



Memo

TO: Chief Administrative Officer

FROM: Director of Finance

DATE: August 7, 2020

SUBJECT: Statement of Financial Information for 2019

The Financial Information Act requires that the Town of Lake Cowichan submit the following to the Ministry of Community, Sport and Cultural Development by June 30 each year but due to the pandemic the deadline has been extended to August 31st:

- One copy of the audited financial statements
- Statement of Financial Information Checklist
- Management's Responsibility for Financial Reporting
- Schedule of Debts
- Schedule of Guarantee and Indemnity Agreements
- Schedule of Remuneration and Expenses
- Schedule of Supplier of Good and Services
- Schedule of Severance Agreements
- Statement of Financial Information Approval

With the exception of the audited financial statements, which have been previously presented to Council, the documents listed above are attached for approval by Council resolution.

Ronnie Gill, CPA, CGA

Financial Information Act
Financial Information Regulation (FIR), Schedule 1

Statement of Financial Information (SOFI)
Index to FIR Schedule 1 and the Checklist

Page 1: Corporation Information

Ministry Information

General: Section One

- 1(1)(a) Statement of assets and liabilities
- 1(1)(b) Operational statement
- 1(1)(c) Schedule of debts
- 1(1)(d) Schedule of guarantee and indemnity agreements
- 1(1)(e) Schedule of employee remuneration and expenses
- 1(1)(f) Schedule of suppliers of goods and services
- 1(2) [Explanatory information for reference]
- 1(3) Statements prepared on a consolidated basis or for each fund
- 1(4) & (5) Notes to the statements and schedules in section 1(1)

Page 2: Statement of Assets & Liabilities: Section Two

- 2 Balance sheet
- Changes in equity and surplus or deficit

Operational Statement: Section Three

- 3(1) Statement of Income / Statement of Revenue and Expenditures
- Statement of Changes in Financial Position
- 3(2) & (3) Omission of Statement of Changes in Financial Position, with explanation
- 3(4) Requirement for community colleges, school districts and municipalities

Statement of Debts: Section Four

- 4(1)(a) & 4(2) List and detail the schedule of long-term debts
- 4(1)(b) Identify debts covered by sinking funds / reserves
- 4(3) & (4) Omission of schedule, with explanation

Page 3: Schedule of Guarantee and Indemnity Agreements: Section Five

- 5(1) List agreements under the Guarantees and Indemnities Regulation
- 5(2) State the entities and amounts involved
- 5(3) & (4) Omission of schedule, with explanation

Page 3 & 4: Schedule of Remuneration and Expenses: Section Six

- 6(1) [Definitions for reference]
- 6(2)(a) List remuneration / expenses for each elected official, member of board, Cabinet appointees
- 6(2)(b) List each employee with remuneration exceeding \$75,000, plus expenses
- 6(2)(c) Consolidated total for all employees with remuneration of \$75,000 or less
- 6(2)(d) Reconcile difference in total remuneration above with operational statement
- 6(3) Exclude personal information other than as required

Page 3 & 4: Schedule of Remuneration and Expenses: Section Six (continued)

- 6(4) & (5) [Explanatory information for reference]
- 6(6) Report employer portion of EI and CPP as a supplier payment
- 6(7)(a) & (b) Statement of severance agreements
- 6(8) Explain an omission of statement of severance agreements
- 6(9) [Statement of severance agreements to minister – not required unless requested]

Page 4: Schedule of Suppliers of Goods or Services: Section Seven

- 7(1)(a) List suppliers receiving payments exceeding \$25,000
- 7(1)(b) Consolidated total of all payments of \$25,000 or less
- 7(1)(c) Reconcile difference in total above with operational statement
- 7(2)(a) [Explanatory information for reference]
- 7(2)(b) Statement of payments of grants or contributions
- 7(2)(c) [Explanatory information for reference]

Page 5: Inactive Corporations: Section Eight

- 8(1) Ministry to report for inactive corporations
- 8(2)(a) Contents of report – statements and schedules under section 1(1) to extent possible
- 8(2)(b) Contents of report – operational status of corporation

Approval of Financial Information: Section Nine

- 9(1) Approval of SOFI for corporations (other than municipalities)
- 9(2) Approval of SOFI for municipalities
- 9(3) Management report
- 9(4) Management report must explain roles and responsibilities
- 9(5) Signature approval is for all contents of the SOFI

Access to the Financial Information: Section Ten

- 10(1) to (3) [Explanatory information for reference]

