

Village of Silverton

2019 Annual Report and Financial Statements



For the year ended December 31, 2019

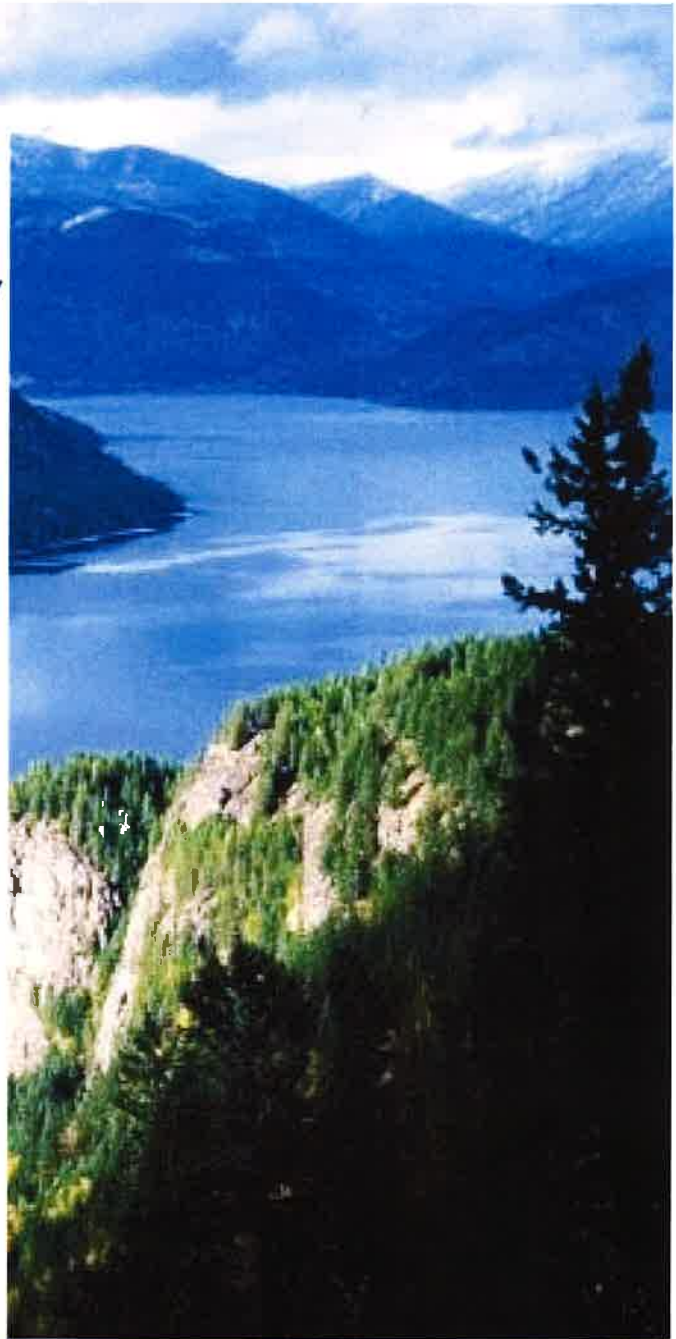


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MESSAGE FROM THE MAYOR

It is my pleasure to introduce the 2019 Annual Municipal Report for the Village of Silverton. I am in year six of being your Mayor and I continue to be honoured to hold the position.

What a year we've had; we are currently in the middle of the COVID-19 pandemic, we have had to remove many trees from our Lakeside Campground, we brought in a consultant to help Council get back on track with good governance and as a result I have returned from a leave of absence.

With all of the uncertainty, turmoil and change going on in the world it's important to remember to take a deep breath and focus on the basics. To remember what it is that we do as local government and focus on doing that well.

Council's job is to find out what services and what service levels folks in the community want and how much they are willing to pay for them. Council then sets those service levels via policies and bylaws. Lastly Council ensures staff has the resources they need to deliver on those service levels.

Staff are responsible for the day to day operations – they do all of the heavy lifting. It is through their effort that our services are delivered.

Silverton is very fortunate – we have an amazing staff. They are dedicated, hardworking, resourceful, intelligent and passionate people. They manage to do a lot with very little and as a result we have a thriving, vibrant, beautiful community that we are all lucky enough to call home.

