

Financial Statements

The Corporation of the Village of Fruitvale

December 31, 2022

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**

**December 31, 2022**

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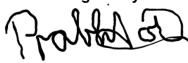
**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**REPORT FROM THE CHIEF ADMINISTRATIVE OFFICER**

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,**

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**Prab Lashar**  
**Chief Administrative Officer**

# Independent Auditor's Report

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**Grant Thornton LLP**

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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, 2022, 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, 2022, 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.

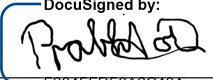
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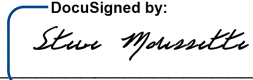
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Chartered Professional Accountants

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT December 31, 2022**

	<b>2022</b>	2021
<b>FINANCIAL ASSETS</b>		
Cash (Note 2)	\$ 4,547,943	\$ 4,395,851
Investments (Note 3)	1,099,117	-
Accounts receivable (Note 4)	533,194	384,425
Deposits, Municipal Finance Authority (Note 5)	25,000	25,000
	6,205,254	4,805,276
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	548,750	840,305
Deferred revenue (Note 7)	2,534,206	1,476,911
MFA debt reserve (Note 5)	25,000	25,000
Equipment financing	5,630	8,568
Debenture debt (Note 8)	2,221,015	2,280,158
	5,334,601	4,630,942
<b>NET FINANCIAL ASSETS</b>	870,653	174,334
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 1)	13,277,677	13,558,364
Prepaid expenses	45,310	39,115
Other	18,702	10,708
<b>ACCUMULATED SURPLUS (Note 9)</b>	\$14,212,342	\$13,782,521

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 Chief Administrative Officer

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 Mayor

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED December 31, 2022**

	<b>BUDGET</b> <b>(Note 14)</b>	<b>2022</b>	<b>2021</b>
<b>REVENUES</b>			
Taxation, grants in lieu, assessments (Note 10)	\$ 3,298,653	\$ 3,352,118	\$ 3,082,001
Payments to other authorities (Note 10)	(1,937,775)	(1,986,843)	(1,903,812)
Taxation for Village purposes (Note 10)	1,360,878	1,365,275	1,178,189
Sales of services	528,003	535,675	496,622
Other revenue from own sources	179,968	209,860	420,814
Government transfers (Note 11)	809,116	755,501	631,632
Cost recoveries	-	17,505	31,166
Investment income	5,000	4,768	5,058
Loss on disposal of tangible capital assets	-	-	(40,481)
	2,882,965	2,888,584	2,723,000
<b>EXPENSES</b>			
General government services	802,835	1,279,087	1,172,489
Protective services	30,954	21,633	18,448
Transportation services	566,137	490,349	473,994
Environmental health services	61,449	52,518	59,340
Public health and welfare services	41,597	24,357	21,583
Environment development services	141,995	135,800	169,437
Recreation and cultural services	218,416	146,095	139,268
Sewer operations	489,527	552,075	362,416
	2,352,910	2,701,914	2,416,975
<b>SURPLUS (DEFICIT) BEFORE OTHER</b>	530,055	186,670	306,025
Government transfers for capital (Note 11)	957,000	243,151	456,466
<b>SURPLUS</b>	1,487,055	429,821	762,491
<b>ACCUMULATED SURPLUS, beginning of year</b>	13,782,521	13,782,521	13,020,030
<b>ACCUMULATED SURPLUS, end of year</b>	\$15,269,576	\$14,212,342	\$13,782,521

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)**  
**YEAR ENDED December 31, 2022**

	<b>BUDGET</b> <b>(Note 14)</b>	<b>2022</b>	<b>2021</b>
<b>ANNUAL SURPLUS</b>	1,487,055	\$ 429,821	\$ 762,491
Acquisition of tangible capital assets	(1,131,320)	(286,634)	(1,198,533)
Amortization of tangible capital assets	-	564,969	549,385
Transfer to (from) land inventory to tangible capital assets	-	2,352	(357,561)
Loss on disposal of tangible capital assets	-	-	40,481
	355,735	710,508	(203,737)
Change in other assets	-	(7,994)	365,563
Change in prepaid expenses	-	(6,195)	11,282
<b>INCREASE IN NET DEBT</b>	355,735	696,319	173,108
<b>NET DEBT, BEGINNING OF YEAR</b>	174,334	174,334	1,226
<b>NET FINANCIAL ASSETS (NET DEBT), END OF YEAR</b>	530,069	\$ 870,653	\$ 174,334



