

Financial Information Regulation, Schedule 1

Checklist – Statement of Financial Information (SOFI)

For the Corporation:

Corporate Name: Town of Creston Contact Name: Steffan Klassen
 Fiscal Year End: 31 December, 2020 Phone Number: (250) 428-2214 ext.211
 Date Submitted: _____ E-mail: Steffan.Klassen@creston.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	Y			
1 (1) (b)	Operational statement	Y			
1 (1) (c)	Schedule of debts	Y			
1 (1) (d)	Schedule of guarantee and indemnity agreements			N/A	
1 (1) (e)	Schedule of employee remuneration and expenses	Y			
1 (1) (f)	Schedule of suppliers of goods and services	Y			
1 (3)	Statements prepared on a consolidated basis or for each fund, as appropriate	Y			Consolidated statements presented for all funds together.
1 (4) 1 (5)	Notes to the financial statements for the statements and schedules listed above	Y			

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 	Y			
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 	Y			
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 			N/A	
3 (4)	Community colleges, school districts, and municipalities must prepare a Statement of Changes in Financial Position for the Capital Fund			N/A	Consolidated statements presented for all funds together. Notes contain reconciliation for Equity in Tangible Capital Assets.
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	Y			
4 (1) (b)	Identify debts covered by sinking funds or reserves and amounts in these accounts	Y			
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 			N/A	

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)			N/A	
5 (2)	State the entities involved, and the specific amount involved if known			N/A	
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 			N/A	
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	Y			
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)]	Y			
6 (2) (c)	Include a consolidated total for employees whose remuneration is \$75,000 or less [excluding the persons listed under 6 (2) (a)]	Y			
6 (2) (d)	Reconcile or explain any difference between total remuneration in this schedule and related information in the operational statement	Y			
6 (3)	Exclude personal information other than name, position, function or remuneration and expenses of employees	Y			

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	Y			
6 (7) (a) 6 (7) (b)	Include a statement of severance agreements providing: <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 (see Guidance Package for suggested format)	Y			
6 (8)	Provide the reason for omitting a statement of severance agreements in a note to the schedule of remuneration and expenses			N/A	
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	Y			
7 (1) (b)	Include a consolidated total of all payments to suppliers who received \$25,000 or less	Y			
7 (1) (c)	Reconcile or explain any difference between the consolidated total and related figures in the operational statement	Y			
7 (2) (b)	Include a statement of payments for the purposes of grants or contributions	Y			

Inactive Corporations

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
8 (1)	The ministry reports for the corporation if the corporation is not operating to the extent required to produce a SOFI			N/A	
8 (2) (a)	The ministry's report contains the statements and schedules required under section 1 (1), to the extent possible			N/A	
8 (2) (b)	The ministry's report contains a statement of the operational status of the corporation (see Guidance Package regarding what to include)			N/A	
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)			N/A	
9 (2)	Municipalities – the SOFI is approved by its council and by the officer assigned responsibility for financial administration (see Guidance Package for example)	Y			
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/)	Y			
9 (4)	The management report explains the roles and responsibilities of the board of directors or governing body, audit committee, management, and the auditors	Y			
9 (5)	Signature approvals required in section 9 are for each of the statements and schedules of financial information, not just the financial statements	Y			

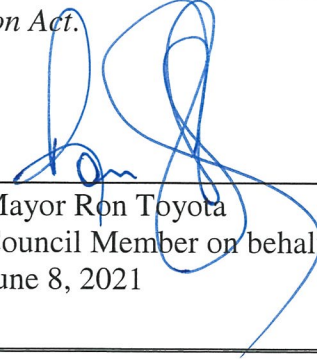
TOWN OF CRESTON

STATEMENT OF FINANCIAL INFORMATION APPROVAL

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



Steffan Klassen CA
Director of Finance & Corporate Services
June 8, 2021



Mayor Ron Toyota
Council Member on behalf of Council
June 8, 2021

Prepared pursuant to the Financial Information Regulation, Schedule 1, section 9



Town of Creston

FINANCIAL STATEMENT 2020

TOWN OF CRESTON

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DECEMBER 31, 2020

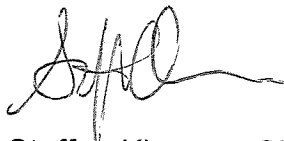
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MANAGEMENT REPORT

Management is responsible for the preparation of the accompanying consolidated financial statements. The financial statements have been prepared in accordance with the accounting principles disclosed in Note 1 to the consolidated financial statements and include amounts that are based on estimates and judgements. Management believes that the financial statements fairly present the Town of Creston's consolidated financial position and results of operations. The integrity of the information presented in the financial statements, including estimates and judgements relating to matters not concluded by fiscal year-end, is the responsibility of management. The financial statements have been approved by Council.

Management has established and maintained appropriate systems of internal control including policies and procedures, which are designed to provide reasonable assurance that The Town of Creston's assets are safeguarded and that reliable financial records are maintained to form a proper basis for the preparation of the financial statements.

The independent external auditors, Apex Accounting, Chartered Professional Accountants, have been appointed by Council to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the Town of Creston's financial position, results of operations, and changes in financial position in conformity with the accounting principles disclosed in Note 1 to the consolidated financial statements. The report of Apex Accounting, Chartered Professional Accounts, follows and outlines the scope of their examination and their opinion on the consolidated financial statements.



Steffan Klassen, CPA, CA
Director of Finance and Corporate Services

May 11, 2021

INDEPENDENT AUDITORS' REPORT

**To the Mayor and Council
Town of Creston**

Opinion

We have audited the accompanying financial statements of the Town of Creston, which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2020, and its financial performance 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Town 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT, continued

Auditors' Responsibilities for the Audit of the Financial Statements, continued

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Town'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 Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Apex Accounting

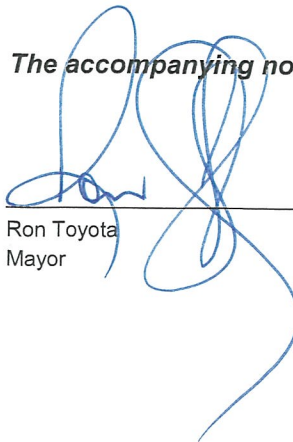
Chartered Professional Accountants

Creston, BC
May 11, 2021


Town of Creston
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at December 31, 2020

	2020	2019
Financial Assets		
Cash and investments (Note 2)	\$ 10,827,535	\$ 8,291,629
Accounts receivable (Note 3)	1,044,084	1,079,891
MFA deposits (Note 4)	265,732	281,243
Loans receivable (Note 5)	2,103,175	2,113,071
	<u>14,240,526</u>	<u>11,765,834</u>
Financial Liabilities		
Accounts payable and accrued liabilities (Note 6)	1,877,982	1,518,929
Deferred revenue (Notes 7 & 8)	932,496	956,450
Development cost charges (Note 9)	561,417	536,808
Reserve MFA	265,732	281,243
Long-term debt (Note 11)	3,953,112	4,356,990
	<u>7,590,739</u>	<u>7,650,420</u>
Net Financial Assets	6,649,787	4,115,414
Non-financial assets		
Tangible capital assets (Notes 1 & 12, Schedule 1)	43,878,279	40,519,269
Supply inventory	325,577	356,994
Prepaid expenses	108,734	86,570
	<u>44,312,590</u>	<u>40,962,833</u>
Accumulated surplus	<u>\$ 50,962,377</u>	<u>\$ 45,078,247</u>
Represented by:		
Operating fund (Schedule 2)	9,794,399	7,551,617
Capital fund (Schedule 2)	1,086,996	1,086,996
Statutory reserve fund (Schedule 2)	155,808	277,352
Equity in tangible capital assets (Note 13)	39,925,174	36,162,282
	<u>\$ 50,962,377</u>	<u>\$ 45,078,247</u>

The accompanying notes and schedules are an integral part of these financial statements.



