

2018

ANNUAL REPORT



THE VILLAGE OF
N A K U S P

Village of Nakusp
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Nakusp, BC V0G 1R0
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Fiscal year ending December 31, 2018

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Photo credit:
Craig Pulsifer Photography

Message from the Mayor

We the outgoing Mayor, Karen Hamling and present Mayor, Tom Zeleznik are pleased to present the 2018 Annual Report on behalf of Nakusp Village Council.

2018 was our fourth and last year as a council. New council and new Mayor were elected in November. The last items in our four-year plan was the revitalization of the downtown and we have started with three main street blocks and should be completed the final phase 1 in June 2019. Council will continue in 2019 to pursue funds to begin Phase 2 which will be the block Save On Foods, and the Lodge are. This plan was also supported by the Common Agenda Committee that formed in 2014 with the funding support of the Columbia Basin Trust, NACFOR (legacy fund), RDCK Area K, and the gas tax fund

The project for the upgrades to our emergency room at the Arrow Lakes Hospital was announced in January 2018 and continues to be delayed, hopefully will begin construction in early 2019.

This project has been the priority of the West Kootenay Boundary Hospital Board and council. Council and the board worked hard with our MLA Katrine Conroy to help move this forward.

We continue to pursue to improve fibre Optic Broadband to Nakusp and area with the help of the Columbia Basin Broadband, council have also set aside funding to help improve connectivity into the basin. This is an ongoing process of applying for funding from the federal and provincial governments as well as CBT and the communities.

Completion of the North road water and sewer services expansion to nine properties. This has been a long process to find ways to complete this project over the years. We continue to look at ways to improve expansion to the North road Kuskanax properties along with expropriation of crown land that will in return help sustain our community for further long-term expansion.

New medical service in Nakusp that will help our seniors. Two veteran paramedics have been appointed to deliver the new Community Paramedicine service, they will be providing primary care services in non-urgent settings, in patients' homes and in the community. Intended primarily for older patients over the age of 65, the new service is designed to improve health care in rural communities such as ours.

Would also like to thank all our doctors, nurses, health clinic staff, teachers, industry, businesses, tourism, seniors, and volunteers who have made and continue to make our community a great place to live, work, play and raise a family. Through all your contributions, and community involvement have helped to leave a positive mark on this place we call home.

Council and staff are elected to govern in the interests of the entire community, we must be dedicated to the community, along with having a vision for its future. Must always be open to discuss your concerns and answer questions.

Sincerely,

Mayor, Tom Zeleznik



Local Government in BC

The term local government in BC refers to both municipalities and regional districts. Specifically, the term municipality refers to a city, district, resort municipality, island municipality, Indian government district, town or village having the power to govern itself. Municipalities are general-purpose local governments that provide a wide range of services and regulate a variety of activities. Over 80% of BC's population resides within a municipality, although the land area covered by them is less than 2% of the area of the province. Regional districts are the general-purpose local governments for the unincorporated areas of the province and they provide a framework for inter-municipal cooperation for service provision.

Under the Canadian Constitution, local governments can only be established and granted powers by the provincial government. The BC government sets out the legal framework for local government through various provincial statutes, most notably the *Local Government Act* and the *Community Charter*. Together these two statutes set the rules for electing council members, appointing officials, conducting municipal business and establishing the authority of the local government.

About This Report

When the *Community Charter* was adopted by the Province in 2003, the issue of accountability was one of the areas of increased legislative change. As part of the increased accountability, all municipalities are mandated by the *Community Charter* to prepare, on an annual basis, a document that reports to the citizens and stakeholders of the municipality past results and plans for the future. Once completed, the annual report must be available for public inspection a minimum of two weeks before the report is received by Council at a duly constituted meeting. This provides citizens with time to review the annual report, ask questions and prepare submissions. Council will consider the 2018 annual report at the Council meeting on **Monday, June 24, 2019** at 6:30 p.m. in the Emergency Services Building. We ask that you take time to read this report as we encourage your feedback in order that we may provide the best information possible to our taxpayers.

Governance

Council is made up of a Mayor and four Councillors. All members of Council are elected for a fixed four-year term. The last election was in November 2018 and the next election will be held in 2022.

The role of the elected Council is to act as the governing body for the Village, making decisions that represent the best overall interests of Nakusp residents and businesses. Council considers matters necessary for maintaining and improving operations and services, as well as planning for future generations. Fiscal responsibility and preservation of the environment are key principles guiding Council's decisions, as are the Mission and Vision Statements articulated later in this report. Council acts as a collective body and can only exercise its powers through resolutions and bylaws adopted in a properly constituted Council meeting. The Mayor and Councillors also have a responsibility to provide community leadership, act as ambassadors, and to lobby on behalf of the Village.

The Village operates on what is called the "one employee" system. The Chief Administrative Officer (CAO) is Council's only employee and acts as the link between Council and the rest of the Village staff. The CAO position is responsible for the overall management of Village finances and operations, ensuring that policies, programs and other directives of Council are implemented, and advising Council on the operation and affairs of the Village. Village staff is responsible for ensuring day to day activities are carried out efficiently in order to provide affordable services to the taxpayer.

Village of Nakusp Council



Council: (left to right) Incoming Aidan McLaren-Caux, Mayor Tom Zeleznik, Susan DeSandoli, Joseph Hughes

Council meets the **second & fourth Monday at 6:30 pm**
at the Emergency Services Building, 300—8th Avenue NW

THE POLICY OF COUNCIL SHALL BE:

- to promote harmony and cooperation within the Village
- to provide accountability to the Public in promoting efficiency in all facets within the Village
- to promote the attitude that Councillors and Village employees are 'here to help'
- to provide the best facilities and services possible, with careful consideration of the finances available to promote the Village of Nakusp as a desirable place to live

2018 Council Committees

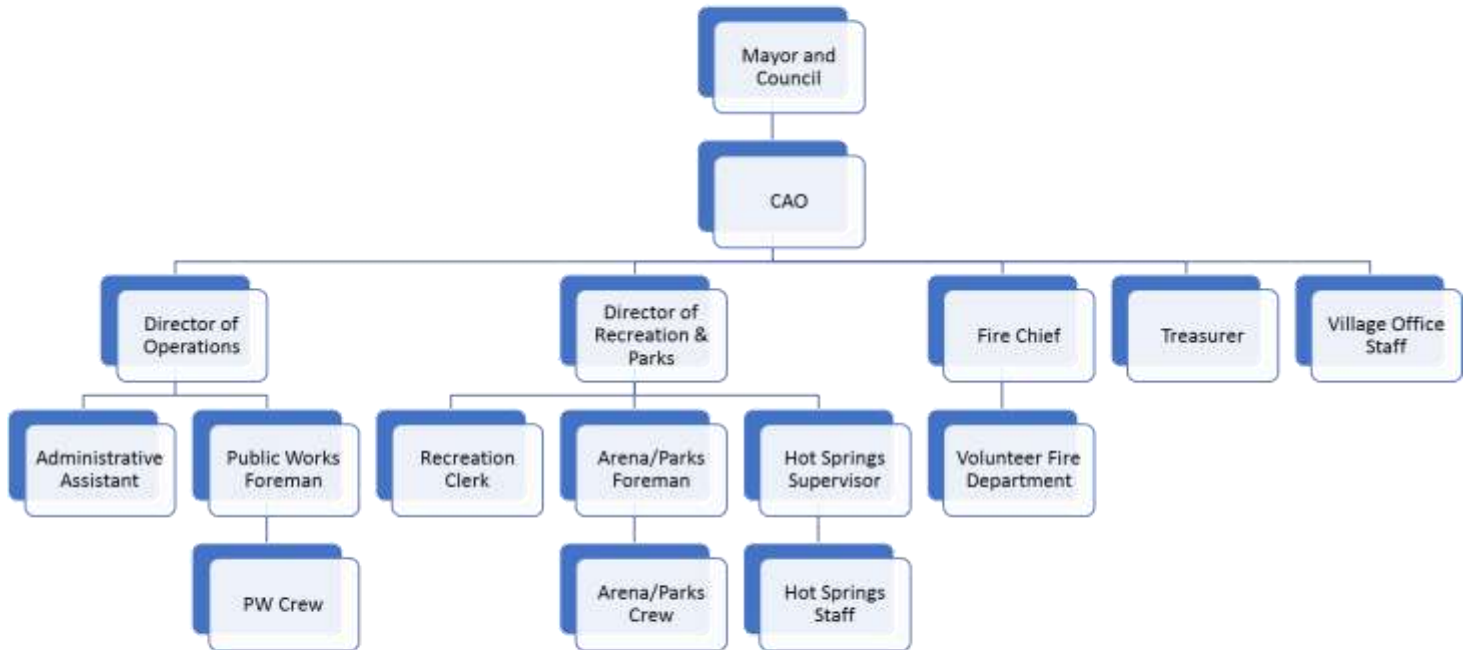
- **Mayor Tom Zeleznik** Nakusp & Area Development Board Committee (NADB) - Alternate
Nakusp and Area Community Forest (NACFOR)—Alternate
Fair Trade
Liaison—Nakusp Seniors Society —Alternate
Public Art Committee
West Resource Recovery Committee
Grievance Committee
Ktunaxa Kinbasket Local Govt Treaty Advisory Committee—alternate
- **Councillor Joseph Hughes** RDCK Municipal Director
- **Mayor Tom Zeleznik** Alternate RDCK Municipal Director
- **Councillor Joseph Hughes** Emergency Management BC (EMBC)
Ktunaxa Kinbasket Local Govt Treaty Advisory Committee
Grievance Committee
- **Councillor Susan DeSandoli** CBT Community Initiatives Program and Affected Area Program
Nakusp Public Library
Liaison—Nakusp Seniors Society
- **Councillor Aidan McLaren-Caux** CBT Community Initiatives Program and Affected Area Program
Nakusp & Area Development Board Committee (NADB)
Nakusp and Area Community Forest (NACFOR)



Photo credit: Rory McLeod

Village Operations

Village of Nakusp Organizational Chart



Staff Contacts:

Chief Administrative Officer		
Laurie Taylor—outgoing Cheryl A. Martens—incoming	250-265-3689	ltaylor@nakusp.com cao@nakusp.com
Treasurer / Deputy CAO		
Mark Tennant	250-265-3689	mtennant@nakusp.com
Director of Operations		
Bart Chenuz—outgoing	250-265-3556	bchenuz@nakusp.com
Director of Recreation & Parks		
Terry Welsh—outgoing	250-265-3689	twelsh@nakusp.com
Fire Chief & Emergency Services Coordinator		
Terry Warren	250-265-3563 250-265-1756 (cell)	trwarren@nakusp.com

Message from the CAO

One of the purposes of an annual report is to allow an organization to look back on the past year in order to determine how they can replicate their successes and avoid their failures. This report provides that opportunity for council and staff and provides a medium to publicly communicate the information.

