

**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, 2021 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	<input type="checkbox"/>	No	<input type="checkbox"/>
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 Date Reviewed: \_\_\_\_\_ Deficiencies Addressed: 

Yes	<input type="checkbox"/>	No	<input type="checkbox"/>
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 Approved (SFO): \_\_\_\_\_ Further Action Taken: \_\_\_\_\_

Distribution: Legislative Library  Ministry Retention

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
<b>General</b>					
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
<b>Statement of Assets &amp; Liabilities</b>					
2	<ul style="list-style-type: none"> <li>• A balance sheet prepared in accordance with GAAP or stated accounting principles / policies, and</li> <li>• Show changes in equity and surplus or deficit due to operations</li> </ul>	Y			
<b>Operational Statement</b>					
3 (1)	Prepared in accordance with GAAP or stated accounting principles / policies and consists of: <ul style="list-style-type: none"> <li>• a Statement of Income or Statement of Revenue and Expenditures, and</li> <li>• a Statement of Changes in Financial Position</li> </ul>	Y			
3 (2) 3 (3)	<ul style="list-style-type: none"> <li>• The Statement of Changes in Financial Position may be omitted if it provides no additional information</li> <li>• The omission must be explained in the notes</li> </ul>			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.
<b>Schedule of Debts</b>					
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"> <li>• The schedule may be omitted if addressed under section 2 or 5 and it provides no additional information</li> <li>• The omission must be explained in a note to the schedule</li> </ul>			N/A	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
<b>Schedule of Guarantee and Indemnity Agreements</b>					
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"> <li>• The schedule may be omitted if addressed under section 2 or 4 and it provides no additional information</li> <li>• The omission must be explained in a note to the schedule</li> </ul>			N/A	
<b>Schedule of Remuneration and Expenses</b> (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
<b>Schedule of Remuneration and Expenses</b> (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"> <li>• the number of severance agreements under which payment commenced in the fiscal year being reported on for non-union employees, and</li> <li>• the range of equivalent months' compensation for them</li> </ul> (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	
<b>Schedule of Suppliers of Goods or Services</b> (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			

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	
<b>Approval of Financial Information</b>					
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 <a href="http://www.gov.bc.ca/cas/popt/">http://www.gov.bc.ca/cas/popt/</a> )	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			

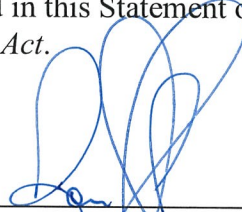
**TOWN OF CRESTON**

**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 14, 2022



\_\_\_\_\_  
Mayor Ron Toyota  
Council Member on behalf of Council  
June 14, 2022

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



# Town of Creston

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**FINANCIAL STATEMENT  
2021**

# TOWN OF CRESTON

## INDEX TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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<b>Management Report</b>	2
<b>Independent Auditors' Report</b>	3-4
<b>Financial Statements</b>	
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Changes in Net Financial Assets	7
Consolidated Statement of Cash Flows	8
Summary of Significant Accounting Policies	9-11
Notes to Consolidated Financial Statements	11-20
Schedule 1 Consolidated Schedule of Tangible Capital Assets	21
Schedule 2 Consolidated Schedule of Surplus and Reserves	22
Schedule 3 Schedule of Consolidated Operations by Segment	23
Schedule 4 Schedule of Provincial COVID 19 Safe Restart Grant Utilization	24



## 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 10, 2022

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## INDEPENDENT AUDITORS' REPORT

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### 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, 2021, 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, 2021, 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*

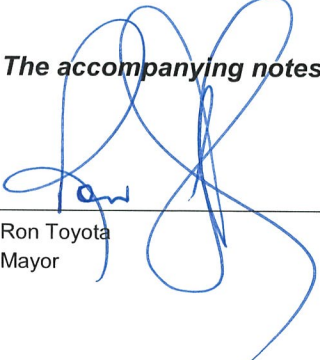
**Chartered Professional Accountants**

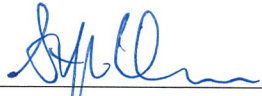
Creston, BC  
May 10, 2022

**Town of Creston**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at December 31, 2021**

	2021	2020
<b>Financial Assets</b>		
Cash and investments (Note 2)	\$ 11,900,433	\$ 10,827,535
Accounts receivable (Note 3)	843,364	1,044,084
MFA deposits (Note 4)	341,478	265,732
Loans receivable (Note 5)	2,092,980	2,103,175
	<u>15,178,255</u>	<u>14,240,526</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities (Note 6)	2,766,695	1,877,982
Deferred revenue (Notes 7 & 8)	1,314,083	932,496
Development cost charges (Note 9)	592,460	561,417
Reserve MFA	341,478	265,732
Long-term debt (Note 11)	6,566,512	3,953,112
	<u>11,581,228</u>	<u>7,590,739</u>
<b>Net Financial Assets</b>	3,597,027	6,649,787
<b>Non-financial assets</b>		
Tangible capital assets (Notes 1 & 12, Schedule 1)	48,901,006	43,878,279
Property Purchase Deposit (Note 19)	204,103	-
Supply inventory	327,652	325,577
Prepaid expenses	130,678	108,734
	<u>49,563,439</u>	<u>44,312,590</u>
<b>Accumulated surplus</b>	<u>\$ 53,160,466</u>	<u>\$ 50,962,377</u>
<b>Represented by:</b>		
Operating fund (Schedule 2)	9,562,679	9,794,399
Capital fund (Schedule 2)	1,086,996	1,086,996
Statutory reserve fund (Schedule 2)	176,289	155,808
Equity in tangible capital assets (Note 13)	42,334,502	39,925,174
	<u>\$ 53,160,466</u>	<u>\$ 50,962,377</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, 2021**