 Ron Toyota
 Mayor



 Steffan Klassen, CPA, CA
 Director of Finance and Corporate Services

Town of Creston
CONSOLIDATED STATEMENT OF OPERATIONS
for the year ended December 31, 2020

	2020 Budget	2020	2019
Revenue			
Property Taxes (Note 14)	\$ 5,434,691	\$ 5,430,944	\$ 5,402,205
Grants in Lieu of Taxes	7,600	7,562	7,714
Sale of services (Note 15)	2,140,566	1,768,513	1,487,559
Government transfers (Note 17)	3,327,916	5,017,700	1,223,035
Investment income	135,000	312,547	378,064
Utility user fees and connection charges	3,104,923	3,200,890	2,766,193
Development cost charges (Note 9)	-	-	25,174
Developer Asset Contributions	-	508,880	292,995
Other	938,216	529,436	782,680
	<u>15,088,912</u>	<u>16,776,472</u>	<u>12,365,619</u>
Expenses			
General government	2,024,733	1,974,907	1,914,343
Municipal contribution for RCMP services	1,183,149	1,158,293	1,039,601
Protective services	1,539,868	1,204,133	1,067,629
Transportation	1,234,782	1,074,294	1,152,819
Health and Welfare	411,256	432,637	374,266
Recreation and Community Services	649,318	513,222	509,592
Water Services	1,150,137	1,006,129	1,065,792
Sewer Services	259,876	208,581	142,460
Waste water treatment plant operation	895,754	924,130	850,187
Debt financing	274,582	269,040	280,661
Bank Charges	3,100	4,995	4,828
Amortization (Note 1, Schedule 1)	2,129,562	2,090,080	2,104,131
Loss from sale/write down of tangible capital assets	-	9,265	170,878
Capital Lease (Note 18)	22,636	22,636	22,636
	<u>11,778,753</u>	<u>10,892,342</u>	<u>10,699,823</u>
Annual surplus	3,310,159	5,884,130	1,665,796
Accumulated surplus at beginning of year	45,078,247	45,078,247	43,412,451
Accumulated surplus at end of year	<u>\$ 48,388,406</u>	<u>\$ 50,962,377</u>	<u>\$ 45,078,247</u>

Commitments and Contingencies are specified in Note 19

The accompanying notes and schedules are an integral part of these financial statements.

Town of Creston
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
for the year ended December 31, 2020

	2020 Budget	2020	2019
Annual surplus	\$ 3,310,159	\$ 5,884,130	\$ 1,665,796
Acquisition of tangible capital assets	(3,263,039)	(5,458,357)	(3,028,078)
Amortization of tangible capital assets	2,129,562	2,090,080	2,104,131
Loss from sale/write down of tangible capital assets	-	9,265	170,878
	2,176,682	2,525,118	912,727
Acquisition of supply inventory		(114,316)	(107,017)
Acquisition of prepaid expense		(138,819)	(106,871)
Deposit made on property purchase		-	550,000
Consumption of supply inventory		145,735	113,052
Use of prepaid expense		116,655	112,730
		9,255	561,894
Increase in net financial assets	2,176,682	2,534,373	1,474,621
Net financial assets at beginning of year	4,115,414	4,115,414	2,640,793
Net financial assets at end of year	\$ 6,292,096	\$ 6,649,787	\$ 4,115,414

The accompanying notes and schedules are an integral part of these financial statements.

Town of Creston
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended December 31, 2020

(Indirect method)	2020	2019
Operating transactions:		
Annual surplus	\$ 5,884,130	\$ 1,665,796
Non-cash and non-financial items:		
Amortization	2,090,080	2,104,131
Decrease (increase) in property purchase deposit	-	550,000
Decrease (increase) in prepaid expenses	(22,164)	5,858
Decrease in supply inventory	31,417	6,038
Loss from sale/write down of tangible capital assets	9,265	170,878
Changes to financial assets/liabilities:		
Decrease (increase) in accounts receivable	35,807	(397,585)
Decrease (increase) in MFA cash deposits	15,511	(1,846)
Decrease in loan receivable	9,896	9,606
Increase (decrease) in accounts payable	359,053	(122,213)
Increase (decrease) in deferred revenue	(23,954)	284,075
Increase in development cost charges	24,609	19,013
Increase (decrease) in other restricted revenue	(15,511)	1,846
Cash provided by operating transactions	8,398,139	4,295,597
Capital transactions:		
Acquisition of tangible capital assets	(5,458,357)	(3,028,078)
Financing transactions:		
Debt repayment	(280,264)	(278,807)
Actuarial Adjustments	(123,612)	(109,675)
Cash applied to financing transactions	(403,876)	(388,482)
Increase in cash and investments	2,535,906	879,037
Cash and investments at beginning of year	8,291,629	7,412,592
Cash and investments at end of year	\$ 10,827,535	\$ 8,291,629
Represented by		
Bank deposits and petty cash	1,253,810	515,534
Investments	9,573,725	7,776,095
	\$ 10,827,535	\$ 8,291,629

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2020

General

The Town of Creston (the "Town") was incorporated in 1924, under the Local Government Act of British Columbia. The Town's principal activities include the provision of local government services to residents of the incorporated area. These include administrative, protective, transportation, health and welfare, water, sewer and parks.

1. Significant Accounting Policies

a. Basis of Presentation

The Consolidated Financial Statements of the Town of Creston (the Town), which are the representation of management, are prepared in accordance with Canadian Public Sector Accounting Standards as prescribed by the Public Sector Accounting Board (PSAB). The Consolidated Financial Statements reflect the combined results and activities of the reporting entity which is comprised of the Operating, Capital and Reserve funds controlled or owned by the Town. Inter-fund transactions have been eliminated on consolidation.

