,392,970	457,257
Reallocation of internal equipment usage	(350,444)	-	(386,078)
Amortization	2,421,478	2,341,011	2,291,656
Interest, net of actuarial adjustment (Note 10)	182,056	451,065	172,866
	<u>12,166,920</u>	<u>13,898,995</u>	<u>11,610,376</u>
Annual Surplus	1,473,197	33,384	3,149,090
Accumulated Surplus beginning of year	<u>81,575,089</u>	<u>81,575,089</u>	<u>78,425,999</u>
Accumulated Surplus end of year	<u>\$ 83,048,286</u>	<u>\$ 81,608,473</u>	<u>\$ 81,575,089</u>

TOWN OF LADYSMITH
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

	2012	2011
Operations		
Net operating revenue	\$ 1,473,197	\$ 3,149,090
Less noncash items:		
Amortization	2,421,478	2,291,656
Contribution by developers	(89,684)	(237,447)
Changes in noncash items:		
Accounts receivable	(157,614)	2,316,314
Accounts payable, accrued liabilities and postemployment benefits	(239,771)	(763,016)
Inventory and prepaid expenses	(52,746)	26,192
Deferred revenues	(543,580)	(698,584)
Restricted reserves	515,607	(128,808)
Refundable deposits and other	(17,802)	85,537
Net increase (decrease) in cash from operations	<u>3,294,776</u>	<u>6,017,387</u>
Capital Transactions		
Proceeds on sale of tangible capital assets	37,309	27,000
Cash used to acquire tangible capital assets	(2,702,155)	(6,057,807)
	<u>(2,664,847)</u>	<u>(6,030,807)</u>
Financing		
Proceeds from new debt	1,000,000	-
Proceeds from capital lease	86,632	18,784
Repayment of long-term debt	(225,838)	(223,476)
Net (decrease) increase in cash from financing	<u>860,794</u>	<u>(204,692)</u>
Increase (decrease) in cash and short-term deposits	1,505,033	(194,565)
Cash and short-term deposits beginning of year	9,934,536	10,129,101
Cash and short-term deposits end of year	<u><u>\$ 11,439,569</u></u>	<u><u>\$ 9,934,536</u></u>

TOWN OF LADYSMITH

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2012

	2012	2011
Annual Surplus	\$ 1,473,197	\$ 3,149,090
Acquisition of tangible capital assets	(2,777,530)	(6,271,707)
Amortization of tangible capital assets	2,421,478	2,291,656
Gain on sale of tangible capital assets	(14,309)	(23,548)
Proceeds from sale of tangible capital assets	37,310	27,000
Decrease (Increase) in inventories	7,854	17,913
Decrease (Increase) in prepaids	<u>(60,600)</u>	<u>8,279</u>
Change in Net Financial Assets	<u>1,087,400</u>	<u>(801,317)</u>
Net Financial Assets (Net Debt), beginning of year	<u>4,403,056</u>	<u>5,204,373</u>
Net Financial Assets (Net Debt), end of year	<u><u>\$ 5,490,456</u></u>	<u><u>\$ 4,403,056</u></u>

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

1. General

The Town of Ladysmith was incorporated under the provisions of the British Columbia Municipal Act. Its principal activities are the provision of local government services in the Town, as governed by the Community Charter and the Local Government Act.

The notes to the consolidated financial statements are an integral part of these financial statements. They provide detailed information and explain the significant accounting and reporting policies and principles that form the basis of these statements. They also provide relevant supplementary information and explanations which cannot be expressed in the consolidated financial statements.

2. Significant Accounting Policies

(a) Basis of Presentation

It is the Town's policy to follow Canadian public sector accounting standards for local governments and to apply such principles consistently. The financial resources and operations of the Town have been consolidated for financial statement purposes and include the accounts of all of the funds of the Town.

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon the receipt of goods and services or the creation of an obligation to pay.

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures and changes in fund balances and financial position of the Town. These consolidated financial statements consolidate the following operations:

General Revenue Fund
Water Revenue Fund
Sewer Revenue Fund
Reserve Fund
General Capital Fund
Water Capital Fund
Sewer Capital Fund

TOWN OF LADYSMITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2012

2. Significant Accounting Policies (continued)

(b) Reporting Entity

The consolidated financial statements include the assets, liabilities, revenue and expenses of the reporting entity. The reporting entity is comprised of all the funds, agencies, local boards, and committees of the Council which are controlled by the Town. Control is defined as the power to govern the financial and reporting policies of another organization with the expected benefits or risk of loss to the Town. The controlled organizations are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the Town. Interfund and intercompany balances and transactions have been eliminated. The controlled organizations include DL 2016 Holdings Corporation, a wholly owned subsidiary of the Town.

(c) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization and are classified according to their functional use. Cost includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Donated assets are recorded at their estimated fair value upon acquisition. Certain tangible capital assets for which historical cost information is not available have been recorded at current fair market values discounted by a relevant inflation factor. Certain assets are disclosed at a nominal value as the determination of current fair market value was not available. The Town does not capitalize interest charges as part of the cost of its tangible capital assets.