Fiscal responsibility is the key to financial success for local government. Council and staff of the Village of Nakusp have made fiscal responsibility a core value of local governance. With a tax base of primarily single family residential properties and very little commercial or industrial activity, the Village only raises approximately \$1 Million in property taxes per year for Village use. This amount is supplemented by approximately \$380K in unconditional Federal and Provincial grants. Also, the Village raises money from user fees, covering costs of the services provided (e.g. water and sewer fees). Tax revenue and user fees together, cover the costs of services and, wages and salaries for the staff that provide the majority of those services. Federal and provincial grants make up a significant portion of the money required for capital projects. Each year Council directs a specific amount of grant money toward reserve accounts thus providing funding opportunities for future projects. In many cases capital projects are too expensive for the Village to fund on its own, therefore either grants or borrowing are required.

The role of Village staff in achieving Council's mandates cannot be understated. It is these civil servants who keep our roads, sidewalks, recreation facilities and green spaces maintained; ensure essential services like water and sewer are provided in a safe and efficient manner; and provide that friendly face at the Village office. The Village is lucky to have a dedicated group of employees.

2018 was an election year. The Village's long time Mayor, Karen Hamling, made the decision not to run again so we had an election for both Mayor and Council. The result was former Councillor Tom Zeleznik being elected as Mayor and the return of another former Councillor Joseph Hughes. Also elected were three brand new councillors, Aidan McLaren-Caux, Susan DeSandoli and Janis Neufeld. There was a 52.8% voter turnout in the Village which was significantly higher than the 35.7% provincial average.

2018 was also a year of projects: water main replacement of Alexander Road and Nakusp Road East funded by CWWF grants and the first phase of the Downtown Revitalization Project funded by CBT, NACFOR Legacy and Gas Tax funds. The Director of Recreation and Parks, Terry Welsh, did a great job overseeing the Downtown Revitalization Project and a large portion of the water main replacement projects.

Village staff looks forward to serving you in 2019—*Laurie Taylor, Outgoing CAO*

The Village of Nakusp recognizes the need to pursue better ways of communication and the importance of transparency and are working towards an enhanced presence in both traditional, the new age of social media, and researching other ways to keep you informed on the revenues obtained by the Village of Nakusp and how they are utilized. There will always be challenges this year and beyond. However, the Village of Nakusp has a dedicated Council, focused senior management and hardworking staff to meet these challenges.

Local governments must set priorities and the need to reconcile the demand for services always exceed our funding abilities. However, we will strive to ensure that our costs on programs and services will remain both sustainable and affordable for our taxpayers over the long term. We will continue to work towards providing a healthy, vibrant, economically and environmentally sustainable future for our community.

—*Cheryl A. Martens, Incoming CAO*

Municipal Departments

ADMINISTRATION & FINANCE

Laurie Taylor, CAO—Outgoing

Cheryl A. Martens, CAO—Incoming

Under the direction of the CAO, this department is responsible for the provisions of such services as business licensing, planning and development, minutes and agendas, and human resources.

ADMINISTRATION & FINANCE

Mark Tennant, Treasurer/Deputy CAO

The Treasurer is responsible for the financial management of the Village's assets and for the planning, implementation and monitoring of the Village's Five Year Financial Plan. Staff provide services including taxes, water & sewer billing, processing of accounts payable and receivable and payroll.

OPERATIONS

Bart Chenuz, Director of Operations—Outgoing

The Director of Operations oversees the management of the Public Works and Water and Sewer. Services encompassed under this umbrella include: potable water system; waste water treatment, building and facility maintenance, roads & sidewalks infrastructure, airport, equipment maintenance, garbage collection, recycling and cemetery administration.

RECREATION & PARKS

Terry Welsh—Director of Recreation and Parks—Outgoing

The Director of Recreation and Parks oversees the management and marketing of the Nakusp Hot Springs and Chalets, as well as the Hot Springs Campground. He is also responsible for the management of leisure services including parks, sports complex and green spaces.

FIRE

Terry Warren, Fire Chief

The Nakusp & District Volunteer Fire Department is responsible and has authority by Village Bylaws and the Fire Services Act for Protection of Life and Property, Fire Suppression, Pre-Fire & Disaster Planning, Mutual Aid to B.C. Wildfire Service, Rescue & Basic First Aid, Hazmat Response, Fire Prevention Programs, Local Assistants' to the Fire Commissioner for Inspection, Investigation and Enforcement.

Mission & Vision Statement



Photo credit: Deb Booth

MISSION STATEMENT

Nakusp is a vibrant rural community, where diverse economic activity exists in harmony with the natural environment and encourages healthy lifestyles.

VISION STATEMENT

We will remain a vibrant rural community by preserving our history and enhancing our infrastructure to encourage economic diversification.

We will remain a regional service centre by supporting social, commercial, health and protective services.

We will remain a tourist destination centre by continuing to develop the Nakusp Hot Springs, the Waterfront and our recreational opportunities.

Municipal Services

SERVICES PROVIDED

Airport

- 2983' paved runway

Arena / Auditorium

- Arena
- Auditorium / kitchen rentals
- 4 sheet curling rink
- Squash court
- Hockey, figure skating

Beach

Board of Variance

Building Inspection

(contracted to the RDCK)

Business Licensing

Campsite

- Municipal
- Hot Springs

Cemeteries

- Legion
- Women's Institute
- Glenbank
- Catholic
- Nakusp
- Hillcrest

Emergency Services Building

Garbage & recycling Collection

Nakusp Hot Springs & Cedar Chalets

Parks

- Waterfront Walk
- Trails
- Children's Play Park
- Skatepark
- Tennis Courts / Sportsfields

Sewer System & Sewer Treatment Plant

Snow Removal

Street Lighting

Taxation

Volunteer Fire Department

Water system

Water Treatment Plant

Wharf & Boat Launch

Zoning—Municipal



Nakusp is situated on the East shore of Upper Arrow Lake in the Selkirk Mountains in the Regional District of Central Kootenay, British Columbia. It lies approximately 160 kms north of the City of Nelson, 147 km north of the City of Castlegar, and 100 kilometres south of Revelstoke.

Nakusp lies at the south terminus of

Provincial Highway #23, which connects to Highway #6.

The Village of Nakusp covers an area of 1,059 hectares. Nakusp's shoreline, forest cover, hot springs, and wetlands provide habitat for wildlife and a unique place for people to live.

Climate

Mean Annual Temperature	7.7 ^o C (45.86 ^o F)
Average July Temperature	19.1 ^o C (66.38 ^o F)
Average January Temperature	-1.7 ^o C (28.94 ^o F)
Annual Rainfall	649.9 mm (26 inches)
Total Snowfall	192.1 cm (75.6 inches)
Total Sunshine	1902 hours

Community Services — Hot Springs, Chalets

2018 Hot Springs Facts & Figures

- 2018 was a successful year for the Nakusp Hot Springs.
- The Springs had a visitor total of 42,833 in 2018, an increase of 1,576 visitors from 2017. The Springs showed a fourth consecutive year end profit and realized a return of \$122,188 plus a reserve contribution of \$26,000, and a contribution to the village of \$15,000.
- The Nakusp Hot Springs Campground has seen an occupancy increase of 6.17% from 2017 to 2018.

Momentum

2017 discussed moving forward, our goal for 2018 was to build on the momentum. The Nakusp Hot Springs Chalet & Campground have been gaining momentum with out of town guests who return annually for the experience of staying onsite in the rustic chalets, or in the creek side powered campground. Nature, wildlife, the sound of the Kuskanax Creek rushing are just parts of the beauty that our guests and locals know and love. The Nakusp Hot Springs provide significant economic benefit to our community and throughout our region but is also important as an economic generator for our community.

#RelaxRefreshReturn



Community Services — Recreation & Parks

2018 Recreation & Parks Highlights

- The Falcon's Cup has been an annual event over the winter holidays that has packed the stands with fans and families supporting return and local Falcon players from over the years in a fun draft style hockey tournament. 2018 was the 7th year, with 6 teams created from the draft pool.
- Recreation Commission #4 hosted swim lessons in the lake at the Nakusp Public Beach offering Red Cross Certified lessons for levels 1-10.
- Kootenay Sufferfest hosted the first ever Canadian Adaptive Cyclocross, here in Nakusp around our community trails and park areas.
- The Nakusp Municipal Campground occupancy rates have increased 8.31% from 2017 to 2018. Our campground managers have done an incredible job at creating memorable moments for the campers which is beneficial to the return of guests.

Downtown Revitalization



After completing comprehensive community consultations, the Village was pleased to kick off Phase One of the Downtown Revitalization Project after the September long weekend. Phase One consisted of removal of the existing cobblestone pavers and the construction of a new streetscape on the blocks from 5th Avenue to 2nd Avenue on Broadway. The project work included ornamental street lights, street furniture, new tree and shrub bed planting areas, and most importantly sidewalks that allow safe access for residents with mobility issues. Work on the project continued to the end of November when weather conditions ended our progress.

We want to gratefully acknowledge our funding partners, Columbia Basin Trust, the NACFOR Legacy Fund, and the Regional District of Central Kootenay.

Broadway on 8th—Drama Program

The Village of Nakusp started a performing arts program called, Broadway on 8th which had its first intake in the fall of 2018. The drama program is for kids ages 7 and up and provides a non sport group activity for youth in the community. The program creates a safe environment based on mutual trust and respect that allows the children to have group discussions and act out a range of topics from ice cream on sunny days, to bullying.



Community Services — Operations



THE VILLAGE OF
N A K U S P

2018 Operations Report



What are “Public Works Services”?

This includes, but is not limited to, the following:

- Maintenance of Village facilities and buildings;
- Garbage Collection and Recycling Services;
- Snow Removal & Road Maintenance;
- Sidewalk Inspection, Installation & Maintenance;
- Cemetery Administration, burials, headstone installations;
- Administrative support for Village Office;
- Maintenance of Village fleet and equipment;
- Street Lighting Inspection, Reporting & Maintenance;
- Airport Maintenance

What Does the Operations Department do?