- i. Operating Funds: These funds include the General, Water and Sewer operations of the Town. They are used to record the operating costs of the services provided by the Town.
- ii. Capital Funds: These funds include the General, Water and Sewer Capital Funds. They are used to record the acquisition and disposal of property and equipment and their related financing.
- iii. Reserve Funds: Under the Community Charter, Town Council may, by bylaw, establish statutory reserve funds for specified purposes. Money in a reserve fund, and interest earned thereon, must be expended by bylaw only for the purpose for which the fund was established. If the amount in a reserve fund is greater than required, Town Council may, by bylaw, transfer all or part of the balance to another reserve fund. Reserves created as non-statutory segregations of surplus do not have the same formal restrictions as those created by bylaw.
- iv. Trust Funds: These funds account for assets which must be administered as directed by agreement or statute for certain beneficiaries. In accordance with PSAB recommendations on financial statement presentation for local governments, trust funds are not included in the Town's consolidated financial statements. Trust funds administered by the Town are presented in Note 10.

b. Revenue Recognition

Sources of revenue are recorded on the accrual basis and include revenue in the period in which the transactions or events occurred that give rise to the revenues, and expenses in the period the goods and services are acquired and a liability is incurred or transfers are due. Taxation revenues are recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service or product is rendered by the Town. Grant revenues are recognized when all eligibility criteria has been met. Revenue unearned in the current period is recorded as deferred revenue.

c. Investments

Investments are carried at market value. Accrued interest and any accrued gains and losses are recognized when investments are adjusted to reflect market value.

d. Use of Estimates

The preparation of financial instruments in accordance with PSAB, 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 lives of tangible capital assets for amortization, and the provision for contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2020

1. Significant Accounting Policies (continued):

e. Cash and Investments

Cash and Equivalents include cash on hand, bank balances, and Municipal Finance Authority (MFA) pooled investment funds and guaranteed investment certificates.

f. Tangible Capital Assets

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 after the asset is put in to service. Donated tangible capital assets are reported at fair value at the time of donation. Estimated useful lives as follows:

Asset Type	Useful Life
Parks Infrastructure	15-50
Building Structure	20-50
Building Improvements	10-40
IT Equipment/Furniture	3-10
Equipment/Vehicles	7-25
Capital Lease Assets	35
Infrastructure (dependent upon component and material)	
Transportation	10-100
Water Infrastructure	10-100
Sewer Infrastructure	10-100
Drainage Infrastructure	10-100

g. Budget Figures

The budget figures are from the Annual Five-Year Financial Plan Bylaw adopted before May 15 of each year.

h. Inventories

The inventories are stated at cost. Cost is generally determined on a first-in first-out basis. Obsolete items are written off.

i. Post Employment Benefits

Vacation and sick pay are charged in the year incurred. Sick time is non-accumulative and vacation has limited accumulation based on language in the collective agreement for CUPE employees or by administrative policy for staff. Employment contracts of certain non-union employees obligate the Town to the payment of severance and benefit amounts on termination under certain conditions.

j. Reserve for Future Expenditures

The reserve for future expenditures represents amounts set aside for future operating expenditures.

k. Statutory Reserve Funds

The use of these funds is restricted by the Community Charter and associated Municipal Bylaws. Statutory reserve funds are funded 100% by cash and temporary investments.

l. Financial Instruments

The Town carries several financial instruments. Unless otherwise noted, it is management's opinion that the Town is not exposed to significant currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2020

1. Significant Accounting Policies (continued):

m. Government Transfers

Government transfers are recognized as revenue in the period that the transfer is authorized, eligibility criteria, if any, have been met, and a reasonable estimate of the amount to be received can be made.

n. Contributed Tangible Capital Assets

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. Developer asset contributions consist of infrastructure built by the developer as required to service newly developed lands. Upon acceptance by the Town, all risks and rewards of ownership for those assets are passed on to the Town.

o. Segment Disclosure

A segment is defined as a distinguishable activity or group of activities of government for which it is appropriate to separately report financial information. The Town has provided definitions of segments used for the presentation of financial information in segmented format (Note 20). Schedule 3 provides a table of the segmented revenue and expenses for the Town.

p. Contaminated Sites

Under PS3260 governments are required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standard, the government has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made.

Management has assessed its potential liabilities under the standard including sites that are no longer in productive use and sites which the Town accepts responsibility. There were no such sites that had contamination in excess of an environmental standard which required remediation at this time, therefore no liability at December 31, 2020.

q. Deferred Revenue

Deferred revenue represents funds received for specific purposes which are externally restricted by legislation, regulation, or agreement and are not available for general municipal purposes as well as licences, permits, other fees and grants which have been collected, but for which the related services have not been performed and or projects have not been constructed. These amounts will be recognized as revenues in the fiscal year in which it is used for the specific purpose, the services are performed and or the projects are constructed.

2. Cash and Investments

	2020	2019
Restricted cash and investments		
Statutory Reserves (Schedule 2)	\$ 155,808	\$ 277,352
Restricted Revenues (Notes 8 and 9)	1,108,448	1,265,808
	<u>1,264,256</u>	<u>1,543,160</u>
Unrestricted cash and investments	9,563,279	6,748,469
Total cash and investments	<u>\$ 10,827,535</u>	<u>\$ 8,291,629</u>

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2020

3. Accounts Receivable

	2020	2019
Property Taxes	\$ 368,256	\$ 380,078
Other Governments	483,016	535,961
Trade and other	192,812	163,852
Total accounts receivable	\$ 1,044,084	\$ 1,079,891

4. Deposit and Reserve - Municipal Finance Authority

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

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, less administrative expenses, becomes an obligation of the Authority to 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. The proceeds from these discharges will be credited to income in the year they are received. As at December 31, the total of the Debt reserve fund was comprised of:

	2020	2019
Cash deposits	\$ 79,189	\$ 81,120
Demand notes	186,543	200,123
	\$ 265,732	\$ 281,243

5. Loans Receivable

Since 2008, the Creston Valley Regional Airport Society (CVRAS) has operated the Town owned airport on behalf of the Town. In 2010, Town of Creston loaned \$25,001 to the CVRAS in order to help with working capital requirements for the on-going fuel sales which the CVRAS assumed. The loan is without interest, secured either by fuel receipts or fuel inventory, and is repayable upon the end of the operating agreement and any renewals.

In 2017, The Town of Creston loaned the CVRAS \$107,000 towards the purchase of a caretaker's residence located at the airport. The loan is being repaid over 10 years with annual installments paid every November and bears an interest rate of 3%. The residence would become the property of the Town in the event that the CVRAS would discontinue operating. The balance at December 31, 2020 was \$78,174.

In 2007, general fund monies were used to payout the short term capital fund debt of \$2,000,000 obtained in relation to the 2005 Prepaid Capital Lease entered into with FortisBC Inc. (see Note 18) These funds are repayable to the general fund upon receipt of termination payment from FortisBC at the end of the 17 year term lease. Elimination of the interfund transaction has not occurred as this transaction is not in the normal course of operations and has a set contractual repayment date. The corresponding liability has been reported as long term debt in the capital fund.