Tangible capital assets are amortized over their estimated useful life, with a half-year's provision in the year of acquisition, on the straight-line method at the following annual rates:

General Tangible Capital Assets

Land	Indefinite
Land Improvements	15 to 75 years
Buildings	25 to 40 years
Equipment, Furniture and Vehicles	5 to 60 years

Engineering Structures

Roads and Sidewalks	20 to 75 years
Storm and Sewer	25 to 75 years
Water	20 to 80 years

Construction in progress contains capital projects underway but not yet complete or put into use. Once put into use, the asset will be amortized based on the above annual rates for the applicable category of work performed.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

2. Significant Accounting Policies (continued)

Certain assets have historical or cultural value including works of art, historical documents as well as historical and cultural artifacts that are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made. Intangibles, Crown lands and other natural resources are not recognized as tangible capital assets.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from the date of acquisition.

(e) Investments

Short-term investments are recorded at cost which, at December 31, 2012, would approximate fair market value.

(f) Restricted Reserves and Deferred Revenues

Receipts which are restricted by legislation of senior governments or by agreement with external parties are deferred and reported as restricted reserves. When qualifying expenditures are incurred, restricted reserves are brought into revenue at equal amounts. These revenues are comprised of the amounts shown in note 7.

Revenues received in advance of expenditures which will be incurred in a later period are deferred until they are earned by being matched against those expenses.

(g) Subdivision Infrastructure

Subdivision streets, lighting, sidewalks, drainage, and other infrastructure are required to be provided by subdivision developers. Upon completion they are turned over to the Town. The Town is not involved in the construction and does not budget for or recognize either the contribution from the developer or the capital expenditure in its annual bylaw. In compliance with PSAB 3150, the contribution and asset purchase will be recorded and the assets will be amortized once they are put into use.

(h) Local Improvements

The Town records capital expenditures for capital assets funded by local improvement agreements as they are incurred. Revenues are recognized over the term of the local improvement agreements as they are collected.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

2. Significant Accounting Policies (continued)

(i) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the reporting period. Significant areas requiring the use of management estimates relate to the collectability of accounts receivable, deferred charges, accrued liability, post-employment benefits, provisions for contingencies and amortization rates, useful lives and salvage values for determining capital asset values. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

(j) Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to the ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

Rental payments under operating leases are expensed as incurred.

(k) Revenue Recognition

Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Fees and charges revenue are recognized when the services are rendered. Return on investment income is accrued as earned. Other revenues are recognized when earned in accordance with the terms of the agreement and the amounts are measurable.

Government transfers, grants and donations are recognized in the financial statements in the period which the events giving rise to the transfer occur, eligibility criteria are met, and reasonable estimates of the amount can be made.

Deferred revenue represents user charges and other fees which have been collected, for which the related services have yet to be provided. These amounts will be recognized as revenue in the fiscal year the services are provided.

(l) Non-financial Assets

Nonfinancial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations. The change in nonfinancial assets during the year, together with the excess of revenues over expenses, provides the change in net financial assets for the year.

(m) Inventory

Inventory is valued at the lower of cost and net realizable value, determined on an average cost basis.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

3. Cash and Short Term Deposits

Cash and short term deposits were comprised as follows:

	<u>2012</u>	<u>2011</u>
Cash	\$ 10,695,810	\$ 8,590,621
Short term deposits	743,759	1,343,915
	<u>\$ 11,439,569</u>	<u>\$ 9,934,536</u>

Short term deposits consist of short term investments in the Municipal Finance Authority of B.C. money market fund. The market value is equal to the carrying value.

Included in cash and short term deposits are the following restricted amounts that can only be expended in accordance with the terms of the restricted reserves.

	<u>2012</u>	<u>2011</u>
Restricted Reserves	\$ 2,629,144	\$ 2,113,537
Less: DCC's Receivable	-	-
Total Restricted Cash	<u>\$ 2,629,144</u>	<u>\$ 2,113,537</u>

4. Accounts Receivable

	<u>2012</u>	<u>2011</u>
Property taxes	\$ 1,230,701	\$ 1,045,400
Other government	563,637	615,633
User fees and other	834,787	805,022
Developer receivables	29,071	29,071
Employee receivables	5,438	10,894
	<u>\$ 2,663,634</u>	<u>\$ 2,506,020</u>

Development cost charges (DCC's) are collected on the approval of subdivision or the issuance of a building permit. These funds assist the Town in constructing capital improvements directly or indirectly related to development. Development cost charges represent funds due from developers within two years and are secured by irrevocable standby letters of credit. No interest is charged on these outstanding installments.

TOWN OF LADYSMITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

5. Accounts Payable and Accrued Liabilities

	<u>2012</u>	<u>2011</u>
General	\$ 933,929	\$ 1,047,940
Other Governments	181	94,541
Salaries and wages	129,634	106,736
Contractor holdbacks	142,727	190,984
Accrued Interest	33,135	33,377
	<u>\$ 1,239,606</u>	<u>\$ 1,473,578</u>

6. Post-Employment Benefits

The Town provides compensated absences to its employees to a maximum of 120 days. The Town also allows employees to defer unused vacation without any maximum. Any deferred vacation time remaining at retirement or termination is paid out at that time. The amount recorded for these benefits is based on an actuarial evaluation done by an independent firm using a projected benefit actuarial valuation method prorated on services. The last actuarial valuation was calculated at October 31, 2011 and has been extrapolated to December 31, 2012. The total expenditure recorded in the financial statements in respect of obligations under the plan amounts to (\$5,800). (2011 - \$80,700).