**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED December 31, 2022**

	2022	2021
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 429,821	\$ 762,491
Non-cash items:		
Amortization	564,969	549,386
Loss on disposal of tangible capital assets	-	40,481
Changes to financial assets/liabilities:		
Accounts receivable	(148,769)	(61,442)
Prepaid expenses	(6,195)	11,282
Other	(7,994)	7,999
Accounts payable and accrued liabilities	(291,555)	533,607
Unearned revenue	1,057,295	53,256
	<u>1,597,572</u>	<u>1,897,060</u>
<b>FINANCING TRANSACTIONS</b>		
Purchase of investments	(1,099,117)	-
Repayment of debenture debt and equipment financing	(62,081)	(60,357)
	<u>(1,161,198)</u>	<u>(60,357)</u>
<b>CAPITAL TRANSACTIONS</b>		
Tangible capital assets acquired	(284,282)	(1,198,533)
<b>INCREASE IN CASH</b>	152,092	638,170
<b>CASH, beginning of year</b>	4,395,851	3,757,681
<b>CASH, end of year</b>	<u>\$ 4,547,943</u>	<u>\$ 4,395,851</u>

# THE CORPORATION OF THE VILLAGE OF FRUITVALE

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

### 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.

#### 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, 2022

### 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, 2022

### 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 into 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. 941 as adopted by Council May 9, 2022. 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, 2022

### 2. CASH

Cash includes \$2,388,836 (2021 - \$2,177,046) of money not available to fund the day-to-day operations of the Village and includes term deposits with maturities of less than three months. Of this total, \$2,388,836 (2021 - \$39,578) is held in term deposits earning interest at 0.93% to 3.03% per annum.

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 7.50% per annum. No amounts have been drawn on this line of credit.

### 3. INVESTMENTS

The Village has term deposits with twelve month maturities earning interest at 3.31% to 4.11%.

### 4. ACCOUNTS RECEIVABLE

	2022	2021
Taxes	\$ 115,578	\$ 162,703
Federal Government	49,779	57,618
Regional District of Kootenay Boundary	307,722	104,379
Provincial Government	42,652	47,161
Other	17,463	12,564
	<b>\$ 533,194</b>	<b>\$ 384,425</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

	2022	2021
Trade payables	\$ 525,477	\$ 822,375
Employee accrued liabilities	23,273	17,930
	<b>\$ 548,750</b>	<b>\$ 840,305</b>

# THE CORPORATION OF THE VILLAGE OF FRUITVALE

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

### 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.

	2021	Received	Recognized	2022
Prepaid parcel taxes	\$ 168,228			\$ 171,896
Prepaid utilities	63,713			63,782
RDKB cemetery capital grant	61,686	50,000	767	110,919
RDKB BVREC capital grant	18,046	115,000	11,750	121,296
RDKB BVREC operating grants	30,073	53,218	44,156	39,135
RDKB FMC capital grants	174,098	-	41,710	132,388
RDKB FMC general grants	58,429	75,727	65,939	68,217
RDKB bocce pit grant	-	40,150	-	40,150
CBT Beaver Valley Youth Action	28,131	54,000	28,131	54,000
BC Active Transportation Grant	25,000	-	7,022	17,978
Columbia Basis Trust	-	225,000	-	225,000
Rural Dividend Fund	39,173	-	17,742	21,431
CARIP - Local govt climate action	-	57,082	-	57,082
Other	81,510	83,548	115,949	49,109
Childcare capital grant	-	534,877	2,325	532,552
UBCM Gas Tax (details below)	728,824	142,383	41,936	829,271
	<b>\$ 1,476,911</b>	<b>\$ 1,430,985</b>	<b>\$ 377,427</b>	<b>\$ 2,534,206</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 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.