6. Accounts payable and accrued liabilities

	2020	2019
Other governments	\$ 679,748	\$ 701,821
Accrued wages and benefits	541,368	551,435
Trade and other	656,866	265,673
	\$ 1,877,982	\$ 1,518,929

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2020

7. Deferred Revenue

	2020	2019
Prepaid taxes	\$ 89,776	\$ 82,365
Deposits	82,627	95,091
Federal gas tax (Note 8)	547,031	729,000
Other	213,062	49,994
	<u>\$ 932,496</u>	<u>\$ 956,450</u>

8. Federal Gas Tax

Gas Tax funding is provided by the Government of Canada and use of the funding is restricted by the terms of a funding agreement between the local government and the Union of British Columbia Municipalities. Gas Tax funding may be used towards certain public transit, community energy, water, wastewater, solid waste and Town building projects, as specified in the funding agreements. This amount is reported in the Deferred Revenue line on the Statement of Financial Position.

	2020	2019
Federal Gas Tax Agreement Funds		
Opening balance of unspent funds	\$ 729,300	\$ 275,713
Add: Amount received during the year	280,466	569,940
Interest earned	5,452	7,785
Less: Amount spent on eligible project costs	(468,187)	(124,138)
Closing balance of unspent funds	<u>\$ 547,031</u>	<u>\$ 729,300</u>

9. Development Cost Charges

Development Cost Charges are restricted revenue liabilities representing funds received from developers and deposited into a separate reserve fund for capital expenses. In accordance with PSAB, the Town records these funds as restricted revenue which is then recognized as revenue when the related costs are incurred.

	Opening Balance	Receipts	Interest	Transfers Out	Closing Balance
Infrastructure DCC	\$ 393,515	\$ 14,254	\$ 5,461	\$ -	\$ 413,230
Parkland Reserve	143,293	2,932	1,962	-	148,187
	<u>\$ 536,808</u>	<u>\$ 17,186</u>	<u>\$ 7,423</u>	<u>\$ -</u>	<u>\$ 561,417</u>

Reserve by Bylaw	Roads	Water	Sanitary	Storm	Parks	Total
Duganville (BL 839)	\$ -	\$ 16,737	\$ 3,791	\$ 23,761	\$ -	\$ 44,289
Parks Reserve (BL 1264)	\$ -	\$ -	\$ -	\$ -	\$ 148,187	\$ 148,187
Alice Siding (BL 1463)	\$ 518	\$ 170,569	\$ 53,117	\$ 65	\$ -	\$ 224,269
Alice Siding (BL 1712)	\$ 86,292	\$ 14,092	\$ 32,489	\$ -	\$ 11,799	\$ 144,672
Grand Total:	<u>\$ 86,810</u>	<u>\$ 201,398</u>	<u>\$ 89,397</u>	<u>\$ 23,826</u>	<u>\$ 159,986</u>	<u>\$ 561,417</u>

10. Trust Funds

The Town operates the cemetery and maintains a cemetery perpetual care fund in accordance with the Cremation, Interment and Funeral Services Act. The trust fund assets and liabilities are not included in the consolidated financial statements. At December 31, 2020, the balance of funds held in trust was \$205,011 (2019 - \$192,402).

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2020

11. Long-Term Debt

Purpose	By-law	Remaining Term	Rate	2020	2019
GENERAL FUND					
Debenture Debt					
Fire Engine Replacement	1734	0	3.73% (a)	-	32,008
Prepaid Capital Lease	441-05	3	4.93% (a)	766,444	1,002,530
Prepaid Capital Lease - Inter-fund borrowing (Note 5)				2,000,000	2,000,000
				<u>2,766,444</u>	<u>3,034,538</u>
SEWER FUND					
Debenture Debt					
Water Pollution BVF Cover	LA 1734	6	3.65% (a)	281,975	323,352
WWTP Upgrade	1707	8	3.15% (a)	904,693	999,100
				<u>1,186,668</u>	<u>1,322,452</u>
				<u>\$ 3,953,112</u>	<u>\$ 4,356,990</u>

(a) Interest repaid on a straight line basis

The following principal amounts are payable over the next five years:
Future minimum principal payments and actuarial additions of existing debt are due as follows:

	General Fund	Sewer Fund	Total
2021	141,787	117,499	259,286
2022	141,787	119,064	260,851
2023	141,787	120,687	262,474
2024	-	122,368	122,368
2025	-	124,112	124,112
2026 and subsequent	-	275,142	275,142
	425,361	878,872	1,304,233
Actuarial addition *	2,341,083	307,796	2,648,879
	<u>\$ 2,766,444</u>	<u>\$ 1,186,668</u>	<u>\$ 3,953,112</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.

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2020

12. Tangible Capital Assets

	2020 Net Book Value	2019 Net Book Value
Land	\$ 3,253,612	\$ 2,834,750
Building	2,259,329	2,296,148
Machinery and Equipment	1,793,093	1,643,372
Engineering structures		
Water	8,233,217	8,273,657
Sewer	10,724,411	10,936,340
Drainage	2,241,047	2,078,046
Roads	7,133,980	7,026,149
Other	1,640,529	1,638,112
Other Tangible Capital Assets	2,984,694	3,137,756
WIP	3,614,367	654,939
Total	\$ 43,878,279	\$ 40,519,269

For additional information, see the Consolidated Schedule of Tangible Capital Assets (Schedule 1)

13. Equity in Tangible Capital Assets

Equity in tangible capital assets (TCA) represents the net book value (NBV) of total capital assets less long term obligations assumed to acquire those assets. The change in consolidated equity in tangible capital assets is as follows:

	2020	2019
Proof:		
Equity in Physical Assets, opening	\$ 36,162,282	\$ 35,020,734
Add:		
Capital Acquisitions	5,458,357	3,028,078
Debt principal repayment	280,264	278,807
Actuarial Adjustments	123,616	109,672
Less:		
Loss on Disposals	(9,265)	(170,878)
Amortization	(2,090,080)	(2,104,131)
	\$ 39,925,174	\$ 36,162,282

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2020

14. Net Taxation

	2020		2019
General Municipal purposes	\$ 4,617,188	\$	4,585,117
Collections for other governments			
Provincial Education	1,547,758		1,671,387
Regional Hospital District - East Kootenay	217,833		125,848
Municipal Finance Authority	184		173
BC Assessment Authority	41,545		36,852
Regional District of Central Kootenay	2,649,692		2,518,984
	<u>9,074,200</u>		<u>8,938,361</u>
Transfers to other governments			
Provincial Education	1,547,758		1,671,387
Regional Hospital District - East Kootenay	217,833		125,848
Municipal Finance Authority	184		173
BC Assessment Authority	41,545		36,852
Regional District of Central Kootenay	2,649,692		2,518,983
	<u>4,457,012</u>		<u>4,353,243</u>
Net Municipal Taxes	4,617,188		4,585,118
Water and Sewer Funds - Frontage Taxes	813,756		817,087
	<u>\$ 5,430,944</u>	\$	<u>5,402,205</u>

