



Financial Statements

The Corporation of the Village of Fruitvale

December 31, 2020

THE CORPORATION OF THE VILLAGE OF FRUITVALE

December 31, 2020

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THE CORPORATION OF THE VILLAGE OF FRUITVALE
REPORT FROM THE CHIEF ADMINISTRATIVE OFFICER

It is my pleasure to present the Corporation of the Village of Fruitvale's 2020 audited Financial Statements, which includes the Independent Auditors' Report.

The financial statements are prepared by management in compliance with Section 167 of the Community Charter and in accordance with generally accepted accounting principles, as recommended by the Public Sector Accounting Board. Management is responsible for implementing and maintaining a system of internal controls to ensure that reliable financial statements and schedules are prepared, that the Village's assets are safeguarded, and that these financial statements are consistent with other reporting requirements of the Financial Information Act. Village Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and ensuring that internal controls are maximized.

These financial statements were audited by Grant Thornton, LLP, Chartered Professional Accountants. Their responsibility is to express an opinion on the financial statements based on the results of their audit. Their report concludes that these financial statements present fairly, in all material aspects, the financial position of the Village as at December 31, 2020. The external auditors have full and free access to Village Council.

Respectfully submitted,

Original signed by:

Kelli Tuttle
Chief Administrative Officer

Independent Auditor's Report

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

Opinion

We have audited the financial statements of The Corporation of the Village of Fruitvale (the "Village"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, change in net financial assets (debt) and cash flows and schedules 1 and 2 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 Village as at December 31, 2020, and its results of operations and its cash flows in accordance with Canadian public sector accounting standards.

Basis for opinion

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

Other matter

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Exhibits included in the Supplemental Financial Information section are presented for purposes of additional analysis and are not a required part of the financial statements. Such supplemental information has not been subject to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on them.

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Independent Auditor's Report (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

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.

Trail, Canada
May 10, 2021

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Chartered Professional Accountants

THE CORPORATION OF THE VILLAGE OF FRUITVALE
STATEMENT OF FINANCIAL POSITION
AS AT December 31, 2020

	2020	2019
FINANCIAL ASSETS		
Cash (Note 2)	\$ 3,757,681	\$ 2,138,605
Accounts receivable (Note 4)	322,983	388,141
Deposits, Municipal Finance Authority (Note 5)	25,000	25,000
	4,105,664	2,551,746
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	306,698	347,495
Deferred revenue (Note 7)	1,423,655	1,011,781
MFA debt reserve (Note 5)	25,000	25,000
Equipment financing	11,506	14,443
Debenture debt (Note 8)	2,337,579	2,393,327
	4,104,438	3,792,046
NET FINANCIAL ASSETS (NET DEBT)	1,226	(1,240,300)
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	12,592,136	12,770,707
Prepaid expenses	50,397	17,329
Other	376,271	359,835
ACCUMULATED SURPLUS (Note 9)	\$13,020,030	\$11,907,571

Original signed by: Kelli Tuttle

 Chief Administrative Officer

Original signed by: Steve Morissette

 Mayor

THE CORPORATION OF THE VILLAGE OF FRUITVALE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED December 31, 2020

	BUDGET (Note 14)	2020	2019
REVENUES			
Taxation, grants in lieu, assessments (Note 10)	\$ 3,002,635	\$ 3,018,896	\$ 2,895,066
Payments to other authorities (Note 10)	(1,896,645)	(1,907,728)	(1,841,336)
Taxation for village purposes (Note 10)	1,105,990	1,111,168	1,053,730
Sales of services	457,049	472,062	436,701
Other revenue from own sources	211,727	327,903	228,731
Government transfers (Note 11)	981,580	1,418,806	710,690
Cost recoveries	37,500	27,758	19,996
Investment income	3,000	6,381	7,285
Loss on disposal of tangible capital assets	-	(3,573)	-
	2,796,846	3,360,505	2,457,133
EXPENSES			
General government services	784,165	1,159,214	1,282,665
Protective services	23,603	28,125	22,715
Transportation services	537,057	484,361	525,731
Environmental health services	56,202	55,090	49,208
Public health and welfare services	24,422	18,544	25,951
Environment development services	140,924	113,488	137,464
Recreation and cultural services	166,407	119,647	128,467
Sewer operations	365,833	440,978	382,212
	2,098,613	2,419,447	2,554,413
SURPLUS (DEFICIT) BEFORE OTHER	698,233	941,058	(97,280)
Government transfers for capital (Note 11)	276,454	171,401	623,603
SURPLUS	974,687	1,112,459	526,323
ACCUMULATED SURPLUS, beginning of year	11,907,571	11,907,571	11,381,248
ACCUMULATED SURPLUS, end of year	\$12,882,258	\$13,020,030	\$11,907,571