The accrued postemployment benefits are as follows:

	<u>2012</u>	<u>2011</u>
Balance, Beginning of Year	\$ 253,000	\$ 172,300
Current service costs	28,500	26,600
Benefits paid	(63,000)	(8,700)
Actuarial (gain)/loss	28,700	62,800
Balance, End of Year	<u>\$ 247,200</u>	<u>\$ 253,000</u>

The significant actuarial assumptions adopted in measuring the Town's postemployment benefits are as follows:

Significant Actuarial Assumptions:	<u>2012</u>	<u>2011</u>
Discount Rate	3.40%	3.40%
Expected Inflation Rate and Wage & Salary Increases	2.50%	2.50%

TOWN OF LADYSMITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

7. Restricted Reserves

Restricted reserves include Development Cost Charges (DCC's) which are charged to developers and utilized for infrastructure development. There were two new reserves added in 2011: (1) LRCA – Capital; and (2) B&G Capital. The reserves are for the replacement of specific building components located at 630 2nd Avenue and 220 High Street.

Description	Balance Dec. 31, 2011	Interest	Contributions	Expenditures	Balance Dec. 31, 2012
DCC Water	\$ 131,277	\$ 3,968	\$ 82,955	\$ (44)	\$ 218,156
DCC Parks	157,619	2,845	78,141	-	238,605
DCC Roads	535,214	6,916	143,693	(108,075)	577,748
DCC Sewer	65,254	1,107	59,826	-	126,187
DCC Storm	314,059	4,033	11,147	-	329,239
Parking	57,216	916	16,000	-	74,132
Gas Tax	469,886	7,483	252,714	(54,705)	675,377
Green Streets	1,376	18	-	-	1,394
Amphitheatre	11,840	159	1,300	-	13,300
Trolley	-	23	8,364	(8,387)	-
LRC Capital	363,000	27	-	-	363,027
B&G Capital	6,796	119	5,064	-	11,979
TOTAL	<u>\$ 2,113,537</u>	<u>\$ 27,614</u>	<u>\$ 659,204</u>	<u>\$ (171,211)</u>	<u>\$ 2,629,144</u>

8. Financial Instruments

The Town as part of its operations carries a number of financial instruments. It is management's opinion the Town is not exposed to significant interest, currency or credit risk arising from these financial instruments, except as otherwise disclosed. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

9. Federal Gas Tax Funds

Gas Tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Town 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. The attached Schedule V – Schedule of Receipts and Disbursements of Federal Gas Tax outlines the receipts and disbursements for these funds. The funds are recorded on our financial statements as a restricted reserve as outlined in Note 7.

TOWN OF LADYSMITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

10. Long Term Debt

- a) In 2012, new long term debt was issued through the Municipal Finance Authority in the amount of one million dollars to fund waterworks projects. The total long term debt issued and outstanding as at December 31, 2012 was \$3,867,422 (\$3,006,628 as at December 31, 2011). The following principal amounts are payable over the next five years.

	2013	2014	2015	2016	2017 and beyond
Sewer Principal	\$ 7,768	\$ 8,117	\$ 8,483	\$ -	\$ -
Water Principal	24,012	24,012	24,012	24,012	903,952
General Principal	214,373	220,320	266,501	86,206	2,055,654
	<u>\$ 246,153</u>	<u>\$ 252,449</u>	<u>\$ 298,996</u>	<u>\$ 110,218</u>	<u>\$ 2,959,606</u>

Debt interest, less actuarial adjustments in the consolidated statement of financial activities, is determined as follows:

	Interest	Actuarial Adjustment	2012 Net	2011 Net
Sewer Interest	\$ 2,703	\$ 2,776	\$ (73)	\$ 489
Water Interest	17,000	-	17,000	-
General Interest	222,136	57,007	165,129	172,377
	<u>\$ 241,839</u>	<u>\$ 59,783</u>	<u>\$ 182,056</u>	<u>\$ 172,866</u>

- b) Capital Leases – The town has entered into capital leases for the following purchases.

- 1) A five year capital lease agreement with the Municipal Finance Authority of British Columbia which commenced on September 28, 2010, for the purchase of a fire truck. Under the terms of the agreement the Town has prepaid \$97,000. The remaining obligation will be repaid with monthly lease payments in the amount of \$773 including interest at 1.75% per annum. The balance of the capital lease at December 31, 2012, which is included in long-term debt, is \$65,179. Lease to expire September 2015.
- 2) A five year capital lease agreement with the Municipal Finance Authority of British Columbia which commenced on August 2011 for the purchase of a Photocopier. The remaining obligation will be repaid with monthly lease payments in the amount of \$329 including interest at 2.0% per annum. The balance of the capital lease at December 31, 2012, which is included in long-term debt, is \$13,502. Lease to expire July 2016.
- 3) A five year capital lease agreement with the Municipal Finance Authority of British Columbia which commenced on April 2012 for the purchase of a 4X4 fire truck. The remaining obligation will be repaid with monthly lease payments in the amount of \$1,381 including interest at 2.0% per annum. The balance of the capital lease at December 31, 2012, which is included in long-term debt, is \$71,290. Lease to expire May 2017.
- 4) A five year capital lease agreement with the Municipal Finance Authority of British Columbia which commenced on June 2012 for the purchase of a photocopier. The remaining obligation will be repaid with monthly lease payments in the amount of \$111 including interest at 2.0% per annum. The balance of the capital lease at December 31, 2012, which is included in long-term debt, is \$5,938. Lease to expire July 2017.

