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# VILLAGE OF SILVERTON

## 2018 Annual Report & Financial Statements

For the year ended  
December 31, 2018

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## MESSAGE FROM THE MAYOR

It is my pleasure to introduce the 2018 Annual Municipal Report for the Village of Silverton. I am in year five of being your Mayor and I continue to be honoured to hold the position.

Thank-you to the Village Council and the citizens of Silverton for their continued support in the initiatives our staff has taken on as well as the professional development of Council – myself included. Without your support we would not be able to attend the conventions we do. Without attending these conventions we would be out of the loop on what is happening in our region, province and country. We would be less effective elected officials both through loss of voice to the region, province and country as well as the loss of our continual education. Lastly, we would not have had the chances we've had to forge the relationships and partnerships we have.

As you may know we have been successful for 5 years in a row now getting Councillor (and RDCK Director) Leah Main elected to the FCM (Federation of Canadian Municipalities) board via the BC Caucus. This year we were also successful in getting Leah Main elected as the Caucus Chair. This means that Silverton is a key player in setting policy used to engage the Federal Government via the FCM organization. It also means that we have a continued opportunity to help ensure that both federal policies and granting programs are viewed through a rural lens.

I have decided not to run again for the AKBLG (Association of Kootenay Boundary Local Governments) Executive. When I joined the AKBLG Executive I wanted to see the organization gain capacity, increase its effectiveness for its members and have a better set of documentation with which to run its business. After four years all of these things are well in hand.

This year having been an election year has seen the addition of two new members of Council. Tanya Gordon and Kerry Gordon bring with them a wealth of knowledge and experience. We are fortunate to have them on our Council; they are valuable new members to our high functioning team.

We are still wrapping up many of the initiatives started in previous years. One that comes to mind is the outdoor exercise equipment being installed in the day park. We are very pleased to see this nearing completion.

Despite having a very full plate our dedicated and hardworking staff are managing to fit in an OCP (Official Community Plan) review. Over the next year we will see community engagement events, questionnaires and a fair bit of outreach to ensure that we have ample community input into the visioning of Silverton for the next decade.

In a nutshell, Silverton's Staff and Council will continue to work tirelessly on your behalf doing our best to keep Silverton vibrant and thriving.

Thank-you all for doing your part to realize this shared goal.

Jason Clarke  
Mayor



## Silverton Village Council ( 2018 – 2022 term )

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Mayor Jason Clarke

Councillor Kerry Gordon

Councillor Tanya Gordon

Councillor Leah Main

Councillor Arlene Yofonoff

## Village of Silverton Staff Listing

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Chief Administrative Officer ..... Hillary Elliott

Administrative Assistant ..... Christine Baal

Public Works Foreman ..... Leonard Casley

Public Works Assistant ..... Manuel DaRosa

Chief Financial Officer ..... Colin McClure

## Vision and Guiding Principles

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- Silverton will be an innovative and vibrant Village where people desire to live, work, play and retire. We aspire to be a community that works together to provide opportunities, protect the natural environment, natural eco-systems, built and natural assets.
- Through visionary leadership, citizens are engaged in maintaining a safe, caring and vibrant community that honours our culture, heritage and the environment.
- The vision of the Village of Silverton is to create and nurture an environment in which people are able to pursue the fulfillment of their values in harmony with the community and the environment.
- We should live within the carrying capacity of the natural environment, including our watershed.
- We should leave the next generation with equal or better opportunities than the present generation has enjoyed. We should create a harmonious balance between economic opportunity, social conscience and environmental stewardship.
- We must look beyond traditional municipal boundaries and urban/rural boundaries to incorporate regional ecosystem boundaries.
- Successful sustainability is a grass roots initiative that must be supported by the community.