This year we have added a new member to our team – Derek Hicks. If you see him around town please take a minute to thank him for joining our team. If you happen across any of our staff please do make sure to thank them for all of their hard work, for caring, for having passion and commitment. They are the lifeblood of this community. They are the reason we have so many great amenities, clean water and generally a beautiful and welcoming place to live.

I don't know what the rest of the year will bring. I am happy that whatever we do we will be doing it together.

Thank-you all.

Jason Clarke
Mayor



Silverton Village Council (2018 – 2022 term)

Mayor Jason Clarke

Councillor Kerry Gordon

Councillor Tanya Gordon

Councillor Leah Main

Councillor Arlene Yofonoff

Village of Silverton Staff Listing

Chief Administrative Officer Hillary Elliott

Chief Financial Officer Colin McClure

Administrative Assistant Christine Baal

Public Works Foreman Leonard Casley

Public Works Assistant Manuel DaRosa

Public Works Assistant Derek Hicks

Vision and Guiding Principles

- 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.
- 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 environment.
- We should all 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 PRIORITIES CHART

JUNE 2019

COUNCIL PRIORITIES (Council/CAO)

2019 TOP SIX

- 1A. OCP UPDATE/REVIEW
- 1B. FIBRE TO THE HOME (INTERNET)
2. ON-GOING ASSET MANAGEMENT
3. BOAT LAUNCH & RAMP
4. DOWNTOWN ENHANCEMENT
5. UPGRADE CREEKSIDE CAMPGROUND

ADVOCACY/PARTNERSHIPS

- HIGH SPEED INTERNET/FIBRE TO THE HOME
- INCREASED TRANSIT OPTIONS
- WATERSHED/NATURAL ASSETS
- RESOURCE RECOVERY
- TRAILS FOR SKIING/SNOWMOBILES
- SUB-REGIONAL COLLABORATION

ECONOMIC & SOCIAL INITIATIVES

- ❖ Sidewalk improvements
- ❖ Support Cannabis businesses
- ❖ Self-sufficient energy source
- ❖ Historical assets enhancement
- ❖ Accessibility for all to municipal buildings
- ❖ Business attraction
- ❖ Create locations for food trucks/trailers

GREEN INFRASTRUCTURE

- Beach Accesses
- Swim Dock and moorage buoys
- Parking for access to natural assets; lake and creek
- Campground enhancement and upgrades
- Flowers on municipal buildings
- Baseball field upgrades
- EV charging station
- Village owned self-driving vehicle co-op

ORGANIZATIONAL STRATEGIES (CAO/Staff)

- OCP Review & Public engagement
- Record Management/filing system
- Policy and Bylaw review/modernization
- Maximize funding for value-added to Council priorities and capital projects
- Asset Management Plan
- Staff training and courses

What We Do & Our Successes in 2019

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-serviced, 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(s). Staff provides and maintains a number of essential

services and infrastructure of the Village. This would include roads and drainage, management of the Village's fleet, parks operations, building maintenance, and water 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 as 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 and 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 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, repair, and replacement.

2019 Successes

- Implementation of Phase 2 Asset Management Program
- Modernization of a number of Bylaws and Policies
- Regional collaboration and sub-regional collaboration with municipalities in the Slocan Valley and the region on issues of mutual interest
- Completed initial Wildfire Mitigation with only maintenance remaining
- A funding program for a sub-regional partnership in FireSmart/Fire Resiliency
- Climate Adaptation and Climate Change Resiliency with regional municipal partners and Rural Development Institute, Selkirk College and Simon Fraser University for Emergency Management, Asset Management, and capacity building for integration and sustainability
- Completed community engagement and input for updating the Official Community Plan (OCP)
- Entered into an agreement with Columbia Basin Broadband Corporation (CBBC) for backbone fibre to help provide fibre to the home (internet)

THE CORPORATION OF THE VILLAGE OF SILVERTON
FINANCIAL STATEMENTS
DECEMBER 31, 2019

THE CORPORATION OF THE VILLAGE OF SILVERTON
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For the Year Ended December 31, 2019

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**THE CORPORATION OF THE VILLAGE OF SILVERTON
MANAGEMENT REPORT**

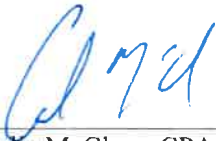
As at December 31, 2019

RESPONSIBILITY FOR FINANCIAL REPORTING

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

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

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



Colin McClure, CPA, CA
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council
Corporation of the Village of Silverton

Grant Thornton LLP
513 Victoria Street
Nelson, BC
V1L 4K7
T +1 250 352 3165
F +1 250 352 7166

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, 2019, 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, 2019, 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.

