

VILLAGE OF SILVERTON

2017 Annual Report & Financial Statements

For the year ended
December 31, 2017

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MESSAGE FROM THE MAYOR

It is my pleasure to introduce the 2017 Annual Municipal Report for the Village of Silverton. I am in year four of being your Mayor and I continue to be honoured to hold the position.

First off I'd like to take this time to thank 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 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 4 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 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 myself have been successful in being elected to our area association board (Association of Kootenay Boundary Local Government or AKBLG) twice and am on year four of my service. This means that we are well represented at a regional level as well.

This year has been and will be a year of transition. Our CAO Darrell Garceau has retired, our Administrative Assistant Hillary Elliot has been promoted to CAO and we have welcomed Christine Baal as our new Administrative Assistant.

The year is also a year of completion. We are finishing up the final steps of our water project, playground upgrade and Gallery project. We are looking forward to finally opening the Silverton Gallery to the public once again. By the end of the summer we should have many of our grant efforts completed.

We have also engaged a hydrologist to complete an independent study on the proposed logging in our watershed. We will share the findings with Brad Sindlinger of Splatsin Development Corporation and they will share the findings of their hydrology report with us. It is Silverton Council's hope that we can work together to ensure that the proposed logging has minimal impact on the ecology of our waterways.

We have continued our asset mapping project – both conventional and ecological, working on solid waste management strategies and figuring out ways to partner with the

other local governments in our immediate area in an effort to maximize efficiencies and minimize costs.

We will continue to brainstorm ways to engage with our residents in an effort to grow the spirit of openness and collaboration we have worked so hard to foster between Silverton Council and Silverton's residents. We will carry on with updates our website – to make it a more usable asset for the public.

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 (2014 – 2018 term)

Mayor Jason Clarke
Councillor Carol Bell
Councillor Leah Main
Councillor Arlene Yofonoff
Councillor Bill Christian

Village of Silverton Staff Listing

Chief Administrative Officer Darrell Garceau
Administrative Assistant Hillary Elliott
Public Works Foreman Leonard Casley
Public Works Assistant Manuel Darosa
Chief Financial Officer Colin McClure

Vision and Guiding Principles

- 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 2017 (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	4
Infrastructure	Footbridge - (railing replacement etc...)	
Infrastructure	Community Forest to protect the water shed	
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 2017

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 it's 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.

2017 Successes

- Implementation of a new Asset Management Program
- Modernization of a number of bylaws and policies
- Introduction of a new Community Composting Program
- Implementation of a new Facility Maintenance Program
- Regional collaboration of municipalities in Slocan Valley on issues of mutual interest
- Completion of a new paving program to resurface 1,000 meters of laneways
- Installation of 500 feet of 6 inch water main on Lake Avenue from 6th Street to Alpha Street
- Installation of a new fire hydrant with isolation valve on the corner of Alpha Street and 6th Street
- Looping of water main from Hume Lane to Second Street water main

- Installation of 300 feet of 2 inch service lateral line with new isolation valves
- Installation of new playground apparatus and a new safety surface at the playground
- Commenced a capital improvement plan at the Silverton Gallery, new mechanical heating and cooling system and a new fire suppression system

Village of Silverton
2017 CWF Reconciliation
Dec 31, 2017

Opening balance	344,701
Grants received	60,840
	<u>405,541</u>
Projects	
Paving	50,081
Gallery	
	<u>50,081</u>
	355,460
Interest allocation	<u>2,332</u>
Ending balance	<u><u>357,792</u></u>

THE CORPORATION OF THE VILLAGE OF SILVERTON
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2017

THE CORPORATION OF THE VILLAGE OF SILVERTON
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For the Year Ended December 31, 2017

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Consolidated Statement of Changes in Net Financial Assets

Consolidated Statement of Cash Flows

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Schedule B - Schedule of Segmented Information

THE CORPORATION OF THE VILLAGE OF SILVERTON MANAGEMENT REPORT

For the Year Ended December 31, 2017

RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation of the accompanying consolidated financial statements. The financial statements have been prepared in accordance with the accounting principles disclosed in Note 1 to the consolidated 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 consolidated 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, Berg Lehmann, Chartered Professional Accountants, have been appointed by Council to express an opinion as to whether the consolidated 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 consolidated financial statements. The report of Berg Lehmann, Chartered Professional Accountants, follows and outlines the scope of their examination and their opinion on the consolidated financial statements.