	2021 Budget	2021	2020
<b>Revenue</b>			
Property Taxes (Note 14)	\$ 5,600,762	\$ 5,605,053	\$ 5,430,944
Grants in Lieu of Taxes	6,200	9,743	7,562
Sale of services (Note 15)	2,181,068	2,002,698	1,768,513
Government transfers (Note 17)	2,757,298	1,795,544	5,017,700
Investment income	114,000	279,439	312,547
Utility user fees and connection charges	3,336,786	3,346,724	3,200,890
Developer Asset Contributions	-	-	508,880
Other	1,408,906	586,916	529,436
	<b>15,405,020</b>	<b>13,626,117</b>	<b>16,776,472</b>
<b>Expenses</b>			
General government	2,152,426	1,960,798	1,974,907
Municipal contribution for RCMP services	1,206,962	1,153,811	1,158,293
Protective services	1,605,408	1,360,438	1,204,133
Transportation	1,236,520	1,132,187	1,074,294
Health and Welfare	487,326	419,176	432,637
Recreation and Community Services	658,397	711,653	513,222
Water Services	1,066,811	1,117,306	1,006,129
Sewer Services	266,370	245,146	208,581
Waste water treatment plant operation	851,143	866,965	924,130
Debt financing	288,001	306,098	269,040
Bank Charges	3,100	5,306	4,995
Amortization (Note 1, Schedule 1)	2,070,000	2,118,900	2,090,080
Loss from sale/write down of tangible capital assets	-	7,608	9,265
Capital Lease (Note 18)	22,636	22,636	22,636
	<b>11,915,100</b>	<b>11,428,028</b>	<b>10,892,342</b>
<b>Annual surplus</b>	<b>3,489,920</b>	<b>2,198,089</b>	<b>5,884,130</b>
<b>Accumulated surplus at beginning of year</b>	<b>50,962,377</b>	<b>50,962,377</b>	<b>45,078,247</b>
<b>Accumulated surplus at end of year</b>	<b>\$ 54,452,297</b>	<b>\$ 53,160,466</b>	<b>\$ 50,962,377</b>

*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, 2021**

	2021 Budget	2021	2020
<b>Annual surplus</b>	\$ 3,489,920	\$ 2,198,089	\$ 5,884,130
Acquisition of tangible capital assets	(9,501,316)	(7,149,235)	(5,458,357)
Amortization of tangible capital assets	2,070,000	2,118,900	2,090,080
Loss from sale/write down of tangible capital assets	-	7,608	9,265
	(3,941,396)	(2,824,638)	2,525,118
Acquisition of supply inventory		(223,269)	(114,316)
Acquisition of prepaid expense		(148,086)	(138,819)
Deposit made on property purchase		(204,103)	-
Consumption of supply inventory		221,194	145,735
Use of prepaid expense		126,142	116,655
		(228,122)	9,255
<b>Increase (decrease) in net financial assets</b>	(3,941,396)	(3,052,760)	2,534,373
<b>Net financial assets at beginning of year</b>	6,649,787	6,649,787	4,115,414
<b>Net financial assets at end of year</b>	\$ 2,708,391	\$ 3,597,027	\$ 6,649,787

*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, 2021**

<b>(Indirect method)</b>	<b>2021</b>	<b>2020</b>
<b>Operating transactions:</b>		
Annual surplus	\$ 2,198,089	\$ 5,884,130
Non-cash and non-financial items:		
Amortization	2,118,900	2,090,080
Increase in prepaid expenses	(21,944)	(22,164)
Increase in Property Purchase Deposit	(204,103)	-
Decrease (increase) in supply inventory	(2,075)	31,417
Loss from sale/write down of tangible capital assets	7,608	9,265
Changes to financial assets/liabilities:		
Decrease in accounts receivable	200,720	35,807
Decrease (increase) in MFA cash deposits	(75,746)	15,511
Decrease in loan receivable	10,195	9,896
Increase in accounts payable	888,713	359,053
Increase (decrease) in deferred revenue	381,587	(23,954)
Increase in development cost charges	31,043	24,609
Increase (decrease) in other restricted revenue	75,746	(1,511)
Cash provided by operating transactions	5,608,733	8,398,139
<b>Capital transactions:</b>		
Acquisition of tangible capital assets	(7,149,235)	(5,458,357)
<b>Financing transactions:</b>		
Debt repayment	(259,286)	(280,264)
Proceeds of MFA Loan for Creston Emergency Services Building	3,000,000	-
Actuarial Adjustments	(127,314)	(123,612)
Cash applied to financing transactions	2,613,400	(403,876)
<b>Increase in cash and investments</b>	<b>1,072,898</b>	<b>2,535,906</b>
<b>Cash and investments at beginning of year</b>	<b>10,827,535</b>	<b>8,291,629</b>
<b>Cash and investments at end of year</b>	<b>\$ 11,900,433</b>	<b>\$ 10,827,535</b>
<b>Represented by</b>		
Bank deposits and petty cash	(1,200,499)	1,253,810
Investments	13,100,932	9,573,725
	<b>\$ 11,900,433</b>	<b>\$ 10,827,535</b>