The Operations Department is responsible for the Village Community Water System, the Community Wastewater System, and Public Works Services. Staff time allocations are as follows:

Water Distribution 25%
Water Treatment 15%
Wastewater Collection 15%
Wastewater Treatment 15%
Public Works Services 30%

Community Services — Operations

**VILLAGE OF
NAKUSP
PUBLIC WORKS
DEPARTMENT**

1325 Hot Springs Road

Recycling Schedule:

**Pick-ups are scheduled every
second Thursday.**

January: 3rd, 17th & 31st

February: 14th & 28th

March: 14th & 28th

April: 11th & 25th

May: 9th & 23rd

June: 6th & 20th

July: 4th & 18th

August: 1st, 15th & 29th

September: 12th & 26th

October: 10th & 24th

November: 7th & 21st

December: 5th & 19th

Local retail outlets carry blue/clear bags for their customers. A glass recycling bin is located next to the Nakusp and Area Sports Complex parking lot (200 8th Ave NW)

For more information,
please contact

RDCK:

P- 250.352.6665

Website: RecyclingInBC.ca

Where does funding for Operations come from?

The Public Works Services are funded through general taxation. Utility services are separate – generating revenue through annual utility billing for water and sewer expenditures. User fees are collected for services like garbage collection and cemeteries. A lot of Capital projects are co-funded through Provincial or Federal grants.

For 2018, the Operations Department used:
approximately 13.5% of the combined overall Village budget for Public Works services;
7.5% for the community water system
6.6% for the wastewater system;
Total of approximately 27.7%.

What Capital Projects Happened this year?

- 1. Clean Water & Wastewater Fund Project**
The Village secured a grant to help pay for the replacement of all remaining galvanized water lines. This was successfully completed on time. The Province and Council agreed to redirect any remaining funds to address two remaining waterline issues along Alexander and Nakusp East Roads. Work was completed in 2018.
- 2. North Road Service Expansion**
For years, Council has maintained its commitment to deliver water and sewer services beyond the Kuskanax Creek to the North Road residents. The work was completed in 2018.

Community Services — Operations

What happens if my garbage day falls on a holiday?

If your garbage day is on a Friday, your garbage pick-up will be on the Thursday prior. If your garbage day is on a Monday or Wednesday, your collection day is the next regular business day.

Please ensure that all residential garbage is placed in a Village garbage bag (sold at local retail stores and the Village Office) and an animal-resistant container. Garbage should be placed on the Avenue adjacent to the residence no earlier than 7 am, but ready for collection at 9 am.

When is Community Clean-up Week?

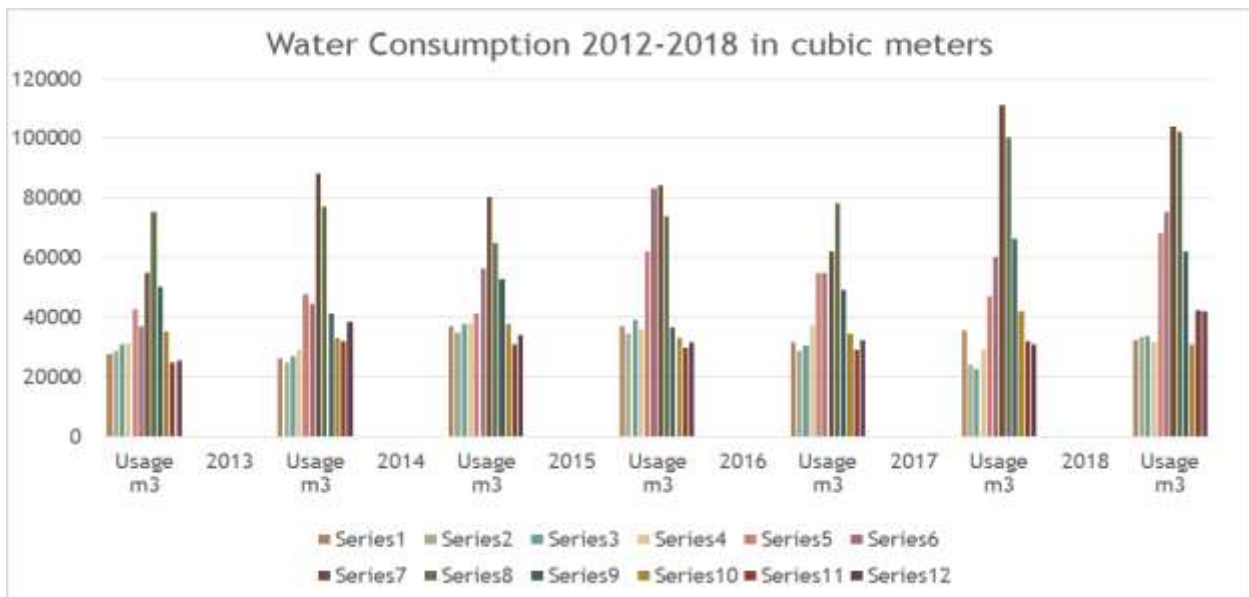
Council has declared the first week in May to be “Community Clean-up Week”. The Operations team will be collecting yard debris the week of May 1st. Residents are required to have their yard waste ready for pick up, adjacent to the alley or on the Village boulevard, by 7 am May 1st. There is no need to call in to schedule a pick up. This service is free of charge. The Village will only pick up yard waste/garden debris and branches.

On June 25th, 2018 a major windstorm came and caused over 40 trees to fall in the community.

2018 Water Consumption

What can we do better next year?

Peak water usage this summer exceeded 100,000 cubic meters for the months of July (103,816 cubic meters) and August (102,230 cubic meters). The Village has made significant efforts to reduce outdoor water usage (lawn watering), through various campaigns. We definitely can improve our water conservation next year.



Community Services — Operations



Does the Village have Watering Restrictions?

Yes, the Village has year-round watering restrictions, as set out in Bylaw 656, 2015

- Lawn and garden sprinkling, (excluding manual watering with watering cans), for properties with even civic addresses is permitted on even calendar days - likewise with odd addresses on odd calendar days;
- Lawn & garden sprinkling is prohibited on the 31st of any month;
- Washing any vehicle, driveway, building &/or structure with a running hose that is not affixed with a flow restriction device such as flow nozzle or spray gun, (does not include washing from a water bucket), is prohibited at all times;
- A maximum of one lawn or garden sprinkling device is permitted during watering times;
- Watering times: 7 – 9 am & 7 – 9 pm on permitted day
- Automated Ground Sprinklers shall be limited to the period between 12:00 am and 4:00 am on permitted days;

Consumers equipped with automated underground sprinklers shall not be permitted to use any other lawn or garden sprinkling device.

CONTACT US

Village of Nakusp
Public Works Department

PO Box 280
1325 Hot Springs Rd

Nakusp, BC V0G 1R0

Phone: 250-265-3556

Emergencies-: 250-265-3861

Email- Operations Foreman
bgresiuk@nakusp.com

Phone: 250-265-3556

2017-2020 Goals and Objectives

(OCTOBER 26, 2017 Changes are shown in italics) (October 2017 updates)

(OCTOBER 23, 2018 Changes are shown in italics) (October 2018 updates)

1) **ECONOMIC DEVELOPMENT**

Encourage economic growth through support of strategic initiatives that meet the needs of Nakusp's character and location.

- (i) Encourage **private** investment in a biomass plant

An independent business analysis done in 2016 indicated it was not a suitable investment for the Village but that it may be a viable private investment. The cost of the analysis was paid for by CBT.

- (ii) Lobby for Broadband **ONGOING**

CBT has formed Columbia Basin Broadband Corporation (CBBC) to work towards providing broadband connectivity across the region. The Village will work with CBBC as needed.

- (iii) Lobby for fixed transportation link **ONGOING**

Mayor met with government officials to lobby for fixed transportation link

- (iv) **Implement** downtown **revitalization** plan

Participated in Main Street Boost process done by National Trust of Canada and sponsored by CBT

Applied for \$100,000 grant under BC Rural Dividend program for preparation of downtown revitalization and construction drawings.

Funding received and study completed; completion of the project depends on availability of funding (estimated cost \$1.9 million) **COMPLETED**

Phase 1 of the downtown revitalization project was started in September 2018 and will be completed in early 2019

- (v) **Investigate ownership trade of Broadway for 1st Street NW with the Ministry of Transportation and Infrastructure 2017**

Broadway swap is being led by MoT staff – OIC & briefing paper to be submitted to Province by mid-December 2017. Anticipated approval of OIC is early spring 2018 **IN PROGRESS**

2) **LAND USE/INDUSTRIAL GROWTH**

Maintain Nakusp's role as a diverse regional hub by retaining and attracting key industries and services to support them and collaborating regionally to foster sustainable growth.

- i) Support development of industrial land **within Nakusp and Area K** **ONGOING**

- ii) Review and amend land use policies and bylaws to create opportunities for development

Complete review of R5/C4 zoning and Official Community Plan **ONGOING COMPLETED**

University student (urban planning major) will be hired in 2017 to complete the R5 zoning and review OCP

University student completed review – public hearing Oct 23/17

- (iii) Address changes required to become known as “open for business” **and that staff is “here to help”**

Implement cross training of duties for administrative staff and enroll in customer service courses

- iv) Investigate options for **possibly** providing water service to the area within the Village, north of the Kuskanax

ONGOING—IN PROGRESS

Meeting held with residents on November 7, 2016

Project is underway to service 9 lots – total estimated costs \$285,000 – set up under a local service area. Funding to be via borrowing with repayment costs levied against affected properties as a parcel tax over 20 years. - **COMPLETED**

2017-2020 Goals and Objectives

3) COMMUNITY DEVELOPMENT

Support initiatives which contribute to the revitalization of Nakusp ensuring that the Village continues to be a safe, livable and vibrant community while attracting new families.

- (i) Lobby for improved health services **ONGOING**

West Kootenay Boundary Hospital Board working with Interior Health on upgrades for Arrow Lakes Hospital emergency room and visiting physician's rooms

- (ii) Investigate opportunities to increase utilization *and programming* of arena complex, *parks, trails and campground*.