TOWN OF LADYSMITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

11. Commitments and Contingencies

(a) Contingent Liabilities

- i) The Town, as a member of the Cowichan Valley Regional District, is jointly and severally liable for operational deficits or long term debt related to functions in which it participates.
- ii) The loan agreements with the Municipal Finance Authority provide that if the Authority does not have sufficient funds to meet payments on its obligations it shall make payments from the Debt Reserve Fund which in turn is established by a similar Debt Reserve Fund in the Town and all other borrowing participants. If the Debt Reserve Fund is deficient the Authority's obligations become a liability of the regional district and may become a liability of the participating municipalities.
- iii) Various claims have been made against the Town as at December 31, 2012 for incidents which arose in the ordinary course of operations. In the opinion of management and legal counsel, the outcomes of the lawsuits, now pending, are not determinable. As the outcomes are not determinable at this time, no amount has been accrued in the financial statements. Should any loss result from the resolution of these claims, such loss will be charged to operations in the year of resolution.

(b) Pension Liability

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 multiemployer 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 actuarial valuation as at December 31, 2009 indicated a \$1,024 million funding deficit 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 Ladysmith paid \$347,369 (\$319,308 - 2011) for employer contributions to the Plan in fiscal 2012.

TOWN OF LADYSMITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

11. Commitments and Contingencies (Continued)

(c) Reciprocal Insurance Exchange Agreement

The Town is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by Section 3.02 of the Insurance Act of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange Agreement the Town is assessed a premium and specific deductible for its claims based on population. The obligation of the Town with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its subscribers in connection with the Exchange are in every case several, and not joint and several. The Town irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other subscriber may suffer.

(d) Debt Reserve Fund

The Municipal Finance Authority of British Columbia provides capital financing for regional districts and their member municipalities. The Authority is required to establish a Debt Reserve 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 debt agreements. The Authority pays into the Debt Reserve Fund these monies from which interest earned thereon less administrative expenses becomes an obligation to the regional districts. It must then use this fund, if at any time there are insufficient funds, to meet payments on its obligations. When this occurs the regional districts may be called upon to restore the fund.

Upon maturity of a debt issue the unused portion of the Debt Reserve Fund established for that issue will be discharged to the Town. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, 2012 the total of the Debt Reserve Fund was comprised of:

	Demand		
	Note	Cash	Reserve
General	\$ 134,456	\$ 59,486	\$ 193,942
Sewer	4,270	1,616	5,886
Water	19,006	10,226	29,232
Total MFA Reserve Fund	<u>\$ 157,732</u>	<u>\$ 71,328</u>	<u>\$ 229,060</u>

TOWN OF LADYSMITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

12. Significant Taxpayers

The Town is reliant upon 10 taxpayers for approximately 22.05% (2011 – 23.2%) of the total property tax revenue which includes Western Forest Products at approximately 14.45% (2011 – 15.1%) of the total property tax revenue.

13. Funds Held in Trust

These funds account for assets which must be administered as directed by agreement or statute for certain beneficiaries; in particular, these funds are for the Cemetery Trust Fund. In accordance with PSAB recommendations on financial statement presentation, trust funds are not included in the Town's Financial Statements. A summary of trust fund activities by the Town is as follows:

	2012	2011
Assets		
Cash and short-term investment	<u>\$ 139,697</u>	<u>\$ 137,592</u>
Equity		
Opening balance	\$ 137,592	\$ 135,157
Interest	1,725	1,728
Transfer interest to fund cemetery costs	(1,725)	(1,728)
Contributions	<u>2,105</u>	<u>2,435</u>
Balance, end of year	<u>\$ 139,697</u>	<u>\$ 137,592</u>

14. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

TOWN OF LADYSMITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

15. Accumulated Surplus

The Town segregates its accumulated surplus in the following categories:

	2012	2011
Unappropriated equity	\$ 2,293,139	\$ 2,039,472
Appropriated equity (Schedule IV)	6,004,098	4,840,476
	8,297,237	6,879,948
Capital Funds		
General capital fund	4,653	-
Sewer capital fund	826	815
Water capital fund	1,130,618	543,382
	1,136,097	544,197
Reserve Funds		
Reserve funds (Schedule IV and VI)	107,020	115,570
	73,507,932	74,035,374
Total Accumulated Surplus	\$ 83,048,286	\$ 81,575,089

16. Annual Budget

Fiscal plan amounts represent the Financial Plan Bylaw adopted by Council on May 7, 2012.

The Financial Plan anticipated the use of surpluses accumulated in previous years to balance against current year expenditures in excess of current year revenues. In addition, the Financial Plan anticipated capital expenditures rather than amortization expense.

The following shows how these amounts were combined:

Financial Plan Bylaw surplus for the year	\$ 919,764
Add back:	
Transfers from DCC's & Reserves	363,680
Less:	
Capital Expenditures expensed in accordance with the Tangible Capital Asset Policy	(1,250,060)
Adjusted Annual Surplus	\$ 33,384

TOWN OF LADYSMITH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

17. DL 2016 Holdings Corporation (“DL 2016”)

The Town of Ladysmith has an investment in DL 2016 Holdings Corporation, a wholly owned subsidiary company of the Town.

The Town of Ladysmith leases portions of its waterfront from the Province of British Columbia parts of which are subleased to DL 2016 for use as a marina.