**Town of Creston**  
**Notes to the Consolidated Financial Statements**  
**for the year ended December 31, 2021**

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**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. Unconditional government transfers are recognized upon receipt. 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, provision for contingencies, inventory valuation and obsolescence, impairment of long-lived assets, accrued liabilities, fair value of investments, pension plans, and deferred revenue. Actual results could differ from management's best estimates as additional information becomes available in the future.



**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, 2021**

**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, 2021.

**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**

	<b>2021</b>	<b>2020</b>
Restricted cash and investments		
Statutory Reserves (Schedule 2)	\$ 176,289	\$ 155,808
Restricted Revenues (Notes 8 and 9)	946,021	1,108,448
	<u>1,122,310</u>	<u>1,264,256</u>
Unrestricted cash and investments	10,778,123	9,563,279
<b>Total cash and investments</b>	<b><u>\$ 11,900,433</u></b>	<b><u>\$ 10,827,535</u></b>

**Town of Creston**  
**Notes to the Consolidated Financial Statements**  
**for the year ended December 31, 2021**

**3. Accounts Receivable**

	2021	2020
Property Taxes	\$ 301,225	\$ 368,256
Other Governments	423,165	483,016
Trade and other	118,974	192,812
<b>Total accounts receivable</b>	<b>\$ 843,364</b>	<b>\$ 1,044,084</b>

**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:

	2021	2020
Cash deposits	\$ 110,686	\$ 79,189
Demand notes	230,792	186,543
	<b>\$ 341,478</b>	<b>\$ 265,732</b>

**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, 2021 was \$67,979.

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**

	2021	2020
Other governments	\$ 638,529	\$ 679,748
Accrued wages and benefits	716,413	541,368
Trade and other	1,411,753	656,866
	<b>\$ 2,766,695</b>	<b>\$ 1,877,982</b>

**Town of Creston**  
**Notes to the Consolidated Financial Statements**  
**for the year ended December 31, 2021**

**7. Deferred Revenue**

	2021		2020
Prepaid taxes	\$ 139,922	\$	89,776
Deposits	558,105		82,627
Federal gas tax (Note 8)	353,561		547,031
Other	262,495		213,062
	<u>\$ 1,314,083</u>	\$	<u>932,496</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.

	2021		2020
Federal Gas Tax Agreement Funds			
Opening balance of unspent funds	\$ 547,031	\$	729,300
Add: Amount received during the year	573,854		280,466
Interest earned	941		5,452
Less: Amount spent on eligible project costs	(768,265)		(468,187)
Closing balance of unspent funds	<u>\$ 353,561</u>	\$	<u>547,031</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	\$ 413,230	\$ 21,139	\$ 3,797	\$ -	\$ 438,166
Parkland Reserve	148,187	4,745	1,362	-	154,294
	<u>\$ 561,417</u>	<u>\$ 25,884</u>	<u>\$ 5,159</u>	<u>\$ -</u>	<u>\$ 592,460</u>

Reserve by Bylaw	Roads	Water	Sanitary	Storm	Parks	Total
Duganville (BL 839)	\$ -	\$ 16,891	\$ 3,826	\$ 23,979	\$ -	\$ 44,696
Parks Reserve (BL 1264)	\$ -	\$ -	\$ -	\$ -	\$ 154,294	\$ 154,294
McLaren (BL 1331)	\$ -	\$ 6,000	\$ -	\$ -	\$ -	\$ 6,000
Alice Siding (BL 1463)	\$ 529	\$ 172,132	\$ 53,609	\$ 60	\$ -	\$ 226,330
Alice Siding (BL 1712)	\$ 93,959	\$ 16,505	\$ 38,054	\$ -	\$ 12,622	\$ 161,140
Grand Total:	<u>\$ 94,488</u>	<u>\$ 211,528</u>	<u>\$ 95,489</u>	<u>\$ 24,039</u>	<u>\$ 166,916</u>	<u>\$ 592,460</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, 2021, the balance of funds held in trust was \$224,580 (2020 - \$205,011).

