



# Financial Statements

The Corporation of the Village of Fruitvale

December 31, 2021

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**

**December 31, 2021**

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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 2021 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, 2021. The external auditors have full and free access to Village Council.

**Respectfully submitted,**

**Kelli Tuttle**  
**Acting 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, 2021, and the statements of operations, change in net financial assets 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, 2021, 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 9, 2022

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, 2021**

	<b>2021</b>	<b>2020</b>
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	\$ 4,395,851	\$ 3,757,681
Accounts receivable (Note 4)	384,425	322,983
Deposits, Municipal Finance Authority (Note 5)	25,000	25,000
	4,805,276	4,105,664
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	840,305	306,698
Deferred revenue (Note 7)	1,476,911	1,423,655
MFA debt reserve (Note 5)	25,000	25,000
Equipment financing	8,568	11,506
Debenture debt (Note 8)	2,280,158	2,337,579
	4,630,942	4,104,438
<b>NET FINANCIAL ASSETS</b>	174,334	1,226
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	13,558,364	12,592,136
Prepaid expenses	39,115	50,397
Other	10,708	376,271
<b>ACCUMULATED SURPLUS (Note 9)</b>	\$13,782,521	\$13,020,030

\_\_\_\_\_  
Chief Administrative Officer

\_\_\_\_\_  
Mayor

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED December 31, 2021**

	<b>BUDGET</b> <b>(Note 14)</b>	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>			
Taxation, grants in lieu, assessments (Note 10)	\$ 3,054,510	\$ 3,082,001	\$ 3,018,896
Payments to other authorities (Note 10)	(1,878,219)	(1,903,812)	(1,907,728)
Taxation for village purposes (Note 10)	1,176,291	1,178,189	1,111,168
Sales of services	486,964	496,622	472,062
Other revenue from own sources	186,428	420,814	327,903
Government transfers (Note 11)	1,033,705	631,632	1,418,806
Cost recoveries	-	31,166	27,758
Investment income	5,000	5,058	6,381
Loss on disposal of tangible capital assets	-	(40,481)	(3,573)
	2,888,388	2,723,000	3,360,505
<b>EXPENSES</b>			
General government services	798,882	1,172,489	1,164,426
Protective services	29,234	18,448	22,913
Transportation services	551,182	473,994	484,361
Environmental health services	56,826	59,340	55,090
Public health and welfare services	27,498	21,583	18,544
Environment development services	134,639	169,437	113,488
Recreation and cultural services	186,172	139,268	119,647
Sewer operations	380,712	362,416	440,978
	2,165,145	2,416,975	2,419,447
<b>SURPLUS (DEFICIT) BEFORE OTHER</b>	723,243	306,025	941,058
Government transfers for capital (Note 11)	727,000	456,466	171,401
<b>SURPLUS</b>	1,450,243	762,491	1,112,459
<b>ACCUMULATED SURPLUS, beginning of year</b>	13,020,030	13,020,030	11,907,571
<b>ACCUMULATED SURPLUS, end of year</b>	\$14,470,273	\$13,782,521	\$13,020,030

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)**  
**YEAR ENDED December 31, 2021**

	<b>BUDGET</b> <b>(Note 14)</b>	<b>2021</b>	<b>2020</b>
<b>ANNUAL SURPLUS</b>	1,450,243	\$ 762,491	\$ 1,112,459
Acquisition of tangible capital assets	(1,938,966)	(1,198,533)	(473,771)
Amortization of tangible capital assets	-	549,385	641,725
Proceeds on sale of tangible capital assets	-	-	701
Transfer to (from) land inventory to tangible capital assets	-	(357,561)	6,343
Loss on disposal of tangible capital assets	-	40,481	3,573
	(488,723)	(203,737)	1,291,030
Change in other assets	-	365,563	(16,436)
Change in prepaid expenses	-	11,282	(33,068)
<b>INCREASE IN NET DEBT</b>	(488,723)	173,108	1,241,526
<b>NET DEBT, BEGINNING OF YEAR</b>	1,226	1,226	(1,240,300)
<b>NET FINANCIAL ASSETS (NET DEBT), END OF YEAR</b>	(487,497)	\$ 174,334	\$ 1,226

