

The Corporation of the Village of Slocan
2020 STATEMENT OF FINANCIAL INFORMATION

Statement of Financial Information (SOFI)
THE CORPORATION OF THE VILLAGE OF SLOCAN
Fiscal Year Ended December 31, 2020

TABLE OF CONTENTS

Documents are arranged in the following order:

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 SLOCAN

Fiscal Year Ended December 31, 2020

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.

Jessica Lunn
Mayor

Chris Jury, CPA, CA
Chief Financial Officer

Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF SLOCAN

Fiscal Year Ended December 31, 2020

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 Slocan

Chris Jury, CPA, CA
Chief Financial Officer
June 14, 2021

THE CORPORATION OF THE VILLAGE OF SLOCAN
FINANCIAL STATEMENTS
DECEMBER 31, 2020

THE CORPORATION OF THE VILLAGE OF SLOCAN

INDEX TO THE FINANCIAL STATEMENTS

For the Year Ended December 31, 2020

Management Report

Independent Auditors' Report

Financial Statements

Statement of Financial Position

Statement of Operations

Statement of Changes in Net Financial Assets

Statement of Cash Flows

Notes to the Financial Statements

Schedule A - Statement of Tangible Capital Assets

Schedule B - Schedule of Segmented Information

Exhibit 1 - Province of BC COVID-19 Restart Grant (Unaudited)

THE CORPORATION OF THE VILLAGE OF SLOCAN

MANAGEMENT REPORT

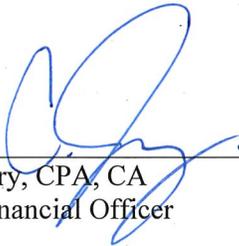
For the Year Ended December 31, 2020

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 Slocan'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 Slocan'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 Slocan'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.



Chris Jury, CPA, CA
Chief Financial Officer

Independent Auditor's Report

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To the Mayor and Council of
The Corporation of the Village of Slocan

Opinion

We have audited the financial statements of Corporation of the Village of Slocan (the "Village"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, changes in net financial assets and 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 Village as at December 31, 2020, and its results of operations 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 matter

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. Exhibit 1 is presented for purposes of additional information and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion thereon.

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 unless management either intends to liquidate the Village or to cease operations, or has no realistic alternative but to do so.

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

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 these 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 to the audit 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.

Trail, Canada
May 10, 2021

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

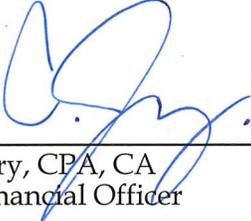
Chartered Professional Accountants

THE CORPORATION OF THE VILLAGE OF SLOCAN
STATEMENT OF FINANCIAL POSITION

As at December 31, 2020

	<u>2020</u>	<u>2019</u>
Financial Assets		
Cash and cash equivalents (Note 2)	\$ 2,886,120	\$ 2,988,415
Accounts receivable (Note 3)	<u>124,261</u>	<u>117,114</u>
	<u>3,010,381</u>	<u>3,105,529</u>
Financial Liabilities		
Accounts payable and accrued liabilities (Note 4)	101,250	71,221
Deferred revenue (Note 5)	1,225,977	1,430,284
Debt (Note 6)	<u>845,000</u>	<u>-</u>
	<u>2,172,227</u>	<u>1,501,505</u>
Net Financial Assets	838,154	1,604,024
Non -Financial Assets		
Tangible capital assets (Note 7)	4,682,180	2,894,970
Prepaid expenses	<u>25,045</u>	<u>24,599</u>
	<u>4,707,225</u>	<u>2,919,569</u>
Accumulated Surplus (Note 8)	<u>\$ 5,545,379</u>	<u>\$ 4,523,593</u>

Commitments and Contingencies (Note 12)