DL 2016 has entered into operation and maintenance agreement and a license agreement with the Ladysmith Maritime Society (LMS) for the operation and management of the lease area.

Pursuant to these agreements DL 2016 could provide security for debt financing in order for LMS to implement capital improvements to the lease area.

18. Segmented Information

The Town is a diversified municipal government institution that provides a wide range of services to its citizens such as roads, water, sewer and drainage infrastructure, fire protection, police protection (RCMP), cemetery, recreation centre, garbage collection and parkland. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Government Services

The Corporate Services Department supports the legislated activities of Council, and provides information to citizens with respect to Council/Committee processes, reporting procedures and decisions, and Town activities. Also included is the Finance Department, Information Technology and Human Resources. The City Manager is the liaison between Council and the Town departments and staff.

Capital Funding

Reflects the monies required to fund capital projects during a fiscal year. Included are transfers from development fees, grants, donations, investment income and proceeds from sale of real property.

Protective Services

Protection is comprised of fire protection, policing, bylaw enforcement and building inspection.

- Bylaw enforcement administers, monitors, and seeks compliance with the bylaws enacted by the Mayor and Council to regulate the conduct of affairs in the Town of Ladysmith.
- Fire protection is provided by the fire department, whose volunteer members receive compensation for each callout in which they take part.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

18. Segmented Information (Continued)

- Policing is provided under contract with the RCMP operating from a detachment building located in and owned by the Town of Ladysmith.
- The Town of Ladysmith's Development Services and Public Works Departments work together to regulate all construction within the Town. This is achieved through the use of the Town of Ladysmith's Building and Plumbing Bylaw, the British Columbia Building Code, the British Columbia Fire Code and other related bylaws and enactments with the Town of Ladysmith.

Library Services

A local library is funded by the Town through contributions to the Vancouver Island Regional Library which is responsible for library operations.

Transportation, Garbage and Cemetery

The Transportation (Public Works) Department is responsible for the infrastructure of the Town:

- Ensuring clean and safe water to the Town, supplied through underground pipes and reservoirs,
- Maintaining a separate system of underground pipes to collect sewer or waste water for proper treatment prior to discharging it,
- Providing and maintaining the Town's roads, sidewalks, street lights, signage and line markings, storm drainage and hydrants,
- Providing other key services including street cleaning and the operation of a local bus service.

Garbage Services (Public Works) is responsible for the garbage collection and compost and recycling programs operating in the Town of Ladysmith. Garbage and recycling collection is performed by a contractor.

Cemetery (Public Works) Department provides cemetery services including the maintenance of the cemetery grounds.

Transportation (Public Works) operates the Ladysmith Trolley.

TOWN OF LADYSMITH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

18. Segmented Information (Continued)

Development

The Development Services Department provides short-term and long-term land use planning services.

- Long-term Planning includes work with the community on reviewing the Town's Official Community Plan, developing new Neighbourhood Plans, the Trail Plan and the review of relevant bylaws.
- Short term Planning includes the processing of development applications.

Recreation and Culture

The Parks, Recreation and Culture Department contribute to the quality of life and personal wellness of the community through the provision of a variety of special events, programs, services and facilities. The Frank Jameson Community Centre is the location where the majority of the programs are offered.

Parks

Parks includes and provides maintenance of beach area, trails, golf course, spray-park, ball parks, and any other civic grounds.

Water

Water includes all of the operating activities related to the treatment and distribution of water throughout the Town.

Sewer

Sewer includes all of the operating activities related to the collection and treatment of waste water (sewage) throughout the Town.

19. Subsequent Events

Subsequent to year end, the Town entered into a lease agreement with the Municipal Finance Authority of British Columbia for a new Spartan fire truck with a total cost of \$492,017.

TOWN OF LADYSMITH
LONG TERM DEBT
FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE I

Date of Issue Purpose	Issue #	Term	Original Amount	Balance Dec 31, 2011	Principal Payments	Balance Dec 31, 2012	Interest (1)	Interest Rate
<u>Sewer Capital Fund</u>								
2000 Sewer Improvements	72	2000-2015	\$93,500	\$31,802	\$7,433	\$24,369	\$(73)	6.45%
<u>Water Capital Fund</u>								
2012 Water Improvements	118	2012-2037	\$1,000,000	\$ -	\$ -	\$1,000,000	\$17,000	3.40%
<u>General Fund</u>								
2000 First Avenue	73	2000-2015	\$1,438,000	\$489,098	\$114,323	\$374,774	\$48,612	6.35%
2005 Fire Truck	LS	2010-2015	311,189	73,226	8,048	65,178	1,371	4.02%
2006 RCMP Building	97	2006-2031	2,750,000	2,392,345	80,339	2,312,005	113,844	4.66%
2007 Command Responder Unit	LS	2007-2012	62,780	2,589	2,589	-	7	4.88%
2011 City Hall Photocopier	LS	2011-2016	19,113	17,570	3,702	13,868	313	2.00%
2012 Fire Bush Truck	LS	2012-2017	80,174	-	8,884	71,290	937	2.00%
2012 Public Works Photocopier	LS	2012-2017	6,458	-	520	5,938	45	2.00%
			4,667,714	2,974,828	218,405	2,843,053	165,129	
			<u>\$5,761,214</u>	<u>\$3,006,630</u>	<u>\$225,838</u>	<u>\$3,867,422</u>	<u>\$182,056</u>	

(1) Interest, net of actuarial and provincial sales tax adjustment.