THE CORPORATION OF THE VILLAGE OF FRUITVALE
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)
YEAR ENDED December 31, 2020

	BUDGET (Note 14)	2020	2019
ANNUAL SURPLUS	974,687	\$ 1,112,459	\$ 526,323
Acquisition of tangible capital assets	(1,037,500)	(473,771)	(916,889)
Amortization of tangible capital assets	-	641,725	599,114
Proceeds on sale of tangible capital assets	-	701	-
Transfer of capital assets to land inventory	-	6,343	-
Loss on disposal of tangible capital assets	-	3,573	-
	(62,813)	1,291,030	208,548
Change in other assets	-	(16,436)	(192,422)
Change in prepaid expenses	-	(33,068)	(3,163)
INCREASE IN NET DEBT	(62,813)	1,241,526	12,963
NET DEBT, BEGINNING OF YEAR	(1,240,300)	(1,240,300)	(1,253,263)
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR	(1,303,113)	\$ 1,226	\$ (1,240,300)

THE CORPORATION OF THE VILLAGE OF FRUITVALE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED December 31, 2020

	2020	2019
OPERATING TRANSACTIONS		
Annual surplus	\$ 1,112,459	\$ 526,323
Non-cash items:		
Amortization	641,725	599,114
Loss on disposal of tangible capital assets	3,573	-
Changes to financial assets/liabilities:		
Accounts receivable	65,158	737,399
Prepaid expenses	(33,068)	(3,163)
Inventory	(16,436)	(192,422)
Accounts payable and accrued liabilities	(40,797)	(384,273)
Unearned revenue	411,874	403,706
	2,144,488	1,686,684
FINANCING TRANSACTIONS		
Repayment of debenture debt and short term borrowing	(58,685)	(54,370)
Proceeds from new long term leases	-	14,688
CAPITAL TRANSACTIONS		
Tangible capital assets acquired	(467,428)	(916,889)
Proceeds on disposal of tangible capital assets	701	-
	(466,727)	(916,889)
INCREASE IN CASH	1,619,076	730,113
CASH, beginning of year	2,138,605	1,408,492
CASH, end of year	\$ 3,757,681	\$ 2,138,605

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

A) BASIS OF PRESENTATION

The financial statements are the responsibility of management and prepared in accordance with Canadian public sector accounting standards ("PSAS"). The resources and operations of the Corporation of the Village of Fruitvale (the "Village") are segregated into various funds for accounting and financial reporting purposes.

On March 11, 2020, the World Health Organization officially declared the COVID-19 outbreak a pandemic. The pandemic has forced governments to implement extraordinary measures to slow the progress of infections and to stabilize disrupted economies and financial markets. The Village has deployed initiatives in order to protect the health and safety of its employees, to support its residents and to mitigate the impact of the crisis, while ensuring continuity of its activities. Management will continue to monitor and assess the situation and respond accordingly.

B) FUNDS OF THE VILLAGE

The operations of the Village are divided into a number of funds with specific purposes. The financial statements include all the the accounts of the funds. All interfund transactions and balances have been eliminated within the financial statements. Fund statements are presented as supplementary information to the financial statements. The basic funds are briefly described as follows:

Capital Funds - These funds are used to reflect tangible capital assets offset by related long-term debt and investment in tangible capital assets.

General Operating Fund - This fund is the main fund of the municipality and is used to reflect the normal municipal operating activities including collection of taxation, administering operations, roads, policing, servicing general debt, etc.

Reserve Funds - These funds have been created to hold assets and to provide monies for specific purposes.