Chris Jury, CPA, CA
Chief Financial Officer

THE CORPORATION OF THE VILLAGE OF SLOCAN

STATEMENT OF OPERATIONS

For the Year Ended December 31, 2020

	<u>2020 Budget</u> (Note 15)	<u>2020</u>	<u>2019</u>
Revenue			
Taxes	\$ 181,081	\$ 183,364	\$ 182,094
Sale of services	70,700	96,853	91,539
Other revenue from own sources	20,360	22,419	27,692
Investment income	22,000	27,806	51,712
Grants - unconditional (Note 13)	361,260	377,195	361,260
Grants - conditional (Note 13)	1,335,999	1,139,337	288,633
Water user fees	116,302	118,866	110,550
Gain on disposal tangible capital assets	-	8,165	-
	<u>2,107,702</u>	<u>1,974,005</u>	<u>1,113,480</u>
Expenses			
General government	257,057	250,889	251,055
Protective services	1,100	1,150	129,723
Transportation services	233,102	211,890	213,656
Environmental health services	20,493	24,543	21,303
Public health and welfare services	6,428	2,376	5,479
Parks, recreation and cultural services	96,372	228,344	96,951
Interest and other debt charges	2,000	-	-
Water utility operations	91,121	105,169	98,781
Amortization	122,639	127,858	113,673
Loss on disposal of tangible capital assets	-	-	43,654
	<u>830,312</u>	<u>952,219</u>	<u>974,275</u>
Annual surplus	1,277,390	1,021,786	139,205
Accumulated surplus, beginning of the year	<u>4,523,593</u>	<u>4,523,593</u>	<u>4,384,388</u>
Accumulated surplus, end of the year	<u>5,800,983</u>	<u>5,545,379</u>	<u>4,523,593</u>

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

For the Year Ended December 31, 2020

	<u>2020 Budget</u>	<u>2020</u>	<u>2019</u>
Annual surplus	1,277,390	1,021,786	139,205
Acquisition of tangible capital assets	(1,641,990)	(1,915,068)	(336,445)
Amortization of capital assets	122,639	127,858	113,673
Proceeds on sale tangible capital assets	-	-	-
Loss on disposal tangible capital assets	-	-	43,654
	<u>(241,961)</u>	<u>(765,424)</u>	<u>(39,913)</u>
Acquisition of prepaid expenses	<u>-</u>	<u>(446)</u>	<u>(22)</u>
Increase (decrease) in net financial assets	(241,961)	(765,870)	(39,935)
Net financial assets, beginning of year	<u>1,604,024</u>	<u>1,604,024</u>	<u>1,643,959</u>
Net financial assets, end of the year	<u>1,362,063</u>	<u>838,154</u>	<u>1,604,024</u>

THE CORPORATION OF THE VILLAGE OF SLOCAN**STATEMENT OF CASH FLOWS**For the Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
Cash Provided by (Used In)		
Operating Activities		
Annual surplus	\$ 1,021,786	\$ 139,205
Items not involving cash:		
Amortization of tangible capital assets	127,858	113,673
Loss on disposal tangible capital assets	<u>-</u>	<u>43,654</u>
	1,149,644	296,532
Increase (decrease) in non-cash operating items:		
Accounts receivable	(7,147)	(6,826)
Accounts payable and accrued liabilities	30,029	8,792
Deferred revenue & deposits	(204,307)	308,022
Prepaid expenses	<u>(446)</u>	<u>(22)</u>
	<u>967,773</u>	<u>606,498</u>
Financing Activities		
Proceeds from debt issues	845,000	-
Repayment of capital lease obligations	<u>-</u>	<u>-</u>
Capital Activities		
Proceeds from disposal of tangible capital assets	-	-
Acquisition of tangible capital assets	<u>(1,915,068)</u>	<u>(336,445)</u>
Net increase in Cash	(102,295)	270,053
Cash and cash equivalents, beginning of year	<u>2,988,415</u>	<u>2,718,362</u>
Cash and cash equivalents, end of year	<u>\$ 2,886,120</u>	<u>\$ 2,988,415</u>

THE CORPORATION OF THE VILLAGE OF SLOCAN

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

1. Significant Accounting Policies

The Corporation of the Village of Slocan (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) 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 into service. Donated tangible capital assets are reported at fair value at the time of donation. Estimated useful lives are as follows:

Land Improvements	15 to 20 years
Buildings	40 years
Fixtures, Furniture, Equipment & Vehicles	6 to 10 years
Roads and Paving	20 to 40 years
Bridges and other Transportation Structures	40 to 50 years
Water Infrastructure	20 to 60 years

THE CORPORATION OF THE VILLAGE OF SLOCAN

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

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 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 consolidated financial statements is based on the Village's Five Year Financial Plan for the years 2020-2024, adopted by Council on May 11, 2020.

(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, 2020.