Colin McClure, CPA, CA
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council
Village of Silverton

We have audited the accompanying consolidated financial statements of the Village of Silverton, which comprise the consolidated statement of financial position as at December 31, 2017, and the consolidated statement of operations, consolidated statement of changes in net financial assets and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Village of Silverton as at December 31, 2017, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Professional Accountants

May 8, 2018

Nelson, B.C.

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

As at December 31, 2017

	<u>2017</u>	<u>2016</u>
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 593,309	\$ 820,190
Accounts receivable (Note 3)	<u>321,692</u>	<u>46,967</u>
	<u>915,001</u>	<u>867,157</u>
Financial Liabilities		
Accounts payable and accrued liabilities (Note 4)	141,882	21,913
Deferred revenue (Note 5)	<u>70,039</u>	<u>76,500</u>
	<u>211,921</u>	<u>98,413</u>
Net Financial Assets	703,080	768,744
Non -Financial Assets		
Tangible capital assets (Note 6)	2,564,805	2,007,424
Prepaid expenses	<u>21,618</u>	<u>11,716</u>
	<u>2,586,423</u>	<u>2,019,140</u>
Accumulated Surplus (Note 7)	<u>\$ 3,289,503</u>	<u>\$ 2,787,884</u>

Commitments and Contingencies (Note 10)



Colin McClure, CPA, CA
Chief Financial Officer

THE CORPORATION OF THE VILLAGE OF SILVERTON
CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2017

	<u>2017 Budget</u> (Note 11)	<u>2017</u>	<u>2016</u>
Revenue			
Taxes	\$ 139,455	\$ 139,746	\$ 133,365
Sale of services	56,700	62,005	60,469
Other revenue from own sources	19,410	21,033	17,418
Investment income	2,500	5,689	19,283
Grants - unconditional	276,000	273,009	268,539
Grants - conditional	692,395	632,413	190,251
Water user fees	<u>70,700</u>	<u>70,405</u>	<u>70,353</u>
	<u>1,257,160</u>	<u>1,204,300</u>	<u>759,678</u>
Expenses			
General government	237,682	256,321	224,635
Protective services	47,100	71,615	129,214
Transportation services	147,189	129,997	116,572
Environmental health services	25,904	23,556	11,868
Parks, recreation and cultural services	57,340	57,528	62,867
Interest and other debt charges	-	-	3,535
Water utility operations	47,046	51,703	45,724
Amortization	<u>103,500</u>	<u>111,961</u>	<u>102,292</u>
	<u>665,761</u>	<u>702,681</u>	<u>696,707</u>
Annual surplus	591,399	501,619	62,971
Accumulated surplus, beginning of the year	<u>2,787,884</u>	<u>2,787,884</u>	<u>2,724,913</u>
Accumulated surplus, end of the year	<u>3,379,283</u>	<u>3,289,503</u>	<u>2,787,884</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
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2017