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED December 31, 2021**

	2021	2020
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 762,491	\$ 1,112,459
Non-cash items:		
Amortization	549,386	641,725
Loss on disposal of tangible capital assets	40,481	3,573
Changes to financial assets/liabilities:		
Accounts receivable	(61,442)	65,158
Prepaid expenses	11,282	(33,068)
Inventory	7,999	(16,436)
Accounts payable and accrued liabilities	533,607	(40,797)
Unearned revenue	53,256	411,874
	<u>1,897,060</u>	<u>2,144,488</u>
<b>FINANCING TRANSACTIONS</b>		
Repayment of debenture debt and short term borrowing	(60,357)	(58,685)
<b>CAPITAL TRANSACTIONS</b>		
Tangible capital assets acquired	(1,198,533)	(467,428)
Proceeds on disposal of tangible capital assets	-	701
	<u>(1,198,533)</u>	<u>(466,727)</u>
<b>INCREASE IN CASH</b>	638,170	1,619,076
<b>CASH, beginning of year</b>	<u>3,757,681</u>	<u>2,138,605</u>
<b>CASH, end of year</b>	<u>\$ 4,395,851</u>	<u>\$ 3,757,681</u>

# THE CORPORATION OF THE VILLAGE OF FRUITVALE

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

### 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, 2021

### 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, 2021

### 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. 928 as adopted by Council May 4, 2021. 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, 2021

### 2. CASH

Cash includes \$2,177,046 (2020 - \$2,177,460) of money not available to fund the day-to-day operations of the Village. Of this total, \$39,578 (2020 - \$39,048) 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

	2021	2020
Taxes	\$ 162,703	\$ 179,099
Federal Government	57,618	44,658
Regional District of Kootenay Boundary	104,379	67,894
Provincial Government	47,161	10,000
Other	12,564	21,332
	<b>\$ 384,425</b>	<b>\$ 322,983</b>

### 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

	2021	2020
Trade payables	\$ 822,375	\$ 291,055
Employee accrued liabilities	17,930	15,643
	<b>\$ 840,305</b>	<b>\$ 306,698</b>

# THE CORPORATION OF THE VILLAGE OF FRUITVALE

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

### 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.

	2020	Received	Recognized	2021
Prepaid parcel taxes	\$ 160,673			\$ 168,228
Prepaid utilities	56,489			63,713
RDKB cemetery capital grant	16,686	45,000	-	61,686
RDKB Beaver Valley recreation service capital grant	27,918	-	9,872	18,046
CBT Beaver Valley youth action	31,064	55,000	57,933	28,131
Active Transportation Grant	-	25,106	106	25,000
Recreation and culture FMC	29,965	-	8,000	21,965
FMC operating	36,464	-	-	36,464
RDKB recreation and culture services	-	73,933	43,860	30,073
FMC roof	73,500	-	-	73,500
Recreation and culture - capital	94,598	101,000	95,000	100,598
Columbia Basis Trust	45,268	37,705	82,973	-
Rural Dividend Fund	100,000	-	60,827	39,173
Other	50,838	59,405	28,733	81,510
UBCM gas tax (details below)	700,192	278,632	250,000	728,824
	<b>\$ 1,423,655</b>	<b>\$ 675,781</b>	<b>\$ 637,304</b>	<b>\$ 1,476,911</b>

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.

	2021	2020
Opening balance of unspent funds	\$ 700,192	\$ 563,785
Add: Amount received during the year	278,363	135,980
Interest earned	269	427
Less: Amount spent on approved projects	(250,000)	-
Closing balance of unspent funds	<b>\$ 728,824</b>	<b>\$ 700,192</b>

# THE CORPORATION OF THE VILLAGE OF FRUITVALE

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

### 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:

2022	\$ 59,143
2023	60,918
2024	62,745
2025	64,628
2026	66,566
Thereafter	1,966,158
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	\$ 2,280,158

Interest rate on debenture debt is 2.79% per annum.

### 9. ACCUMULATED SURPLUS

Accumulated surplus is represented by:

	2021	2020
Unappropriated surplus	\$ 891,455	\$ 833,057
COVID-19 restart grant (Exhibit 6)	649,671	781,188
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	1,541,126	\$ 1,614,245
Capital funds	81,222	81,222
Reserve funds	787,456	758,012
Equity in tangible capital assets	11,372,717	10,566,551
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	\$13,782,521	\$13,020,030