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.

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.

INDEPENDENT AUDITOR'S REPORT (Continued)

- 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

May 13, 2020

Nelson, B.C.

THE CORPORATION OF THE VILLAGE OF SILVERTON
STATEMENT OF FINANCIAL POSITION

As at December 31, 2019

	<u>2019</u>	<u>2018</u>
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 809,669	\$ 558,843
Accounts receivable (Note 3)	<u>88,003</u>	<u>223,820</u>
	<u>897,672</u>	<u>782,663</u>
Financial Liabilities		
Accounts payable and accrued liabilities (Note 4)	37,555	131,727
Deferred revenue (Note 5)	<u>33,000</u>	<u>18,600</u>
	<u>70,555</u>	<u>150,327</u>
Net Financial Assets	827,117	632,336
Non -Financial Assets		
Tangible capital assets (Note 6)	2,722,008	2,787,220
Prepaid expenses	<u>14,792</u>	<u>19,825</u>
	<u>2,736,800</u>	<u>2,807,045</u>
Accumulated Surplus (Note 7)	<u>\$ 3,563,917</u>	<u>\$ 3,439,381</u>

Commitments and Contingencies (Note 10)
Subsequent event (Note 12)



Colin McClure, CPA, CA
Chief Financial Officer

THE CORPORATION OF THE VILLAGE OF SILVERTON
STATEMENT OF OPERATIONS
For the Year Ended December 31, 2019

	<u>2019 Budget</u> (Note 11)	<u>2019</u>	<u>2018</u>
Revenue			
Taxes	\$ 162,223	\$ 163,722	\$ 149,025
Sale of services	54,150	63,085	43,809
Other revenue from own sources	23,760	24,218	23,778
Investment income	1,500	5,012	4,646
Grants - unconditional	291,000	291,153	281,261
Grants - conditional	362,274	324,027	320,308
Water user fees	84,800	85,055	74,288
Gain on disposal of tangible capital assets	-	-	1,362
	<u>979,707</u>	<u>956,272</u>	<u>898,477</u>
Expenses			
General government	257,306	255,123	265,254
Protective services	271,969	210,297	130,603
Transportation services	169,530	133,336	125,584
Environmental health services	23,744	22,880	27,238
Parks, recreation and cultural services	49,700	41,369	44,524
Water utility operations	54,929	48,895	46,408
Amortization	<u>116,690</u>	<u>119,836</u>	<u>108,988</u>
	<u>943,868</u>	<u>831,736</u>	<u>748,599</u>
Annual surplus	35,839	124,536	149,878
Accumulated surplus, beginning of the year	<u>3,439,381</u>	<u>3,439,381</u>	<u>3,289,503</u>
Accumulated surplus, end of the year	<u>3,475,220</u>	<u>3,563,917</u>	<u>3,439,381</u>

THE CORPORATION OF THE VILLAGE OF SILVERTON
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2019

	<u>2019 Budget</u>	<u>2019</u>	<u>2018</u>
Annual surplus	35,839	124,536	149,878
Acquisition of tangible capital assets	(111,000)	(54,624)	(340,963)
Amortization of capital assets	<u>116,690</u>	<u>119,836</u>	<u>108,988</u>
Proceeds on sale of tangible capital assets	-	-	10,922
Gain on disposal of tangible capital assets	<u>-</u>	<u>-</u>	<u>(1,362)</u>
	41,529	189,748	(72,537)
Consumption of prepaid expenses	<u>-</u>	<u>5,033</u>	<u>1,793</u>
Increase (decrease) in net financial assets	41,529	194,781	(70,744)
Net financial assets, beginning of year	<u>632,336</u>	<u>632,336</u>	<u>703,080</u>
Net financial assets, end of the year	<u>673,865</u>	<u>827,117</u>	<u>632,336</u>

The accompanying summary of significant accounting policies and notes form an integral part of these consolidated financial statements