## Strategic Plan for Annual Report 2018 (Rated by top five priorities)

Category	Project	Priority
Administration	Policy Overview & Remediation	3
Administration	Continue supporting Staff development	
Administration	Bylaw Overview & Remediation	
Administration	OCP review & update	
Administration	Record Management Improvements	
Communication	Better communication and civic engagement	
Communication	Engaging young people - volunteerism, committees, commissions, public office, etc...	
Communication	Better engagement w/school	
Communication	Young family support	
Economic Development	Creating a maker space	
Economic Development	Keep revenue local	
Economic Development	Village Selling - Soil, Gravel, Woodchips	
Facilities	Better understanding of our facilities	
Facilities	Maintenance Plan/Asset Management Plan	1
Facilities	Gallery re-opening project	2
Facilities	Creekside Campsite - Large roof over washroom/basin area (5K cost)	
Facilities	Get facilities to operate more smoothly - be more profitable	
Facilities	Campground Update - Wireless internet	
Facilities	Geothermal/District Heating - get baseline	
Facilities	Campground Overhaul - communal fire pit, programming for campers, sing along	
Facilities	Campground Update - Power hookups (serviced campsites)	
Facilities	Campground Overhaul - permanent structures - micro homes - yurts - cob home etc...	
Infrastructure	Water lines - tying in dead ends	
Infrastructure	Footbridge - (railing replacement etc...)	
Infrastructure	Community Forest to protect the water shed	4
Infrastructure	Fencing around reservoir	
Infrastructure	Community Garden	
Infrastructure	Broad Band/Fiber to home	
Infrastructure	Street Lights (installing our own w/LED)	
Infrastructure	Day Park - Gazebo & Power	
Infrastructure	Pave all streets	
Infrastructure	Day Park - Seating	
Lake/Creek	Dike Maintenance	
Lake/Creek	Riparian protection - Education	
Lake/Creek	Signage	
Lake/Creek	Education in general	
Lake/Creek	Lake Management	
Lake/Creek	Lake shore walking trail	
Lake/Creek	Silverton Creek mouth erosion	
Lake/Creek	Water craft education	
Other	Food Security	
Other	Changing over pews in Village Office	
Services	Properly Maintaining current services	5
Services	Recycling - Waste Elimination	
Services	Recycling - Electronics	

# What We Do and Our Successes in 2018

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## Corporate Services

The administrative function of the organization under Corporate Services is responsible for the overall treasury function of the Village including, but not limited to, coordination of budgets and five-year financial plans, property taxation, financial cash management, payroll, accounts receivable/payable and financial forecasting and controls. The staff are responsible for managing and monitoring the Village's overall budget as well as providing financial data and advice to Village Council and staff.

It is the objective of the Village through the office staff to operate an efficient and self-sufficient municipality while maintaining a well-served, safe, livable and sustainable community. Our focus is to provide maximum efficiency and reasonable taxation, while also making provision for future infrastructure and service needs. The staff are committed to sound financial management of its operations, debt, and reserve balances and addressing our aging municipal infrastructure. The Village will effectively plan and steward the continuance of a healthy financial framework on these issues for current and future generations.

The legislative responsibilities of the staff and organization is to provide corporate and other assistance to Village Council in their efforts to address community issues and provide good governance. This aspect of the organization is responsible for managing and maintaining all Village records and ensuring access to those records. Staff undertake such works as contractual agreements, policies, bylaws, agendas, meeting minutes and conducts general elections.

## Public Works / Environmental Services

### Streets:

This department is overseen by the Public Works Foreman with the assistance of the public works assistant. Staff provides and maintains a number of essential services and infrastructure for the Village. This would include roads and drainage, management of the Village's fleet, parks operations, building maintenance, water, recycling and overall management of the environmental services.

Staff are responsible for the maintenance and repair of the paved and unpaved street network in the Village. Maintenance would include pothole patching, crack sealing, grading, street sweeping, snow removal, sidewalk repair, maintenance and replacement. The replacement and upgrade of deteriorated roadways is subject to annual budgetary review and is prioritized based upon many factors such a surface condition and the condition of the existing underground infrastructure. The five-year financial plan reflects a commitment to the improvement of the streets in a strategic and fiscally responsible manner. The Village has a dedicated team of employees who work diligently to ensure that the roadways and pedestrian sidewalks are well maintained for the protection and safety of the citizens of Silverton.

### Water, Storm Water:

Staff are responsible for the water collection and distribution of the municipal water system and storm water collection system for the Village. The Village has a team of qualified operators responsible for overseeing and maintaining the water and storm water facilities and main line and service infrastructure.

The Village maintains compliance with federal, provincial and local regulations and policies in maintaining our water and storm water collection and distribution systems in the Village. The Village draws its water from a ground water source to our infrastructure which includes 2 deep water wells. The water is pumped to 2 water reservoirs then is distributed to water zones. The Village has approximately 5,600 feet of water distribution mains.