**Town of Creston**  
**Notes to the Consolidated Financial Statements**  
**for the year ended December 31, 2021**

**11. Long-Term Debt**

Purpose	By-law	Remaining Term	Rate	2021	2020
<b>GENERAL FUND</b>					
<b>Debenture Debt</b>					
Prepaid Capital Lease	1769	2	4.93% ( a )	520,915	766,444
Emergency Services Building	1872	30	2.58% ( a )	3,000,000	-
Prepaid Capital Lease - Inter-fund borrowing (Note 5)				2,000,000	2,000,000
				<u>5,520,915</u>	<u>2,766,444</u>
<b>SEWER FUND</b>					
<b>Debenture Debt</b>					
Water Pollution BVF Cover	1734	5	3.65%	239,089	281,975
WWTP Upgrade	1707	7	3.15% ( a )	806,508	904,693
				<u>1,045,597</u>	<u>1,186,668</u>
				<u><b>\$ 6,566,512</b></u>	<u><b>\$ 3,953,112</b></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
2022	212,885	119,064	331,949
2023	212,885	120,687	333,572
2024	71,098	122,368	193,466
2025	71,098	124,111	195,209
2026	71,098	125,918	197,016
2027 and subsequent	<u>1,777,451</u>	<u>149,224</u>	<u>1,926,675</u>
	2,416,515	761,372	3,177,887
Actuarial addition *	<u>3,104,400</u>	<u>284,225</u>	<u>3,388,625</u>
	<u><b>\$ 5,520,915</b></u>	<u><b>\$ 1,045,597</b></u>	<u><b>\$ 6,566,512</b></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, 2021**

**12. Tangible Capital Assets**

	<b>2021</b>		<b>2020</b>
	Net Book		Net Book
	Value		Value
Land	\$ 3,265,249	\$	3,253,612
Building	2,184,828		2,259,329
Machinery and Equipment	1,669,033		1,793,093
Engineering structures			
Water	8,222,660		8,233,217
Sewer	13,974,754		10,724,411
Drainage	2,303,258		2,241,047
Roads	6,868,410		7,133,980
Other	1,544,337		1,640,529
Other Tangible Capital Assets	2,831,632		2,984,694
WIP	6,036,845		3,614,367
<b>Total</b>	<b>\$ 48,901,006</b>	<b>\$</b>	<b>43,878,279</b>

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:

	<b>2021</b>		<b>2020</b>
Proof:			
Equity in Physical Assets, opening	\$ 39,925,174	\$	36,162,282
Add:			
Capital Acquisitions	7,149,235		5,458,357
Debt principal repayment	259,286		280,264
Actuarial Adjustments	127,315		123,616
Less:			
Net Proceeds from the issue of debt	(3,000,000)		-
Proceeds of Disposition			
Loss on Disposals	(7,608)		(9,265)
Amortization	(2,118,900)		(2,090,080)
	<b>\$ 42,334,502</b>	<b>\$</b>	<b>39,925,174</b>

**Town of Creston**  
**Notes to the Consolidated Financial Statements**  
**for the year ended December 31, 2021**

**14. Net Taxation**

	<b>2021</b>	<b>2020</b>
General Municipal purposes	\$ 4,785,903	\$ 4,617,188
Collections for other governments		
Provincial Education	1,835,589	1,547,758
Regional Hospital District - East Kootenay	307,081	217,833
Municipal Finance Authority	193	184
BC Assessment Authority	42,810	41,545
Regional District of Central Kootenay	2,786,691	2,649,692
	<u>9,758,267</u>	<u>9,074,200</u>
Transfers to other governments		
Provincial Education	1,835,589	1,547,758
Regional Hospital District - East Kootenay	307,081	217,833
Municipal Finance Authority	193	184
BC Assessment Authority	42,810	41,545
Regional District of Central Kootenay	2,786,690	2,649,692
	<u>4,972,363</u>	<u>4,457,012</u>
Net Municipal Taxes	4,785,904	4,617,188
Water and Sewer Funds - Frontage Taxes	819,149	813,756
	<u>\$ 5,605,053</u>	<u>\$ 5,430,944</u>

**15. Sale of Services, User Rates, Rentals**

	<b>2021</b>	<b>2020</b>
Sale of cemetery plots and burial charges	\$ 77,276	\$ 52,407
Regional District - cemetery	87,259	85,548
- fire protection and rescue	560,223	550,256
Provincial - fire suppression and rescue	108,250	16,996
Fines	46,368	55,473
Licences and permits	158,944	134,505
Rents	617,130	572,492
Solid Waste Collection and Disposal Fees	281,738	235,470
Concessions and franchises	65,510	65,366
Total	<u>\$ 2,002,698</u>	<u>\$ 1,768,513</u>

**16. Expenditure by Object**

	<b>2021</b>	<b>2020</b>
Goods and Services	\$ 4,589,042	\$ 4,551,237
Interest and Finance Charges	306,098	269,040
Salaries, wages and benefits	4,293,025	3,857,671
Amortization	2,118,900	2,090,080
Other	120,963	124,314
	<u>\$ 11,428,028</u>	<u>\$ 10,892,342</u>

**Town of Creston**  
**Notes to the Consolidated Financial Statements**  
**for the year ended December 31, 2021**

**17. Government Transfers**

		<b>2021</b>	<b>2020</b>
Federal:	Conditional transfers	\$ 1,202,794	\$ 2,787,897
	Unconditional transfers	-	-
Provincial:	Conditional transfers	18,750	3,064
	Unconditional transfers	574,000	2,226,739
Total		<u>\$ 1,795,544</u>	<u>\$ 5,017,700</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 (2022), 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 trusteed 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, 2021, the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 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 2021, the Town paid \$281,065 (2020 - \$262,969) 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.