Trails master plan – Received a \$50,000 grant from CBT - will be completed by April 2017 **COMPLETED**

Repairs to Arena roof and entrance canopy will be completed November 2016. Funded by \$350,000 grant from CBT and balance from NACFOR dividends **COMPLETED**

- iii) Lobby for improved access to lake (BC Hydro/Province) – breakwater/boat launch **ONGOING**

Engage youth in initiatives whenever possible. **ONGOING**

- (iv) Renovated village-owned Kinsmen Centre and provided space for Options for Sexual Health, Arts Council and Nakusp and Area Youth Society

- (v) **Support senior services**

- (vi) **Support affordable housing initiatives**

Sold 4 Village-owned lots on the corner of 1st Street and 1st Avenue NW to Arrow Slokan Lakes Community **Services for the construction of an affordable housing complex consisting of 10 units**

4) HOT SPRINGS DEVELOPMENT

Actively support a vibrant Hot Springs that enhances Nakusp's financial situation and is accessible to our residents.

- i) Staff development **ONGOING**

Provide customer service training for staff

Enroll staff in training courses

- ii) Improvements to Chalets **ONGOING**

New roofs installed on Chalets and Hot Springs facility - started in 2015 and completed in 2016

- iii) Facilitate increased services *and improve the provision of services* **ONGOING**

- iv) Improve marketing **ONGOING**

Development of marketing plan ~~TO BE COMPLETED IN 2017~~ **COMPLETED**

BC Rural Dividend grant (\$10,000) received for development of tourism marketing plan for Hot Springs. Plan to be completed by February 28, 2017

Investment in Hot Springs Director position **COMPLETED**

Temporary Director position created and filled fall 2014. Position made permanent in summer 2015. Realignment of duties changed position to Director of Recreation and Parks to oversee arena/parks as well as hot springs.

- v) **Investigate methods of enlarging the campground and increasing accommodations. ONGOING**

Financial Section

Included in this report are the 2018 Financial Statements prepared by the Village of Nakusp and audited by Grant Thornton LLP. The consolidated financial statements are prepared in accordance with Generally Accepted Accounting Principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of Chartered Professional Accountants Canada (CPA).

Included in the Village's audited statements is the presentation of each of the individual funds – general, water, sewer and hot springs. This provides readers of the statements better understanding and better transparency of the Village's operations.

DEBT

As at December 31, 2018 the Village's debt was \$1,731,605 which is an increase from the debt at the end of 2017, as a result of the North Kuskanax Water & Sewer Project. However this additional debt is to be repaid by the property owners in the North Kuskanax Local Service Area via a parcel tax. Currently the Village has loans on the following:

<u>Bylaw</u>	<u>Original Debt</u>	<u>Term</u>	<u>Debt Start Date</u>	<u>Debt Expiry Date</u>	<u>Total</u>
Bylaw 648 - Upgrades to ice plant at arena	100,000	20 yrs	2014	2034	85,740
Bylaw 648 - Auditorium roof and solar panels	275,000	20 yrs	2013	2033	224,980
Bylaw 637 - Repairs to Hot Springs in 2006 - pay-back borrowing from reserves	710,000	20 yrs	2011	2031	521,680
Bylaw 638 - Construction of Emergency Services Building	110,000	20 yrs	2011	2031	80,824
Bylaw 546 - Sewer Lift Station	268,586	25 yrs	2003	2028	147,152
Equipment Loan—Fire Tender	425,000	20 yrs	2017	2032	388,609
Bylaw 671 - North Kuskanax Water & Sewer LSA	282,620	20 yrs	2018	2038	282,620
					<u>1,731,605</u>

The loan payments for the sewer lift station are paid from the sewer fund and not from general taxes. The loan payments for the Hot Springs come from Hot Springs revenue and not from general taxes. The loan payments for the North Kuskanax Water & Sewer LSA are paid by a parcel tax specific to the properties in the local service area and not from general taxes.



INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council
Village of Nakusp

Grant Thornton LLP
513 Victoria Street
Nelson, BC
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Opinion

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

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

Basis for Opinion

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

Other Matters

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

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

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 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.

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Financial Section



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 consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated 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 consolidated 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 Village's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Village's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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Financial Section



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INDEPENDENT AUDITOR'S REPORT (continued)

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

Grant Thornton LLP

Chartered Professional Accountants

May 13, 2019

Nelson, B.C.

Financial Section

VILLAGE OF NAKUSP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At December 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash and equivalents	\$ 2,482,376	\$ 1,302,299
Investments (note 2)	1,123,419	1,106,849
Accounts receivable (note 3)	391,819	446,973
MFA debt reserve cash deposits (note 4)	21,914	18,637
Investment in NACFOR (2013) (note 5)	2,109,886	1,630,025
	<u>6,129,414</u>	<u>4,504,783</u>
LIABILITIES		
Accounts payable and accrued liabilities (note 6)	346,134	265,092
Deferred revenue (note 7)	275,692	317,374
Deposits	4,303	4,656
MFA interim financing	37,000	74,000
MFA long-term debt (note 8)	1,731,605	1,531,840
	<u>2,394,734</u>	<u>2,192,962</u>
NET FINANCIAL ASSETS	<u>3,734,680</u>	<u>2,311,821</u>
NON-FINANCIAL ASSETS		
Prepaid expenses	57,359	83,740
Inventory	16,326	22,815
Tangible capital assets (schedule)	20,815,087	20,453,427
	<u>20,888,772</u>	<u>20,559,982</u>
ACCUMULATED SURPLUS	<u>\$ 24,623,452</u>	<u>\$ 22,871,803</u>
Represented by:		
Unappropriated surplus (note 9)	\$ 895,903	\$ 485,110
Reserves	2,571,181	1,909,081
Equity in tangible capital assets (note 9)	19,046,482	18,847,587
Investment in NACFOR (2013) (note 5)	2,109,886	1,630,025
	<u>\$ 24,623,452</u>	<u>\$ 22,871,803</u>
CONTINGENT LIABILITIES (note 14)		



Mark Tennant
Treasurer / Deputy Chief Administrative Officer

Financial Section

VILLAGE OF NAKUSP CONSOLIDATED STATEMENT OF OPERATIONS For the Year Ended December 31, 2018

	2018 Budget (Note 13)	2018 Actual	2017 Actual
REVENUE			
Municipal property taxes	\$ 1,033,640	\$ 1,033,296	\$ 1,017,431
Interest and penalties on taxes	19,500	21,510	19,085
Utility taxes and grants-in-lieu of taxes	81,820	90,592	85,672
General fees, charges and other	288,500	395,770	353,967
Hot Springs fees and other revenue	853,100	951,220	806,933
Sewer user fees and charges	433,760	427,692	409,365
Water user fees and charges	528,730	493,875	504,326
Permits and licences	21,600	19,981	24,566
Interest and actuarial income	40,750	34,259	25,680
Conditional transfers from other governments	1,276,030	1,305,964	1,076,875
Unconditional transfers - Province of B.C.	380,000	400,775	380,626
Gain on sale of tangible capital assets	-	68,500	10,000
Equity income from NACFOR (2013) (note 5)	-	829,861	753,935
	4,957,430	6,073,295	5,468,461
EXPENDITURES			
General government	721,100	698,849	635,578
Protective services	197,850	237,279	218,344
Transportation and public works	495,650	522,828	433,017
Waste disposal	70,000	60,846	64,091
Cemetery services	26,300	22,858	17,206
Economic development and promotion	31,200	29,429	186,742
Parks, recreation and cultural services	693,910	680,950	742,222
Hot Springs and Cedar Chalets	766,170	727,286	676,091
Sewer services	250,000	186,532	356,950
Water services	256,720	237,841	215,641
Amortization	800,000	916,948	911,968
	4,308,900	4,321,646	4,457,850
ANNUAL SURPLUS	648,530	1,751,649	1,010,611
ACCUMULATED SURPLUS, BEGINNING OF YEAR	22,871,803	22,871,803	21,861,192
ACCUMULATED SURPLUS, END OF YEAR	\$ 23,520,333	\$ 24,623,452	\$ 22,871,803

Financial Section

VILLAGE OF NAKUSP
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
For the Year Ended December 31, 2018

	2018 Budget	2018 Actual	2017 Actual
ANNUAL SURPLUS	\$ 648,530	\$ 1,751,649	\$ 1,010,611
Acquisition of tangible capital assets	(1,737,050)	(1,278,607)	(1,431,642)
Amortization of tangible capital assets	800,000	916,948	911,968
Gain on sale of tangible capital assets	-	(68,500)	(10,000)
Proceeds on sale of tangible capital assets	-	68,500	10,000
	(288,520)	1,389,990	490,937
Net change in inventory and prepaid expenses	-	32,869	(35,011)
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(288,520)	1,422,859	455,926
NET FINANCIAL ASSETS, BEGINNING OF YEAR	2,311,821	2,311,821	1,855,895
NET FINANCIAL ASSETS, END OF YEAR	\$ 2,023,301	\$ 3,734,680	\$ 2,311,821

Financial Section

VILLAGE OF NAKUSP CONSOLIDATED STATEMENT OF CASH FLOWS For the Year Ended December 31, 2018

	2018	2017
OPERATING TRANSACTIONS		
Annual surplus	\$ 1,751,649	\$ 1,010,611
Non-cash items included in annual surplus		
Amortization	916,948	911,968
Actuarial gain on MFA long-term debt	(14,809)	(12,377)
Gain on sale of tangible capital assets	(68,500)	(10,000)
Investment loss (income) from NACFOR (2013)	(829,861)	(753,935)
Changes in non-cash operating balances		
Accounts receivable	55,154	(89,696)
MFA debt reserve cash deposits	(3,277)	3,521
Prepaid expenses and inventory	32,869	(35,011)
Accounts payable and accrued liabilities	81,042	(182,267)
Deferred revenue and deposits	(42,035)	34,235
Cash provided by operating transactions	<u>1,879,180</u>	<u>877,049</u>
CAPITAL TRANSACTIONS		
Purchase of tangible capital assets	(1,278,607)	(1,431,642)
Proceeds from disposal of capital assets	68,500	10,000
Cash applied to capital transactions	<u>(1,210,107)</u>	<u>(1,421,642)</u>
FINANCING TRANSACTIONS		
Proceeds from long-term debt	282,600	425,000
Repayment of interim and long-term debt	(105,026)	(96,860)
Cash received from financing transactions	<u>177,574</u>	<u>328,140</u>
INVESTING TRANSACTIONS		
Increase in investments	(16,570)	(11,385)
Cash dividends received from NACFOR (2013)	350,000	-
Cash received from (applied to) investing transactions	<u>333,430</u>	<u>(11,385)</u>
INCREASE (DECREASE) IN CASH	1,180,077	(227,838)
CASH, BEGINNING OF YEAR	1,302,299	1,530,137
CASH, END OF YEAR	\$ 2,482,376	\$ 1,302,299