Financial Information Regulation, Schedule 1
Checklist – Statement of Financial Information (SOFI)

For the Corporation:

Corporate Name: Town of Lake Cowichan Contact Name: Ronnie Gill
 Fiscal Year End: December 31, 2019 Phone Number: 250-749-6681
 Date Submitted: _____ E-mail: rgill@lakecowichan.ca

For the Ministry:

Ministry Name: _____ Reviewer: _____
 Date Received: _____ Deficiencies: Yes No
 Date Reviewed: _____ Deficiencies Addressed: Yes No
 Approved (SFO): _____ Further Action Taken: _____

Distribution: Legislative Library Ministry Retention

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
General					
1 (1) (a)	Statement of assets and liabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Included in consolidated financial statements
1 (1) (b)	Operational statement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Included in consolidated financial statements
1 (1) (c)	Schedule of debts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Refer to schedule
1 (1) (d)	Schedule of guarantee and indemnity agreements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	N/A - none - refer to schedule
1 (1) (e)	Schedule of employee remuneration and expenses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Refer to schedule
1 (1) (f)	Schedule of suppliers of goods and services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Refer to schedule
1 (3)	Statements prepared on a consolidated basis or for each fund, as appropriate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Consolidated financial statements prepared
1 (4) 1 (5)	Notes to the financial statements for the statements and schedules listed above	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Included in consolidated financial statements

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Statement of Assets & Liabilities					
2	<ul style="list-style-type: none"> A balance sheet prepared in accordance with GAAP or stated accounting principles / policies, and Show changes in equity and surplus or deficit due to operations 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Consolidated statement of financial position prepared in accordance with Canadian public sector and accounting standards On consolidated statement of operations and accumulated surplus
Operational Statement					
3 (1)	Prepared in accordance with GAAP or stated accounting principles / policies and consists of: <ul style="list-style-type: none"> a Statement of Income or Statement of Revenue and Expenditures, and a Statement of Changes in Financial Position 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Consolidated statement of operation Consolidated statement of cash flows
3 (2) 3 (3)	<ul style="list-style-type: none"> The Statement of Changes in Financial Position may be omitted if it provides no additional information The omission must be explained in the notes 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Consolidated statement of cash flows included in financial statements
3 (4)	Community colleges, school districts, and municipalities must prepare a Statement of Changes in Financial Position for the Capital Fund	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Consolidated statement of changes in net financial assets included in financial statements
Schedule of Debts					
4 (1) (a) 4 (2)	List each long-term debt (secured by debentures, mortgages, bonds, etc.), stating the amount outstanding, the interest rate, and the maturity date	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Refer to 2019 Schedule of debts
4 (1) (b)	Identify debts covered by sinking funds or reserves and amounts in these accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	None
4 (3) 4 (4)	<ul style="list-style-type: none"> The schedule may be omitted if addressed under section 2 or 5 and it provides no additional information The omission must be explained in a note to the schedule 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Schedule of Guarantee and Indemnity Agreements					
5 (1)	List financial agreements that required government approval prior to being given (see Guarantees and Indemnities Regulation in FIA Guidance Package)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	None
5 (2)	State the entities involved, and the specific amount involved if known	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
5 (3) 5 (4)	<ul style="list-style-type: none"> • The schedule may be omitted if addressed under section 2 or 4 and it provides no additional information • The omission must be explained in a note to the schedule 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Schedule of Remuneration and Expenses (See Guidance Package for suggested format)					
6 (2) (a)	List separately, by name and position, the total remuneration and the total expenses for each elected official, member of the board of directors, and employee appointed by Cabinet	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2019 Schedule of Council remuneration and expenses
6 (2) (b)	List alphabetically each employee whose total remuneration exceeds \$75,000 and the total expenses for each [excluding the persons listed under 6 (2) (a)]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2019 Schedule of Council remuneration and expenses
6 (2) (c)	Include a consolidated total for employees whose remuneration is \$75,000 or less [excluding the persons listed under 6 (2) (a)]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2019 Schedule of Council remuneration and expenses
6 (2) (d)	Reconcile or explain any difference between total remuneration in this schedule and related information in the operational statement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Schedules are prepared on a cash basis. The financial statements are prepared on an accrual basis with sick time, banked time and vacation accruals.
6 (3)	Exclude personal information other than name, position, function or remuneration and expenses of employees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Schedule of Remuneration and Expenses (See Guidance Package for suggested format)					
6 (6)	Report the employer portion of EI and CPP as a supplier payment to the Receiver General for Canada rather than as employee remuneration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
6 (7) (a) 6 (7) (b)	<p>Include a statement of severance agreements providing:</p> <ul style="list-style-type: none"> • the number of severance agreements under which payment commenced in the fiscal year being reported on for non-union employees, and • the range of equivalent months' compensation for them <p>(see Guidance Package for suggested format)</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	None - refer to schedule
6 (8)	Provide the reason for omitting a statement of severance agreements in a note to the schedule of remuneration and expenses	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	None - refer to schedule
Schedule of Suppliers of Goods or Services (See Guidance Package for suggested format)					
7 (1) (a)	List in alphabetical order all suppliers of goods and services who received aggregate payments exceeding \$25,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Refer to schedule
7 (1) (b)	Include a consolidated total of all payments to suppliers who received \$25,000 or less	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Refer to schedule
7 (1) (c)	Reconcile or explain any difference between the consolidated total and related figures in the operational statement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	There will be differences due to year end adjustments, amortization, accruals, equipment allocations and charges of overhead and administration fees
7 (2) (b)	Include a statement of payments for the purposes of grants or contributions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Schedule 2 of the consolidated financial statements