- 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.



**19. Commitments and Contingencies (Continued)**

- 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.
- e. The Town and School District No. 8 entered into a property purchase agreement in 2021 which closed on January 13, 2022. At December 31, 2021 the Town was committed to purchasing a portion of the land know as Kinsmen Park and had already made a \$204,103 deposit with the School District's attorney for its share of the property.

**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, 2021**

**21. Accumulated Surplus**

	2021	2020
Unappropriated Surplus/(Deficit)		
General Fund	\$ 1,685,669	\$ 2,688,445
Water Fund	2,296,525	2,077,611
Sewer Fund	1,794,036	1,897,555
Capital Surplus	1,086,996	1,086,996
	<u>6,863,226</u>	<u>7,750,607</u>
Less: Amount to be funded in future years (Internal debt)	(2,000,000)	(2,000,000)
Less: Non-financial component (prepaids & inventory)	(458,330)	(434,311)
Amount available to finance operations	<u>4,404,896</u>	<u>5,316,296</u>
 Non-Statutory Reserves		
Operating Reserves	362,417	311,149
LILO	68,227	151,055
Operating Capital Replacement Reserves	3,355,805	2,668,584
	<u>3,786,449</u>	<u>3,130,788</u>
 Statutory Reserves		
Property purchase reserve	-	-
Parking reserve	33,956	33,647
Water district reserve	142,333	122,161
	<u>176,289</u>	<u>155,808</u>
Subtotal	<u>8,367,634</u>	<u>8,602,892</u>
Equity in Tangible Capital Assets	<u>42,334,502</u>	<u>39,925,174</u>
 Add back unappropriated surplus amounts not available to finance operations	<u>2,458,330</u>	<u>2,434,311</u>
	<u><u>\$ 53,160,466</u></u>	<u><u>\$ 50,962,377</u></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 2022.

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. COVID-19**

COVID-19 is still continuing to have an impact on the Town's operations. The way of life has been significantly impacted for all residents of Creston. In turn, the Town has had to alter the way it operates in order to be able to continue to provide the many essential services in the community. The Town has experienced revenue losses, some new operating expenses and increase costs for capital projects, those have been offset by Covid-19 Safe Restart Grant received from the Federal and Provincial Governments. The most significant impact experienced by the Town was increased cost of construction of the Creston Emergency Services Building, a significant amount of the overage has been offset by the Covid-19 Safe Restart Grant. The Town of Creston is endeavouring to keep operations functioning in a safe sustainable manner throughout this challenging time for all.

**23. Long-term Borrowing Subsequent to December 31, 2021**

On April 8, 2022, the Town of Creston, completed its borrowing for the new Creston Emergency Services Building. The borrowing was done on Creston's behalf by the Regional District Central Kootenay through the Municipal Finance Authority. The borrowing was for \$1,500,000 with a 30 year amortization. The interest rate was 3.36% for the initial 10 years. After 10 years, the bond will be refinanced at the market rate current at that time.

Schedule 1

**Town of Creston**  
**Consolidated Schedule of Tangible Capital Assets**  
**Year Ended December 31, 2021**

			Equipment/ Furniture/ Engineering Structures					Other Tangible Capital Assets			2021	2020
	Land	Buildings	Vehicles	Water	Sewer	Drainage	Streets	Other	Capital Assets	WIP	Total	Total
<b>Historical Cost:</b>												
Opening Balance	\$ 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	\$ 84,954,086	\$ 79,761,409
Additions	11,636	28,530	187,593	237,807	3,799,308	126,711	293,115	42,056	-	2,422,478	7,149,235	5,458,357
Disposals	-	-	(280,571)	(13,586)				-			(294,157)	(265,680)
Closing Balance, Dec. 31	3,265,249	3,988,811	5,324,549	12,879,076	25,892,128	5,039,721	19,420,708	4,604,923	5,357,153	6,036,845	91,809,163	84,954,086
<b>Accumulated Amortization:</b>												
Opening Balance	-	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
Amortization Expense		103,031	311,653	240,756	548,965	64,500	558,685	138,248	153,062		2,118,900	2,090,080
Effects of Disposals	-		(280,571)	(5,978)							(286,549)	(256,415)
Closing Balance, Dec. 31	-	1,803,983	3,655,516	4,656,416	11,917,374	2,736,463	12,552,298	3,060,586	2,525,521	-	42,908,157	41,075,806
<b>Net book value for year ended December 31, 2021</b>	<b>\$ 3,265,249</b>	<b>\$ 2,184,828</b>	<b>\$ 1,669,033</b>	<b>\$ 8,222,660</b>	<b>\$ 13,974,754</b>	<b>\$ 2,303,258</b>	<b>\$ 6,868,410</b>	<b>\$ 1,544,337</b>	<b>\$ 2,831,632</b>	<b>\$ 6,036,845</b>	<b>\$ 48,901,006</b>	<b>\$ 43,878,280</b>