TOWN OF LADYSMITH

TAX REVENUES

FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE II

	Actual 2012	Budget 2012	Actual 2011
General Taxes			
General municipal purposes	\$ 6,668,193	\$ 6,668,210	\$ 6,347,921
Grants in lieu and 1% utility tax	153,150	153,616	145,878
Water and sewer parcel tax	1,301,280	1,294,404	880,986
	<u>\$ 8,122,623</u>	<u>\$ 8,116,230</u>	<u>\$ 7,374,785</u>
Collections for other governments:			
School district	\$ 2,975,207	\$ 2,971,295	\$ 2,941,690
Regional hospital district	451,270	450,665	371,171
Regional district	729,711	728,771	681,593
BCAA and MFA	84,122	84,013	86,640
	<u>\$ 4,240,310</u>	<u>\$ 4,234,744</u>	<u>\$ 4,081,094</u>
Less:			
Transmission of taxes levied for other governments:			
School district	\$ 2,975,207	\$ 2,971,295	\$ 2,941,688
Regional hospital district	450,665	450,665	370,862
Regional district	728,771	728,771	681,104
BCAA and MFA	84,122	84,013	86,683
	<u>\$ 4,238,765</u>	<u>\$ 4,234,744</u>	<u>\$ 4,080,337</u>
Net Taxation	<u>\$ 8,124,168</u>	<u>\$ 8,116,230</u>	<u>\$ 7,375,542</u>

TOWN OF LADYSMITH
SCHEDULE OF FEES AND CHARGES
FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE III

	Actual 2012	Budget 2012	Actual 2011
General Revenue Fund			
Fines and Licence Revenue	\$ 77,996	\$ 75,300	\$ 79,547
Garbage Collection Revenue	505,292	487,200	494,986
General Revenue Fund	18,154	1,850	26,459
Trolley Revenue	14,239	20,000	11,249
Cemetery Revenue	31,015	30,000	24,525
Miscellaneous Revenue	94,326	103,046	150,497
Parks, Recreation & Culture Revenue	584,349	647,850	574,870
Permits and Fees (Subdivisions)	116,192	104,700	110,364
Protective Services Revenue	243,245	229,167	249,084
	<u>\$ 1,684,808</u>	<u>\$ 1,699,113</u>	<u>\$ 1,721,581</u>
Sewer Utility Fund			
User Rates	<u>\$ 680,043</u>	<u>\$ 657,854</u>	<u>\$ 635,101</u>
Waterworks Utility Fund			
User Rates	<u>\$ 694,452</u>	<u>\$ 651,614</u>	<u>\$ 646,117</u>
Total Fees and Charges	<u><u>\$ 3,059,303</u></u>	<u><u>\$ 3,008,581</u></u>	<u><u>\$ 3,002,799</u></u>

TOWN OF LADYSMITH
CONTINUITY SCHEDULE OF RESERVES AND APPROPRIATED EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE IV

	Balance Dec. 31, 2011	Interest Allocated	Contributions	Funding	Balance Dec. 31, 2012
RESERVES					
Tax Sale	\$ 24,554	\$ 309	\$ -	\$ -	\$ 24,863
Perpetual Safety Fund	12,219	154	-	-	12,373
Sale Real Property	-	-	-	-	-
Amenity Funds	78,797	987	-	10,000	69,784
TOTAL RESERVES	115,570	1,450	-	10,000	107,020
APPROPRIATED EQUITY OPERATIONS					
General Operating Fund					
Future Projects	261,420	236	1,062,025	627,371	696,310
Equipment	612,545	-	192,988	175,281	630,252
Land & Building	146,883	-	11,100	21,665	136,318
Tax Contingency	211,266	-	-	50,000	161,266
Total General Fund Appropriated Equity	1,232,114	236	1,266,113	874,317	1,624,146
Water Operating Fund					
Capital Expenditures	261,165	-	433,601	-	694,766
MFA Surplus Refunds	524,076	-	-	-	524,076
Total Water Operating Fund	785,241	-	433,601	-	1,218,842
Sewer Operating Fund					
Capital Expenditures	2,216,770	-	337,987	-	2,554,757
MFA Surplus Refunds	606,353	-	-	-	606,353
Total Sewer Operating Fund	2,823,123	-	337,987	-	3,161,110
TOTAL APPROPRIATED EQUITY	\$ 4,840,478	\$ 236	\$ 2,037,701	\$ 874,317	\$ 6,004,098
TOTAL RESERVES AND APPROPRIATED EQUITY	\$ 4,956,048	\$ 1,686	\$ 2,037,701	\$ 884,317	\$ 6,111,118

TOWN OF LADYSMITH
FEDERAL GAS TAX – SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

SCHEDULE V

	<u>2012</u>	<u>2011</u>
Opening balance of unspent funds	\$ 469,885	\$ 541,268
Add: Amount received during the year	252,714	252,715
Interest earned	7,483	7,746
Less: Amount spent on projects	<u>(54,705)</u>	<u>(331,844)</u>
Closing balance of unspent funds	<u>\$ 675,377</u>	<u>\$ 469,885</u>