Sewer Operating Fund - This fund has been established as a self-liquidating fund to cover the costs of operating this utility.

C) REVENUE RECOGNITION

Taxation

Annual levies for non-optional municipal services and general administrative services are recorded as taxes for Village purposes. Levies imposed by other taxing authorities are not included as taxes for Village purposes. Taxes are recognized as revenue in the year they are levied. The Village is not reliant on revenue from any single taxpayer.

Fees and charges

Charges for transportation, environmental health, permits, water and wastewater, etc. are recorded on the accrual basis and recognized when earned.

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

C) REVENUE RECOGNITION - Continued

Government transfers

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

Investment income

Investment income is recorded on the accrual basis and recognized when earned. To the extent that the investments have no stated rate of return, investment income is recognized as it is received.

Gains from disposal of tangible capital assets

Gains from the disposal of tangible capital assets are recognized at the time of disposal.

D) LIABILITY FOR CONTAMINATED SITES

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- an environmental standard exists;
- contamination exceeds the environmental standard;
- the Village is directly responsible and accepts responsibility; and
- a reasonable estimate of the amount can be made.

The liability would include all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. To date, no liability has been recorded.

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

E) TANGIBLE CAPITAL ASSETS

Tangible capital assets, comprised of capital assets and capital work-in-progress, are recorded at cost and are classified according to their functional use. Amortization is recorded on a straight-line basis over the estimated useful life of the asset commencing the year the asset is put in to service. Work in progress is not amortized. Donated tangible capital assets are reported at the time of the donation. Estimated useful lives are as follows:

Land improvements	15 to 100 years
Buildings	10 to 50 years
Fixtures, furniture, machinery, equipment and vehicles	5 to 20 years
Technology	5 years
Roads	15 to 75 years
Bridges and other transportation structures	50 to 100 years
Sewer infrastructure	30 to 75 years
Drainage infrastructure	75 to 100 years

F) BUDGET

Budget figures shown represent the initial Five Year Financial Plan Bylaw No. 919 as adopted by Council May 4, 2020. Subsequent amendments may have been made to reflect changes in expenditures approved by Council and required by law.

G) ACCRUAL ACCOUNTING

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based upon cost of goods and services consumed.

H) USE OF ESTIMATES

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where necessary. Amortization is based on the estimated useful lives of tangible capital assets.

I) SEGMENTS

The Village conducts its business through a number of reportable segments. These operating segments are established by senior management to facilitate the achievement of the Village's long-term objectives to aid in resource allocation decisions, and to assess operational performance.

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

2. CASH

Cash includes \$2,177,460 (2019 - \$1,072,279) of money not available to fund the day-to-day operations of the Village. Of this total, \$39,048 (2019 - \$33,665) is held in term deposits earning interest at 2.20% to 2.50% per annum.

3. OPERATING LINE OF CREDIT

The Village has available a \$1,681,000 operating line of credit with Kootenay Savings Credit Union bearing interest at the Credit Union's prime lending rate; secured by Bylaw. As at the year end date, the Credit Union's prime lending rate of interest was 3.50% per annum. No amounts have been drawn on this line of credit.

4. ACCOUNTS RECEIVABLE

	2020	2019
Taxes	\$ 179,099	\$ 132,208
Federal Government	44,658	28,730
Regional District of Kootenay Boundary	67,894	80,079
Provincial Government	10,000	131,886
Other	21,332	15,238
	\$ 322,983	\$ 388,141

5. DEBT RESERVE FUND

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 debt agreements. The Authority pays into the Debt Reserve Fund these moneys from which interest earned thereon less administrative expenses becomes an obligation to the regional districts.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020	2019
Trade payables	\$ 291,055	\$ 330,173
Employee accrued liabilities	15,643	17,317
	\$ 306,698	\$ 347,490

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

7. DEFERRED REVENUE

The Village of Fruitvale records deferred revenue for funds received for services not yet rendered and recognizes the revenue during the period in which the services are provided. The Village records deferred revenue when a contract specifies how the resources are to be used and therefore funds received in advance are deferred until the period in which the requirements are met. Because these funds are restricted in nature, they are shown as liabilities.