**Town of Creston**  
**Consolidated Schedule Surplus and Reserves**  
**Year Ended December 31, 2021**

**SCHEDULE 2**

	Balances, Beginning of Year	Contributions From Operations	Withdrawals for Capital Purposes	Withdrawals for Operating Purposes	Interest Earnings	Balances, End of Year
<b>OPERATING FUND SURPLUS</b>						
<b>SURPLUS</b>						
General Fund Surplus	\$ 1,207,694	\$ 308,033	\$ -	\$ -	\$ -	\$ 1,515,727
COVID 19 Safe Start Grant Surplus	1,480,751	-	(1,110,000)	(200,809)	-	169,942
Water Fund Surplus	2,077,611	437,621	(218,707)	-	-	2,296,525
Sewer Fund Surplus	1,897,555	785,078	(888,597)	-	-	1,794,036
	<u>6,663,611</u>	<u>1,530,732</u>	<u>(2,217,304)</u>	<u>(200,809)</u>	<u>-</u>	<u>5,776,230</u>
<b>NON STATUTORY RESERVES</b>						
LIFO Reserve	151,055	56,810	(139,638)	-	-	68,227
Health Promotion & EDC Reserve	93,128	36,353	-	-	-	129,481
Green Initiatives Reserve	144,297	30,516	(39,590)	-	-	135,223
Engineering Reserve	66,875	384	-	-	-	67,259
Cemetery Operating Reserve	6,849	23,605	-	-	-	30,454
	<u>462,204</u>	<u>147,668</u>	<u>(179,228)</u>	<u>-</u>	<u>-</u>	<u>430,644</u>
<b>CAPITAL REPLACEMENT RESERVES</b>						
Public works equipment reserve	205,295	195,000	(104,422)	-	-	295,873
Fire equipment replacement reserve	267,338	116,877	-	-	-	384,215
Infrastructure Reserve	515,951	365,266	(125,500)	-	-	755,717
Wastewater treatment plant reserve	1,680,000	240,000	-	-	-	1,920,000
	<u>2,668,584</u>	<u>917,143</u>	<u>(229,922)</u>	<u>-</u>	<u>-</u>	<u>3,355,805</u>
<b>TOTAL OPERATING FUND SURPLUS</b>	<u>9,794,399</u>	<u>2,595,543</u>	<u>(2,626,454)</u>	<u>(200,809)</u>	<u>-</u>	<u>9,562,679</u>
<b>CAPITAL FUND SURPLUS</b>						
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>
<b>STATUTORY RESERVES</b>						
Property purchase reserve	-	-	-	-	-	-
Parking reserve	33,647	-	-	-	309	33,956
Water district reserve	122,161	19,050	-	-	1,122	142,333
	<u>155,808</u>	<u>19,050</u>	<u>-</u>	<u>-</u>	<u>1,431</u>	<u>176,289</u>
<b>TOTAL SURPLUS AND RESERVES</b>	<u>\$ 11,037,203</u>	<u>\$ 2,614,593</u>	<u>\$ (2,626,454)</u>	<u>\$ (200,809)</u>	<u>\$ 1,431</u>	<u>\$ 10,825,964</u>

**Town of Creston**  
**Schedule of Consolidated Operations by Segment**  
**Year Ended December 31, 2021**

	General Government	Municipal Share of RCMP Costs	Protection Services	Transportation	Health & Welfare		Recreation and Community Services		Water Utility	Sewer Utility	Unallocated	2021 Total	2020 Total
					Sanitation and Waste Removal	Cemetery Services	Community Planning	Recreation					
<b>Revenue</b>													
Taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 388,365	\$ 430,784	\$ 4,795,647	\$ 5,614,796	\$ 5,438,506
Sale of services and rents	560,620	97,583	703,581	3,800	281,738	164,535	125,332	-	-	-	65,509	2,002,698	1,768,513
Government transfers	3,135	-	268,020	520,481	-	-	4,785	-	-	425,123	574,000	1,795,544	5,017,700
Investment income	37,038	-	-	-	-	-	-	-	19,092	21,499	201,872	279,501	312,548
Utility user fees and connection charges	-	-	-	-	-	-	-	-	1,326,520	2,020,204	-	3,346,724	3,200,890
Development Cost Charge Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Developer Asset Contributions	-	-	-	-	-	-	-	-	-	-	-	-	508,880
Other	244,130	25,959	16,365	28,146	-	-	400	196,577	-	-	75,277	586,854	529,436
	844,923	123,542	987,966	552,427	281,738	164,535	130,517	196,577	1,733,977	2,897,610	5,712,305	13,626,117	16,776,473
<b>Expenses</b>													
Salaries and Wages	1,304,992	24,912	886,758	611,866	13,712	104,463	308,862	273,787	216,943	546,730	-	4,293,025	3,857,671
Goods and Services	623,807	1,128,899	471,180	520,322	277,603	17,467	53,826	75,179	875,950	544,809	-	4,589,042	4,551,237
Debt Financing	188,147	60,150	-	-	-	-	-	-	-	57,801	-	306,098	269,040
Amortization	153,062	-	-	558,685	-	-	-	-	240,756	548,965	617,432	2,118,900	2,090,080
Other	67,550	-	2,500	-	5,931	-	-	-	24,413	20,569	-	120,963	124,315
	2,337,558	1,213,961	1,360,438	1,690,873	297,246	121,930	362,688	348,966	1,358,062	1,718,874	617,432	11,428,028	10,892,343
<b>Total</b>	<b>\$ (1,492,635)</b>	<b>\$ (1,090,419)</b>	<b>\$ (372,472)</b>	<b>\$ (1,138,446)</b>	<b>\$ (15,508)</b>	<b>\$ 42,605</b>	<b>\$ (232,171)</b>	<b>\$ (152,389)</b>	<b>\$ 375,915</b>	<b>\$ 1,178,736</b>	<b>\$ 5,094,873</b>	<b>\$ 2,198,089</b>	<b>\$ 5,884,130</b>

