

The Corporation of the Village of Slocan
2024 STATEMENT OF FINANCIAL INFORMATION

Statement of Financial Information (SOFI)
THE CORPORATION OF THE VILLAGE OF SLOCAN
Fiscal Year Ended December 31, 2024

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Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF SLOCAN

Fiscal Year Ended December 31, 2024

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

Nathan Russ, CPA, CMA
Chief Financial Officer

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

Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF SLOCAN

Fiscal Year Ended December 31, 2024

Management Report

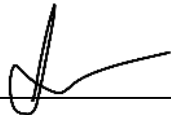
The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with generally accepted accounting principles and the integrity and objectivity of these statements are management's responsibility.

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, Childs Chanton, 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 Village'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



Nathan Russ, CPA, CMA
Chief Financial Officer
May 30, 2024

THE CORPORATION OF THE VILLAGE OF SLOCAN
FINANCIAL STATEMENTS
DECEMBER 31, 2024

THE CORPORATION OF THE VILLAGE OF SLOCAN

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For the Year Ended December 31, 2024

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THE CORPORATION OF THE VILLAGE OF SLOCAN

MANAGEMENT REPORT

For the Year Ended December 31, 2024

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, Childs Chanton 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 Childs Chanton Chartered Professional Accountants, follows and outlines the scope of their examination and their opinion on the financial statements.



Nathan Russ, CPA, CMA
Financial Officer

CHILDS CHANTON

CHARTERED PROFESSIONAL ACCOUNTANTS*

* Denotes Professional Corporation

Jeremy J. Childs, CPA, CA
Marie C. Chanton, CPA, CA

241 Columbia Avenue, Castlegar, BC V1N 1G3 Phone: (250) 365-7287 Fax: (250) 365-6066

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of the Corporation of the Village of Slocan (the Village), which comprise the statement of financial position as at December 31, 2024 and the statements of operations, change in net debt and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation of the Village of Slocan as at December 31, 2024 and the results of its operations, changes in net debt, and its cash flow 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 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 purpose of forming an opinion on the financial statements taken as a whole. Exhibit 1 is presented for the purposes of additional information and is not a required part of the financial statements. Such information has not been subject 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.

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 make 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.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Village to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



May 05, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS
Castlegar, BC

THE CORPORATION OF THE VILLAGE OF SLOCAN
STATEMENT OF FINANCIAL POSITION

As at December 31, 2024

	<u>2024</u>	<u>2023</u>
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 3,755,855	\$ 2,491,976
Accounts receivable (Note 4)	<u>228,545</u>	<u>161,499</u>
	<u>3,984,400</u>	<u>2,653,475</u>
Financial Liabilities		
Accounts payable and accrued liabilities (Note 5)	165,463	95,161
Deferred revenue (Note 6)	1,505,155	357,620
Debt (Note 7)	600,000	700,000
Asset retirement obligations (Note 8)	<u>210,551</u>	<u>201,042</u>
	<u>2,481,169</u>	<u>1,353,823</u>
Net Financial Assets	1,503,231	1,299,652
Non-Financial Assets		
Tangible capital assets (Note 9)	5,510,624	5,526,766
Prepaid expenses	<u>40,708</u>	<u>32,521</u>
	<u>5,551,332</u>	<u>5,559,287</u>
Accumulated Surplus (Note 10)	<u>\$ 7,054,563</u>	<u>\$ 6,858,939</u>

Commitments and Contingencies (Note 14)