THE CORPORATION OF THE VILLAGE OF SILVERTON**STATEMENT OF CASH FLOWS**For the Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
Cash Provided by (Used In)		
Operating Activities		
Annual surplus	\$ 124,536	\$ 149,878
Items not involving cash:		
Amortization of tangible capital assets	119,836	108,988
Gain on disposal of tangible capital assets	-	(1,362)
	<u>244,372</u>	<u>257,504</u>
Increase (decrease) in non-cash operating items:		
Accounts receivable	135,817	97,872
Accounts payable and accrued liabilities	(94,172)	(10,155)
Deferred revenue	14,400	(51,439)
Prepaid expenses	5,033	1,793
	<u>305,450</u>	<u>295,575</u>
Capital Activities		
Proceeds from disposal of tangible capital assets	-	10,922
Acquisition of tangible capital assets	<u>(54,624)</u>	<u>(340,963)</u>
Net increase (decrease) in Cash	250,826	(34,466)
Cash and cash equivalents, beginning of year	<u>558,843</u>	<u>593,309</u>
Cash and cash equivalents, end of year	<u>\$ 809,669</u>	<u>\$ 558,843</u>

The accompanying summary of significant accounting policies and notes form an integral part of these consolidated financial statements

THE CORPORATION OF THE VILLAGE OF SILVERTON

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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 amount will be recognized as revenues in the fiscal year in which it is used for the specified purpose, the services are performed and or the projects are constructed.

(c) Government Transfers

Government transfers are recognized in the consolidated 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) 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

THE CORPORATION OF THE VILLAGE OF SILVERTON

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

1. Significant Accounting Policies (continued)

(f) 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.

(g) 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.

(h) 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.

(i) Budget

Budget data presented in these financial statements is based on the Village's Five Year Financial Plan for the years 2019-2023, adopted by Council on May 14, 2019.

(j) Liability for Contaminated Sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Village is directly responsible, or accepts responsibility;
- it is expected that a future economic benefit will be given up; and
- a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance, and monitoring that are an integral part of the remediation strategy for a contaminated site.

There are no liabilities to be recorded as at December 31, 2019.

THE CORPORATION OF THE VILLAGE OF SILVERTON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

2. Cash and Cash Equivalents

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

	<u>2019</u>	<u>2018</u>
Cash	\$ 717,349	\$ 468,210
MFA bond and money market funds	<u>92,320</u>	<u>90,633</u>
	<u>\$ 809,669</u>	<u>\$ 558,843</u>

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

3. Accounts Receivable

	<u>2019</u>	<u>2018</u>
Property taxes	\$ 32,108	\$ 26,493
Utility billings	8,589	10,436
Other governments	13,585	10,497
Trade & other receivables	<u>33,721</u>	<u>176,394</u>
	<u>\$ 88,003</u>	<u>\$ 223,820</u>

4. Accounts Payable and Accrued Liabilities

	<u>2019</u>	<u>2018</u>
Trades payable	\$ 34,331	\$ 112,921
Accrued wages and benefits	<u>3,224</u>	<u>18,806</u>
	<u>\$ 37,555</u>	<u>\$ 131,727</u>

5. Deferred Revenue

	<u>2019</u>	<u>2018</u>
Grants and other	<u>\$ 33,000</u>	<u>\$ 18,600</u>

THE CORPORATION OF THE VILLAGE OF SILVERTON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

6. Tangible Capital Assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2019 Net Book Value</u>	<u>2018 Net Book Value</u>
Land	\$ 93,917	\$ -	\$ 93,917	\$ 93,917
Buildings	1,470,654	502,091	968,563	1,004,856
Vehicles, equipment & furniture	277,469	231,604	45,865	51,036
Engineering infrastructure	676,328	285,116	391,212	375,667
Transportation infrastructure	301,730	210,782	90,948	97,788
Water machinery and equipment	65,897	48,566	17,331	20,562
Water infrastructure	<u>1,784,945</u>	<u>670,773</u>	<u>1,114,172</u>	<u>1,143,394</u>
	<u>\$ 4,670,940</u>	<u>\$ 1,948,932</u>	<u>\$ 2,722,008</u>	<u>\$ 2,787,220</u>

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

7. Accumulated Surplus

	<u>2019</u>	<u>2018</u>
Operating		
General	\$ 304,332	\$ 247,746
Water	<u>87,519</u>	<u>53,197</u>
	<u>391,851</u>	<u>300,943</u>
Reserves		
General	109,054	115,797
Water	10,395	10,343
Community works fund	<u>330,609</u>	<u>225,078</u>
	<u>450,058</u>	<u>351,218</u>
	841,909	652,161
Invested in capital assets	<u>2,722,008</u>	<u>2,787,220</u>
Total Accumulated Surplus	<u>3,563,917</u>	<u>3,439,381</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.