(k) Segments

The Village conducts its business through a number of reportable segments. These operating segments are established by senior management to facilitate the achievement of the Village's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

THE CORPORATION OF THE VILLAGE OF SLOCAN
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

2. **Cash and Cash Equivalents**

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

	<u>2020</u>	<u>2019</u>
Cash	\$ 2,755,075	\$ 2,859,987
MFA bond and money market funds	<u>131,045</u>	<u>128,428</u>
	<u>\$ 2,886,120</u>	<u>\$ 2,988,415</u>

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

3. **Accounts Receivable**

	<u>2020</u>	<u>2019</u>
Property taxes	\$ 67,080	\$ 64,123
Utility billings	14,298	17,318
Other governments	23,607	32,205
Trade & other receivables	<u>19,276</u>	<u>3,468</u>
	<u>\$ 124,261</u>	<u>\$ 117,114</u>

4. **Accounts Payable and Accrued Liabilities**

	<u>2020</u>	<u>2019</u>
Trades payable	\$ 76,514	\$ 34,405
Accrued wages and benefits	<u>24,736</u>	<u>36,816</u>
	<u>\$ 101,250</u>	<u>\$ 71,221</u>

5. **Deferred Revenue**

	<u>2020</u>	<u>2019</u>
Prepaid taxes & utilities	\$ 15,370	\$ 13,077
Government grants	<u>1,210,607</u>	<u>1,417,207</u>
	<u>\$ 1,225,977</u>	<u>\$ 1,430,284</u>

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

December 31, 2020

6. Debt

In the current year, the Village undertook short-term financing from the Municipal Finance Authority in the amount \$845,000 to acquire the Slocan Mill Site. This loan is interest only with a requirement that the balance be repaid by December 18, 2025. As at December 31, 2020, the variable rate of interest on the loan was 1.21% per annum.

7. Tangible Capital Assets

	Cost	Accumulated Amortization	2020 Net Book Value	2019 Net Book Value
Land	\$ 2,301,088	\$ -	\$ 2,301,088	\$ 798,870
Buildings	603,126	375,186	227,940	222,872
Engineering infrastructure	1,208,903	522,493	686,410	332,053
Machinery & equipment	550,413	382,425	167,988	200,970
Transportation infrastructure	357,833	174,821	183,012	189,690
Water infrastructure	<u>1,746,679</u>	<u>630,937</u>	<u>1,115,742</u>	<u>1,150,515</u>
	<u>\$ 6,768,042</u>	<u>\$ 2,085,862</u>	<u>\$ 4,682,180</u>	<u>\$ 2,894,970</u>

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

8. Accumulated Surplus

	2020	2019
Reserves		
Capital equipment	\$ 110,698	\$ 109,678
Community works fund	339,894	399,930
Land sales	2,291	164,759
Water infrastructure	<u>34,112</u>	<u>33,797</u>
	<u>486,995</u>	<u>708,164</u>
Operating		
General	1,179,836	876,677
Water	<u>41,369</u>	<u>43,783</u>
	<u>1,221,205</u>	<u>920,460</u>
Invested in capital assets	<u>3,837,179</u>	<u>2,894,969</u>
Total Accumulated Surplus	<u>5,545,379</u>	<u>4,523,593</u>

9. Trust Funds

The Cemetery Care Trust Fund is not reported in these financial statements. The following is a summary of Trust Fund transactions for the year:

	2020	2019
Balances, beginning of year	\$ 18,284	\$ 17,800
Contributions received	250	145
Interest earned	<u>171</u>	<u>339</u>
	18,705	18,284
Expenses, transfers	-	-
Balances, end of year	<u>\$ 18,705</u>	<u>\$ 18,284</u>

THE CORPORATION OF THE VILLAGE OF SLOCAN

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

10. 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>2020</u>	<u>2019</u>
Provincial Government - School taxes	\$ 82,154	\$ 89,426
Provincial Government - Police taxes	14,328	13,554
Regional District of Central Kootenay	98,147	95,070
West Kootenay Boundary Hospital District	11,001	11,552
British Columbia Assessment Authority	2,045	1,916
Municipal Finance Authority	8	8
	<u>\$ 207,683</u>	<u>\$ 211,526</u>

11. Pension Plan

The Village of Slocan 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, 2019, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 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 Village of Slocan paid \$21,995 (2019 - \$21,396) for employer contributions to the plan in fiscal 2020.

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 CORPORATION OF THE VILLAGE OF SLOCAN

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

12. 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 Slocan.

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.