Nathan Russ, CPA, CMA
Financial Officer

THE CORPORATION OF THE VILLAGE OF SLOCAN

STATEMENT OF OPERATIONS

For the Year Ended December 31, 2024

	<u>2024 Budget</u> (Note 17)	<u>2024</u>	<u>2023</u>
Revenue			
Taxes	\$ 238,377	\$ 243,000	\$ 224,592
Sale of services	130,126	102,355	125,183
Other revenue from own sources	157,280	62,991	33,028
Investment income	17,000	85,687	36,164
Government transfers - unconditional (Note 15)	345,000	356,000	341,000
Government transfers - conditional (Note 15)	644,742	189,956	972,641
Water user fees	143,351	145,182	134,648
Gain on disposal tangible capital assets	-	-	1,190
	<u>1,675,876</u>	<u>1,185,171</u>	<u>1,868,446</u>
Expenses			
General government	598,041	378,500	435,896
Protective services	3,000	500	4,400
Transportation services	209,653	158,895	238,948
Environmental health services	30,550	24,653	26,383
Public health and welfare services	11,250	9,864	11,426
Parks, recreation and cultural services	137,121	94,228	281,349
Interest and other debt charges	35,000	36,852	40,940
Water utility operations	128,820	104,907	84,034
Amortization	154,269	171,641	162,888
Accretion	-	9,509	9,080
	<u>1,307,704</u>	<u>989,549</u>	<u>1,295,344</u>
Annual surplus	368,172	195,622	573,102
Accumulated surplus, beginning of the year	<u>6,858,939</u>	<u>6,858,939</u>	<u>6,285,837</u>
Accumulated surplus, end of the year	<u>7,227,111</u>	<u>7,054,561</u>	<u>6,858,939</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 SLOCAN
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the Year Ended December 31, 2024

	<u>2024 Budget</u>	<u>2024</u>	<u>2023</u>
Annual surplus	\$ 368,172	\$ 195,622	\$ 573,102
Acquisition of tangible capital assets	(1,104,731)	(155,499)	(377,208)
Amortization of capital assets	154,269	171,641	162,888
Proceeds on sale tangible capital assets	-	-	17,304
Loss on disposal tangible capital assets	<u>-</u>	<u>-</u>	<u>(1,190)</u>
	(582,290)	211,764	374,896
Acquisition of prepaid expenses	<u>-</u>	<u>(8,185)</u>	<u>(3,351)</u>
Increase in net financial assets	(582,290)	203,579	371,545
Net financial assets, beginning of year	<u>1,299,652</u>	<u>1,299,652</u>	<u>928,107</u>
Net financial assets, end of the year	\$ <u>717,362</u>	\$ <u>1,503,231</u>	\$ <u>1,299,652</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 SLOCAN
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024

	<u>2024</u>	<u>2023</u>
Cash Provided by (Used In)		
Operating Activities		
Annual surplus	\$ 195,622	\$ 573,102
Items not involving cash:		
Amortization of tangible capital assets	171,641	162,888
Accretion	9,509	9,080
Initial recognition of asset retirement obligation	-	191,962
Loss on disposal tangible capital assets	<u>-</u>	<u>(1,190)</u>
	376,772	935,842
Increase (decrease) in non-cash operating items:		
Accounts receivable	(67,046)	58,588
Accounts payable and accrued liabilities	70,302	(29,232)
Deferred revenue & deposits	1,147,535	189,657
Prepaid expenses	<u>(8,185)</u>	<u>(3,351)</u>
	<u>1,519,378</u>	<u>1,151,504</u>
Financing Activities		
Long-term debt repayment	(100,000)	(145,000)
Capital Activities		
Proceeds from disposal of tangible capital assets	-	17,304
Acquisition of tangible capital assets	<u>(155,499)</u>	<u>(377,208)</u>
Net increase in Cash	1,263,879	646,600
Cash and cash equivalents, beginning of year	<u>2,491,976</u>	<u>1,845,376</u>
Cash and cash equivalents, end of year	<u>\$ 3,755,855</u>	<u>\$ 2,491,976</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 SLOCAN

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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, debt, accounts payable and accrued liabilities. It is management's opinion that the Village is not exposed to significant interest, currency, liquidity, 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	10 to 40 years
Fixtures, Furniture, Equipment & Vehicles	5 to 25 years
Engineering Infrastructure	5 to 40 years
Roads and Paving	20 to 40 years
Bridges and Other Transportation Structures	40 to 50 years
Water Infrastructure	10 to 60 years

THE CORPORATION OF THE VILLAGE OF SLOCAN

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

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, provision for contingencies, and timing and extent of future asset retirement obligations. 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 2024-2028, adopted by Council on May 13, 2024.