	2019	Received	Recognized	2020
Prepaid parcel taxes	\$ 141,854			\$ 160,673
Prepaid utilities	46,155			56,489
RDKB cemetery capital grant	22,225	90,000	95,539	16,686
RDKB Beaver Valley recreation service capital grant	27,918	-	-	27,918
CBT Beaver Valley youth action	32,628	55,000	56,564	31,064
FMC - other	24,075	38,000	35,577	26,498
FMC Creekside Park	60,000	-	42,555	17,445
FMC operating	9,448	72,079	45,114	36,413
Over collected tax revenue	71,790	-	70,246	1,544
FMC roof	-	80,000	6,500	73,500
RDKB - Haines park	-	109,286	28,615	80,671
Columbia Basis Trust	-	74,840	29,572	45,268
Rural Dividend Fund	-	100,000	-	100,000
Other	11,903	71,587	34,196	49,294
UBCM gas tax (details below)	563,785	135,980	-	700,192
	\$ 1,011,781	\$ 826,772	\$ 444,478	\$ 1,423,655

The Village of Fruitvale receives Gas Tax funding provided by the Government of Canada. The use of funding is established by a funding agreement between the Village and the Union of British Columbia Municipalities. Gas Tax funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements. Gas Tax funding that is not spent in the year it is received is recorded as deferred revenue and is held until the Village undertakes an eligible project. The following provides a summary of funds received that comprise the unearned revenue amount on the statement of financial position.

	2020	2019
Opening balance of unspent funds	\$ 563,785	\$ 283,638
Add: Amount received during the year	135,980	280,147
Interest earned	427	-
Closing balance of unspent funds	\$ 700,192	\$ 563,785

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

8. DEBENTURE DEBT

The Village issues debt instruments through the Municipal Finance Authority, pursuant to security issuing bylaws to finance certain capital expenditures.

Future principal requirements and actuarial adjustments on outstanding debenture debt over the remaining term to maturity are as follows:

2021	\$ 57,421
2022	59,143
2023	60,918
2024	62,745
2025	64,628
Thereafter	2,032,724

\$ 2,337,579

Interest rate on debenture debt is 2.79% per annum.

9. ACCUMULATED SURPLUS

Accumulated surplus is represented by:

	2020	2019
Unappropriated surplus	\$ 833,057	\$ 451,452
COVID-19 restart grant (Exhibit 6)	781,188	-
	1,614,245	\$ 451,452
Capital funds	81,222	80,521
Reserve funds	758,012	622,998
Equity in tangible capital assets	10,566,551	10,752,600

\$13,020,030 \$11,907,571

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

10. REVENUES

	2020	2019
Taxation, grants in lieu, assessments:		
Property taxes	\$ 1,109,823	\$ 1,048,145
Grants in lieu of taxes	1,566	1,528
Collections for other authorities:		
Province of BC	676,415	664,606
Regional District of Kootenay Boundary	1,153,024	1,103,166
West Kootenay Boundary Regional Hospital District	65,826	66,859
BC Assessment Authority	12,189	10,712
Municipal Finance Authority	53	50
	3,018,896	2,895,066
Payments to other authorities	1,907,728	1,841,336
	\$ 1,111,168	\$ 1,053,730

11. GOVERNMENT TRANSFERS

	2020	2019
Government transfers - capital		
Provincial unconditional transfers:		
Provincial capital grants	3,050	568,123
Regional district and local governments conditional transfers	168,351	55,480
Government transfers - capital	171,401	623,603
Government transfers - non-capital		
Provincial conditional transfers:		
Province of British Columbia	5,115	55,936
Provincial unconditional transfers:		
Small Communities grant	491,809	485,633
COVID-19 safe restart	787,264	-
Federal conditional transfers:		
Other	3,981	-
Regional District of Kootenay Boundary conditional transfer:	130,637	169,121
Government transfers - non-capital	1,418,806	710,690
	\$ 1,590,207	\$ 1,334,293

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

12. CONTINGENCIES

The Corporation of the Village of Fruitvale, as a member of the Regional District of Kootenay Boundary, is jointly and severally liable for the borrowing of this authority. At December 31, 2020, the promissory note is \$36,274 (2019 - \$36,274).