## Solid Waste Collection and Recycling:

The Village offers curbside garbage collection services on a weekly basis. Recycling services are provided by on-site recycling feeder stations located on the grounds of the Village Office. The recycling component has diverted a substantial volume of material away from the waste stream. This is proving to be very sustainable and reduces costs for landfill operations.

## Parks:

The staff are responsible for the maintenance and repair of all Village parks. Key maintenance operations include grass maintenance, irrigation, facility and equipment maintenance and repair and replacement.

## 2018 Successes

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- Implementation of Phase 1 Asset Management Program
- Modernization of a number of bylaws and policies
- Regional collaboration and sub-regional collaboration with municipalities in the Slokan Valley on issues of mutual interest
- Completed a capital improvement project at the Silverton Gallery, with a new mechanical heating and cooling system and a new fire suppression system
- Re-opened the Silverton Gallery building to the public and signed a lease with the Slokan Lake Arts Council for the building
- Purchased outdoor exercise equipment and engaged with local expertise for best placement for circuit training
- Continued Wildfire Mitigation
- A funding program for a regional partnership in FireSmart and Emergency Management
- Completed 2018 Bull Trout survey, Bull Trout Wildlife Habitat Area (WHA) proposal to province
- Barlett Creek hydrogeomorphic assessment

**The Corporation of the Village of Silverton**  
**2018 STATEMENT OF FINANCIAL INFORMATION**

**Statement of Financial Information (SOFI)**

**THE CORPORATION OF THE VILLAGE OF SILVERTON**

**Fiscal Year Ended December 31, 2018**

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**Statement of Financial Information (SOFI)**


**THE CORPORATION OF THE VILLAGE OF SILVERTON**

**Fiscal Year Ended December 31, 2018**

**STATEMENT OF FINANCIAL INFORMATION APPROVAL**

We, the undersigned, approve the attached statements and schedules included in this Statement of Financial Information, produced under the Financial Information Act.

  
\_\_\_\_\_  
Jason Clarke  
Mayor

  
\_\_\_\_\_  
Colin McClure, CPA, CA  
Chief Financial Officer

Prepared as required by *Financial Information Regulation*, Schedule 1, section 9

**Statement of Financial Information (SOFI)**

**THE CORPORATION OF THE VILLAGE OF SILVERTON**

**Fiscal Year Ended December 31, 2018**

**MANAGEMENT REPORT**

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with generally accepted accounting principles and the integrity and objectivity of these statements are management's responsibility.

Management is also responsible for all other schedules of financial information and for ensuring this information is consistent, where appropriate, with the information contained in the financial statements and for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Mayor and Council are responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and for approving the financial information included in the Statement of Financial Information.

The external auditors, Grant Thornton, Chartered Professional Accountants, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules of financial information required by the *Financial Information Act*. Their examination includes a review and evaluation of the City's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly.

On behalf of The Corporation of the Village of Silverton



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Colin McClure, CPA, CA  
Chief Financial Officer  
June 11, 2019

**THE CORPORATION OF THE VILLAGE OF SILVERTON**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2018**

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**THE CORPORATION OF THE VILLAGE OF SILVERTON**  
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For the Year Ended December 31, 2018

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**Financial Statements**

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Statement of Operations

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Notes to the Financial Statements

Schedule A - Statement of Tangible Capital Assets

Schedule B - Schedule of Segmented Information



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## INDEPENDENT AUDITOR'S REPORT

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**Grant Thornton LLP**

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To the Mayor and Council  
Corporation of the Village of Silverton

### **Opinion**

We have audited the financial statements of the Corporation of the Village of Silverton, (the Village), which comprise the statement of financial position as at December 31, 2018, and the statement of operations, statement of changes in net financial assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation of the Village of Silverton as at December 31, 2018, and its results of operations, its changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Village in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Matters**

The financial statements of the Corporation of the Village of Silverton for the year ended December 31, 2017, were audited by Berg Lehmann Chartered Professional Accountants who expressed an unmodified opinion on those statements on April 23, 2018.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing the Village's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Those charged with governance are responsible for overseeing the Village's financial reporting process.