(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, 2024.

(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, 2024

1. Significant Accounting Policies (continued)

(l) Asset retirement obligations

An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset that the Village will be required to settle. The Village recognizes asset retirement obligations when there is a legal obligation to incur retirement costs in relation to a tangible capital asset, the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made.

Asset retirement obligations are initially measured at the best estimate of the amount required to retire a tangible capital asset at the financial statement date. The estimate of a liability includes costs directly attributable to asset retirement activities.

Asset retirement obligations are recorded as liabilities with a corresponding increase to the carrying amount of the related tangible capital asset. The obligation is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and for revisions to either the timing or the amount of the original estimate of the undiscounted cash flows or the discount rate.

2. Change in accounting policy

On January 1, 2024, the Village adopted new Public Sector Accounting Standard Section PS 3400 Revenue. This section establishes standards on how to account for and report on revenue. The standard was applied prospectively and had no impact on the comparative figures.

3. Cash and Cash Equivalents

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

	2024	2023
	<u>2024</u>	<u>2023</u>
Cash	\$ 3,606,069	\$ 2,345,696
MFA bond and money market funds	<u>149,786</u>	<u>146,280</u>
	<u>\$ 3,755,855</u>	<u>\$ 2,491,976</u>

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

4. Accounts Receivable

	2024	2023
	<u>2024</u>	<u>2023</u>
Property taxes	\$ 110,320	\$ 89,022
Utility billings	16,843	11,652
Other governments	2,537	-
Trade & other receivables	<u>98,845</u>	<u>60,825</u>
	<u>\$ 228,545</u>	<u>\$ 161,499</u>

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

December 31, 2024

5. Accounts Payable and Accrued Liabilities

	<u>2024</u>	<u>2023</u>
Trades payable	\$ 128,034	\$ 60,018
Due to other government	21,311	17,953
Accrued wages and benefits	<u>16,118</u>	<u>17,190</u>
	<u>\$ 165,463</u>	<u>\$ 95,161</u>

6. Deferred Revenue

	<u>Opening Balance</u>	<u>Contributions Received (Returned)</u>	<u>Revenue Recognized</u>	<u>Ending Balance</u>
Federal Gas tax grant *	\$ -	\$ 80,669	\$ (80,669)	\$ -
Other grants and contributions	336,603	1,253,974	(110,156)	1,480,421
Prepaid licenses and fees	<u>21,017</u>	<u>24,734</u>	<u>(21,017)</u>	<u>24,734</u>
	<u>\$ 357,620</u>	<u>\$ 1,359,377</u>	<u>\$ (211,842)</u>	<u>\$ 1,505,155</u>

* The Federal Gas tax grant is recognized into revenue and immediately transferred into the Community Works fund and the Growing Communities Fund reserve, respectively.

7. Debt

In the year ended December 31, 2020, 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. During the year, the Village made principal payments of \$100,000 against the loan. As at December 31, 2024, the variable rate of interest on the loan was 4.05% (2023 - 5.61%) per annum.

8. Asset Retirement Obligations

Existing laws and regulations require the Village to take specific actions regarding the removal and disposal of certain capital assets at the end of their useful life. Asset retirement obligations related to buildings, sewer, and storm sewer infrastructure capital assets. are amortized over the remaining expected useful life of the related assets.

Estimated costs totaling \$533,234 using an inflation rate of 3.5% have been discounted using a present value calculation with a discount rate of 4.73%. The discount rate used was based on borrowing rate for liabilities with similar risks and maturity. The timing of these expenditures is estimated to occur between 2025 and 2062 with the regular replacement, renovation, or disposal of assets. No recoveries are expected at this time.