# THE CORPORATION OF THE VILLAGE OF FRUITVALE

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

### 10. REVENUES

	2021	2020
Taxation, grants in lieu, assessments:		
Property taxes	\$ 1,174,390	\$ 1,109,823
Grants in lieu of taxes	1,566	1,566
Collections for other authorities:		
Province of BC	691,020	676,415
Regional District of Kootenay Boundary	1,141,961	1,153,024
West Kootenay Boundary Regional Hospital District	60,747	65,826
BC Assessment Authority	12,262	12,189
Municipal Finance Authority	55	53
	3,082,001	3,018,896
Payments to other authorities	1,903,812	1,907,728
	\$ 1,178,189	\$ 1,111,168

### 11. GOVERNMENT TRANSFERS

	2021	2020
<b>Government transfers - capital</b>		
Federal conditional transfers:		
Federal capital grants	\$ 270,500	\$ -
Provincial conditional transfers:		
Provincial capital grants	73,094	3,050
Regional district and local governments conditional transfers	112,872	168,351
Government transfers - capital	456,466	171,401
<b>Government transfers - non-capital</b>		
Provincial conditional transfers:		
Province of British Columbia	18,312	5,115
Provincial unconditional transfers:		
Small Communities grant	478,000	491,809
COVID-19 safe restart	-	787,264
Federal conditional transfers:		
Other	6,353	3,981
Regional District of Kootenay Boundary conditional transfer:	128,967	130,637
Government transfers - non-capital	631,632	1,418,806
	\$ 1,088,098	\$ 1,590,207

# THE CORPORATION OF THE VILLAGE OF FRUITVALE

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

### 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, 2021, the promissory note is \$36,274 (2020 - \$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 Corporation of the Village of Fruitvale 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, 2020, 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 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 \$63,238 (2020 - \$74,368) for employer contributions while employees contributed \$55,973 (2020 - \$66,105) to the plan in fiscal 2021.

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, 2021

### 14. BUDGET RECONCILIATION

The reconciliation of the approved budget Bylaw #928 for the current year to the budget figures reported in these financial statements is as follows:

Budget surplus per Statement of Operations	\$ 1,450,243
Less: capital expenditures	(1,938,966)
Less: debt principal repaid	(47,666)
Less: transfers to other funds	127,389
Add: proceeds from borrowings	409,000
<hr/>	
	\$ -
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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, 2021**

	<b>Land</b>	<b>Land Improvements</b>	<b><u>Engineering Structures</u></b>		<b>Machinery Equipment &amp; Vehicles</b>	<b>Buildings</b>	<b>Work in Progress</b>	<b>2021 TOTAL</b>	<b>2020 TOTAL</b>
	<b>Land</b>	<b>Improvements</b>	<b>General</b>	<b>Sewer</b>				<b>TOTAL</b>	<b>TOTAL</b>
<b>COST</b>									
Balance, beginning of year	\$ 1,018,575	\$ 1,644,253	\$ 7,395,083	\$ 2,767,395	\$ 2,825,731	\$ 6,310,956	\$ -	\$ 21,961,993	\$ 21,581,358
Add: additions during the year	46,408	77,079	-	24,757	324,754	193,660	531,875	1,198,533	473,771
Less: disposals and transfers during the year	422,221	(55,410)	(420,470)	-	(5,882)	-	-	(59,541)	(93,136)
Balance, end of year	1,487,204	1,665,922	6,974,613	2,792,152	3,144,603	6,504,616	531,875	23,100,985	21,961,993
<b>Accumulated Amortization</b>									
Balance, beginning of year	-	872,938	4,027,153	806,576	1,465,598	2,197,592	-	9,369,857	8,810,651
Add: amortization	-	42,224	164,560	44,234	147,722	150,645	-	549,385	641,725
Less: accumulated amortization on disposals	-	(307)	(370,432)	-	(5,882)	-	-	(376,621)	(82,519)
Balance, end of year	-	914,855	3,821,281	850,810	1,607,438	2,348,237	-	9,542,621	9,369,857
<b>Net Book Value 2021</b>	<b>\$ 1,487,204</b>	<b>\$ 751,067</b>	<b>\$ 3,153,332</b>	<b>\$ 1,941,342</b>	<b>\$ 1,537,165</b>	<b>\$ 4,156,379</b>	<b>\$ 531,875</b>	<b>\$ 13,558,364</b>	<b>\$ 12,592,136</b>
<b>Net Book Value 2020</b>	<b>\$ 1,018,575</b>	<b>\$ 771,315</b>	<b>\$ 3,367,930</b>	<b>\$ 1,960,819</b>	<b>\$ 1,360,133</b>	<b>\$ 4,113,364</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,592,136</b>