15. Sale of Services, User Rates, Rentals

	2020		2019
Sale of cemetery plots and burial charges	\$ 52,407	\$	58,831
Regional District - cemetery	85,548		83,871
- fire protection and rescue	550,256		372,791
Provincial - fire suppression and rescue	16,996		36,939
Fines	55,473		47,425
Licences and permits	134,505		121,513
Rents	572,492		702,793
Solid Waste Collection and Disposal Fees	235,470		-
Concessions and franchises	65,366		63,396
Total	<u>\$ 1,768,513</u>	\$	<u>1,487,559</u>

16. Expenditure by Object

	2020		2019
Goods and Services	\$ 4,551,237	\$	4,296,248
Interest and Finance Charges	269,040		280,661
Salaries, wages and benefits	3,857,671		3,743,885
Amortization	2,090,080		2,104,131
Other	124,314		274,898
	<u>\$ 10,892,342</u>	\$	<u>10,699,823</u>

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2020

17. Government Transfers

		2020		2019
Federal:	Conditional transfers	\$ 2,787,897	\$	435,618
	Unconditional transfers	-		-
Provincial:	Conditional transfers	3,064		221,858
	Unconditional transfers	2,226,739		565,559
Total		<u>\$ 5,017,700</u>	\$	<u>1,223,035</u>

18. Lease-in; Lease-out (LILO)

In 2005 the Town entered into a 35 year capital lease with FortisBC Inc. (formerly Terasen Gas Inc.) for the natural gas distribution system within the municipal boundary. The value of the Town's rights in the lease has been set at \$5,500,000 of which 95% or \$5,225,000 has been prepaid to FortisBC. \$3,360,000 of the funds required for this prepayment together with transaction costs (approximately \$135,000) have been borrowed from the Municipal Finance Authority (MFA). Surplus Town funds that were on deposit with MFA have been used to fund the remaining \$2,000,000. Subsequent to establishing this capital lease the Town has leased back the operation of the system to FortisBC under a 17 year operating lease through which the risks inherent in such an operation have been transferred back to FortisBC. The terms of the operating lease require FortisBC to make annual payments which will be used by the Town to pay down the MFA debt and fund new capital projects. In year 17 (2023), FortisBC has the option of terminating the capital lease and refunding the remaining portion of the prepaid amount. The Town would use this refund to pay down the remaining debt. In the event this option were not exercised, a new operating lease would be negotiated for an additional 18 years.

19. Commitments and Contingencies

- a. The municipality and its employees contribute to the Municipal Pension Plan (Plan), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2020, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any unfunded liabilities.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

In 2020, the Town paid \$262,969 (2019 - \$255,391) in employer contributions to the plan.

The next valuation will be at December 31, 2021 with results available in 2022.

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

19. Commitments and Contingencies (Continued)

- b. The Town is responsible, as a member of the Regional District Central Kootenay, for its portion of any operating deficits or long-term debt related to functions in which it participates.
- c. The Town is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by section 3.02 of the Insurance Act of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any subscriber. Under the Reciprocal Insurance Exchange Agreement, the Town is assessed a premium and specific deductible for its claims based on population. The obligation of the Town with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its subscribers in connection with the Exchange are in every case several, not joint and several. The Town irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other subscriber may suffer.
- d. In the normal course of a year the Town is faced with lawsuits and claims for damages of a diverse nature. The outcome of these claims cannot be reasonably determined at this time.

20. Segmented Disclosure

The Town of Creston has identified the General Government, Municipal Share of RCMP Costs, Protective Services, Transportation Services, Sanitation and Waste Removal, Cemetery Services, Community Planning, Recreation, Water Utility and Sewer Collection and Treatment as distinguishable activities of the municipality for which it is appropriate to separately report financial information.

The nature of the activities of these identified segments are as follows:

The General Government function provides for the on-going daily operations for the municipality

The Municipal Share of RCMP Costs - function are the activities associated with the cost of having the RCMP detachment in Creston including the officers, administrative and victim services staff, jailing costs as well as building costs.

The Protective Services function includes fire department, building inspection, animal control and bylaw compliance and enforcement services.

The Health and Welfare function is divided into two distinct services, Sanitation and Waste Removal and Cemetery Services.

Recreation and Community Services are divided into two distinct services, the Community Planning function administer all land development applications as zoning and Official Community Plan management, and the Recreation Services function takes care of the parks and trails in Creston.

The Water Utility function is a self funded service which is responsible for the procurement and delivery of drinking water throughout the municipality.

The Sewer Utility function is a self fund services which is responsible for the collection and treatment of wastewater for residences, commercial and industry.

The financial activities of these segments are reported in the following Schedule of Consolidated Operations by Segment (Schedule 3).

Town of Creston
Notes to the Consolidated Financial Statements
for the year ended December 31, 2020

21. Accumulated Surplus

	2020	2019
Unappropriated Surplus/(Deficit)		
General Fund	\$ 2,688,445	\$ 1,094,501
Water Fund	2,077,611	1,692,777
Sewer Fund	1,897,555	1,751,768
Capital Surplus	1,086,996	1,086,996
	<u>7,750,607</u>	<u>5,626,042</u>
Less: Amount to be funded in future years (Internal debt)	(2,000,000)	(2,000,000)
Less: Non-financial component (prepaids & inventory)	(434,311)	(443,564)
Amount available to finance operations	<u>5,316,296</u>	<u>3,182,478</u>
Non-Statutory Reserves		
Operating Reserves	311,149	242,949
LILO	151,055	471,563
Operating Capital Replacement Reserves	2,668,584	2,298,058
	<u>3,130,788</u>	<u>3,012,570</u>
Statutory Reserves		
Property purchase reserve	-	134,910
Parking reserve	33,647	33,204
Water district reserve	122,161	109,238
	<u>155,808</u>	<u>277,352</u>
Subtotal	<u>8,602,892</u>	<u>6,472,400</u>
Equity in Tangible Capital Assets	<u>39,925,174</u>	<u>36,162,282</u>
Add back unappropriated surplus amounts not available to finance operations	2,434,311	2,443,565
	<u>\$ 50,962,377</u>	<u>\$ 45,078,247</u>

The Unappropriated Surplus is the amount of Accumulated Surplus remaining after deducting the other appropriated surplus balances (see below). 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, to the extent that it is available as cash. In 2005 year, the Town used \$2.0M to finance the acquisition of LILO Assets (Notes 5 & 18), this amount will be repaid by future payments from FortisBC LILO revenues; full repayment is estimated to occur by 2023.

The Non-Statutory and Statutory Reserves are Accumulated Surplus that have been set-aside by decision of Council for a specified purpose. The Statutory Reserves have been established by bylaw in accordance with the *Community Charter* and their use is restricted by the related bylaw and legislation. 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.