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## **INDEPENDENT AUDITOR'S REPORT (continued)**

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant of the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Village to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Grant Thornton LLP*

**Chartered Professional Accountants**

April 30, 2019

Nelson, B.C.

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**THE CORPORATION OF THE VILLAGE OF SILVERTON**  
**STATEMENT OF FINANCIAL POSITION**

As at December 31, 2018

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	<u>2018</u>	<u>2017</u>
<b>Financial Assets</b>		
Cash and cash equivalents (Note 2)	\$ 558,843	\$ 593,309
Accounts receivable (Note 3)	<u>223,820</u>	<u>321,692</u>
	<u>782,663</u>	<u>915,001</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (Note 4)	131,727	141,882
Deferred revenue (Note 5)	<u>18,600</u>	<u>70,039</u>
	<u>150,327</u>	<u>211,921</u>
<b>Net Financial Assets</b>	632,336	703,080
<b>Non -Financial Assets</b>		
Tangible capital assets (Note 6)	2,787,220	2,564,805
Prepaid expenses	<u>19,825</u>	<u>21,618</u>
	<u>2,807,045</u>	<u>2,586,423</u>
<b>Accumulated Surplus (Note 7)</b>	<u>\$ 3,439,381</u>	<u>\$ 3,289,503</u>

Commitments and Contingencies (Note 10)

  
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Colin McClure, CPA, CA  
Chief Financial Officer

**THE CORPORATION OF THE VILLAGE OF SILVERTON**  
**STATEMENT OF OPERATIONS**  
For the Year Ended December 31, 2018

	2018 Budget (Note 11)	2018	2017
<b>Revenue</b>			
Taxes	\$ 148,139	\$ 149,025	\$ 139,746
Sale of services	63,531	43,809	62,005
Other revenue from own sources	34,110	23,778	21,033
Investment income	1,500	4,646	5,689
Grants - unconditional	273,000	281,261	273,009
Grants - conditional	528,366	320,308	632,413
Water user fees	73,859	74,288	70,405
Gain on disposal of tangible capital assets	-	1,362	-
	1,122,505	898,477	1,204,300
<b>Expenses</b>			
General government	288,764	265,254	256,321
Protective services	242,900	130,603	71,615
Transportation services	134,472	125,584	129,997
Environmental health services	26,262	27,238	23,556
Parks, recreation and cultural services	68,600	44,524	57,528
Water utility operations	51,086	46,408	51,703
Amortization	115,535	108,988	111,961
	927,619	748,599	702,681
Annual surplus	194,886	149,878	501,619
Accumulated surplus, beginning of the year	3,289,503	3,289,503	2,787,884
<b>Accumulated surplus, end of the year</b>	<b>3,484,389</b>	<b>3,439,381</b>	<b>3,289,503</b>

**THE CORPORATION OF THE VILLAGE OF SILVERTON**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**  
For the Year Ended December 31, 2018

	<u>2018 Budget</u>	<u>2018</u>	<u>2017</u>
Annual surplus	194,886	149,878	501,619
Acquisition of tangible capital assets	(412,500)	(340,963)	(669,342)
Amortization of capital assets	<u>115,535</u>	<u>108,988</u>	<u>111,961</u>
Proceeds on sale of tangible capital assets	-	10,922	-
(Gain) / loss on disposal of tangible capital assets	<u>-</u>	<u>(1,362)</u>	<u>-</u>
	(102,079)	(72,537)	(55,762)
Use (acquisition) of prepaid expenses	<u>-</u>	<u>1,793</u>	<u>(9,902)</u>
Increase (decrease) in net financial assets	(102,079)	(70,744)	(65,664)
Net financial assets, beginning of year	<u>703,080</u>	<u>703,080</u>	<u>768,744</u>
<b>Net financial assets, end of the year</b>	<u>601,001</u>	<u>632,336</u>	<u>703,080</u>