	<u>2017 Budget</u>	<u>2017</u>	<u>2016</u>
Annual surplus	591,399	501,619	62,971
Acquisition of tangible capital assets	(818,675)	(669,342)	(106,248)
Amortization of capital assets	<u>103,500</u>	<u>111,961</u>	<u>102,292</u>
	(123,776)	(55,762)	59,015
Acquisition of prepaid expenses	<u>-</u>	<u>(9,902)</u>	<u>(545)</u>
Increase (decrease) in net financial assets	(123,776)	(65,664)	58,470
Net financial assets, beginning of year	<u>768,744</u>	<u>768,744</u>	<u>710,274</u>
Net financial assets, end of the year	<u>644,968</u>	<u>703,080</u>	<u>768,744</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
CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>
Cash Provided by (Used In)		
Operating Activities		
Annual surplus	\$ 501,619	\$ 62,971
Items not involving cash:		
Amortization of tangible capital assets	111,961	102,292
Actuarial adjustments	<u>-</u>	<u>(8,885)</u>
	<u>613,580</u>	<u>156,378</u>
Increase (decrease) in non-cash operating items:		
Accounts receivable	(274,725)	154,849
MFA deposits	-	3,546
Accounts payable and accrued liabilities	119,969	(161,699)
Deferred revenue	(6,461)	58,476
Prepaid expenses	<u>(9,902)</u>	<u>(545)</u>
	<u>442,461</u>	<u>211,005</u>
Financing Activities		
Debt repayment	<u>-</u>	<u>(20,990)</u>
Capital Activities		
Acquisition of tangible capital assets	<u>(669,342)</u>	<u>(106,248)</u>
Net increase (decrease) in Cash	(226,881)	83,767
Cash and cash equivalents, beginning of year	<u>820,190</u>	<u>736,423</u>
Cash and cash equivalents, end of year	<u>\$ 593,309</u>	<u>\$ 820,190</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 CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2017

1. Significant Accounting Policies

The Corporation of the Village of Silverton (the Village) is a local government in the Province of British Columbia. The consolidated 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) Principles of Consolidation

These consolidated financial statements include the accounts of all the funds of the Village. Inter-fund transactions and balances have been eliminated in the consolidated statements.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

THE CORPORATION OF THE VILLAGE OF SILVERTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2017

1. Significant Accounting Policies (continued)

(g) **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

(h) **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.

(i) **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.

(j) **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.

(k) **Budget**

Budget data presented in these consolidated financial statements is based on the Village's Five Year Financial Plan for the years 2017-2021, adopted by Council on April 11, 2017.

THE CORPORATION OF THE VILLAGE OF SILVERTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2017

2. Cash and Cash Equivalents

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

	<u>2017</u>	<u>2016</u>
Cash	\$ 504,146	\$ 731,887
MFA bond and money market funds	<u>89,163</u>	<u>88,303</u>
	<u>\$ 593,309</u>	<u>\$ 820,190</u>

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

3. Accounts Receivable

	<u>2017</u>	<u>2016</u>
Property taxes	\$ 25,121	\$ 23,214
Utility billings	6,646	4,983
Other governments	36,691	14,470
Trade & other receivables	<u>253,234</u>	<u>4,300</u>
	<u>\$ 321,692</u>	<u>\$ 46,967</u>

4. Accounts Payable and Accrued Liabilities

	<u>2017</u>	<u>2016</u>
Trades payable	\$ 135,893	\$ 20,234
Accrued wages and benefits	<u>5,989</u>	<u>1,679</u>
	<u>\$ 141,882</u>	<u>\$ 21,913</u>

5. Deferred Revenue

	<u>2017</u>	<u>2016</u>
Grants and other	<u>\$ 70,039</u>	<u>\$ 76,500</u>

THE CORPORATION OF THE VILLAGE OF SILVERTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2017

6. Tangible Capital Assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2017 Net Book Value</u>	<u>2016 Net Book Value</u>
Land	\$ 93,917	\$ -	\$ 93,917	\$ 93,917
Buildings	1,165,503	433,254	732,249	662,689
Vehicles, equipment & furniture	280,183	211,919	68,264	80,917
Engineering infrastructure	612,416	254,581	357,835	273,233
Transportation infrastructure	301,730	196,399	105,331	62,167
Water machinery and equipment	62,540	42,272	20,268	23,163
Water infrastructure	<u>1,770,311</u>	<u>583,370</u>	<u>1,186,941</u>	<u>811,338</u>
	<u>\$ 4,286,600</u>	<u>\$ 1,721,795</u>	<u>\$ 2,564,805</u>	<u>\$ 2,007,424</u>