Financial Section

VILLAGE OF NAKUSP
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
As At December 31, 2018

	Land	Park Improvements & Other	Buildings	Equipment, Furniture & Vehicles	Transportation System	Sewer System	Water System	Assets Under Construction	2018 Total	2017 Total
COST										
Opening Balance	\$1,368,606	\$2,895,214	\$10,026,548	\$3,227,616	\$3,239,518	\$5,433,863	\$6,768,019	\$599,314	\$33,558,698	\$32,142,516
Add: Additions		35,708	24,827	63,731		85,032	916,614	886,586	1,812,495	1,431,642
Less: Disposals								533,890	533,890	15,460
Closing Balance	1,368,606	2,930,922	10,051,375	3,291,347	3,239,518	5,518,895	7,684,633	752,010	34,837,306	33,558,698
ACCUMULATED AMORTIZATION										
Opening Balance		219,655	4,574,309	1,647,643	1,879,699	2,307,825	2,478,130		13,105,271	12,208,763
Add: Amortization		62,622	300,493	207,484	47,478	135,452	163,419		916,948	911,666
Less: Acc. Amortization on Disposals										15,460
Closing Balance		282,277	4,874,802	1,855,127	1,927,177	2,443,277	2,639,549		14,022,219	13,105,271
Net Book Value, year ended December 31, 2018	\$1,368,606	\$2,648,645	\$5,176,573	\$1,436,220	\$1,312,341	\$3,075,618	\$5,045,084	\$752,010	\$20,815,087	\$20,453,427

Financial Section

VILLAGE OF NAKUSP NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As At December 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the Village of Nakusp.

Basis of Presentation

The consolidated financial statements of the Village of Nakusp (the Village) are the representations and responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Budget information has been aggregated to comply with these reporting standards.

Basis of Accounting

The resources and operations of the Village are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it. The Village has general, water and sewer operating and capital funds. The Village also has reserve funds that have been established for specific future requirements. The use of these funds is governed by the Community Charter and Municipal resolutions and by-laws. All interfund transfers have been eliminated. Supplementary statements for each fund on a segregated basis have been presented under "Other Financial Information".

Items recognized in the financial statements are accounted for in accordance with the accrual basis of accounting. The accrual basis of accounting recognizes the effect of transactions and events in the period in which they occur, regardless of whether there has been a receipt or payment of cash or its equivalent. Liabilities are recognized until the obligation or condition(s) underlying the liability is partly or wholly satisfied. Assets are recognized until the future economic benefit underlying the asset is partly or wholly used or lost.

Investment in Government Business Enterprise

The Village's wholly owned subsidiary, the Nakusp & Area Community Forest (2013) Inc. ("NACFOR (2013)"), is a government business enterprise, accounted for using the modified equity method. Under this method, the business enterprise's accounting principles are not adjusted to conform with those of the Village. The equity income for the year is recorded as revenue in the Village's consolidated statements of operations and the investment in NACFOR (2013) is adjusted accordingly.

Cash and Equivalents

Cash and equivalents include liquid investments with maturities of three months or less at acquisition.

Investments

Investments are recorded at cost with the exception that Municipal Finance Authority ("MFA") Pooled Investment Funds are recorded at market value. The carrying value of investments is reduced to their net realizable value if in management's opinion there is a permanent decline in value.

Financial Section

VILLAGE OF NAKUSP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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. Non-financial assets include tangible capital assets, inventory and prepaid expenses.

Tangible capital assets, comprised of capital assets and capital work-in-progress, are recorded at cost less accumulated amortization 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. Estimated useful lives are as follows:

Land	not amortized
Buildings and building components	15 to 50 years
Machinery and equipment	5 to 20 years
Furniture and equipment	5 to 20 years
Information technology	3 to 5 years
Vehicles and mobile equipment	5 to 25 years
Infrastructure	15 to 50 years

Contributed tangible capital assets are reported at fair value at the time of donation and are also recorded as revenue.

Deferred Revenue

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the year in which it is used for the specified purpose.

Revenue Recognition

Municipal Property Taxation

Taxation levies for Village services are recognized as revenue at the time of issuing the property tax notices for the fiscal year. Taxation levies imposed by other taxing authorities are not included in these statements.

Fees and Charges (including permits and licences)

Fees and charges are recognized as revenue when the service or product is provided by the Village. Fees include charges for water and sewer usage and Hot Springs admissions.

Government Transfers (conditional and unconditional grants)

Unconditional transfer revenue is recognized when it has been authorized by the transferor. Conditional transfer revenue is recognized when the transfer has been authorized by the transferor and the Village has met all the eligibility criteria, unless the transfer creates a liability (conditions on the use of the funds that have not yet been fulfilled by the Village). Conditional transfers for capital expenditures revenue are recognized when eligible expenditures are incurred by the Village.

Financial Section

VILLAGE OF NAKUSP NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued) As At December 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 future economic benefits will be up; and
- a reasonable estimate of the amount can be made.

The liability is recognized at management's estimate of the cost of post remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for the contaminated site. The Village has no liabilities under this standard as at December 31, 2018 and 2017.

Budget Figures

The budget figures are based on the Five-Year Financial Plan for the year 2018, per bylaw no. 673 adopted May 3, 2018.

Financial Instruments

The Village's financial instruments consist of cash, short-term investments, accounts receivable, accounts payable, capital lease obligation, and long-term debt. 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.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles, 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 amounts of revenues and expenditures during the reporting period. Significant areas requiring estimates include the useful life of tangible capital assets for amortization, the determination of accrued liabilities and the provision for contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

2. INVESTMENTS

	2018	2017
MFA Money Market and CIBC Flexible GIC Funds	\$ 1,117,536	\$ 1,101,071
MFA Intermediate Fund	2,416	2,371
MFA Short-term Bond Fund	3,467	3,407
	<u>\$ 1,123,419</u>	<u>\$ 1,106,849</u>

All funds bear interest at variable rates and can be accessed on demand.

Financial Section

VILLAGE OF NAKUSP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2018

3. ACCOUNTS RECEIVABLE

	2018	2017
Municipal property taxes	\$ 151,767	\$ 161,754
Government and agency grants	82,656	137,767
Sewer user fees	35,918	29,046
Water user fees	33,809	32,038
GST rebate	26,449	33,789
Other	61,220	52,579
	\$ 391,819	\$ 446,973

4. MUNICIPAL FINANCE AUTHORITY (MFA) DEBT RESERVE DEPOSITS

The Municipal Finance Authority of British Columbia ("MFA") provides capital financing for regional districts and their member municipalities. The MFA is required to establish a Debt Reserve Fund. The MFA must then use this fund if at any time there are insufficient funds to meet payments on its obligations.

Each regional district, through its member municipalities who share in the proceeds of a debt issue, is required to pay into the Debt Reserve Fund certain amounts set out in the financing agreements. The interest earned on the Debt Reserve Fund Cash Deposit, less administrative expenses, becomes an obligation of MFA to the member municipalities through the regional districts. Upon the maturity of a debt issue, the unused portion of the Debt Reserve Fund established for that issue will be discharged to the municipality, including interest earned. Use of the Cash Deposit is restricted by legislation. The detail of the cash deposits and demand notes at year-end are as follows:

	Demand Notes	Cash Deposits	2018	2017
General and Hot Springs Funds	\$ 28,234	\$ 14,413	\$ 42,647	\$ 42,341
Sewer and Water Funds	14,432	7,501	21,933	18,711
	\$ 42,666	\$ 21,914	\$ 64,580	\$ 61,052

Only the cash portion of the Debt Reserve Fund is reported in the financial statements.

Financial Section

VILLAGE OF NAKUSP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2018

5. INVESTMENT IN NACFOR (2013)

Nakusp & Area Community Forest (2013) Inc. ("NACFOR (2013)") is a wholly owned subsidiary that was created for the purpose of managing a timber license in the Nakusp area.

The Village accounts for its investment in this government business enterprise using the modified equity method. The condensed financial information of this investment for the year ending December 31, 2018 with comparative figures for December 31, 2017 are as follows:

	2018	2017
Assets		
Current assets	\$ 2,777,687	\$ 2,327,593
Long-term assets (logging roads and map data)	86,139	220,217
	<u>2,863,826</u>	<u>2,547,810</u>
Liabilities		
Current liabilities	105,940	421,585
Silviculture accrual	648,000	496,200
	<u>753,940</u>	<u>917,785</u>
Shareholder equity	\$ 2,109,886	\$ 1,630,025
Results of operations, net income for the year	<u>\$ 829,861</u>	<u>\$ 753,935</u>

During the year, the Village received \$350,000 dividends from NACFOR (2013) (2017 - \$nil).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2018	2017
Payroll related	\$ 114,567	\$ 70,728
Trade accounts payable	138,713	138,713
Accrued liabilities	92,854	55,651
	<u>\$ 346,134</u>	<u>\$ 265,092</u>

7. DEFERRED REVENUE

These funds are externally restricted for the purposes for which they were collected.