**THE CORPORATION OF THE VILLAGE OF SILVERTON**  
**STATEMENT OF CASH FLOWS**  
For the Year Ended December 31, 2018

	<u>2018</u>	<u>2017</u>
<b>Cash Provided by (Used In)</b>		
<b>Operating Activities</b>		
Annual surplus	\$ 149,878	\$ 501,619
<b>Items not involving cash:</b>		
Amortization of tangible capital assets	108,988	111,961
Gain on disposal of tangible capital assets	<u>1,362</u>	<u>-</u>
	<u>257,504</u>	<u>613,580</u>
<b>Increase (decrease) in non-cash operating items:</b>		
Accounts receivable	97,872	(274,725)
Accounts payable and accrued liabilities	(10,155)	119,969
Deferred revenue	(51,439)	(6,461)
Prepaid expenses	<u>1,793</u>	<u>(9,902)</u>
	<u>295,575</u>	<u>442,461</u>
<b>Capital Activities</b>		
Proceeds from disposal of tangible capital assets	10,922	-
Acquisition of tangible capital assets	<u>(340,963)</u>	<u>(669,342)</u>
<b>Net increase (decrease) in Cash</b>	(34,466)	(226,881)
<b>Cash and cash equivalents, beginning of year</b>	<u>593,309</u>	<u>820,190</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 558,843</u>	<u>\$ 593,309</u>

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# THE CORPORATION OF THE VILLAGE OF SILVERTON

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

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### 1. Significant Accounting Policies

The Corporation of the Village of Silverton (the Village) is a local government in the Province of British Columbia. The financial statements have been prepared in accordance with Canadian public sector accounting standards.

The following is a summary of the Village's significant accounting policies:

(a) Revenue Recognition

Sources of revenue are recorded on the accrual basis and include revenue in the period in which the transactions or events occurred that give rise to the revenues. Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service or product is rendered by the Village.

Grant revenues are recognized when the funding becomes receivable. Revenue unearned in the current period is recorded as deferred revenue.

(b) Deferred Revenue

Deferred revenue represents funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes as well as licenses, permits, other fees and grants which have been collected, but for which the related services have not been performed and or projects have not been constructed. These amounts will be recognized as revenues in the fiscal year in which they are used for the specified purpose, the services are performed and or the projects are constructed.

(c) Government Transfers

Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met and reasonable estimates can be made.

(d) Financial Instruments

The Village's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. It is management's opinion that the Village is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

(e) Interest and Actuarial Gains on Long Term Debt

The Village records interest expense on long-term debt on an accrual basis and actuarial gains when realized as a reduction of the principal balance.

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# THE CORPORATION OF THE VILLAGE OF SILVERTON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018

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### 1. Significant Accounting Policies (continued)

#### (f) Tangible Capital Assets

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

Buildings	40 years
Furniture, Equipment & Vehicles	5 to 10 years
Technology	5 years
Roads and Paving	40 years
Bridges and other Transportation Structures	40 years
Water Infrastructure	10 to 40 years

#### (g) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

#### (h) Statutory Reserves

Statutory reserves are funds that have been restricted by council. Formal establishing bylaws have been adopted pursuant to the Community Charter, which define how these reserves are to be used.

#### (i) Use of Estimates

The preparation of consolidated 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 at the date of the financial statements, and the reported revenues and expenses during the reporting period. Significant areas requiring estimates include the useful lives of tangible capital assets for amortization, future employee benefits, allowance for doubtful accounts and provision for contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

#### (j) Budget

Budget data presented in these financial statements is based on the Village's Five Year Financial Plan for the years 2018-2022, adopted by Council on May 10, 2018.

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**THE CORPORATION OF THE VILLAGE OF SILVERTON****NOTES TO THE FINANCIAL STATEMENTS**December 31, 2018

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**2. Cash and Cash Equivalents**

Cash and cash equivalents in the statement of financial position are comprised of:

	<u>2018</u>	<u>2017</u>
Cash	\$ 468,210	\$ 504,146
MFA bond and money market funds	<u>90,633</u>	<u>89,163</u>
	<u>\$ 558,843</u>	<u>\$ 593,309</u>

Municipal Finance Authority (MFA) pooled investment funds are considered equivalent to cash because of their liquidity.