**Town of Creston**  
**Schedule of Provincial COVID 19 Safe Restart Grant Utilization**  
**Year Ended December 31, 2021**

**SCHEDULE 4**

	2021	2020
Beginning Balance	\$ 1,480,751	\$ -
COVID 19 Safe Restart Grant Revenue	-	1,648,000.00
Operating Costs		
Supplies	4,189	15,251
Extra Cleaning Labour	102,833	61,924
Emergency Operations Centre		17,764
Communications	66,699	8,811
IT Improvement	-	31,863
Community Services	-	5,000
Equipment Rentals & Costs	18,203	10,451
Fire Department Costs	1,685	6,948
Sick Pay	7,200	9,237
Total	<u>200,809</u>	<u>167,249</u>
Capital Costs		
Contribution towards Excess		
Emergency Services Building Costs	1,110,000	-
Remaining Grant Funds (included in General Fund Surplus)	<u>\$ 169,942</u>	<u>\$ 1,480,751</u>

# The Town of Creston

## SCHEDULE SHOWING REMUNERATION AND EXPENSES PAID FOR 2021

1. 6 (2) (a) Elected Officials

NAME	POSITION	REMUNERATION	EXPENSES
Baldwin, Keith	Councillor	3,351	-
Comer, Jenn	Councillor	15,843	384
DeBoon, Arnold	Councillor	15,843	928
Eisler, Norman	Councillor	3,351	-
Elford, Jim	Councillor	15,843	866
Tzakis, Ellen	Councillor	6,094	154
Toyota, Ron	Mayor	31,685	1,675
Unruh, Karen	Councillor	4,396	326
Wilson, Joanna	Councillor	15,843	261
Total Elected Officials		\$ 112,250	\$ 5,532

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

NAME	POSITION	REMUNERATION	EXPENSES
Beddoes, Ross	Director of Municipal Services, Approving Officer, Chief Building Official	130,936	961
Farynowski, Colin	Manger of Engineering	130,123	709
Johnston, L. Trent	Utilities Chargehand	75,545	0
Klassen, Steffan	Director of Finance & Corporate Services	136,092	3,516
Moore, Michael	Chief Administrative Officer	158,334	3,212
Ostendorf, Keith	Fleet Supervisor	78,197	0
Riel, Jared	Fire Chief	86,569	2,842
Schmidt, Ferdinand	Director of Infrastructure Services	119,303	1,286
Todaro, Toby	Utilities - Chief Operator	107,501	344
Valer, Brent	Mechanic	80,514	0
Jeff Webb	Waste Water Treatment Plan Operator	75,773	0
Ziefflie, Brad	Public Works Superintendent	95,443	39
		\$ 1,274,330	\$ 12,909

6 (2) (c) Employees Remuneration

\$75,000 or less	\$ 2,155,968	\$ 24,148
Total Employees	\$ 3,430,298	\$ 37,057

3. Reconciliation

	REMUNERATION
Total Elected Officials	\$ 112,250
Total Employees	3,430,298
Subtotal	\$ 3,542,548
Total	\$ 3,542,548

Included in Statement of Revenue and Expenditure



## Town of Creston – Statement of Financial Information

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### 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	\$ 16,985,802
Deduct grants below	\$ 0
C	\$
<b>Total aggregate amount paid to suppliers</b>	<b>\$ 16,985,802</b>

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

	\$ 1,499,112
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**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>15,486,690</u>
Consolidated total of payments of \$25,000 or less paid to suppliers	\$ <u>1,499,112</u>
Consolidated total of all grants and contributions exceeding \$25,000	\$ <u>0</u>
Reconciling items*	\$( <u>5,557,774</u> )
Total per Statement of Revenue and Expenditure	\$ <u><b>11,428,028</b></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**  
**TD Paid Report**