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

22. Subsequent Event

COVID-19

Subsequent to the year ended December 31, 2020, the world-wide pandemic of a novel coronavirus, COVID-19, began a third wave. The way of life has been significantly impacted for all residents of Creston. In turn, the Town has had to significantly alter the way it operates in order to be able to continue to provide the many essential services in the community. The Town has reviewed the financial impacts and determined that although there will be revenue losses and some unanticipated new expenses, those can be offset by Covid-19 Safe Restart Grant received from the Federal and Provincial Governments. The Town of Creston is endeavouring to keep operations functioning in a safe sustainable manner throughout this challenging time for all.

Fire Hall Project

The project to build a new fire hall is continuing in 2021. Subsequent to the year ended December 31, 2020, the Town determined that it had to do a redesign to accommodate for high increased costs of construction caused by the Covid-19 affects on the economy. It was also determined by Council to increase the budget for the actual building construction costs from \$5.4 million to \$7.0 million. It is anticipated that construction will start in the spring of 2021 into 2022. As authorized by the electorate through referendum, the Town will borrow up to \$4.5 million dollars to complete the project and may do so in tranches with timing and amounts related to the project's progress.

Schedule I

Town of Creston
Consolidated Schedule of Tangible Capital Assets
Year Ended December 31, 2020

	Historical Cost:										2020		2019	
	Land	Buildings	Equipment/ Furniture/ Vehicles	Engineering Structures	Water	Sewer	Drainage	Streets	Other	Tangible Capital Assets	WIP	Total	Total	Total
Opening Balance	\$ 2,834,750	\$ 3,892,894	\$ 5,156,233	\$ 12,456,121	\$ 21,768,490	\$ 4,704,016	\$ 18,507,980	\$ 4,428,833	\$ 5,357,153	\$ 654,940	\$ 79,761,409	\$ 77,076,411		
Additions	418,863	67,386	441,225	198,734	341,670	228,090	668,928	134,034	-	2,959,427	5,458,357	3,028,078		
Disposals			(179,931)		(17,340)	(19,095)	(49,314)				(265,680)	(343,080)		
Closing Balance, Dec. 31	3,253,612	3,960,281	5,417,527	12,654,855	22,092,820	4,913,010	19,127,593	4,562,867	5,357,153	3,614,367	84,954,085	79,761,409		
Accumulated Amortization:														
Opening Balance		1,596,746	3,512,861	4,182,465	10,832,150	2,625,970	11,481,831	2,790,721	2,219,397		39,242,141	37,310,212		
Amortization Expense		104,206	291,504	239,173	549,784	61,924	558,810	131,617	153,062		2,090,080	2,104,131		
Effects of Disposals			(179,931)		(13,525)	(15,931)	(47,028)				(256,415)	(172,202)		
Closing Balance, Dec. 31	-	1,700,952	3,624,434	4,421,638	11,368,409	2,671,963	11,993,613	2,922,338	2,372,459	-	41,075,806	39,242,141		
Net book value for year ended December 31, 2020	\$ 3,253,612	\$ 2,259,329	\$ 1,793,093	\$ 8,233,217	\$ 10,724,411	\$ 2,241,047	\$ 7,133,980	\$ 1,640,529	\$ 2,984,694	\$ 3,614,367	\$ 43,878,279	\$ 40,519,268		

Town of Creston
Consolidated Schedule Surplus and Reserves
Year Ended December 31, 2020

SCHEDULE 2

	Balances, Beginning of Year	Contributions From Operations	Withdrawals for Capital Purposes	Withdrawals for Operating Purposes	Interest Earnings	Balances, End of Year
OPERATING FUND SURPLUS						
SURPLUS						
General Fund Surplus	\$ 1,094,501	\$ 113,193	\$ -	\$ -	\$ -	1,207,694
COVID 19 Safe Start Grant Surplus	-	\$ 1,648,000	-	\$ (167,249)	-	1,480,751
Water Fund Surplus	1,692,777	384,834	-	-	-	2,077,611
Sewer Fund Surplus	1,751,768	145,787	-	-	-	1,897,555
	<u>\$ 4,539,046</u>	<u>\$ 2,291,814</u>	<u>\$ -</u>	<u>\$ (167,249)</u>	<u>\$ -</u>	<u>\$ 6,663,611</u>
NON STATUTORY RESERVES						
LILO Reserve	471,563	37,566	(358,074)	-	-	151,055
Health Promotion & EDC Reserve	67,608	29,348	-	(3,828)	-	93,128
Green Initiatives Reserve	121,777	30,516	(7,496)	(500)	-	144,297
Engineering Reserve	56,643	10,232	-	-	-	66,875
Cemetery Operating Reserve	(3,079)	9,928	-	-	-	6,849
	<u>714,512</u>	<u>117,590</u>	<u>(365,570)</u>	<u>(4,328)</u>	<u>-</u>	<u>462,204</u>
CAPITAL REPLACEMENT RESERVES						
Public works equipment reserve	271,558	216,000	(282,263)	-	-	205,295
Fire equipment replacement reserve	236,371	126,338	(95,371)	-	-	267,338
Infrastructure Reserve	350,129	315,822	(150,000)	-	-	515,951
Wastewater treatment plant reserve	1,440,000	240,000	-	-	-	1,680,000
	<u>2,298,058</u>	<u>898,160</u>	<u>(527,634)</u>	<u>-</u>	<u>-</u>	<u>2,668,584</u>
TOTAL OPERATING FUND SURPLUS	<u>7,551,616</u>	<u>3,307,564</u>	<u>(893,204)</u>	<u>(171,577)</u>	<u>-</u>	<u>9,794,399</u>
CAPITAL FUND SURPLUS						
General Capital Fund Surplus	190,536	-	-	-	-	190,536
Water Capital Fund Surplus	321,995	-	-	-	-	321,995
Sewer Capital Fund Surplus	574,465	-	-	-	-	574,465
	<u>1,086,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,086,996</u>
STATUTORY RESERVES						
Property purchase reserve	134,910	-	(136,070)	-	1,160	-
Parking reserve	33,204	-	-	-	443	33,647
Water district reserve	109,238	16,312	(4,482)	-	1,093	122,161
	<u>277,352</u>	<u>16,312</u>	<u>(140,552)</u>	<u>-</u>	<u>2,696</u>	<u>155,808</u>
TOTAL SURPLUS AND RESERVES	<u>\$ 8,915,964</u>	<u>\$ 3,323,876</u>	<u>\$ (1,033,756)</u>	<u>\$ (171,577)</u>	<u>\$ 2,696</u>	<u>\$ 11,037,203</u>

Town of Creston
Schedule of Consolidated Operations by Segment
Year Ended December 31, 2020