	Balance, Beginning of Year	Contributions Received	Eligible Expenditures	Balance, End of Year
BC Hydro - wharf fund	\$ 100,000	\$ -	\$ -	\$ 100,000
Provincial grant - rural dividend	54,578	-	(54,578)	-
Parkland acquisition	13,272	-	-	13,272
Other miscellaneous	6,960	7,975	(6,960)	7,975
Prepaid taxes and utility fees	142,564	154,445	(142,564)	154,445
	<u>\$ 317,374</u>	<u>\$ 162,420</u>	<u>\$(204,102)</u>	<u>\$ 275,692</u>

Financial Section

VILLAGE OF NAKUSP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2018

8. LONG-TERM DEBT

	Balance, Beginning of Year	Additions	Principal	Actuarial Adjustment	Balance, End of Year
General Fund					
MFA issue 126 bylaw 648	\$ 235,784	\$ -	\$ 9,235	\$ 1,569	\$ 224,980
MFA issue 186 bylaw 648	89,518	-	3,359	419	85,740
MFA issue 117 bylaw 638	85,498	-	3,694	980	80,824
MFA equipment loan	410,897	-	22,288	-	388,609
	<u>821,697</u>	<u>-</u>	<u>38,576</u>	<u>2,968</u>	<u>780,153</u>
Hot Springs Fund					
MFA issue 117 bylaw 637	551,849	-	23,843	6,326	521,680
Sewer Utility Fund					
MFA issue 145 bylaw 671	-	66,187	-	-	66,187
MFA issue 79 bylaw 546	158,294	-	5,627	5,515	147,152
	<u>158,294</u>	<u>66,187</u>	<u>5,627</u>	<u>5,515</u>	<u>213,339</u>
Water Utility Fund					
MFA issue 145 bylaw 671	-	216,433	-	-	216,433
Total Long-term Debt	<u>\$ 1,531,840</u>	<u>\$ 282,620</u>	<u>\$ 68,046</u>	<u>\$ 14,809</u>	<u>\$ 1,731,605</u>

Actuarial adjustments represent interest earned on sinking funds held by the Municipal Finance Authority. Such interest is used to reduce the principal amount of outstanding debt.

The Village's requirements for future repayments of principal on existing debt for the next five years excluding any actuarial gains that may be realized are as follows:

	General Fund	Hot Springs Fund	Sewer Utility Fund	Water Utility Fund	Total
2019	\$ 37,300	\$ 23,843	\$ 8,091	\$ 8,055	\$ 77,289
2020	\$ 37,800	\$ 23,843	\$ 8,091	\$ 8,055	\$ 77,789
2021	\$ 38,500	\$ 23,843	\$ 8,091	\$ 8,055	\$ 78,489
2022	\$ 39,100	\$ 23,843	\$ 8,091	\$ 8,055	\$ 79,089
2023	\$ 39,700	\$ 23,843	\$ 8,091	\$ 8,055	\$ 79,689

Financial Section

VILLAGE OF NAKUSP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2018

9. ACCUMULATED SURPLUS

Accumulated surplus is represented by:

	2018	2017
Unappropriated Surplus		
General Operating Fund	\$ 389,610	\$ 282,781
Hot Springs Operating Fund	533	(121,655)
Water Operating Fund	505,760	394,314
Sewer Operating Fund	-	(70,330)
	<u>895,903</u>	<u>485,110</u>
 Reserve Fund	<u>2,571,181</u>	<u>1,909,081</u>
 Equity in Tangible Capital Assets		
General Capital Fund	10,847,330	10,589,152
Hot Springs Capital Fund	508,221	466,912
Water Capital Fund	4,828,650	4,784,172
Sewer Capital Fund	2,862,281	3,007,351
	<u>19,046,482</u>	<u>18,847,587</u>
 Investment in NACFOR (2013)	<u>2,109,886</u>	<u>1,630,025</u>
 Total Accumulated Surplus	\$ 24,623,452	\$ 22,871,803

The Unappropriated Surplus is the amount of Accumulated Surplus remaining after deducting the other appropriated surplus balances. It is available to temporarily finance operations until planned revenues (i.e. property taxes, grants etc.) are received, or for other operating or capital purposes as determined by Council.

The Reserve Fund is Accumulated Surplus that has been set-aside by decision of Council for a specified purpose. In the normal course of operations, these funds will be used to finance the future services or capital works for which they have been appropriated.

The Investment in NACFOR (2013) is equal to the NACFOR (2013) investment value on an equity basis. In the normal course of operations this investment will not be available to finance operations, but will be maintained in support of the purposes of the investment.

Investment in Tangible Capital Assets is equal to the tangible capital assets less related long-term debt. In the normal course of operations the non-financial assets will not be available to finance operations, but will be used to provide services, and the debt will be repaid by future period revenues.

Financial Section

VILLAGE OF NAKUSP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2018

10. EXPENDITURES BY OBJECT

	2018	2017
Interest on debt	\$ 60,638	\$ 51,942
Goods and services	1,356,198	1,728,675
Wages, benefits and Council stipends	1,987,862	1,765,265
Amortization of tangible capital assets	<u>916,948</u>	<u>911,968</u>
Total operating expenditures	<u>\$ 4,321,646</u>	<u>\$ 4,457,850</u>

11. PENSION LIABILITY

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

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 funded actuarial liability.

The most recent valuation as 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 rates remained unchanged. The next valuation will be as at December 31, 2018 with results available later in 2019.

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

The Village paid \$121,122 (2017 - \$118,157) for employer contributions to the Plan in fiscal 2018.

Financial Section

VILLAGE OF NAKUSP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2018

12. COLLECTION FOR OTHER GOVERNMENTS

The Village collected and remitted the following taxes on behalf of other Governments.

Provincial Government - School Taxes	\$ 602,442
Provincial Government - Police Tax Levy	81,213
Regional District of Central Kootenay	484,659
Regional Hospital District	68,113
British Columbia Assessment Authority	10,946
Municipal Finance Authority	50
	<u>50</u>
	<u>\$ 1,247,423</u>

These amounts are not included in the Village's revenues and expenditures in the financial statements.

13. BUDGET RECONCILIATION

The following reconciles the budgeted annual deficit as shown on the consolidated statement of operations to the budget as presented in bylaw no. 673 adopted May 3, 2018.

Annual budgeted deficit as presented	\$ 648,530
Borrowing proceeds	167,180
Transfers from reserves	935,780
Transfers to reserves	(721,130)
Amortization	800,000
Debt principal payments	(93,310)
Capital expenditures	(1,737,050)
	<u>(1,737,050)</u>
	<u>\$ -</u>

14. CONTINGENT LIABILITIES

The Village, as a member of the Regional District of Central Kootenay, is jointly and severally liable for the future capital liabilities of the Regional District. The loan agreements with the Municipal Finance Authority provide that if the Authority does not have sufficient funds to meet its payments and obligations, it shall make payments from the debt reserve fund which is in turn established by a similar debt reserve fund of the Village and all other borrowing participants. If the debt reserve fund is deficient, the Authority's obligations become a liability of the Regional District, and may become a liability of the participating municipalities.

In the normal course of a year, the Village is faced with claims for damages of a diverse nature. The outcome of these claims cannot be reasonably determined, and no amounts are accrued in the financial statements.

Financial Section

VILLAGE OF NAKUSP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
As At December 31, 2018

15. CEMETERY CARE TRUST FUND

The Village operates the Catholic, Hillcrest, Women's Institute, Glenbank, and Legion cemeteries and maintains a Cemetery Care Fund in accordance with the Cremation, Interment and Funeral Services Act and related Regulations. In accordance with Act and Regulations, the Village must transfer a specified minimum percentage of certain cemetery fees into the Cemetery Care Fund. The resulting equity balance in the fund is restricted in use; interest earnings are available to the Village to fund ongoing maintenance of the cemetery as required. The condensed financial information for the period ended December 31, 2018 with 2017 comparative figures are as follows:

	2018	2017
Assets		
Short-term investments	\$ 38,620	\$ 35,757
Accrued interest	-	144
Equity	<u>\$ 38,620</u>	<u>\$ 35,901</u>
Operations		
Contributions	\$ 2,465	\$ 1,500
Interest	254	122
Change in equity	<u>\$ 2,719</u>	<u>\$ 1,622</u>

The Cemetery Trust Fund is not included in the Village's financial statements.

Financial Section

VILLAGE OF NAKUSP
GENERAL FUND
STATEMENT OF FINANCIAL POSITION
As At December 31, 2018

FINANCIAL ASSETS	2018	2017
ASSETS		
Cash	\$ 1,590,465	\$ 1,121,666
Investments	1,123,419	1,106,849
Investment in NACFOR (2013)	2,109,886	1,630,025
Accounts receivable	87,669	86,368
Grants receivable	-	21,845
Taxes receivable	151,767	161,754
MFA debt reserve cash deposits	5,647	5,527
Due from Hot Springs Fund	776,649	195,118
	<u>5,845,502</u>	<u>4,329,152</u>
LIABILITIES		
Accounts payable and accrued liabilities	346,134	265,092
Deferred revenue	262,420	304,102
Deposits	4,303	4,656
MFA equipment finance loan	388,609	410,897
Long-term debt	391,544	410,799
Due to Sewer Fund	405,982	181,161
Due to Water Fund	774,481	434,344
Due to Reserve Fund	1,613,872	1,317,546
	<u>4,187,345</u>	<u>3,328,597</u>
NET FINANCIAL ASSETS	<u>1,658,157</u>	<u>1,000,555</u>
NON-FINANCIAL ASSETS		
Prepaid expenses and deposits	57,359	83,740
Inventory of materials and supplies	3,827	6,815
Tangible capital assets	11,627,483	11,410,848
	<u>11,688,669</u>	<u>11,501,403</u>
ACCUMULATED SURPLUS	<u>\$ 13,346,826</u>	<u>\$ 12,501,958</u>
Represented by:		
Unappropriated surplus	\$ 389,610	\$ 282,781
Equity in tangible capital assets	10,847,330	10,589,152
Equity in NACFOR (2013)	2,109,886	1,630,025
	<u>\$ 13,346,826</u>	<u>\$ 12,501,958</u>

Financial Section

VILLAGE OF NAKUSP
GENERAL OPERATING FUND
STATEMENT OF FINANCIAL ACTIVITIES
For the Year Ended December 31, 2018