The Village of Fruitvale is a member of the Municipal Insurance Association of B.C. (M.I.A.B.C.). M.I.A.B.C. is licensed to operate a reciprocal insurance exchange under section 302 of the Insurance Act. M.I.A.B.C. is a municipal self insurance program, supplying general liability coverage to their members up to a maximum of thirty five million dollars. Members are liable for their deductible and a pro-rated share of any claims exceeding their deductible.

In the normal course of a year, the Village is faced with lawsuits and claims for damages of a diverse nature. The outcome of these claims cannot be reasonably determined at this time.

13. PENSION LIABILITY

The employer and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2019, 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 actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

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.

The Corporation of the Village of Fruitvale paid \$74,368 (2019 - \$73,691) for employer contributions while employees contributed \$66,105 (2019 - \$65,617) to the plan in fiscal 2020.

The next valuation will be as 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 the individual employers participating in the Plan.

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2020

14. BUDGET RECONCILIATION

The reconciliation of the approved budget Bylaw #919 for the current year to the budget figures reported in these financial statements is as follows:

Budget surplus per Statement of Operations	\$ 974,687
Less: capital expenditures	(1,037,500)
Less: debt principal repaid	(47,666)
Less: transfers to other funds	60,479
Add: proceeds from borrowings	50,000
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	\$ -
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15. SEGMENTS

The Village provides a range of services to its ratepayers. For each reported segment, the revenue and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1.

Refer to Schedule 2 - Segmented Information

THE CORPORATION OF THE VILLAGE OF FRUITVALE
SCHEDULE 1 - SCHEDULE OF TANGIBLE CAPITAL ASSETS
AS AT December 31, 2020

	Land	Land Improvements	<u>Engineering Structures</u>		Machinery Equipment & Vehicles	Buildings	Work in Progress	2020 TOTAL	2019 TOTAL
COST									
Balance, beginning of year	\$ 912,274	\$ 1,462,125	\$ 7,315,352	\$ 2,767,395	\$ 2,806,913	\$ 6,310,956	\$ 6,343	\$ 21,581,358	\$ 20,652,469
Add: additions during the year	106,301	187,278	120,229	-	59,963	-	-	473,771	2,029,640
Less: disposals and transfers during the year	-	(5,150)	(40,498)	-	(41,145)	-	(6,343)	(93,136)	(1,112,751)
Balance, end of year	1,018,575	1,644,253	7,395,083	2,767,395	2,825,731	6,310,956	-	21,961,993	21,569,358
Accumulated Amortization									
Balance, beginning of year	-	835,097	3,815,125	749,192	1,366,352	2,044,885	-	8,810,651	8,199,537
Add: amortization	-	38,717	252,526	57,384	140,391	152,707	-	641,725	599,114
Less: accumulated amortization on disposals	-	(876)	(40,498)	-	(41,145)	-	-	(82,519)	-
Balance, end of year	-	872,938	4,027,153	806,576	1,465,598	2,197,592	-	9,369,857	8,798,651
Net Book Value 2020	\$ 1,018,575	\$ 771,315	\$ 3,367,930	\$ 1,960,819	\$ 1,360,133	\$ 4,113,364	\$ -	\$ 12,592,136	\$ 12,770,707
Net Book Value 2019	\$ 912,274	\$ 627,028	\$ 3,500,227	\$ 2,018,203	\$ 1,440,561	\$ 4,266,071	\$ 6,343	\$ -	\$ 12,770,707

Included in Machinery Equipment & Vehicles is \$222,876 (2019 - \$222,876) of leased tangible capital assets with accumulated amortization to date of \$59,434 (2019 - \$44,575).