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Inactive Corporations					
8 (1)	The ministry reports for the corporation if the corporation is not operating to the extent required to produce a SOFI	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
8 (2) (a)	The ministry's report contains the statements and schedules required under section 1 (1), to the extent possible	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
8 (2) (b)	The ministry's report contains a statement of the operational status of the corporation (see Guidance Package regarding what to include)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Approval of Financial Information					
9 (1)	Corporations other than municipalities – the SOFI is signed as approved by the board of directors or the governing body (see Guidance Package for example)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Town of Lake Cowichan is a municipality
9 (2)	Municipalities – the SOFI is approved by its council and by the officer assigned responsibility for financial administration (see Guidance Package for example)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9 (3)	A management report is included, signed by the head and chief financial officer, or by the municipal officer assigned responsibility for financial administration (see examples in annual report at http://www.gov.bc.ca/cas/popt/)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Management's responsibility for financial reporting
9 (4)	The management report explains the roles and responsibilities of the board of directors or governing body, audit committee, management, and the auditors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9 (5)	Signature approvals required in section 9 are for each of the statements and schedules of financial information, not just the financial statements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Management's Responsibility for Financial Reporting

Management is responsible for the preparation and 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.

Council fulfills its responsibility for the consolidated financial statements principally through its Finance and Administration Committee. The Mayor and Council are responsible for reviewing the financial information prepared by management and discussing relevant matters with both management and the external auditors. The Finance and Administration Committee reviews the recommendations of the independent auditors for improvements to controls and, with the assent of Council, institute such improvements as are necessary to protect the viability of the Municipality.

MNP LLP, an independent firm of Chartered Accountants is appointed by the Mayor and Council to audit the accompanying financial statements. The external auditors have full and unrestricted access to all municipal records and both management and Council.

MNP LLP has audited the 2019 financial statements. Their report contains the following opinion "the consolidated financial statements present fairly, in all material respects, the financial position of the Town of Lake Cowichan as at December 31, 2019 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards."

Joseph A. Fernandez
Chief Administrative Officer

Ronnie Gill, CPA, CGA
Director of Finance

Date August 7, 2020

Financial Information Regulation Schedule 1, Section 9(3)

2019 Schedule of Debts
For the Year Ended December 31, 2019

As required by Financial Information Regulation Schedule 1, Sections 1 & 4, disclosure of the long-term debt is listed below:

<u>Municipal Finance Authority Debt:</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
Firehall/Ambulance Building	459,020	2.5	31/03/2020
Pumper 2010 Fire Truck	54,583	2.5	31/12/2021
Pumper 2019 Fire Truck	214,414	2.5	30/09/2023

Financial Information Regulation Schedule 1, Section 1(1)(c)

2019 Schedule of Guarantee and Indemnity Agreements

For the Year Ended December 31, 2019

The Town of Lake Cowichan has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation. (Financial Information Regulation, Schedule 1, Sections 1 & 5).