	2018	2017
REVENUE		
General taxation	\$ 1,033,296	\$ 1,017,431
Interest and penalties on taxes	21,510	19,085
Utility taxes and grants-in-lieu of taxes	90,592	85,672
General fees and charges	395,770	353,967
Permits and licences	19,981	24,566
Conditional transfers from other governments	1,073,334	790,778
Unconditional transfer - Province of B.C.	400,775	380,626
Investment interest and MFA actuarial gain	3,088	2,497
Equity income in NACFOR (2013)	829,861	753,935
Proceeds on sale of tangible capital assets	68,500	10,000
	3,936,707	3,438,557
EXPENDITURES		
General government	698,849	635,578
Protective services	237,279	218,344
Transportation services	522,828	433,017
Waste disposal services	60,846	64,091
Cemetery services	22,858	17,206
Economic development and promotion	29,429	186,742
Parks, recreation and cultural services	680,950	742,222
Amortization	569,389	570,463
	2,822,428	2,867,663
TOTAL REVENUES OVER EXPENDITURES	1,114,279	570,894
Transfers from Reserve Fund	401,243	576,758
Transfers to Reserve Fund	(685,654)	(411,511)
Transfer from Hot Springs Fund	15,000	-
Transfer to Water Utility Fund	-	(75,000)
Amortization transferred to equity in capital assets	569,389	570,463
General Capital expenditures	(786,024)	(440,879)
General Capital debt principal repayments	(41,543)	(32,618)
Increase in NACFOR (2013) investment transferred to equity in NACFOR (2013)	(829,861)	(753,935)
NACFOR (2013) dividend received in the year	350,000	-
	(1,007,450)	(566,722)
ANNUAL SURPLUS	106,829	4,172
UNAPPROPRIATED SURPLUS, BEGINNING OF YEAR	282,781	278,609
UNAPPROPRIATED SURPLUS, END OF YEAR	\$ 389,610	\$ 282,781

Financial Section

**VILLAGE OF NAKUSP
HOT SPRINGS FUND
STATEMENT OF FINANCIAL POSITION
As At December 31, 2018**

FINANCIAL ASSETS	2018	2017
ASSETS		
Cash	\$ 891,911	\$ 180,633
MFA debt reserve cash deposits	8,767	8,580
	<u>900,678</u>	<u>189,213</u>
LIABILITIES		
Due to General Fund	776,649	195,118
Due to Reserve Fund	135,996	131,750
Interim borrowing	37,000	74,000
Long-term debt	521,681	551,850
	<u>1,471,326</u>	<u>952,718</u>
NET DEBT	<u>(570,648)</u>	<u>(763,505)</u>
NON-FINANCIAL ASSETS		
Inventory	12,500	16,000
Tangible capital assets	1,066,902	1,092,762
	<u>1,079,402</u>	<u>1,108,762</u>
ACCUMULATED SURPLUS	<u>\$ 508,754</u>	<u>\$ 345,257</u>
Represented by:		
Unappropriated surplus (deficit)	\$ 533	\$(121,655)
Equity in tangible capital assets	508,221	466,912
	<u>\$ 508,754</u>	<u>\$ 345,257</u>

Financial Section

VILLAGE OF NAKUSP
HOT SPRINGS OPERATING FUND
STATEMENT OF FINANCIAL ACTIVITIES
For the Year Ended December 31, 2018

	2018	2017
REVENUE		
Facility admissions	\$ 444,226	\$ 358,605
Chalet rentals	284,224	247,091
Campsite rentals	128,925	103,228
Merchandise sales	93,845	98,009
Conditional grants	-	7,600
Interest revenue - MFA actuarial gain	6,513	5,166
	<u>957,733</u>	<u>819,699</u>
EXPENDITURES		
Facility direct costs	335,783	351,579
General expenses	183,312	145,713
Chalet rental expenses	131,524	126,422
Campsite rental expenses	21,139	18,640
Cost of merchandise	55,528	33,737
Amortization	48,687	54,044
	<u>775,973</u>	<u>730,135</u>
TOTAL REVENUE OVER EXPENDITURES	<u>181,760</u>	<u>89,564</u>
Hot Springs capital expenditures	(22,827)	(21,550)
Hot Springs capital debt principal repayments	(67,169)	(66,009)
Amortization transferred to equity in capital assets	48,687	54,044
Transfers from Reserve Fund	22,827	21,550
Transfers to Reserve Fund	(26,090)	(38,000)
Transfer to General Operating Fund	(15,000)	-
	<u>(59,572)</u>	<u>(49,965)</u>
ANNUAL SURPLUS	122,188	39,599
UNAPPROPRIATED SURPLUS (DEFICIT), BEGINNING OF YEAR	(121,655)	(161,254)
UNAPPROPRIATED SURPLUS (DEFICIT), END OF YEAR	<u>\$ 533</u>	<u>\$(121,655)</u>

Financial Section

**VILLAGE OF NAKUSP
WATER UTILITY FUND
STATEMENT OF FINANCIAL POSITION
As At December 31, 2018**

FINANCIAL ASSETS	2018	2017
ASSETS		
Water fees receivable	\$ 33,809	\$ 32,038
Grants receivable	82,656	115,922
Due from General Fund	774,481	434,344
MFA debt reserve cash deposits	2,200	-
	<u>893,146</u>	<u>582,304</u>
LIABILITIES		
Due to Reserve Fund	387,386	187,990
Long-term debt	216,433	-
	<u>603,819</u>	<u>187,990</u>
NET FINANCIAL ASSETS	289,327	394,314
TANGIBLE CAPITAL ASSETS	5,045,083	4,784,172
ACCUMULATED SURPLUS	\$ 5,334,410	\$ 5,178,486
Represented by:		
Unappropriated surplus	\$ 505,760	\$ 394,314
Equity in tangible capital assets	4,828,650	4,784,172
	<u>\$ 5,334,410</u>	<u>\$ 5,178,486</u>

Financial Section

VILLAGE OF NAKUSP
WATER UTILITY OPERATING FUND
STATEMENT OF FINANCIAL ACTIVITIES
For the Year Ended December 31, 2018

	2018	2017
REVENUE		
User fees	\$ 493,875	\$ 504,326
Conditional transfers from other governments	232,630	278,497
	<u>726,505</u>	<u>782,823</u>
EXPENDITURES		
Water services	237,841	215,641
Amortization	163,419	147,457
	<u>325,245</u>	<u>419,725</u>
NET OPERATING REVENUES OVER EXPENDITURES	325,245	419,725
Water capital expenditures net of debt proceeds	(207,897)	(504,605)
Amortization transferred to equity in capital assets	163,419	147,457
Transfer from General Operating Fund	-	75,000
Transfer to Water Reserve Fund	(196,601)	(175,000)
Transfer from Sewer Utility Fund	27,280	27,280
	<u>111,446</u>	<u>(10,143)</u>
ANNUAL SURPLUS (DEFICIT)	111,446	(10,143)
UNAPPROPRIATED SURPLUS, BEGINNING OF YEAR	394,314	404,457
UNAPPROPRIATED SURPLUS, END OF YEAR	\$ 505,760	\$ 394,314

Financial Section

VILLAGE OF NAKUSP
SEWER UTILITY FUND
STATEMENT OF FINANCIAL POSITION
As At December 31, 2018

FINANCIAL ASSETS	2018	2017
ASSETS		
Sewer fees receivable	\$ 35,918	\$ 29,046
Due from General Fund	405,982	181,161
MFA debt reserve cash deposits	5,301	4,530
	<u>447,201</u>	<u>214,737</u>
LIABILITIES		
Due to Sewer Reserve Fund	447,201	285,067
Long-term debt	213,338	158,294
	<u>660,539</u>	<u>443,361</u>
NET DEBT	(213,338)	(228,624)
TANGIBLE CAPITAL ASSETS	3,075,619	3,165,645
ACCUMULATED SURPLUS	\$ 2,862,281	\$ 2,937,021
Represented by:		
Unappropriated surplus (deficit)	\$ -	\$(70,330)
Equity in tangible capital assets	2,862,281	3,007,351
	<u>\$ 2,862,281</u>	<u>\$ 2,937,021</u>

Financial Section

VILLAGE OF NAKUSP
SEWER UTILITY OPERATING FUND
STATEMENT OF FINANCIAL ACTIVITIES
For the Year Ended December 31, 2018

	2018	2017
REVENUE		
User fees	\$ 427,692	\$ 409,365
Interest and MFA actuarial gain	5,624	5,071
	<u>433,316</u>	<u>414,436</u>
EXPENDITURES		
Sewer service	186,532	356,950
Amortization	135,452	133,638
	<u>111,332</u>	<u>(76,152)</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES		
Sewer capital expenditures, net of debt proceeds	20,760	(39,606)
Sewer capital debt principal repayments	(11,142)	(10,612)
Amortization transferred to equity in capital assets	135,452	133,638
Transfer to Water Utility Fund	(27,280)	(27,280)
Transfer to Sewer Reserve Fund	(158,792)	(175,000)
	<u>(41,002)</u>	<u>(118,860)</u>
ANNUAL SURPLUS (DEFICIT)	70,330	(195,012)
UNAPPROPRIATED SURPLUS (DEFICIT), BEGINNING OF YEAR	(70,330)	124,682
UNAPPROPRIATED SURPLUS (DEFICIT), END OF YEAR	\$ -	\$(70,330)

Financial Section

**VILLAGE OF NAKUSP
RESERVE FUND
STATEMENT OF FINANCIAL POSITION
As At December 31, 2018**

	2018	2017
FINANCIAL ASSETS		
Due from Operating Funds	\$ 2,584,453	\$ 1,922,353
LIABILITIES		
Deferred revenue - parkland acquisition	13,272	13,272
	\$ 2,571,181	\$ 1,909,081
RESERVES		
Equipment Reserve	\$ 293,716	\$ 225,233
Fire Equipment Reserve	343,170	308,028
General Capital Reserve	34,872	79,413
Community Works Gas Tax Reserve	405,359	284,904
Land Sales Reserve	51,371	-
NACFOR (2013) Legacy Fund	454,846	385,524
Sewer Reserve	447,201	285,067
Cemetery Reserve	12,174	10,086
Elections Reserve	-	6,033
Water Reserve	387,387	187,990
Donations Reserve	5,090	5,053
Hot Springs Reserve	71,139	93,452
Hot Springs - Chalets Reserve	64,856	38,298
	\$ 2,571,181	\$ 1,909,081

Financial Section

VILLAGE OF NAKUSP
RESERVE FUND
STATEMENT OF TRANSACTIONS
For the Year Ended December 31, 2018

	Balance, Beginning of Year	Contributions	Transfers to Other Funds	Interest Earned	Balance, End of Year
Equipment Reserve	\$ 225,233	\$ 123,170	\$(56,807)	\$ 2,120	\$ 293,716
Fire Equipment Reserve	308,028	35,030	(2,365)	2,477	343,170
General Capital Reserve	79,413	-	(45,154)	613	34,872
Community Works					
Gas Tax Reserve	284,904	124,453	(6,924)	2,926	405,359
Land Sale Reserve	-	51,000	-	371	51,371
NACFOR (2013)					
Legacy Fund	385,524	350,000	(283,960)	3,282	454,846
Sewer Reserve	285,067	158,792	-	3,342	447,201
Cemetery Reserve	10,086	2,000	-	88	12,174
Election Reserve	6,033	-	(6,033)	-	-
Water Reserve	187,990	272,010	(75,409)	2,796	387,387
Donations Reserve	5,053	-	-	37	5,090
Hot Springs Reserve	93,452	-	(22,827)	514	71,139
Hot Springs Chalet Reserve	38,298	26,090	-	468	64,856
	\$ 1,909,081	\$ 1,142,545	\$(499,479)	\$ 19,034	\$ 2,571,181



Financial Section

Statistical Information

PROPERTY TAX EXEMPTIONS (PTE)

Through the adoption of an annual bylaw, the Municipal Council may provide a permissive exemption from taxation to certain groups and organizations. The legal capacity to provide these permissive tax exemptions is through powers granted to the Council in the *Community Charter*.