TOWN OF LADYSMITH
STATEMENT OF RESERVE FUND ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012
SCHEDULE VI

	2012	2011
Revenue		
Investment income	\$ 1,687	\$ 2,554
Sale of Real Property	-	21,000
Contributions from developers	-	25,000
	<hr/>	<hr/>
Net Revenues	1,687	48,554
Transfers from (to) operating fund	<hr/> (10,237)	<hr/> (151,818)
Changes in Reserve Fund Balances	(8,550)	(103,264)
Funding Surplus, Beginning of Year	<hr/> 115,570	<hr/> 218,834
Funding Surplus, End of Year	<hr/> <u>\$ 107,020</u>	<hr/> <u>\$ 115,570</u>

TOWN OF LADYSMITH

SCHEDULE OF RESTRICTED RESERVES, RESERVES AND EQUITY BY FUND

AS AT DECEMBER 31, 2012

SCHEDULE VII

	Restricted Reserves	Allocated Reserves	Appropriated Equity	Unappropriated Equity	Capital Funds Equity	Total
General operating fund	\$ -	\$ -	\$ 1,624,146	\$ 117,435	\$ -	\$ 1,741,581
Water operating fund	-	-	1,218,842	1,142,781	-	2,361,623
Sewer operating fund	-	-	3,161,110	1,032,923	-	4,194,033
Reserve fund	2,629,144	107,020	-	-	-	2,736,164
General capital fund	-	-	-	-	4,653	4,653
Water capital fund	-	-	-	-	1,130,618	1,130,618
Sewer capital fund	-	-	-	-	826	826
Total	\$ 2,629,144	\$ 107,020	\$ 6,004,098	\$ 2,293,139	\$ 1,136,097	\$ 12,169,498

TOWN OF LADYSMITH

Schedule VIII

Statement of Operations by Segment

AS AT DECEMBER 31, 2012

	General Government	Capital	Protective	Library	Transport Garbage & Cemetery	Development	Recreation & Culture	Parks	Water	Sewer	Total Actual
	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012	2012
REVENUE											
Tax	\$ 1,363,639	\$ 952,035	\$1,330,699	\$ 286,236	\$ 1,198,583	\$ 618,427	\$ 1,176,549	\$613,130	\$324,518	\$ 260,352	\$8,124,168
Grants	636,644	1,008,916	64,536	-	10,163	16,998	134,706	-	-	-	1,871,963
Fees & Charges	84,326	-	353,538	-	582,022	59,631	600,221	5,071	694,452	680,043	3,059,304
Investment income	99,532	12,650	-	-	-	-	-	-	-	-	112,182
DCC revenue & other funding of capital works	-	162,780	-	-	-	-	-	-	-	-	162,780
Other revenue	117,983	182,815	-	-	-	-	-	-	-	8,922	309,720
Total revenue	2,302,124	2,319,196	1,748,773	286,236	1,790,768	695,056	1,911,476	618,201	1,018,970	949,317	13,640,117
EXPENSES											
Contracted Services	431,384	-	863,309	-	522,974	162,640	49,475	34,975	95,900	101,287	2,261,944
Grants In Aid	103,100	-	11,000	-	-	-	-	-	-	-	114,100
Insurance	73,386	-	23,256	-	8,317	-	23,783	-	4,810	11,917	145,469
Interest	313	-	116,159	-	48,658	-	-	-	17,000	(73)	182,057
Library	-	-	-	286,236	-	-	-	-	-	-	286,236
Materials & Supplies	29,539	-	73,148	-	81,206	5,269	111,432	127,452	48,333	38,763	515,142
Utilities & Telephone	10,667	-	43,303	-	129,553	6,124	159,352	20,358	5,510	40,462	415,329
Wages & Benefits	1,251,835	-	325,444	-	817,575	333,794	1,571,726	347,231	329,472	304,197	5,281,274
Other	89,707	-	48,062	-	80,397	12,858	150,537	88,448	41,838	32,044	543,891
Amortization	-	2,421,478	-	-	-	-	-	-	-	-	2,421,478
Total expenses	1,989,931	2,421,478	1,503,681	286,236	1,688,680	520,685	2,066,305	618,464	542,863	528,597	12,166,920
Surplus (Deficit)	\$ 312,193	\$ (102,282)	\$ 245,092	\$ -	\$ 102,088	\$ 174,371	\$ (154,829)	\$ (263)	\$476,107	\$ 420,720	\$1,473,197