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**SCHEDULE 2 - SEGMENTED INFORMATION**  
**AS AT December 31, 2021**

	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
<b>Revenue</b>										
Taxation	\$ 911,839	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 266,350	\$ 1,178,189	\$ 1,111,168
Sales of services	104,965	-	-	-	-	-	-	391,657	496,622	472,062
Other revenues from own sources	420,814	-	-	-	-	-	-	-	420,814	327,903
Government transfers	1,075,937	-	-	-	-	-	-	12,161	1,088,098	1,590,207
Cost Recoveries	31,166	-	-	-	-	-	-	-	31,166	27,758
Investment income	5,058	-	-	-	-	-	-	-	5,058	6,381
Loss on sale of TCA	(40,481)	-	-	-	-	-	-	-	(40,481)	(3,573)
	2,509,298	-	-	-	-	-	-	670,168	3,179,466	3,531,906
<b>Expenditure</b>										
Salaries and benefits	361,682	-	259,215	22,554	18,411	40,483	67,334	73,198	842,877	836,756
Contracts and professional services	173,589	18,448	80,746	25,303	730	65,326	20,087	54,138	438,367	359,884
Supplies, materials and equipment	182,158	-	134,033	11,483	2,442	63,628	51,847	74,506	520,097	513,096
<b>Total before debt, other fiscal services and amortization</b>	717,429	18,448	473,994	59,340	21,583	169,437	139,268	201,842	1,801,341	1,709,736
Debt interest, fiscal services and other	55,748	-	-	-	-	-	-	10,500	66,248	57,486
Amortization	399,312	-	-	-	-	-	-	150,074	549,386	641,725
	1,172,489	18,448	473,994	59,340	21,583	169,437	139,268	362,416	2,416,975	2,408,947
<b>Net revenue</b>	\$ 1,336,809	\$ (18,448)	\$ (473,994)	\$ (59,340)	\$ (21,583)	\$ (169,437)	\$ (139,268)	\$ 307,752	\$ 762,491	\$ 1,122,959

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**EXHIBIT 1 - SCHEDULE OF CAPITAL EQUITY**  
**YEAR ENDED December 31, 2021**

(UNAUDITED)

	General Capital Fund		Sewer Capital Fund		Consolidated	
	2021	2020	2021	2020	2021	2020
<b>Capital equity, beginning of year</b>	\$ 6,209,090	\$ 6,241,973	\$ 4,438,683	\$ 4,591,148	\$ 10,647,773	\$ 10,833,121
Contributions to capital assets						
Capital additions from operating	1,045,566	413,808	152,967	59,963	1,198,533	473,771
Debt retirement						
Repayment of debenture debt	60,358	58,686	-	-	60,358	58,686
Transfer of assets to inventory	357,561	(6,343)	-	-	357,561	(6,343)
Prior year unspent borrowings	(323,500)	(332,750)	-	(56,914)	(323,500)	(389,664)
Unspent long term borrowing	103,081	323,500	-	-	103,081	323,500
Amortization of TCA	(399,312)	(486,211)	(150,074)	(155,514)	(549,386)	(641,725)
Loss on disposal of TCA	(40,481)	(3,573)	-	-	(40,481)	(3,573)
	(302,651)	(505,377)	(150,074)	(212,428)	(452,725)	(717,805)
<b>Capital equity, end of year</b>	<b>\$ 7,012,363</b>	<b>\$ 6,209,090</b>	<b>\$ 4,441,576</b>	<b>\$ 4,438,683</b>	<b>\$ 11,453,939</b>	<b>\$ 10,647,773</b>
Equity in capital assets is as follows:						
Financial equity	\$ 81,079	\$ 81,079	\$ 143	\$ 143	\$ 81,222	\$ 81,222
Physical equity	6,931,284	6,128,011	4,441,433	4,438,540	11,372,717	10,566,551
	<b>\$ 7,012,363</b>	<b>\$ 6,209,090</b>	<b>\$ 4,441,576</b>	<b>\$ 4,438,683</b>	<b>\$ 11,453,939</b>	<b>\$ 10,647,773</b>

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**EXHIBIT 2 - STATEMENT OF FINANCIAL POSITION BY FUND**  
**YEAR ENDED December 31, 2021**

(UNAUDITED)