THE CORPORATION OF THE VILLAGE OF FRUITVALE
SCHEDULE 2 - SEGMENTED INFORMATION
AS AT December 31, 2020

	General Government	Protective Services	Transportation Services	Environmental Health Services	Public health and Welfare Services	Environment Development Services	Recreation and Cultural Services	Sewer Operations	2020 Total	2019 Total
Revenue										
Taxation	\$ 882,618	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 228,550	\$ 1,111,168	\$ 1,053,730
Sales of services	105,115	-	-	-	-	-	-	366,947	472,062	436,701
Other revenues from own sources	327,903	-	-	-	-	-	-	-	327,903	228,731
Government transfers	1,586,893	-	-	-	-	-	-	3,314	1,590,207	1,334,293
Cost Recoveries	27,758	-	-	-	-	-	-	-	27,758	19,996
Investment income	6,381	-	-	-	-	-	-	-	6,381	7,285
Loss on sale of TCA	(3,573)	-	-	-	-	-	-	-	(3,573)	-
	2,933,095	-	-	-	-	-	-	598,811	3,531,906	3,080,736
Expenditure										
Salaries and benefits	356,455	2,912	236,106	21,416	12,727	41,634	55,666	109,839	836,755	967,784
Contracts and professional services	120,646	22,913	100,101	23,627	1,075	7,982	30,405	53,135	359,884	380,065
Supplies, materials and equipment	138,416	2,300	148,154	10,047	4,742	63,872	33,576	111,990	513,097	535,849
Total before debt, other fiscal services and amortization	615,517	28,125	484,361	55,090	18,544	113,488	119,647	274,964	1,709,736	1,883,698
Debt interest, fiscal services and other	57,486	-	-	-	-	-	-	10,500	67,986	71,601
Amortization	486,211	-	-	-	-	-	-	155,514	641,725	599,114
	1,159,214	28,125	484,361	55,090	18,544	113,488	119,647	440,978	2,419,447	2,554,413
Net revenue	\$ 1,773,881	\$ (28,125)	\$ (484,361)	\$ (55,090)	\$ (18,544)	\$ (113,488)	\$ (119,647)	\$ 157,833	\$ 1,112,459	\$ 526,323

THE CORPORATION OF THE VILLAGE OF FRUITVALE
EXHIBIT 1 - SCHEDULE OF CAPITAL EQUITY
YEAR ENDED December 31, 2020

(UNAUDITED)

	General Capital Fund		Sewer Capital Fund		Consolidated	
	2020	2019	2020	2019	2020	2019
Capital equity, beginning of year	\$ 6,241,973	\$ 6,628,332	\$ 4,591,148	\$ 4,133,679	\$ 10,833,121	\$ 10,762,011
Contributions to capital assets						
Capital additions from operating	413,808	105,130	59,963	811,759	473,771	916,889
Debt retirement						
Repayment of debenture debt	58,686	54,125	-	-	58,686	54,125
Repayment of short term borrowing	-	245	-	-	-	245
	58,686	54,370	-	-	58,686	54,370
Proceeds from long term borrowing	-	(14,688)	-	-	-	(14,688)
Transfer of assets to inventory	(6,343)	-	-	-	(6,343)	-
Prior year unspent borrowings	(332,750)	(432,374)	(56,914)	(243,636)	(389,664)	(676,010)
Unspent long term borrowing	323,500	389,663	-	-	323,500	389,663
Amortization of TCA	(486,211)	(488,460)	(155,514)	(110,654)	(641,725)	(599,114)
Loss on disposal of TCA	(3,573)	-	-	-	(3,573)	-
	(505,377)	(545,859)	(212,428)	(354,290)	(717,805)	(900,149)
Capital equity, end of year	\$ 6,209,090	\$ 6,241,973	\$ 4,438,683	\$ 4,591,148	\$ 10,647,773	\$ 10,833,121
Equity in capital assets is as follows:						
Financial equity	\$ 81,079	\$ 80,378	\$ 143	\$ 143	\$ 81,222	\$ 80,521
Physical equity	6,128,011	6,161,595	4,438,540	4,591,005	10,566,551	10,752,600
	\$ 6,209,090	\$ 6,241,973	\$ 4,438,683	\$ 4,591,148	\$ 10,647,773	\$ 10,833,121

THE CORPORATION OF THE VILLAGE OF FRUITVALE
EXHIBIT 2 - STATEMENT OF FINANCIAL POSITION BY FUND
YEAR ENDED December 31, 2020

(UNAUDITED)