**3. Accounts Receivable**

	<u>2018</u>	<u>2017</u>
Property taxes	\$ 26,493	\$ 25,121
Utility billings	10,436	6,646
Other governments	10,497	36,691
Trade & other receivables	<u>176,394</u>	<u>253,234</u>
	<u>\$ 223,820</u>	<u>\$ 321,692</u>

**4. Accounts Payable and Accrued Liabilities**

	<u>2018</u>	<u>2017</u>
Trades payable	\$ 112,921	\$ 135,893
Accrued wages and benefits	<u>18,806</u>	<u>5,989</u>
	<u>\$ 131,727</u>	<u>\$ 141,882</u>

**5. Deferred Revenue**

	<u>2018</u>	<u>2017</u>
Grants and other	<u>\$ 18,600</u>	<u>\$ 70,039</u>



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**THE CORPORATION OF THE VILLAGE OF SILVERTON****NOTES TO THE FINANCIAL STATEMENTS**December 31, 2018

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**6. Tangible Capital Assets**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2018 Net Book Value</u>	<u>2017 Net Book Value</u>
Land	\$ 93,917	\$ -	\$ 93,917	\$ 93,917
Buildings	1,470,654	465,798	1,004,856	732,249
Vehicles, equipment & furniture	268,936	217,900	51,036	68,264
Engineering infrastructure	644,871	269,204	375,667	357,835
Transportation infrastructure	301,730	203,942	97,788	105,331
Water machinery and equipment	65,897	45,335	20,562	20,268
Water infrastructure	<u>1,770,311</u>	<u>626,917</u>	<u>1,143,394</u>	<u>1,186,941</u>
	<u>\$ 4,616,316</u>	<u>\$ 1,829,096</u>	<u>\$ 2,787,220</u>	<u>\$ 2,564,805</u>

See Schedule A - Statement of tangible capital assets for more information.

**7. Accumulated Surplus**

	<u>2018</u>	<u>2017</u>
<b>Operating</b>		
General	\$ 247,746	\$ 227,106
Water	<u>53,197</u>	<u>27,285</u>
	<u>300,943</u>	<u>254,391</u>
<b>Reserves</b>		
General	115,797	102,223
Water	10,343	10,292
Community works fund	<u>225,078</u>	<u>357,792</u>
	<u>351,218</u>	<u>470,307</u>
	652,161	724,698
<b>Invested in capital assets</b>	<u>2,787,220</u>	<u>2,564,805</u>
<b>Total Accumulated Surplus</b>	<u>3,439,381</u>	<u>3,289,503</u>

**8. Taxes Levied For Other Paid Authorities**

In addition to taxes levied for municipal purposes, the Village is legally obligated to collect and remit taxes levied for the following authorities. These collections and remittances are not recorded as revenue and expenses in the Villages financial statements.

	<u>2018</u>	<u>2017</u>
Provincial Government - School taxes	\$ 111,174	\$ 115,276
Provincial Government - Police taxes	11,636	11,510
Regional District of Central Kootenay	48,000	47,377
Central Kootenay Hospital District	12,571	13,021
British Columbia Assessment Authority	1,949	2,082
Municipal Finance Authority	<u>9</u>	<u>9</u>
	<u>\$ 185,339</u>	<u>\$ 189,275</u>

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# THE CORPORATION OF THE VILLAGE OF SILVERTON

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

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### 9. Pension Plan

The Village of Silverton and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2017, the plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local governments.

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

The most recent valuation of the Municipal Pension Plan at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The next valuation will be as at December 31, 2018 with results available in 2019.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

The Village of Silverton paid \$18,839 (2017 - \$18,302) for employer contributions to the plan in fiscal 2018.

### 10. Commitments and Contingencies

#### Regional District Debt

Regional District debt is under the provisions of the Community Charter of BC a direct, joint and several liability of the District and each member municipality within the District including the Village of Silverton.

#### Reciprocal Insurance Exchange Agreement

The Village 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 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 Municipality is assessed a premium and specific deductible based on population and claims experience. The obligation of the Municipality 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 Village 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.