	OPERATING		CAPITAL		Reserve	2021	2020
	General	Sewer	General	Sewer	Funds		
<b>FINANCIAL ASSETS</b>							
Cash	\$ 3,637,839	\$ -	\$ -	\$ -	\$ 758,012	\$ 4,395,851	\$ 3,757,681
Accounts receivable	384,425	-	-	-	-	384,425	322,983
Due (to) from other funds	(623,895)	410,150	802,481	(618,180)	29,444	-	-
Deposits, MFA	25,000	-	-	-	-	25,000	25,000
	3,423,369	410,150	802,481	(618,180)	787,456	4,805,276	4,105,664
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	840,305	-	-	-	-	840,305	306,698
Deferred revenue	1,476,911	-	-	-	-	1,476,911	1,423,655
MFA debt reserve	25,000	-	-	-	-	25,000	25,000
Equipment financing	-	-	8,568	-	-	8,568	11,506
Debenture debt	-	-	2,280,158	-	-	2,280,158	2,337,579
	2,342,216	-	2,288,726	-	-	4,630,942	4,104,438
<b>Net Financial Assets</b>	1,081,153	410,150	(1,486,245)	(618,180)	787,456	174,334	1,226
<b>Prepaid expenses</b>	39,115	-	-	-	-	39,115	50,397
<b>Other</b>	10,708	-	-	-	-	10,708	376,271
<b>Tangible capital assets</b>	-	-	8,498,608	5,059,756	-	13,558,364	12,592,136
<b>NET ASSETS</b>	\$ 1,130,976	\$ 410,150	\$ 7,012,363	\$ 4,441,576	\$ 787,456	\$ 13,782,521	\$ 13,020,030
<b>EQUITY, Financial</b>							
Unappropriated surplus	\$ 1,130,976	\$ 410,150	-	\$ -	\$ -	\$ 1,541,126	\$ 1,614,245
Capital funds	-	-	81,079	143	-	81,222	81,222
Reserve funds	-	-	-	-	787,456	787,456	758,012
	1,130,976	410,150	81,079	143	787,456	2,409,804	2,453,479
<b>EQUITY, Physical</b>							
Tangible capital assets	-	-	6,931,284	4,441,433	-	11,372,717	10,566,551
<b>TOTAL EQUITY</b>	\$ 1,130,976	\$ 410,150	\$ 7,012,363	\$ 4,441,576	\$ 787,456	\$ 13,782,521	\$ 13,020,030

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**EXHIBIT 3 - FINANCIAL ACTIVITIES**  
**GENERAL OPERATING FUND**  
**YEAR ENDED December 31, 2021**

(UNAUDITED)

	BUDGET	2021	2020
<b>REVENUES</b>			
Taxation, grants in lieu, assessments	\$ 2,787,810	\$ 2,815,651	\$ 2,790,346
Payments to other authorities	(1,878,219)	(1,903,812)	(1,907,728)
Taxation for village purposes	909,591	911,839	882,618
Sale of services	114,001	104,965	105,115
Other revenue from own sources	183,928	282,354	247,309
Grants	7,500	143,518	93,318
Cost recoveries	73,153	50,930	50,394
Conditional transfers from provincial government	152,925	79,245	5,115
Conditional transfers from regional district and other local governments	390,780	241,839	298,988
Conditional transfers from federal government	-	276,853	3,981
Unconditional transfers from provincial government	490,000	478,000	1,278,809
	2,321,878	2,569,543	2,965,647
<b>EXPENSES</b>			
General government services	728,600	717,429	620,729
Protective services	29,234	18,448	22,913
Transportation services	551,182	473,994	484,361
Environmental health services	56,826	59,340	55,090
Public health and welfare services	27,498	21,583	18,544
Environmental development services	134,639	169,437	113,488
Recreational and cultural	186,172	139,268	119,647
Debt interest, fiscal services and other	70,282	55,748	57,486
	1,784,433	1,655,247	1,492,258
<b>EXCESS OF REVENUE OVER EXPENSES</b>	537,445	914,296	1,473,389
Debt principal repaid	(47,666)	(60,358)	(58,686)
<b>NET EXCESS OF REVENUE OVER EXPENSES</b>	489,779	853,938	1,414,703
Transfers from (to) own funds and reserves:			
Cemetery care fund	(2,050)	(5,133)	(3,955)
Transfer from reserve	386,966	200,280	134,537
General capital fund	(1,151,966)	(1,045,566)	(413,808)
Capital reserve	(138,197)	(138,197)	(111,867)
Sewer revenue fund	-	(48,943)	(56,914)
Carbon tax reserve	-	(4,312)	(3,615)
Transfer from land inventory to tangible capital assets	-	(357,561)	-
Long term borrowings	-	323,500	389,663
Unspent long term borrowings	-	(103,081)	(323,500)
	(905,247)	(1,179,013)	(389,459)
<b>NET FUND SURPLUS (DEFICIT) FOR THE YEAR</b>	(415,468)	(325,075)	1,025,244
<b>FINANCIAL EQUITY, BEGINNING OF YEAR</b>	1,456,050	1,456,050	430,806
<b>FINANCIAL EQUITY, END OF YEAR</b>	\$ 1,040,582	\$ 1,130,975	\$ 1,456,050