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

7. Accumulated Surplus

	<u>2017</u>	<u>2016</u>
Operating		
General	\$ 227,106	\$ 246,071
Water	<u>27,285</u>	<u>78,186</u>
	<u>254,391</u>	<u>324,257</u>
Reserves		
General	102,223	101,261
Water	10,292	10,241
Community works fund	<u>357,792</u>	<u>344,701</u>
	<u>470,307</u>	<u>456,203</u>
	724,698	780,460
Invested in capital assets	<u>2,564,805</u>	<u>2,007,424</u>
Total Accumulated Surplus	<u>3,289,503</u>	<u>2,787,884</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>2017</u>	<u>2016</u>
Provincial Government - School taxes	\$ 115,276	\$ 129,541
Provincial Government - Police taxes	11,510	12,286
Regional District of Central Kootenay	47,377	42,259
Central Kootenay Hospital District	13,021	13,987
British Columbia Assessment Authority	2,082	2,651
Municipal Finance Authority	<u>9</u>	<u>9</u>
	<u>\$ 189,275</u>	<u>\$ 200,733</u>

THE CORPORATION OF THE VILLAGE OF SILVERTON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2017

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, 2016, the plan has about 193,000 active members and approximately 90,000 retired members. Active members include approximately 38,000 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 \$18,302 (2016 - \$15,821) for employer contributions to the plan in fiscal 2017.

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 CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2017

11. Budget Data

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

	<u>2017</u>
Budget deficit per Consolidated Statement of Operations	\$ 591,399
Less: Capital expenditures	818,675
Budgeted transfers to surplus and reserves	2,245
Add: Budgeted transfers from reserves	126,021
Amortization	<u>103,500</u>
Net annual budget	<u>\$ -</u>

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

For the Year Ended December 31, 2017

	Additions & reallocation of assets under		Disposals		Closing Balance	Accumulated Amortization		Reduction on Disposals	Accumulated Amortization Closing Balance	Net Carrying Amount End of year
	Opening Balance	Construction				Opening balance	Expense			
Tangible Capital Assets										
Land	\$ 93,917	\$ -	\$ -	\$ -	\$ 93,917	\$ -	\$ -	\$ -	\$ -	\$ 93,917
Buildings	1,068,402	97,101	-	-	1,165,503	405,713	27,541	-	433,254	732,249
IT, equipment & furniture	270,065	10,118	-	-	280,183	189,148	22,771	-	211,919	68,264
Engineering infrastructure	514,429	97,987	-	-	612,416	241,196	13,385	-	254,581	357,835
Transportation infrastructure	251,649	50,081	-	-	301,730	189,482	6,917	-	196,399	105,331
Water machinery and equipment	62,540	-	-	-	62,540	39,377	2,895	-	42,272	20,268
Water infrastructure	1,356,256	414,055	-	-	1,770,311	544,918	38,452	-	583,370	1,186,941
Total	\$ 3,617,258	\$ 669,342	\$ -	\$ -	\$ 4,286,600	\$ 1,609,834	\$ 111,961	\$ -	\$ 1,721,795	\$ 2,564,805