TOWN OF LADYSMITH

Schedule IX

Statement of Operations by Segment

AS AT DECEMBER 31, 2011

	General Government	Capital	Protective	Library	Transport Garbage & Cemetery	Development	Recreation & Culture	Parks	Water	Sewer	Total Actual
	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011	2011
REVENUE											
Tax	\$ 1,373,243	\$ 253,159	\$1,099,833	\$ 266,368	\$ 792,612	\$ 624,643	\$ 1,280,136	\$756,355	\$365,567	\$ 563,627	\$7,375,542
Grants	638,953	1,952,587	69,439	-	9,522	16,303	132,035	-	-	-	2,818,839
Fees & Charges	56,610	-	355,771	-	564,148	64,435	664,845	4,523	646,117	635,101	2,991,550
Investment income	91,159	5,585	-	-	-	-	-	-	-	-	96,744
DCC revenue & other funding of capital works	-	1,198,165	-	-	-	-	-	-	-	-	1,198,165
Other revenue	143,402	-	-	-	119,324	6,978	-	-	-	8,922	278,627
Total revenue	2,303,367	3,409,496	1,525,043	266,368	1,485,606	712,359	2,077,016	760,878	1,011,684	1,207,650	14,759,466
EXPENSES											
Contracted Services	299,935	-	877,834	-	520,648	168,757	38,144	31,282	81,823	96,255	2,114,678
Grants In Aid	87,950	-	-	-	-	-	-	-	-	-	87,950
Insurance	77,114	-	25,204	-	5,384	-	24,319	-	4,813	11,907	148,741
Interest	153	-	118,658	-	53,535	-	31	-	-	489	172,866
Library	-	-	-	266,368	-	-	-	-	-	-	266,368
Materials & Supplies	44,240	-	65,833	-	58,174	8,398	123,688	116,666	43,693	26,384	487,076
Utilities	10,785	-	-	-	39,704	5,981	141,791	20,097	3,039	36,335	257,732
Wages & Benefits	1,298,082	-	331,685	-	747,579	335,228	1,532,995	337,897	287,658	260,729	5,131,853
Other	127,184	-	102,083	-	118,812	7,758	132,749	95,262	36,232	31,376	651,456
Amortization	-	2,291,656	-	-	-	-	-	-	-	-	2,291,656
Total expenses	1,945,443	2,291,656	1,521,297	266,368	1,543,836	526,122	1,993,717	601,204	457,258	463,475	11,610,376
Surplus (Deficit)	\$ 357,924	\$1,117,840	\$ 3,746	\$ -	\$ (58,230)	\$ 186,237	\$ 83,298	\$159,674	\$554,427	\$ 744,175	\$3,149,090

TOWN OF LADYSMITH
CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2012

Schedule X

	Land		Buildings	Vehicles	Linear Infrastructure				Assets Under Construction	2012 Total
	Land	Improvements		Furniture & Equipment	Transportation	Sanitary Sewer	Storm Sewer	Water		
COST										
Opening Balance	\$8,552,571	\$7,571,586	\$17,627,130	\$5,197,725	\$25,480,203	\$14,211,653	\$7,844,102	\$14,032,374	\$5,535,993	\$106,053,337
Add: Additions	13,512	144,529	18,325	299,304	44,898	5,727,251	94,624	1,671,315	106,600	8,120,358
Less: Disposals	-	-	-	155,605	-	-	-	-	5,342,828	5,498,433
Less: Write-downs	-	-	-	-	-	-	-	-	-	-
Closing Balance	8,566,083	7,716,115	17,645,455	5,341,424	25,525,101	19,938,904	7,938,726	15,703,689	299,765	108,675,262
ACCUMULATED AMORTIZATION										
Opening Balance		1,845,125	3,058,567	3,017,247	11,473,133	4,489,483	1,657,754	3,469,726		29,011,035
Add: Amortization		226,698	456,278	276,733	721,812	363,747	105,494	270,716		2,421,478
Less: Write-downs		-	-	-	-	-	-	-		-
Less: Acc. Amortization on Disposals		-	-	132,605	-	-	-	-		132,605
Closing Balance		2,071,823	3,514,845	3,161,375	12,194,945	4,853,230	1,763,248	3,740,442		31,299,908
Net Book Value, year ended December 31, 2012	\$8,566,083	\$5,644,292	\$14,130,610	\$2,180,049	\$13,330,156	\$15,085,674	\$6,175,478	\$11,963,247	\$299,765	\$77,375,354

(1) Included in the tangible capital assets are leased assets with a total cost of \$479,714 - (2011 - \$393,530) and accumulated amortization of \$114,760 - (2011 - \$90,548)

TOWN OF LADYSMITH
CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS
For the Year Ended December 31, 2011

Schedule XI

	Land		Buildings	Vehicles	Linear Infrastructure				Assets Under Construction	2011 Total
	Land	Improvements		Furniture & Equipment	Transportation	Sanitary Sewer	Storm Sewer	Water		
COST										
Opening Balance	\$8,485,454	\$3,231,607	\$14,222,125	\$4,998,681	\$23,585,509	\$13,614,428	\$7,271,824	\$13,406,011	\$11,031,853	\$99,847,492
Add: Additions	67,117	4,344,888	3,405,005	259,544	1,894,694	597,225	572,278	626,363	2,316,264	14,083,378
Less: Disposals	-	4,909	-	60,500	-	-	-	-	7,812,124	7,877,533
Less: Write-downs	-	-	-	-	-	-	-	-	-	-
Closing Balance	8,552,571	7,571,586	17,627,130	5,197,725	25,480,203	14,211,653	7,844,102	14,032,374	5,535,993	106,053,337
ACCUMULATED AMORTIZATION										
Opening Balance		1,662,402	2,651,939	2,796,321	10,693,198	4,202,518	1,556,922	3,218,488		26,781,788
Add: Amortization		187,632	406,628	278,426	779,935	286,965	100,832	251,238		2,291,656
Less: Write-downs		-	-	-	-	-	-	-		-
Less: Acc. Amortization on Disposals		4,909	-	57,500	-	-	-	-		62,409
Closing Balance		1,845,125	3,058,567	3,017,247	11,473,133	4,489,483	1,657,754	3,469,726		29,011,035
Net Book Value, year ended December 31, 2011	\$8,552,571	\$5,726,461	\$14,568,563	\$2,180,478	\$14,007,070	\$9,722,170	\$6,186,348	\$10,562,648	\$5,535,993	\$77,042,302