THE CORPORATION OF THE VILLAGE OF SLOCAN

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

8. Asset Retirement Obligations (continued)

The following is a summary of asset retirement obligation transactions for the year:

	2024	2023
Opening asset retirement obligation	\$ 201,042	\$ -
Initial recognition of expected discounted cash flows	-	191,962
Increase due to accretion	9,509	9,080
Closing asset retirement obligation	<u>\$ 210,551</u>	<u>\$ 201,042</u>

9. Tangible Capital Assets

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Land	\$ 2,306,312	\$ -	\$ 2,306,312	\$ 2,301,088
Buildings	952,136	420,645	531,491	556,469
Engineering infrastructure	1,657,310	602,160	1,055,150	1,021,156
Machinery & equipment	623,559	478,067	145,492	137,072
Transportation infrastructure	556,633	218,397	338,236	349,291
Water infrastructure	<u>2,012,774</u>	<u>878,831</u>	<u>1,133,943</u>	<u>1,161,690</u>
	<u>\$ 8,108,724</u>	<u>\$ 2,598,100</u>	<u>\$ 5,510,624</u>	<u>\$ 5,526,766</u>

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

Included in the engineering infrastructure balance above is \$Nil (2023 - \$91,446) of costs not placed into use and therefore had no amortization taken in the current year.

10. Accumulated Surplus

	2024	2023
Reserves		
Capital equipment	\$ 279,823	\$ 240,064
Community works fund	252,451	180,024
Growing communities	502,617	484,094
Land sales	13,066	12,585
Water infrastructure	<u>36,860</u>	<u>35,502</u>
	<u>1,084,817</u>	<u>952,269</u>
Operating		
General	1,087,537	1,139,083
Water	<u>182,135</u>	<u>141,860</u>
	<u>1,269,672</u>	<u>1,280,943</u>
Invested in tangible assets	<u>4,700,074</u>	<u>4,625,727</u>
Total Accumulated Surplus	<u>\$ 7,054,563</u>	<u>\$ 6,858,939</u>

THE CORPORATION OF THE VILLAGE OF SLOCAN

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

11. 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:

	<u>2024</u>	<u>2023</u>
Balances, beginning of year	\$ 19,665	\$ 19,302
Contributions received	270	145
Interest earned	<u>248</u>	<u>218</u>
	20,183	19,665
Expenses, transfers	<u>-</u>	<u>-</u>
Balances, end of year	<u>\$ 20,183</u>	<u>\$ 19,665</u>

12. 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>2024</u>	<u>2023</u>
Provincial Government - School taxes	\$ 184,806	\$ 162,041
Provincial Government - Police taxes	27,276	24,795
Regional District of Central Kootenay	212,528	190,852
West Kootenay Boundary Hospital District	17,884	16,473
British Columbia Assessment Authority	4,270	3,753
Municipal Finance Authority	<u>23</u>	<u>20</u>
	<u>\$ 446,787</u>	<u>\$ 397,934</u>

13. 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, 2023, the plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 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, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The Village of Slocan paid \$21,915 (2023 - \$21,921) for employer contributions to the plan in fiscal 2024.

The next valuation will be as at December 31, 2024 with results available in 2025.

THE CORPORATION OF THE VILLAGE OF SLOCAN

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

13. **Pension Plan (continued)**

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.

14. **Commitments and Contingencies**

Regional District debt

Regional District debt is, under the provisions of the Community Charter of B.C., 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 Village is assessed a premium and specific deductible based on population and claims experience. The obligation of the Village 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 year ended December 31, 2020, 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

15. **Government Transfers**

Government transfers received during the year were composed of the following:

	2024	2024	2023	2023
	Unconditional	Conditional	Unconditional	Conditional
Federal government	\$ -	\$ -	\$ -	\$ 2,347
Provincial government	356,000	80,669	341,000	73,359
Regional/other	-	109,287	-	896,935
	<u>\$ 356,000</u>	<u>\$ 189,956</u>	<u>\$ 341,000</u>	<u>\$ 972,641</u>

THE CORPORATION OF THE VILLAGE OF SLOCAN

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

16. 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 financial statements as disclosed in Note 1.