	General Government	Municipal Share of RCMP Costs	Health & Welfare						Recreation and Community Services				2020 Total	2019 Total	
			Protection Services	Transportation	Sanitation and Waste Removal	Cemetery Services		Community Planning	Recreation	Water Utility	Sewer Utility	Unallocated			
						Removal	Services								
Revenue															
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of services and rents	575,733	47,657	3,780	235,470	137,955	78,764	-	-	-	-	-	-	-	5,438,506	\$ 5,409,919
Government transfers	3,064	-	468,187	-	-	-	-	-	-	-	-	-	-	1,768,513	1,487,559
Investment income	6,940	-	-	-	-	-	-	-	-	-	-	-	-	5,017,700	1,223,035
Utility user fees and connection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	312,548	378,064
Development Cost Charge Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	3,200,890	2,766,193
Developer Asset Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,174
Other	332,643	30,036	315,338	40,888	-	-	-	-	-	-	-	-	-	508,880	292,995
	918,380	77,693	629,262	828,193	235,470	137,955	78,864	23,007	1,784,610	4,791,511	7,271,528	16,776,473	12,365,619		
Expenses															
Salaries and Wages	1,253,579	41,460	762,956	560,734	13,419	101,460	249,329	187,355	124,967	562,412	-	-	-	3,857,671	3,743,885
Goods and Services	684,428	1,116,833	438,677	513,560	292,643	20,357	12,808	63,731	857,409	550,791	-	-	-	4,551,237	4,296,248
Debt Financing	199,575	10,071	-	-	-	-	-	-	-	59,394	-	-	-	269,040	280,661
Amortization	153,062	-	-	558,810	-	-	-	-	239,173	549,784	589,251	-	-	2,090,080	2,104,131
Other	73,796	-	2,500	-	4,758	-	-	-	23,753	19,508	-	-	-	124,315	274,898
	2,364,440	1,168,364	1,204,133	1,633,104	310,820	121,817	262,137	251,086	1,245,302	1,741,889	589,251	10,892,343	10,699,823		
Total	\$ (1,446,060)	\$ (1,090,671)	\$ (574,871)	\$ (804,911)	\$ (75,350)	\$ 16,138	\$ (183,273)	\$ (228,079)	\$ 539,308	\$ 3,049,622	\$ 6,682,277	\$ 5,884,130	\$ 1,665,796		

NOTICE TO READER

On the basis of information provided by management, you have compiled the Schedule of Provincial COVID 19 Safe Restart Grant Utilization for the Town of Creston as at December 31, 2020.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that this schedule may not be appropriate for their purpose.

Apex Accounting

Chartered Professional Accountants

Creston, BC
May 11, 2021

Town of Creston
Schedule of Provincial COVID 19 Safe Restart Grant Utilization
Year Ended December 31, 2020
(unaudited)

SCHEDULE 4

COVID 19 Safe Restart Grant Revenue	\$ 1,648,000
Operating Costs	
Supplies	15,251
Extra Cleaning Labour	61,924
Emergency Operations Centre	17,764
Communications	8,811
IT Improvement	31,863
Community Services	5,000
Equipment Rentals & Costs	10,451
Fire Department Costs	6,948
Sick Pay	9,237
Total	<u>167,249</u>
Remaining Grant Funds (included in General Fund Surplus)	<u><u>1,480,751</u></u>

The Town of Creston

SCHEDULE SHOWING REMUNERATION AND EXPENSES PAID FOR 2020

1. 6 (2) (a) Elected Officials

NAME	POSITION	REMUNERATION	EXPENSES
Comer, Jenn	Councillor	15,686	545
DeBoon, Arnold	Councillor	15,686	530
Elford, Jim	Councillor	15,786	605
Tzakis, Ellen	Councillor	15,686	669
Toyota, Ron	Mayor	31,471	923
Unruh, Karen	Councillor	15,686	110
Wilson, Joanna	Councillor	15,686	477
Total Elected Officials		\$ 125,687	\$ 3,857

2. 6 (2) (b) Employees Exceeding \$75,000

NAME	POSITION	REMUNERATION	EXPENSES
Beddoes, Ross	Director of Municipal Services, Approving Officer, Chief Building Official	130,080	2,195
Farynowski, Colin	Manger of Engineering	129,235	1,428
Johnston, L. Trent	Utilities Chargehand	76,471	
Klassen, Steffan	Director of Finance & Corporate Services	135,121	3,291
Mendoza, Hilario	Utilities - Operator	76,361	99
Moore, Michael	Chief Administrative Officer	169,471	4,407
Ostendorf, Keith	Fleet Supervisor	84,981	637
Riel, Jared	Fire Chief	86,109	3,771
Schmidt, Ferdinand	Director of Infrastructure Services	118,609	1,313
Sommerfeld, Ervin	Building Inspector	81,872	1,275
Todaro, Toby	Utilities - Chief Operator	106,807	2,422
Valer, Brent	Mechanic	75,816	500
Ziefflie, Brad	Public Works Superintendent	94,873	175
		\$ 1,365,806	\$ 21,512

6 (2) (c) Employees Remuneration

\$75,000 or less	\$ 1,812,847	\$ 55,189
Total Employees	\$ 3,178,653	\$ 76,700

3. Reconciliation

	REMUNERATION
Total Elected Officials	\$ 125,688
Total Employees	3,178,653
Subtotal	\$ 3,304,341
Total	\$ 3,304,341

Included in Statement of Revenue and Expenditure

Town of Creston – Statement of Financial Information

SCHEDULE SHOWING PAYMENTS MADE FOR THE PROVISION OF GOODS OR SERVICES

1. Alphabetical list of suppliers who received aggregate payments exceeding \$25,000

Supplier name	Aggregate amount paid to supplier
As per attached list	\$ 13,558,129
Deduct grants below	\$ 0
C	\$
Total aggregate amount paid to suppliers	\$ 13,558,129

2. Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less

	\$ 1,521,949
--	---------------------

3. Total of payments to suppliers for grants and contributions exceeding \$25,000

Consolidated total of grants exceeding \$25,000	\$ 0
Consolidated total of contributions exceeding \$25,000	\$ 0
Consolidated total of all grants and contributions exceeding \$25,000	\$ 0

4. Reconciliation

Total of aggregate payments exceeding \$25,000 paid to suppliers	\$ <u>13,558,129</u>
Consolidated total of payments of \$25,000 or less paid to suppliers	\$ <u>1,521,949</u>
Consolidated total of all grants and contributions exceeding \$25,000	\$ <u>0</u>
Reconciling items*	\$(<u>4,187,736</u>)
Total per Statement of Revenue and Expenditure	\$ <u>10,892,342</u>

- * The Town prepares the schedule of payments based on actual disbursements processed through its Accounts Payable system. This provides assurance on completeness as the reported amounts are reconciled to the financial system cheque register and electronic funds transfer records. The schedule of payments is a "cash basis" listing. This figure therefore will differ significantly from the expenditures in the consolidated financial statements which are reported on an accrual basis resulting in timing differences. Furthermore, there are disbursements which are not considered expenditures including payments made to other taxing jurisdictions, tangible capital asset additions, employee payroll deductions, debt principal repayments. Conversely there are expenditures which do not involve an actual disbursement (in addition to accruals) such as amortization.