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**THE CORPORATION OF THE VILLAGE OF SILVERTON**

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2018

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**11. Budget Data**

The reconciliation of the approved budget for the current year to the budget figures reported in these financial statement is as follows:

	<u>2018</u>
Budget surplus per Statement of Operations	\$ 194,886
Less: Capital expenditures	412,500
Budgeted transfers to surplus and reserves	4,898
Add: Budgeted transfers from reserves	106,977
Amortization	<u>115,535</u>
Net annual budget	<u>\$ -</u>

**THE CORPORATION OF THE VILLAGE OF SILVERTON**  
**SCHEDULE A - STATEMENT OF TANGIBLE CAPITAL ASSETS**

For the Year Ended December 31, 2018

	Additions & reallocation of assets under Construction		Disposals	Closing Balance	Accumulated Amortization Opening balance	Amortization Expense	Reduction on Disposals	Accumulated Amortization Closing Balance	Net Carrying Amount End of year
	Opening Balance	Construction							
<b>Tangible Capital Assets</b>									
Land	\$ 93,917	\$ -	\$ -	\$ 93,917	\$ -	\$ -	\$ -	\$ -	\$ 93,917
Buildings	1,165,503	305,151	-	1,470,654	433,254	32,544	-	465,798	1,004,856
IT, equipment & furniture	280,183	-	(11,247)	268,936	211,919	7,668	(1,687)	217,900	51,036
Engineering infrastructure	612,416	32,455	-	644,871	254,581	14,623	-	269,204	375,667
Transportation infrastructure	301,730	-	-	301,730	196,399	7,543	-	203,942	97,788
Water machinery and equipment	62,540	3,357	-	65,897	42,272	3,063	-	45,335	20,562
Water infrastructure	1,770,311	-	-	1,770,311	583,370	43,547	-	626,917	1,143,394
<b>Total</b>	<b>\$ 4,286,600</b>	<b>\$ 340,963</b>	<b>\$ (11,247)</b>	<b>\$ 4,616,316</b>	<b>\$ 1,721,795</b>	<b>\$ 108,988</b>	<b>\$ (1,687)</b>	<b>\$ 1,829,096</b>	<b>\$ 2,787,220</b>

**THE CORPORATION OF THE VILLAGE OF SILVERTON**  
**SCHEDULE B - SCHEDULE OF SEGMENTED INFORMATION**

For the Year Ended December 31, 2018

	General Government	Protective Services	Transportation Services	Environmental		Parks & Recreation	Water Utility	2018 Total
				Health Services	Services			
<b>Revenues</b>								
Taxes	\$ 149,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 149,025
Sales of Service	93	-	-	18,344	-	-	-	43,809
Other revenue from own services	3,761	3,200	-	-	25,372	25	-	23,778
Investment income	4,644	-	-	-	16,792	2	-	4,646
Grants - unconditional	281,261	-	-	-	-	-	-	281,261
Grants - conditional	1,519	75,087	15,318	-	228,384	-	-	320,308
Water user fees	-	-	-	-	-	74,288	-	74,288
Gain on disposal of assets	-	-	1,362	-	-	-	-	1,362
	<u>440,303</u>	<u>78,287</u>	<u>16,680</u>	<u>18,344</u>	<u>270,548</u>	<u>74,315</u>		<u>898,477</u>
<b>Expenditures</b>								
Wages and benefits	143,875	-	72,884	-	-	29,588	-	246,347
Supplies and services	121,379	130,603	52,700	27,238	44,524	16,820	-	393,264
Amortization	3,246	4,189	15,748	647	38,548	46,610	-	108,988
	<u>268,500</u>	<u>134,792</u>	<u>141,332</u>	<u>27,885</u>	<u>83,072</u>	<u>93,018</u>		<u>748,599</u>
<b>Annual Surplus (Deficit)</b>	<u>171,803</u>	<u>(56,505)</u>	<u>(124,652)</u>	<u>(9,541)</u>	<u>187,476</u>	<u>(18,703)</u>		<u>149,878</u>

**Statement of Financial Information (SOFI)**

**THE CORPORATION OF THE VILLAGE OF SILVERTON**

**Fiscal Year Ended December 31, 2018**

**SCHEDULE OF DEBT**

Information on all long term debt is included in the Audited Financial Statements of The Corporation of the Village of Silverton.

Prepared as required by *Financial Information Regulation*, Schedule 1, section 4

**Statement of Financial Information (SOFI)**

**THE CORPORATION OF THE VILLAGE OF SILVERTON**

**Fiscal Year Ended December 31, 2018**

**SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS**

The Corporation of the Village of Silverton has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

Prepared under the Financial Information Regulation, Schedule 1, section 5

**Statement of Financial Information (SOFI)**

**THE CORPORATION OF THE VILLAGE OF SILVERTON**

**Fiscal Year Ended December 31, 2018**

**STATEMENT OF SEVERANCE AGREEMENTS**

There was no severance agreements made between The Corporation of the Village of Silverton and its non-unionized employees during the fiscal year ended December 31, 2018.