	OPERATING		CAPITAL		Reserve Funds	2020	2019
	General	Sewer	General	Sewer			
FINANCIAL ASSETS							
Cash	\$ 3,134,683	\$ -	\$ -	\$ -	\$ 622,998	\$ 3,757,681	\$ 2,138,605
Accounts receivable	322,983	-	-	-	-	322,983	388,141
Due (to) from other funds	(697,930)	158,194	1,022,900	(618,178)	135,014	-	-
Deposits, MFA	25,000	-	-	-	-	25,000	25,000
	2,784,736	158,194	1,022,900	(618,178)	758,012	4,105,664	2,551,746
LIABILITIES							
Accounts payable and accrued liabilities	306,698	-	-	-	-	306,698	347,495
Deferred revenue	1,423,655	-	-	-	-	1,423,655	1,011,781
MFA debt reserve	25,000	-	-	-	-	25,000	25,000
Equipment financing	-	-	11,506	-	-	11,506	14,443
Debenture debt	-	-	2,337,579	-	-	2,337,579	2,393,327
	1,755,353	-	2,349,085	-	-	4,104,438	3,792,046
Net Financial Assets	1,029,383	158,194	(1,326,185)	(618,178)	758,012	1,226	(1,240,300)
Prepaid expenses	50,397	-	-	-	-	50,397	17,329
Other	376,271	-	-	-	-	376,271	359,835
Tangible capital assets	-	-	7,535,275	5,056,861	-	12,592,136	12,770,707
NET ASSETS	\$ 1,456,051	\$ 158,194	\$ 6,209,090	\$ 4,438,683	\$ 758,012	\$ 13,020,030	\$ 11,907,571
EQUITY, Financial							
Unappropriated surplus	\$ 1,456,051	\$ 158,194	-	\$ -	\$ -	\$ 1,614,245	\$ 451,452
Capital funds	-	-	81,079	143	-	81,222	80,521
Reserve funds	-	-	-	-	758,012	758,012	622,998
	1,456,051	158,194	81,079	143	758,012	2,453,479	1,154,971
EQUITY, Physical							
Tangible capital assets	-	-	6,128,011	4,438,540	-	10,566,551	10,752,600
TOTAL EQUITY	\$ 1,456,051	\$ 158,194	\$ 6,209,090	\$ 4,438,683	\$ 758,012	\$ 13,020,030	\$ 11,907,571

THE CORPORATION OF THE VILLAGE OF FRUITVALE
EXHIBIT 3 - FINANCIAL ACTIVITIES
GENERAL OPERATING FUND
YEAR ENDED December 31, 2020

(UNAUDITED)

	BUDGET	2020	2019
REVENUES			
Taxation, grants in lieu, assessments	\$ 3,002,635	\$ 2,790,346	\$ 2,704,166
Payments to other authorities	(1,896,645)	(1,907,728)	(1,841,336)
Taxation for village purposes	1,105,990	882,618	862,830
Sale of services	111,820	105,115	113,249
Other revenue from own sources	161,127	247,309	236,016
Grants	53,600	93,318	-
Cost recoveries	114,289	50,394	51,006
Conditional transfers from provincial government	10,925	5,115	55,936
Conditional transfers from regional district and other local governments	375,655	298,988	224,601
Conditional transfers from federal government	-	3,981	-
Unconditional transfers from provincial government	595,000	1,278,809	485,633
	2,528,406	2,965,647	2,029,271
EXPENSES			
General government services	713,883	615,517	722,604
Protective services	23,603	28,125	22,715
Transportation services	537,057	484,361	525,731
Environmental health services	56,202	55,090	49,208
Public health and welfare services	24,422	18,544	25,951
Environmental development services	140,924	113,488	137,464
Recreational and cultural	166,407	119,647	128,467
Debt interest, fiscal services and other	70,282	57,486	71,601
	1,732,780	1,492,258	1,683,741
EXCESS OF REVENUE OVER EXPENSES	795,626	1,473,389	345,530
Debt principal repaid	(47,666)	(58,686)	(54,369)
NET EXCESS OF REVENUE OVER EXPENSES	747,960	1,414,703	291,161
Transfers from (to) own funds and reserves:			
Cemetery care fund	(2,050)	(3,955)	(4,934)
Transfer from reserve	186,400	134,537	-
General capital fund	(598,500)	(413,808)	(105,130)
Capital reserve	(111,867)	(111,867)	(111,867)
Sewer revenue fund	-	(56,914)	(243,636)
Carbon tax reserve	-	(3,615)	(3,615)
Financing proceeds	-	-	14,688
Long term borrowings	-	389,663	676,010
Unspent long term borrowings	-	(323,500)	(389,663)
	(526,017)	(389,459)	(168,147)
NET FUND SURPLUS (DEFICIT) FOR THE YEAR	221,943	1,025,244	123,014
FINANCIAL EQUITY, BEGINNING OF YEAR	430,806	430,806	307,792
FINANCIAL EQUITY, END OF YEAR	\$ 652,749	\$ 1,456,050	\$ 430,806