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**EXHIBIT 4 - FINANCIAL ACTIVITIES**  
**SEWER OPERATING FUND**  
**YEAR ENDED December 31, 2021**

(UNAUDITED)

	BUDGET	2021	2020
<b>REVENUES</b>			
Sewer user rates	\$ 372,963	\$ 381,076	\$ 351,536
Connection charges	-	10,581	15,411
Sewer parcel taxes	266,700	266,350	228,550
Conditional transfers from provincial government	727,000	12,161	3,314
Conditional transfers from regional district			
	1,366,663	670,168	598,811
<b>EXPENSES</b>			
Salaries, wages and benefits	169,398	73,198	109,839
Contracted services	76,563	54,138	53,135
Supplies, materials and equipment	124,251	74,506	111,990
Debt interest	10,500	10,500	10,500
	380,712	212,342	285,464
<b>EXCESS OF REVENUE OVER EXPENSES</b>	985,951	457,826	313,347
Sewer capital reserve	(206,948)	(206,948)	(154,114)
Transfer from reserve	60,000	124,865	4,000
Transfer to sewer capital	(787,000)	(152,967)	(59,963)
Transfer from general revenue	-	48,943	56,914
Internal charges	(44,300)	(19,764)	(22,637)
	(978,248)	(205,871)	(175,800)
<b>NET FUND SURPLUS (DEFICIT) FOR THE YEAR</b>	(52,297)	251,955	137,547
<b>FINANCIAL EQUITY, BEGINNING OF YEAR</b>	158,195	158,195	20,648
<b>FINANCIAL EQUITY, END OF YEAR</b>	\$ 105,898	\$ 410,150	\$ 158,195

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**EXHIBIT 5 - SCHEDULE OF RESERVE FUNDS**  
**YEAR ENDED December 31, 2021**

(UNAUDITED)

	Carbon Tax Reserve	Cemetery Care Development and Capital Cost Charges Reserve	Improvement Fund	Capital Reserve	General Reserve	Sewer Reserve	2021 Total	2020 Total
<b>ASSETS</b>								
Cash	\$ 36,074	\$ 2,400	\$ 94,440	\$ 281,787	\$ 89,197	\$ 254,114	\$ 758,012	\$ 622,998
Due from general operating fund	4,312	-	5,132	(50,000)	(62,083)	132,083	29,444	135,014
	<b>\$ 40,386</b>	<b>\$ 2,400</b>	<b>\$ 99,572</b>	<b>\$ 231,787</b>	<b>\$ 27,114</b>	<b>\$ 386,197</b>	<b>\$ 787,456</b>	<b>\$ 758,012</b>
<b>FUND BALANCES,</b>								
<b>beginning of year</b>	\$ 36,074	\$ 2,400	\$ 94,440	\$ 281,787	\$ 89,197	\$ 254,114	\$ 758,012	\$ 622,998
Transfers from own fund: general operating	4,312	-	5,132	-	138,197	206,948	354,589	273,551
Deduct: Transfers to own fund: general operating	-	-	-	50,000	200,280	74,865	325,145	138,537
<b>FUND BALANCES, end of year</b>	<b>\$ 40,386</b>	<b>\$ 2,400</b>	<b>\$ 99,572</b>	<b>\$ 231,787</b>	<b>\$ 27,114</b>	<b>\$ 386,197</b>	<b>\$ 787,456</b>	<b>\$ 758,012</b>

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**EXHIBIT 6 - COVID-19 Safe Restart Grant**  
**YEAR ENDED December 31, 2021**

**(UNAUDITED)**

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Balance, beginning of year	\$ 781,188
Eligible costs:	
IT hardware and peripherals	(7,537)
Emergency supplies	(9,229)
Wages	(25,336)
Instrumentation	(40,127)
Contracted services	(49,288)
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Balance, end of year	\$ 649,671

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