Contaminated Sites

In the current year, the Village acquired the "Slocan Mill Site" lands, a decommissioned sawmill with all former structures substantially removed. A third party investigation of the site identified areas of potential environmental concern that would require remediation prior to any development of the lands. Estimated costs for remediation are between \$350,000 and \$500,000, depending on the scope of work required.

The Village is currently discussing options for the Mill Site lands, including consultation with residents and other stakeholders. To date, no decision has been made as to the future of the property, and no action has been taken that would precipitate a requirement to initiate remediation, per provincial regulations. A liability for contaminated sites has not been recorded since it cannot be determined at this time whether future economic benefits will be given up to remediate the contamination

13. Grants

Grants received during the year were composed of the following government transfers and other:

	2020	2020	2019	2019
	<u>Unconditional</u>	<u>Conditional</u>	<u>Unconditional</u>	<u>Conditional</u>
Federal government	\$ 377,195	\$ 146,968	\$ 361,260	\$ 2,645
Provincial government	-	203,753	-	259,130
Regional/other	-	788,616	-	26,858
	<u>\$ 377,195</u>	<u>\$ 1,139,337</u>	<u>\$ 361,260</u>	<u>\$ 288,633</u>

THE CORPORATION OF THE VILLAGE OF SLOCAN
NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

14. **Segments**

The Village provides a range of services to its citizens. For each reported segment, the revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

Refer to Schedule B - Schedule of Segmented Information.

15. **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>2020</u>
Budget surplus per Statement of Operations	\$ 1,277,390
Less: Capital expenditures	1,641,990
Debt principal repayments	13,000
Budgeted transfers to reserves	27,181
Add: Budgeted transfers from surplus & reserves	152,142
Amortization	122,639
Debt proceeds	<u>130,000</u>
Net annual budget	<u>\$ -</u>

16. **COVID-19**

On March 11, 2020, the the World health Organization officially declared COVID-19 as a pandemic. The pandemic has forced governments to implement extraordinary measures to slow the progress of infections and to stabilize disrupted economies and financial markets. The Village has put measures in place in an attempt to protect the health and safety for both staff and the community & limit the effect and spread of the virus. Staff will continue to monitor and assess the situation and react accordingly.

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

For the Year Ended December 31, 2020

	Additions & reallocation of assets under Construction		Disposals	Closing Balance	Accumulated Amortization		Reduction on Disposals	Accumulated Amortization		Net Carrying Amount End of year
	Opening Balance	Construction			Opening balance	Expense		Closing Balance	End of year	
Tangible Capital Assets										
Land	\$ 798,870	\$ 1,502,218	\$ -	\$ 2,301,088	\$ -	\$ -	\$ -	\$ -	\$ 2,301,088	\$ -
Buildings	586,106	17,020	-	603,126	363,234	11,952	-	375,186	227,940	227,940
Engineering infrastructure	832,223	376,680	-	1,208,903	500,170	22,323	-	522,493	686,410	686,410
Machinery & equipment	583,892	-	(33,479)	550,413	382,922	32,982	(33,479)	382,425	167,988	167,988
Transportation infrastructure	357,833	-	-	357,833	168,143	6,678	-	174,821	183,012	183,012
Water infrastructure	1,727,529	19,150	-	1,746,679	577,014	53,923	-	630,937	1,115,742	1,115,742
Total	\$ 4,886,453	\$ 1,915,068	\$ (33,479)	\$ 6,768,042	\$ 1,991,483	\$ 127,858	\$ (33,479)	\$ 2,085,862	\$ 4,682,180	\$ 4,682,180