THE CORPORATION OF THE VILLAGE OF FRUITVALE
EXHIBIT 4 - FINANCIAL ACTIVITIES
SEWER OPERATING FUND
YEAR ENDED December 31, 2020

(UNAUDITED)

	BUDGET	2020	2019
REVENUES			
Sewer user rates	\$ 345,229	\$ 351,536	\$ 323,452
Connection charges	-	15,411	-
Sewer parcel taxes	-	228,550	190,900
Conditional transfers from provincial government	276,454	3,314	568,123
Conditional transfers from regional district			
	621,683	598,811	1,082,475
EXPENSES			
Salaries, wages and benefits	159,671	109,839	100,754
Contracted services	76,563	53,135	68,690
Supplies, materials and equipment	119,099	111,990	102,114
Debt interest	10,500	10,500	-
	365,833	285,464	271,558
NET EXCESS OF REVENUE OVER EXPENSES	255,850	313,347	810,917
Sewer capital reserve	(154,114)	(154,114)	(211,000)
Transfer from reserve	-	4,000	-
Transfer to sewer capital	(439,000)	(59,963)	(811,759)
Transfer from general revenue	-	56,914	243,636
Internal charges	(44,300)	(22,637)	(31,010)
Proceeds from borrowings	50,000	-	-
	(587,414)	(175,800)	(810,133)
NET FUND SURPLUS (DEFICIT) FOR THE YEAR	(331,564)	137,547	784
DEFICIT, BEGINNING OF YEAR	20,648	20,648	19,864
DEFICIT, END OF YEAR	\$ (310,916)	\$ 158,195	\$ 20,648

THE CORPORATION OF THE VILLAGE OF FRUITVALE
EXHIBIT 5 - SCHEDULE OF RESERVE FUNDS
YEAR ENDED December 31, 2020

(UNAUDITED)

	Carbon Tax Reserve	Development Cost Charges Reserve	Cemetery Care and Capital Improvement Fund	Capital Reserve	2020 Total	2019 Total
ASSETS						
Cash	\$ 32,459	\$ 2,400	\$ 90,485	\$ 497,654	\$ 622,998	\$ 508,497
Due from general operating fund	3,615	-	3,955	127,444	135,014	114,501
	\$ 36,074	\$ 2,400	\$ 94,440	\$ 625,098	\$ 758,012	\$ 622,998
FUND BALANCES,						
beginning of year	\$ 32,459	\$ 2,400	\$ 90,485	\$ 497,654	\$ 622,998	\$ 291,582
Net Interest earned	-	-	-	-	-	4,934
Transfers from own fund: general operating	3,615	-	3,955	265,981	273,551	326,482
Deduct: Transfers to own fund: general operating	-	-	-	138,537	138,537	-
FUND BALANCES, end of year	\$ 36,074	\$ 2,400	\$ 94,440	\$ 625,098	\$ 758,012	\$ 622,998

THE CORPORATION OF THE VILLAGE OF FRUITVALE
EXHIBIT 6 - COVID-19 Safe Restart Grant
YEAR ENDED December 31, 2020

(UNAUDITED)

Balance, beginning of year	\$ -
Funding received	787,000
Eligible costs:	
Beaver Valley lanes lease	(600)
Emergency supplies	(5,212)
<hr/>	
Balance, end of year	\$ 781,188