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(8)



**The Corporation of the Village of Silverton**  
**PAYMENT TO FINANCIAL STATEMENT RECONCILIATION**  
**Fiscal Year Ended December 31, 2018**

**S.O.F.I. Report Scheduled Payments**

Remuneration	\$ 221,925	
Employee Expenses	13,624	
Employer CPP/EI	<u>13,461</u>	\$ 249,010
Payments for Goods and Services		<u>793,684</u>
<b>Total of Scheduled Payments</b>		<b><u>\$1,042,694</u></b>
<b>Total of Financial Statement Expenditures</b>		<b><u>\$ 748,599</u></b>

The difference between the Total of Scheduled Payments and the Total Financial Statements Expenditures are due to:

- Adjustments to account for the difference between payments made on a cash basis, and the audited financial statements reporting expenditures on an accrual basis of accounting. This would include adjustments for opening and closing balances of inventories, prepaid expenses, and accrued liabilities.
- List of payments to suppliers include 100% GST while the expenditures in the financial statements are net of the applicable GST rebate.
- Capital expenditures are shown as payments to the vendor in this report. However, the total financial statement expenditures do not reflect these payments as they report amortization of all the capital assets.
- The Schedule of Payments of Goods and Services includes payments made on behalf of third parties, which are recovered from these parties and the expense is excluded from the Financial Statements.
- Payments to some suppliers are reported directly to the Balance Sheet and therefore are not reported as expenditures

Prepared under the Financial Information Regulation, Schedule 1, subsection 6(2d) and subsection 7(1b)

**THE CORPORATION OF THE VILLAGE OF SILVERTON**  
**SCHEDULE OF REMUNERATION AND EXPENSE**  
**YEAR ENDED DECEMBER 31, 2018**

NAME		REMUNERATION	EXPENSE
<b>ELECTED OFFICIALS</b>	<b>POSITION</b>		
Bell, Carol	Councillor	\$ 2,633	\$ 1,427
Christian, Bill	Councillor	2,633	-
Clarke, Jason	Mayor	4,417	7,533
Main, Leah	Councillor	2,633	1,666
Yofonoff, Arlene	Councillor	2,633	-
<b>TOTAL ELECTED OFFICIALS</b>		<u>14,949</u>	<u>10,626</u>
<b>DETAILED EMPLOYEES &gt; \$75,000</b>		\$ -	\$ -
<b>TOTAL EMPLOYEES &lt;= \$75,000</b>		<u>206,976</u>	<u>2,998</u>
		<u>206,976</u>	<u>2,998</u>
<b>TOTAL</b>		<u>\$ 221,925</u>	<u>\$ 13,624</u>
<b>TOTAL EMPLOYER PREMIUM FOR CPP/EI</b>			\$ 13,461

Prepared under the Financial Information Regulation, Schedule 1, section 6 to subsection 6(6)

**THE CORPORATION OF THE VILLAGE OF SILVERTON**  
**SCHEDULE OF PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES**  
**YEAR ENDED DECEMBER 31, 2018**

**DETAILED SUPPLIERS >\$25,000**

<u>SUPPLIER NAME</u>	<u>EXPENSE</u>
BC Hydro	\$ 42,607
City of Nelson	30,013
Great Outdoor Gym Ltd.	33,979
Ministry of Finance	29,794
Venture Mechanical Stystems Ltd.	320,581
Village of New Denver	27,835
<b>TOTAL DETAILED SUPPLIERS &gt;\$25,000</b>	<b>484,809</b>
<b>TOTAL SUPPLIERS &lt;= \$25,000</b>	<b>308,875</b>
<b>TOTAL SUPPLIERS</b>	<b>793,684</b>
<b>GRANTS AND CONTRIBUTIONS &gt;\$25,000</b>	<b>-</b>
<b>TOTAL PAYMENTS, GRANTS AND CONTRIBUTIONS</b>	<b>\$ 793,684</b>

Prepared under the Financial Information Regulation, Schedule 1, section 7(1) and (2)