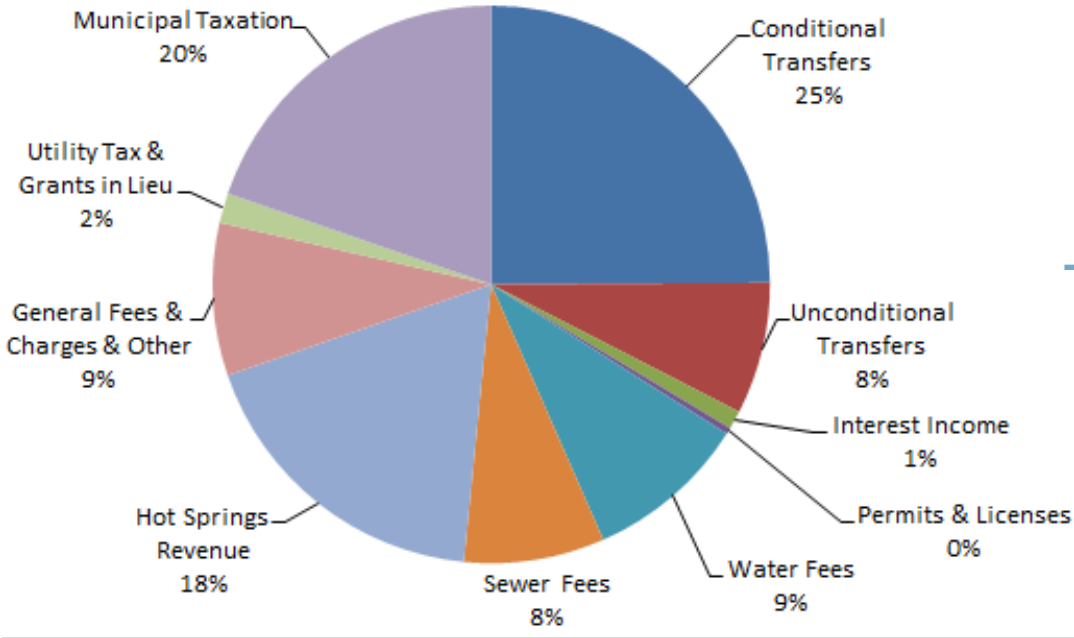
To be considered for a permissive tax exemption, an organization must submit an application and illustrate that their goals, policies, and operating principles that reflect those of the municipality; that the services provided are an extension of municipal services and that their programs are deemed to contribute to the well being of the community. They must be primarily used by residents of the Village of Nakusp and allow all Nakusp residents to participate and adhere to all Village of Nakusp bylaws and policies.

Below is a listing of organizations granted a PTE in 2018 together with the amount of municipal taxes that would have been imposed on the property if it were not exempt.

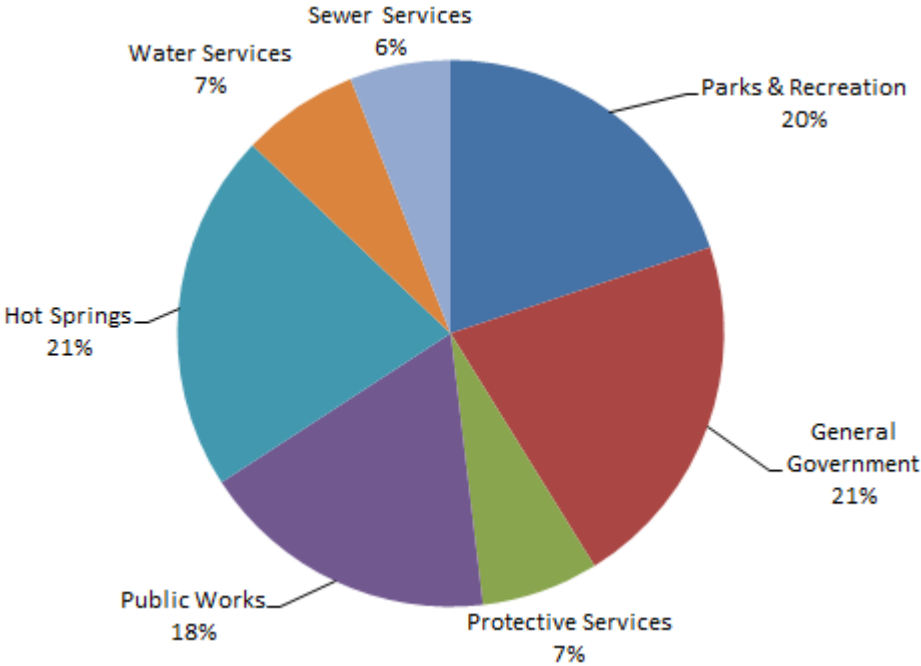
2018 Summary of Permissive Tax Exemptions	2018 Value of Exemption
Royal Canadian Legion, Branch 20	\$401
Arrow and Slocan Lakes Community Services Association	\$5,443
Nakusp Launch Club	\$5,452
Halcyon Assisted Living Society	\$1,684
Nakusp Childcare Society	\$857
Arrow Lakes Hospital Auxiliary	\$1,042
Arrowtarian Senior Citizens Society	\$3,106
Arrowtarian Senior Citizens Society	\$2,011
Total of Permissive Tax Exemptions Under Bylaw 652	\$19,996
Total of General Statutory Exemptions (Bylaw 570 - Public Worship)	\$4,950
Grand Total of all Tax Exemptions	\$24,946
<i>Grand Total of all Tax Exemptions, as a % of 2018 Municipal Levy</i>	<i>2.41%</i>

Statistical Information

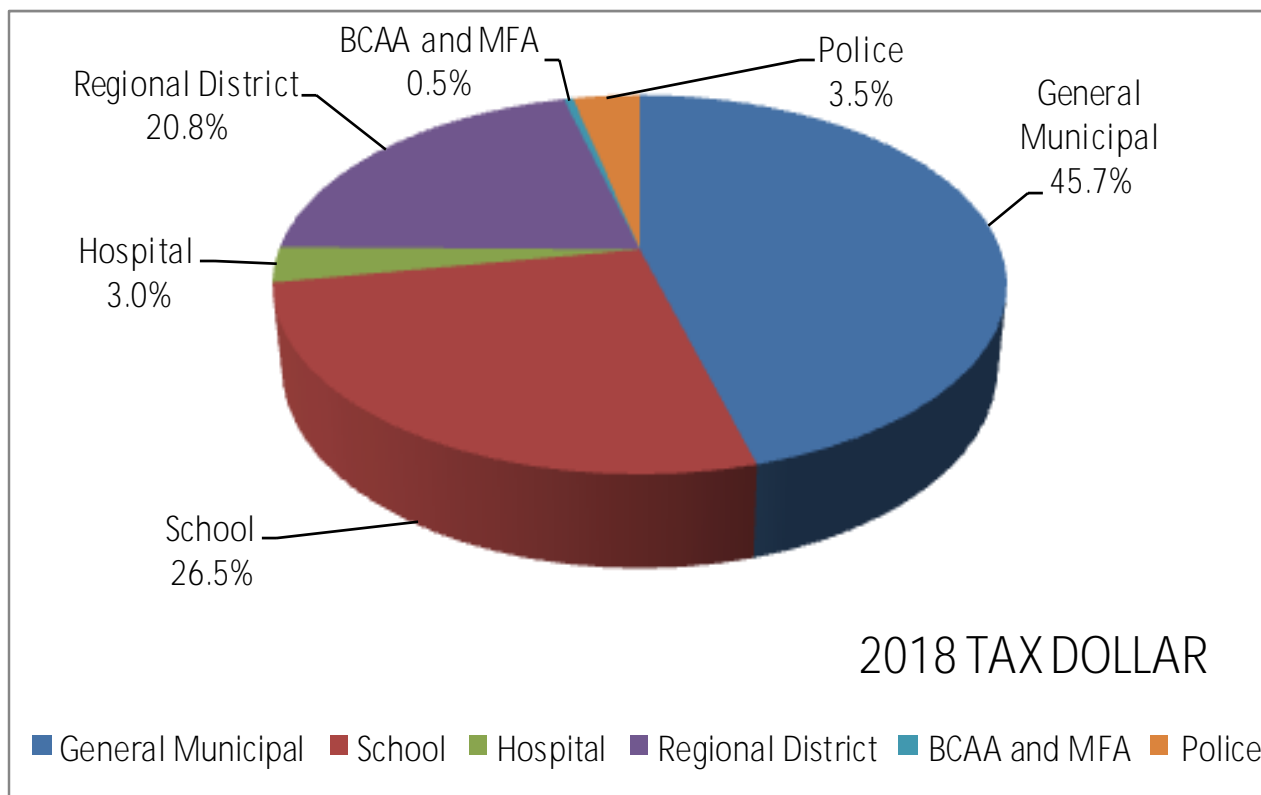
REVENUES 2018



EXPENSES 2018



Statistical Information



MUNICIPAL STATISTICS

Incorporated:	November 24, 1964
Location:	Regional District of Central Kootenay, 200 km east of Vernon, 162 km northwest of Nelson School District No. 10, Arrow Lakes
Area:	1059 hectares Elevation: 457 meters
Population:	1,605
Km of Roads:	Paved - 21.6 Unpaved - 5.8 km of Lanes: 6.6
Coordinates:	Longitude is 117 ⁰ 47'57"W Latitude is 50 ⁰ 14'20"N
Km of Domestic Water System	34.3
Km of Sewers:	Storm - 5.6 Sanitary - 26.2
Employees:	31