Refer to Schedule B - Schedule of Segmented Information.

17. Budget Data

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

	2024
Budget surplus per Statement of Operations	\$ 368,172
Less: Capital expenditures	1,104,731
Debt principal repayments	-
Budgeted transfers to reserves	103,359
Add: Budgeted transfers from surplus & reserves	685,649
Amortization	154,269
Debt proceeds	-
Net annual budget	\$ -

18. Comparative Figures

Certain comparative figures from the prior year have been reclassified to conform with the presentation format adopted for the current year.

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

For the Year Ended December 31, 2024

	Opening Balance	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
Tangible Capital Assets									
Land	\$ 2,301,088	\$ 5,224	\$ -	\$ 2,306,312	\$ -	\$ -	\$ -	\$ -	\$ 2,306,312
Buildings	952,136	-	-	952,136	395,667	24,978	-	420,645	531,491
Engineering infrastructure	1,578,999	78,311	-	1,657,310	557,843	44,317	-	602,160	1,055,150
Machinery & equipment	589,780	33,779	-	623,559	452,708	25,359	-	478,067	145,492
Transportation infrastructure	556,055	578	-	556,633	206,764	11,633	-	218,397	338,236
Water infrastructure	<u>1,975,167</u>	<u>37,607</u>	<u>-</u>	<u>2,012,774</u>	<u>813,477</u>	<u>65,354</u>	<u>-</u>	<u>878,831</u>	<u>1,133,943</u>
Total	<u>\$ 7,953,225</u>	<u>\$ 155,499</u>	<u>\$ -</u>	<u>\$ 8,108,724</u>	<u>\$ 2,426,459</u>	<u>\$ 171,641</u>	<u>\$ -</u>	<u>\$ 2,598,100</u>	<u>\$ 5,510,624</u>

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

For the Year Ended December 31, 2024

	General Government	Protective Services	Transportation Services	Environmental Health Services	Public Health & Welfare Services	Parks & Recreation	Water Utility	2024 Total
Revenues								
Taxes	\$ 243,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 243,000
Sales of Service	1,653	-	-	34,136	2,105	64,461	-	102,355
Other revenue from own services	39,420	-	-	-	-	20,741	2,830	62,991
Investment income	85,687	-	-	-	-	-	-	85,687
Grants - unconditional	356,000	-	-	-	-	-	-	356,000
Grants - conditional	138,686	-	-	-	5,899	45,371	-	189,956
Water user fees	-	-	-	-	-	-	145,182	145,182
Gain on sale of assets	-	-	-	-	-	-	-	-
	<u>864,446</u>	<u>-</u>	<u>-</u>	<u>34,136</u>	<u>8,004</u>	<u>130,573</u>	<u>148,012</u>	<u>1,185,171</u>
Expenditures								
Wages and benefits	192,666	500	105,420	10,100	3,699	20,902	54,653	387,940
Supplies and services	185,834	-	53,475	14,553	6,165	73,326	50,254	383,607
Interest and other debt charges	-	-	-	-	-	36,852	-	36,852
Amortization	14,825	-	37,322	-	447	53,693	65,354	171,641
Accretion	5,806	-	-	-	-	-	3,703	9,509
	<u>399,131</u>	<u>500</u>	<u>196,217</u>	<u>24,653</u>	<u>10,311</u>	<u>184,773</u>	<u>173,964</u>	<u>989,549</u>
Annual Surplus (Deficit)	<u>\$ 465,315</u>	<u>\$ (500)</u>	<u>\$ (196,217)</u>	<u>\$ 9,483</u>	<u>\$ (2,307)</u>	<u>\$ (54,200)</u>	<u>\$ (25,952)</u>	<u>\$ 195,622</u>

THE CORPORATION OF THE VILLAGE OF SLOCAN
SCHEDULE C - GROWING COMMUNITIES FUND RECONCILIATION
December 31, 2024

Province of BC Growing Communities Fund reconciliation

The following is a summary of fund transactions for the current year:

	<u>2024</u>
Growing Communities Fund opening balance	\$ 484,094
Interest earned during the year	18,523
Less: Eligible use of funds	-
Remaining grant	\$ <u>502,617</u>

THE CORPORATION OF THE VILLAGE OF SLOCAN
SCHEDULE D - CAPACITY FUNDING RECONCILIATION
December 31, 2024

Province of BC Capacity Funding for Local Government Housing Initiatives reconciliation

The following is a summary of fund transactions for the current year:

	<u>2024</u>
Capacity Fund opening balance	\$ -
Initial funds	151,383
Less: Eligible use of funds	14,375
Remaining grant	\$ <u>137,008</u>

THE CORPORATION OF THE VILLAGE OF SLOCAN
EXHIBIT 1 - PROVINCE OF BC GRANT RECONCILIATIONS (UNAUDITED)
December 31, 2024

Province of BC COVID-19 Restart Grant reconciliation

The following is a summary of grant transactions for the current year:

	<u>2024</u>
COVID-19 Restart Grant opening balance	\$ 47,447
Less grant recognition:	
Facility reopening & operating costs	32,868
Computer & other electronic technology costs	<u>7,610</u>
Remaining grant	<u>\$ 6,969</u>

Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF SLOCAN

Fiscal Year Ended December 31, 2024

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, 2024

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, 2024

Statement of Severance Agreements

There was no severance agreements made between The Corporation of the Village of Slocan and its non-unionized employees during the fiscal year ended December 31, 2024.

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

Schedule of Remuneration and Expenses

NAME		REMUNERATION	EXPENSE
ELECTED OFFICIALS	POSITION		
Buller, Ezra	Councillor	\$ 3,644	\$ 1,337
Knott, Jordan	Councillor	\$ 3,644	\$ 1,870
Lunn, Jessica	Mayor	\$ 5,895	\$ 1,746
Perriere, Madeleine	Councillor	\$ 3,644	\$ 7,020
Van Bynen, Joanna	Councillor	\$ 3,644	\$ 7,068
TOTAL ELECTED OFFICIALS		20,472	19,043
DETAILED EMPLOYEES > \$75,000			
McGreal, Lachlan		\$ 80,925	\$ -
TOTAL EMPLOYEES <= \$75,000		188,907	343
TOTAL		\$ 290,304	\$ 19,386
TOTAL EMPLOYER PREMIUM FOR CPP/EI			\$ 20,046

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

Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF SLOCAN

Fiscal Year Ended December 31, 2024

Schedule of Payments for the Provision of Goods and Services

DETAILED SUPPLIERS >\$25,000

<u>SUPPLIER NAME</u>		<u>EXPENSE</u>
Dehnel Planning	\$	27,143
Fortis BC Inc		35,327
Mountain Logic Solutions Inc.		28,691
Slocan Valley Electric LTD		52,127
Western Financial Group (FER)		34,143

TOTAL DETAILED SUPPLIERS >\$25,000		177,430
TOTAL SUPPLIERS <= \$25,000		446,542
TOTAL SUPPLIERS		623,972

DETAILED GRANTS AND CONTRIBUTIONS >\$25,000	\$	-
GRANTS AND CONTRIBUTIONS <=\$25,000		11,740
TOTAL PAYMENTS, GRANTS AND CONTRIBUTIONS	\$	635,712

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

Statement of Financial Information (SOFI)

THE CORPORATION OF THE VILLAGE OF SLOCAN

Fiscal Year Ended December 31, 2024

Payments to Financial Statement Reconciliation

S.O.F.I. Report Scheduled Payments

Remuneration	\$ 290,304	
Employer CPP/EI	<u>20,046</u>	310,350
Payments for Goods and Services		<u>635,712</u>
Total of Scheduled Payments		946,062
Total of Financial Statement Expenditures		989,549

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 may be reported directly to the Balance Sheet and therefore are not reported as expenditures
- The expense line item in the financial statements include an accretion expenses which is a non-cash item for accounting purposes. There is no payment or cash transaction for this expense.

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