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

For the Year Ended December 31, 2017

	General Government	Protective Services	Transportation Services	Environmental			Water Utility	2017 Total
				Health Services	Parks & Recreation			
Revenues								
Taxes	\$ 139,746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139,746
Sales of Service	881	-	-	17,520	43,604	-	-	62,005
Other revenue from own services	2,178	4,115	-	-	14,740	-	-	21,033
Investment income	5,687	-	-	-	-	-	2	5,689
Grants - unconditional	273,009	-	-	-	-	-	-	273,009
Grants - conditional	11,494	11,250	62,880	-	202,341	344,448	-	632,413
Water user fees	-	-	-	-	-	70,405	70,405	70,405
	<u>432,995</u>	<u>15,365</u>	<u>62,880</u>	<u>17,520</u>	<u>260,685</u>	<u>414,855</u>	<u>1,204,300</u>	
Expenditures								
Wages and benefits	139,379	-	70,602	-	-	34,426	-	244,407
Supplies and services	116,942	71,615	59,395	23,556	57,528	17,277	-	346,313
Interest and other debt charges	-	-	-	-	-	-	-	-
Amortization	2,369	3,537	27,174	585	36,949	41,347	-	111,961
	<u>258,690</u>	<u>75,152</u>	<u>157,171</u>	<u>24,141</u>	<u>94,477</u>	<u>93,050</u>	<u>702,681</u>	
Annual Surplus (Deficit)	<u>174,305</u>	<u>(59,787)</u>	<u>(94,291)</u>	<u>(6,621)</u>	<u>166,208</u>	<u>321,805</u>	<u>501,619</u>	

The Corporation of the Village of Silverton
2017 STATEMENT OF FINANCIAL INFORMATION

Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF SILVERTON

Fiscal Year Ended December 31, 2017

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1. Statement of Financial Information Approval
2. Management Report
3. Audited Financial Statements
4. Schedule of Debt
5. Schedule of Guarantee and Indemnity Agreements
6. Statement of Severance Agreements
7. Explanation of differences to Audited Financial Statements
8. Schedule of Remuneration and Expenses
9. Schedule of Payments for the Provision of Goods and Services

Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF SILVERTON

Fiscal Year Ended December 31, 2017

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
Chief Financial Officer

Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF SILVERTON

Fiscal Year Ended December 31, 2017

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, Berg Lehmann, 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



Colin McClure
Chief Financial Officer
May 28, 2018

Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF SILVERTON

Fiscal Year Ended December 31, 2017

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, 2017

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, 2017

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, 2017.

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, 2017

S.O.F.I. Report Scheduled Payments

Remuneration	\$ 209,757	
Employee Expenses	19,933	
Employer CPP/EI	<u>12,319</u>	\$ 242,009
Payments for Goods and Services		<u>966,911</u>
Total of Scheduled Payments		<u>\$1,208,920</u>
Total of Financial Statement Expenditures		<u>\$ 702,681</u>

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, 2017

NAME		REMUNERATION	EXPENSE
ELECTED OFFICIALS	POSITION		
Bell, Carol	Councillor	\$ 1,600	\$ 952
Christian, Bill	Councillor	1,600	1,007
Clarke, Jason	Mayor	3,000	11,367
Main, Leah	Councillor	1,600	2,362
Yofonoff, Arlene	Councillor	1,600	-
TOTAL ELECTED OFFICIALS		<u>9,400</u>	<u>15,688</u>
DETAILED EMPLOYEES > \$75,000		\$ -	\$ -
TOTAL EMPLOYEES <= \$75,000		<u>200,357</u>	<u>4,245</u>
		<u>200,357</u>	<u>4,245</u>
TOTAL		<u>\$ 209,757</u>	<u>\$ 19,933</u>
TOTAL EMPLOYER PREMIUM FOR CPP/EI			\$ 12,319

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, 2017

DETAILED SUPPLIERS >\$25,000

<u>SUPPLIER NAME</u>	<u>EXPENSE</u>
Andrew Sheret Limited	\$ 102,319
BC Hydro	49,842
Brenton Industries	165,789
Interoute Construction Ltd.	104,412
Marathon Surfaces Inc.	84,287
Venture Mechanical Systems Ltd.	28,822
Village of New Denver	27,209
WSA Engineering Ltd.	41,665
TOTAL DETAILED SUPPLIERS >\$25,000	604,345
TOTAL SUPPLIERS <= \$25,000	362,566
TOTAL SUPPLIERS	966,911
GRANTS AND CONTRIBUTIONS >\$25,000	-
TOTAL PAYMENTS, GRANTS AND CONTRIBUTIONS	\$ 966,911

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