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

For the Year Ended December 31, 2020

	General Government	Protective Services	Transportation Services	Health Services	Environmental Services	Public Health & Welfare Services	Parks & Recreation	Water Utility	2020 Total
Revenues									
Taxes	\$ 183,364	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 183,364
Sales of Service	719	-	-	27,091	-	1,000	68,043	-	96,853
Other revenue from own services	12,162	-	-	-	-	-	7,392	2,865	22,419
Investment income	27,806	-	-	-	-	-	-	-	27,806
Grants - unconditional	377,195	-	-	-	-	-	-	-	377,195
Grants - conditional	371,551	-	705	-	-	748,687	12,220	6,174	1,139,337
Water user fees	-	-	-	-	-	-	-	118,866	118,866
Gain on sale of assets	-	-	8,165	-	-	-	-	-	8,165
	<u>972,797</u>	<u>-</u>	<u>8,870</u>	<u>27,091</u>	<u>-</u>	<u>749,687</u>	<u>87,655</u>	<u>127,905</u>	<u>1,974,005</u>
Expenditures									
Wages and benefits	129,830	1,150	136,981	9,398	1,448	1,448	34,404	44,457	357,668
Supplies and services	121,059	-	74,909	15,145	928	928	193,940	60,712	466,693
Amortization	9,292	-	36,095	-	447	447	28,101	53,923	127,858
Loss on disposal of assets	-	-	-	-	-	-	-	-	-
	<u>260,181</u>	<u>1,150</u>	<u>247,985</u>	<u>24,543</u>	<u>2,823</u>	<u>2,823</u>	<u>256,445</u>	<u>159,092</u>	<u>952,219</u>
Annual Surplus (Deficit)	\$ <u>712,616</u>	\$ <u>(1,150)</u>	\$ <u>(239,115)</u>	\$ <u>2,548</u>	\$ <u>746,864</u>	\$ <u>(168,790)</u>	\$ <u>(31,187)</u>	\$ <u>1,021,786</u>	

THE CORPORATION OF THE VILLAGE OF SLOCAN
EXHIBIT 1 - COVID-19 PROVINCE OF BC RESTART GRANT (UNAUDITED)
December 31, 2020

Province of BC Restart Grant reconciliation

	<u>2020</u>
COVID-19 Restart Grant received	\$ 262,000
Less grant recognition:	
Revenue shortfalls	26,917
Emergency planning & response, other related costs	<u>32,681</u>
Remaining grant	<u>\$ 202,402</u>

Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF SLOCAN

Fiscal Year Ended December 31, 2020

SCHEDULE OF DEBT

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

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

Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF SLOCAN

Fiscal Year Ended December 31, 2020

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

The Corporation of the Village of Slocan 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 SLOCAN

Fiscal Year Ended December 31, 2020

STATEMENT OF SEVERANCE AGREEMENTS

There were no severance agreements made between The Corporation of the Village of Slocan and its non-unionized employees during the fiscal year ended December 31, 2020.

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

The Corporation of the Village of Slocan
PAYMENT TO FINANCIAL STATEMENT RECONCILIATION
Fiscal Year Ended December 31, 2020

S.O.F.I. Report Scheduled Payments

Remuneration	\$ 303,553	
Employee Expenses	600	
Employer CPP/EI	<u>19,308</u>	\$ 323,461

Payments for Goods and Services 2,378,476

Total of Scheduled Payments **\$2,682,837**

Total of Financial Statement Expenditures **\$ 952,219**

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

THE CORPORATION OF THE VILLAGE OF SLOCAN
SCHEDULE OF REMUNERATION AND EXPENSE
YEAR ENDED DECEMBER 31, 2020

NAME		REMUNERATION	EXPENSE
ELECTED OFFICIALS	POSITION		
Buller, Ezra	Councillor	\$ 3,400	\$ -
Lunn, Jessica	Mayor	5,500	-
Pellitier, Joel	Councillor	3,400	-
Perriere, Madeleine	Councillor	3,400	-
Van Bynen, John	Councillor	3,400	-
TOTAL ELECTED OFFICIALS		<u>19,100</u>	<u>-</u>
DETAILED EMPLOYEES > \$75,000		\$ -	\$ -
TOTAL EMPLOYEES <= \$75,000		<u>284,453</u>	<u>600</u>
		<u>284,453</u>	<u>600</u>
TOTAL		<u>\$ 303,553</u>	<u>\$ 600</u>
TOTAL EMPLOYER PREMIUM FOR CPP/EI			\$ 19,308

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

THE CORPORATION OF THE VILLAGE OF SLOCAN
 SCHEDULE OF PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES
 YEAR ENDED DECEMBER 31, 2020

DETAILED SUPPLIERS >\$25,000

<u>SUPPLIER NAME</u>	<u>EXPENSE</u>
City of Nelson	\$ 28,350
Fortis BC Inc.	46,833
Sierra Landscaping Ltd.	448,896
Springer Creek Investments Ltd.	1,502,627
TOTAL DETAILED SUPPLIERS >\$25,000	<u>2,026,707</u>
TOTAL SUPPLIERS <= \$25,000	<u>351,769</u>
TOTAL SUPPLIERS	2,378,476
GRANTS AND CONTRIBUTIONS >\$25,000	-
TOTAL PAYMENTS, GRANTS AND CONTRIBUTIONS	<u><u>\$ 2,378,476</u></u>

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