TOWN OF CRESTON
YTD Paid Report



AP5070

Page : 1

Date : May 17, 2021

Time : 4:08 pm

Supplier Code From : 00001
 To : STMP000022

Sequence : By Name **Date Range** From : 01-Jan-2020
 To : 31-Dec-2020

Categories From : 35 - Paper Products Supplier
 To : W - Subcontractors

Suppress Printing for \$ Under 25,000.00

Supplier Code	Name	Total
10108	1ST ACTION CONTRACTING LTD.	43,756.91
10107	3-D CONCRETE	58,710.75
10951	AARDVARK PAVEMENT MARKING SERVICES	28,814.00
1758	ASSOCIATED ENGINEERING ALBERTA LTD	56,941.67
10912	ASSOCIATED FIRE SAFETY	27,762.88
13900	BC ASSESSMENT AUTHORITY	41,605.81
18515	BF ROOFING LTD.	131,913.83
15001	BOUNDARY ELECTRIC	51,215.36
15431	BRANDT TRACTOR LTD.	174,006.03
16105	CANADIAN PACIFIC RAILWAY COMPANY	82,179.70
16350	CANADIAN UNION OF PUBLIC EMPLOYEES - LOCAL 2092	28,937.28
16348	CapriCMW INSURANCE SERVICES LTD.	73,637.00
10919	CARVER CONSTRUCTION LTD.	2,028,250.61
16389	CENTRALSQUARE CANADA SOFTWARE INC	26,483.18
16040	CIBC VISA (by EFT)	163,823.97
16600	COMFORT WELDING LTD.	48,339.06
17709	CRESTON VALLEY REGIONAL AIRPORT SOCIETY	59,496.96
0444	EMCO CORPORATION	90,174.31
2701	FORTIS BC - Electricity	296,987.38
2705	FORTISBC - NATURAL GAS	79,991.07
5390	GREAT WEST LIFE ASSURANCE COMPANY	174,406.75
5502	GUDJONSON FARMS	35,636.18
5514	GUILLEVIN INTERNATIONAL CIE/CO	26,536.87
8600	INSURANCE CORPORATION OF BRITISH COLUMBIA	28,538.00
0397	JOHNSTON DAVIDSON ARCHITECTURE + PLANNING	261,540.44
2180	KEMLEE EQUIPMENT LTD.	111,969.09
16845	KLEYSER GROUP LTD	43,236.18
2583	KOKANEE FORD SALES LTD.	140,817.02
6494	LABATT BREWING COMPANY LIMITED	43,958.00
6160	LORNE D MANN "IN TRUST"	411,087.95
6252	MAYDAY ELECTRIC LTD.	44,999.83
6404	MINISTER OF FINANCE	140,247.16
7880	MUNICIPAL INSURANCE ASSOCIATION OF BC	35,763.39
7905	MUNICIPAL PENSION PLAN	461,275.50
7909	MUNICIPAL PENSION PLAN - Group 5	49,985.35
8090	NAPA AUTO PARTS	47,761.98
0081	ONEDAY COMMUNITY PARTNERS	28,125.96
2002	PACIFIC BLUE CROSS (by EFT)	90,727.10
2045	PARAGON STRATEGIC SERVICES LTD.	48,643.72
2255	PFSL FUND MANAGEMENT LTD.	70,537.60
2463	POWER PAVING	63,903.00
6297	RECEIVER GENERAL FOR CANADA - RCMP	50,254.73
6298	RECEIVER GENERAL FOR CANADA - THE COMMISSIONER	1,025,664.55
6300	RECEIVER GENERAL FOR CANADA - FULL TIME	737,777.06
6301	RECEIVER GENERAL FOR CANADA - PART TIME	146,085.57
6500	REGIONAL DIST. CENTRAL KOOTENAY - DEBENTURES	514,846.43
6501	REGIONAL DIST. OF CENTRAL KOOTENAY - SUN	3,711,690.51
6506	REGIONAL DISTRICT OF EAST KOOTENAY	218,048.42
8407	SFJ Inc. (EFT)	86,218.07
9005	SHA-DAINE HOLDINGS LTD.	46,476.32
8901	SHOPAS EXCAVATING	142,668.74
9004	STATES MARILIN	49,186.43

**TOWN OF CRESTON
YTD Paid Report**



AP5070

Page : 2

Date : May 17, 2021

Time : 4:08 pm

Supplier Code From : 00001

To : STMP000022

Sequence : By Name

Date Range From : 01-Jan-2020

To : 31-Dec-2020

Categories From : 35 - Paper Products Supplier

To : W - Subcontractors

Suppress Printing for \$ Under

25,000.00

Supplier Code	Name	Total
39088	SULLIVAN STONE COMPANY LTD	62,281.36
40206	TERUS CONSTRUCTION LTD.	48,833.24
48058	TIP-IT WASTE SOLUTIONS INC	297,335.35
46670	WHITE & CLEAN JANITORIAL SERVICE	77,535.66
47646	WORKSAFE BC	72,730.18
46383	WSP CANADA GROUP INC	235,699.41
47703	Z-KO CONSTRUCTION LTD.	82,072.19
Total Suppliers Equal and Over		25,000.00
		13,558,129.05
Other Suppliers Under		25,000.00
		1,521,948.99
Total Of Printed Suppliers :		15,080,078.04

2020
Town of Creston – Statement of Financial Information

TOWN OF CRESTON

STATEMENT OF SEVERANCE AGREEMENTS

There were no severance agreements made between the Town of Creston and its non-unionized employees during fiscal year 2020.

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

2020

Town of Creston – Statement of Financial Information

TOWN OF CRESTON

STATEMENT OF FINANCIAL INFORMATION FOR 2020

Schedule of guarantee and indemnity agreements

"This organization has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation."

Town of Creston

Municipal Finance Authority - 2020 Annual Debt Position Report

	Issue	LA/CB	Term	Amount Borrowed	Principal Paid	Interest Paid	Actuarial Recognized	Balance Outstanding	Interest Rate	Maturity Date
Sewer - WWTP	124	15	15	1,494,000.00	74,612.00	47,061.00	19,795.98	904,692.45	3.15%	April 8, 2028
Sewer - BVF Cover	114	1707	15	606,000.00	41,376.51	11,802.34	0	281,975.40	3.65%	March 29, 2026
LILO	97	1611	17	3,360,000.00	141,787.03	165,648.00	94,298.80	766,444.24	5.50%	April 19, 2023
Fire Truck	112	1734	10	270,000.00	22,488.55	10,071.00	9,519.73	0.00	3.73%	October 26, 2020
Member Total				<u>5,730,000.00</u>	<u>280,264.09</u>	<u>234,582.34</u>	<u>123,614.51</u>	<u>1,953,112.09</u>		