	<u>2019</u>	<u>2018</u>
Provincial Government - School taxes	\$ 122,822	\$ 111,174
Provincial Government - Police taxes	12,394	11,636
Regional District of Central Kootenay	54,043	48,000
Central Kootenay Hospital District	13,784	12,571
British Columbia Assessment Authority	2,133	1,949
Municipal Finance Authority	<u>11</u>	<u>9</u>
	<u>\$ 205,187</u>	<u>\$ 185,339</u>

THE CORPORATION OF THE VILLAGE OF SILVERTON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

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, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 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, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2021 with results available in 2022.

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 \$17,802 (2018 - \$18,839) for employer contributions to the plan in fiscal 2019.

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.

THE CORPORATION OF THE VILLAGE OF SILVERTON
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019

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>2019</u>
Budget surplus per Statement of Operations	\$ 35,839
Less: Capital expenditures	111,000
Budgeted transfers to reserves	62,945
Add: Budgeted transfers from surplus and reserves	21,416
Amortization	<u>116,690</u>
Net annual budget	<u>\$ -</u>

12. Subsequent Event

In March 2020, the COVID-19 outbreak caused governments worldwide to enact emergency measures to combat the spread of the virus. These measures, which include the implementation of facility closures, travel restrictions, self-isolation periods, and social and physical distancing, will have a significant impact on the local and global economy. At this time it is not possible to reliably estimate the length and severity of the COVID-19 outbreak and how it may impact the Village's financial results for 2020.

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

For the Year Ended December 31, 2019

	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								
Tangible Capital Assets									
Land	\$ 93,917	\$ -	\$ -	\$ 93,917	\$ -	\$ -	\$ -	\$ -	\$ 93,917
Buildings	1,470,654	-	-	1,470,654	465,798	36,293	-	502,091	968,563
IT, equipment & furniture	268,936	8,333	-	277,469	217,900	13,704	-	231,604	45,865
Engineering infrastructure	644,871	31,457	-	676,328	269,204	15,912	-	285,116	391,212
Transportation infrastructure	301,730	-	-	301,730	203,942	6,840	-	210,782	90,948
Water machinery and equipment	65,897	-	-	65,897	45,335	3,231	-	48,566	17,331
Water infrastructure	1,770,311	14,634	-	1,784,945	626,917	43,856	-	670,773	1,114,172
Total	\$ 4,616,316	\$ 54,624	\$ -	\$ 4,670,940	\$ 1,829,096	\$ 119,836	\$ -	\$ 1,948,932	\$ 2,722,008

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

For the Year Ended December 31, 2019

	General Government		Protective Services	Transportation Services	Environmental Health Services	Parks & Recreation	Water Utility	2019 Total
Revenues								
Taxes	\$ 163,722	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 163,722
Sales of Service	169	-	-	-	22,505	40,411	-	63,085
Other revenue from own services	2,170	3,145	-	-	-	18,253	650	24,218
Investment income	5,012	-	-	-	-	-	-	5,012
Grants - unconditional	291,153	-	-	-	-	-	-	291,153
Grants - conditional	3,548	149,999	-	9,010	-	149,324	12,146	324,027
Water user fees	-	-	-	-	-	-	85,055	85,055
Gain on disposal of assets	-	-	-	-	-	-	-	-
	<u>465,774</u>	<u>153,144</u>	<u>153,144</u>	<u>9,010</u>	<u>22,505</u>	<u>207,988</u>	<u>97,851</u>	<u>956,272</u>
Expenditures								
Wages and benefits	144,268	-	-	74,321	-	-	31,163	249,752
Supplies and services	110,855	210,297	210,297	59,015	22,880	41,369	17,732	462,148
Amortization	4,098	4,327	4,327	20,229	647	43,448	47,087	119,836
	<u>259,221</u>	<u>214,624</u>	<u>214,624</u>	<u>153,565</u>	<u>23,527</u>	<u>84,817</u>	<u>95,982</u>	<u>831,736</u>
Annual Surplus (Deficit)	\$ 206,553	\$ (61,480)	\$ (61,480)	\$ (144,555)	\$ (1,022)	\$ 123,171	\$ 1,869	\$ 124,536