Financial Information Regulation Schedule 1, Section 1(1)(d)&(5)

2019 Schedule of Council Remuneration and Expenses

Name	Position	Remuneration		Expenses	Total
		<i>Financial Compensation</i>	<i>Expense Allowance</i>	<i>Travel and Conferences</i>	
Rod Peters	Mayor	23,386.00	360.00	7,047.30	30,793.30
Carolyne Austin	Councillor	14,032.00	360.00	4,429.83	18,821.83
Tim McGonigle	Councillor	14,032.00	360.00	3,294.90	17,686.90
Kristine Sandhu	Councillor	14,032.00	360.00	4,810.70	19,202.70
Lorna Vomacka	Councillor	14,032.00	360.00	6,940.56	21,332.56
Totals		79,514.00	1,800.00	26,523.29	107,837.29

Financial Information Regulation Schedule 1 Section 6(2)(a)

2019 Schedule of Staff Remuneration and Expenses

Name	Position	Remuneration		Expense	Total
		<i>Financial Compensation</i>	<i>Expense Allowance</i>	<i>Travel and Conferences</i>	
Joseph Fernandez	Chief Admin. Officer	132,991.32	-	2,454.89	135,446.21
Corey Makortoff	Public Works Foreman	101,559.23	240.00	-	101,799.23
Ronnie Gill	Director of Finance	98,447.62	-	74.24	98,521.86
Dalton Smith	CLEC Manager	82,910.79	-	-	82,910.79
Dave Campbell	Public Works Cat. 3	76,954.26	450.00	1,336.32	78,740.58
Jennifer Bendell	Program Coordinator	76,865.56	-	-	76,865.56
Terry McMahon	Public Works Cat. 3	76,487.67	225.00	519.00	77,231.67
All other employees		990,141.29	-	-	990,141.29
Totals		1,636,357.74	915.00	4,384.45	1,641,657.19

Financial Information Regulation Schedule 1 Section 6(2)(b)&(c)

Schedule of Suppliers of Goods and Services for 2019

Financial Information Regulation Schedule 1 Section 1(1)(f) & Sections 7(1)(a) and 7(1)(b)

Name	Amount
AON REED STENHOUSE INC.	58,246
ARCHIE JOHNSTONE PLUMBING	102,825
BC AQUIFER	49,323
BC HYDRO & POWER AUTHORITY	308,975
BJK ARCHITECTURE INC.	28,161
COWICHAN VALLEY REGIONAL DIST	1,488,606
CUMMINS CANADA ULC	30,727
DRAGER SAFETY CANADA LTD	41,468
FORT GARRY FIRE TRUCKS LTD.	764,412
GUILLEVIN INTERNATIONAL	59,488
HEROLD ENGINEERING LIMITED	30,134
I.C.B.C	44,145
ISLAND TRACTOR & SUPPLY (1999) LTD	26,919
JAYKAR HOLDINGS LTD.	54,807
KTI LIMITED	29,232
MNP	27,232
MUNICIPAL PENSION PLAN	187,653
NORTH ISLAND PUMPS	87,136
PARMAR, SANJEET	45,388
RECEIVER GENERAL FOR CANADA PR	419,527
ROYAL BANK VISA	44,837
SHUR POWER ELECTRIC	33,848
STANTEC CONSULTING LTD.	37,956
TGK IRRIGATION LTD.	308,484
TRIOSH CONT. LTD	25,720
TRITECH GROUP LTD.	1,341,512
VANCOUVER ISLAND REGIONAL LIBRARY	133,728
VATCHER, STEVE	74,007
VELODYNE	136,702
VICTORIA FORD ALLIANCE LTD.	39,110
VIMAR EQUIPMENT	346,910
W.E. CONSULTANTS & BENEFIT SERVICES LTD.	33,395
WASTE CONNECTIONS OF CANADA INC.	40,535
WORKERS COMPENSATION BOARD	40,423
Payments Made (Vendors Over \$25000)	6,521,569

Payments Made (Vendors Over \$25000)	6,521,569
Miscellaneous Payments (\$25000 and under)	<u>1,301,522</u>
TOTAL Payments	7,823,091

Schedule of Severance Agreements

For the Year Ended December 31, 2019

There were no severance agreements made between the Town of Lake Cowichan and its non-unionized employees during the fiscal year 2019.

Financial Information Regulation Schedule 1 Section 6(7)(a)&(b)

2019 Statement of Financial Information Approval

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approve all statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.

Tim McGonigle
Acting Mayor

Date August 7, 2020

Joseph A. Fernandez
Chief Administrative Officer

Date August 7, 2020

Financial Information Regulation Schedule 1, Section 9(2)