AP5070

Page : 1

Date : May 10, 2022

Time : 2:52 pm

Supplier Code From : 00001  
 To : STMP000022

Sequence : By Name Date Range From : 01-Jan-2021  
 To : 31-Dec-2021

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

Suppress Printing for \$ Under 25,000.00

Supplier Code	Name	Total
0315	ALL ELEMENTS INDUSTRIES	32,318.11
0758	ASSOCIATED ENGINEERING ALBERTA LTD	119,921.98
0912	ASSOCIATED FIRE SAFETY	101,665.36
0900	BC ASSESSMENT AUTHORITY	42,878.96
0350	CANADIAN UNION OF PUBLIC EMPLOYEES - LOCAL 2092	29,367.90
0348	CapriCMW INSURANCE SERVICES LTD.	77,615.00
0919	CARVER CONSTRUCTION LTD.	1,507,780.33
0999	CHANDOS CONSTRUCTION LTD.	2,819,864.84
0040	CIBC VISA (by EFT)	211,310.59
0600	COMFORT WELDING LTD.	42,982.57
0598	CRESTON HOME HARDWARE BUILDING CENTRE	25,581.99
0709	CRESTON VALLEY REGIONAL AIRPORT SOCIETY	88,831.74
0171	CROZIER ENTERPRISES (by VISA)	32,049.92
0983	CUBEX LTD.	46,178.47
0919	DESTINATION BRITISH COLUMBIA	44,816.03
0920	DOODLE DEVELOPMENT LTD.	27,000.00
0101	EAGLE MAPPING LTD.	34,125.00
0444	EMCO CORPORATION	151,252.58
0701	FORTIS BC - Electricity	205,433.30
0705	FORTISBC - NATURAL GAS	85,625.02
0662	FULTON & COMPANY LLP IN TRUST	204,103.19
0405	GREEN ROADS RECYCLING LTD.	276,323.25
0514	GUILLEVIN INTERNATIONAL CIE/CO	36,974.10
0600	INSURANCE CORPORATION OF BRITISH COLUMBIA	30,821.00
0397	JOHNSTON DAVIDSON ARCHITECTURE + PLANNING	193,690.44
0180	KEMLEE EQUIPMENT LTD.	78,378.54
0845	KLEYSER GROUP LTD	35,658.39
0583	KOKANEE FORD SALES LTD.	73,110.57
0252	MAYDAY ELECTRIC LTD.	54,568.68
0030	MEQUIPCO LTD	32,140.60
0382	MOUNTAIN SPARKLE CLEANING INC	47,982.38
0880	MUNICIPAL INSURANCE ASSOCIATION OF BC	43,076.63
0905	MUNICIPAL PENSION PLAN	468,620.01
0909	MUNICIPAL PENSION PLAN - Group 5	54,921.37
0090	NAPA AUTO PARTS	38,058.67
0002	PACIFIC BLUE CROSS (by EFT)	232,545.80
0463	POWER PAVING	199,447.05
0298	RECEIVER GENERAL FOR CANADA - THE COMMISSIONER	1,087,392.41
0300	RECEIVER GENERAL FOR CANADA - FULL TIME	789,684.46
0301	RECEIVER GENERAL FOR CANADA - PART TIME	165,182.89
0500	REGIONAL DIST. CENTRAL KOOTENAY - DEBENTURES	482,286.88
0501	REGIONAL DIST. OF CENTRAL KOOTENAY - SUN	3,717,312.67
0506	REGIONAL DISTRICT OF EAST KOOTENAY	307,099.00
0107	SFJ Inc. (EFT)	113,303.45
0001	SHOPAS EXCAVATING	206,159.60
0004	STATES MARILIN	43,503.54
0088	SULLIVAN STONE COMPANY LTD	28,651.70
0058	TIP-IT WASTE SOLUTIONS INC	318,360.26
0004	TRI-KON PRECAST PRODUCTS LTD	28,704.62
0000	TROJAN TECHNOLOGIES	36,772.85
0075	TURN-KEY CONTROLS	48,573.61
0070	VIMAR EQUIPMENT LTD	58,006.81

**TOWN OF CRESTON  
YTD Paid Report**



AP5070

Page : 2

Date : May 10, 2022

Time : 2:52 pm

**Supplier Code** From : 00001  
To : STMP000022

**Sequence :** By Name      **Date Range From :** 01-Jan-2021  
To : 31-Dec-2021

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

**Suppress Printing for \$ Under** 25,000.00

Supplier Code	Name	Total
46448	WATT CONSULTING GROUP	50,249.06
46508	WESTERN TANK & LINING LTD	53,539.36
47646	WORKSAFE BC	80,948.55
46383	WSP CANADA INC	43,937.86
<b>Total Suppliers Equal and Over</b>		25,000.00
<b>Other Suppliers Under</b>		25,000.00
<b>Total Of Printed Suppliers :</b>		<b>16,985,802.41</b>

2021  
Town of Creston – Statement of Financial Information

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*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 2021.

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

2021

Town of Creston – Statement of Financial Information

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**SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS**

The Town of Creston has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.