	2022	2021
Opening balance of unspent funds	\$ 728,824	\$ 700,192
Add: Amount received during the year	142,383	278,363
Interest earned	-	269
Less: Amount spent on approved projects	(41,936)	(250,000)
Closing balance of unspent funds	<b>\$ 829,271</b>	<b>\$ 728,824</b>

# THE CORPORATION OF THE VILLAGE OF FRUITVALE

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

### 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:

2023	\$ 60,918
2024	62,745
2025	64,628
2026	66,566
2027	68,563
Thereafter	1,897,595
	<hr/>
	\$ 2,221,015

Interest rate on debenture debt is 2.80% per annum.

### 9. ACCUMULATED SURPLUS

Accumulated surplus is represented by:

	2022	2021
Unappropriated surplus - general	\$ -	\$ 481,305
Unappropriated surplus - sewer	-	410,150
COVID-19 restart grant (Exhibit 6)	629,676	649,671
	<hr/>	<hr/>
	629,676	\$ 1,541,126
Capital funds	81,222	81,222
Reserve funds	2,347,329	787,456
Equity in tangible capital assets	11,154,112	11,372,717
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	\$14,212,339	\$13,782,521

# THE CORPORATION OF THE VILLAGE OF FRUITVALE

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

### 10. REVENUES

	2022	2021
Taxation, grants in lieu, assessments:		
Property taxes	\$ 1,359,302	\$ 1,174,390
Grants in lieu of taxes	1,713	1,566
Collections for other authorities:		
Province of BC	713,949	691,020
Regional District of Kootenay Boundary	1,199,698	1,141,961
West Kootenay-Boundary Regional Hospital District	64,367	60,747
BC Assessment Authority	13,021	12,262
Municipal Finance Authority	68	55
	3,352,118	3,082,001
Payments to other authorities	(1,986,843)	(1,903,812)
	<b>\$ 1,365,275</b>	<b>\$ 1,178,189</b>

### 11. GOVERNMENT TRANSFERS

	2022	2021
<b>Government transfers - capital</b>		
Federal conditional transfers:		
Federal capital grants	\$ 50,000	\$ 270,500
Provincial conditional transfers:		
Provincial capital grants	137,511	73,094
Regional district and local governments conditional transfers	55,640	112,872
Government transfers - capital	243,151	456,466
<b>Government transfers - non-capital</b>		
Provincial conditional transfers:		
Province of British Columbia	2,700	18,312
Provincial unconditional transfers:		
Small Communities grant	600,000	478,000
Federal conditional transfers:		
Other	1,660	6,353
Regional District of Kootenay Boundary conditional transfer:	151,141	128,967
Government transfers - non-capital	755,501	631,632
	<b>\$ 998,652</b>	<b>\$ 1,088,098</b>



# THE CORPORATION OF THE VILLAGE OF FRUITVALE

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2022

### 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, 2022, the promissory note is \$36,274 (2021 - \$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, 2021, the Plan has about 227,000 active members and approximately 118,000 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, 2021 indicated a \$3.761 million funding surplus for basic pension benefits on a going concern basis.

The Corporation of the Village of Fruitvale paid \$58,974 (2021 - \$63,238) for employer contributions while employees contributed \$54,540 (2021 - \$55,973) to the plan in fiscal 2022.

The next valuation will be as at December 31, 2024, with results available in 2025.

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, 2022

### 14. BUDGET RECONCILIATION

The reconciliation of the approved budget Bylaw No. 941 for the current year to the budget figures reported in these financial statements is as follows:

Budget surplus per Statement of Operations	\$ 1,487,055
Less: capital expenditures	(1,131,320)
Less: debt principal repaid	(47,666)
Less: transfers to other funds	(308,069)
<hr/>	
	\$ -
<hr/>	

### 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, 2022**

	<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>2022 TOTAL</b>	<b>2021 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	\$ 1,487,204	\$ 1,665,922	\$ 6,974,613	\$ 2,792,152	\$ 3,144,603	\$ 6,504,616	\$ 531,875	\$ 23,100,985	\$ 21,961,993
Add: additions during the year	36,127	-	44,415	-	7,249	53,461	145,382	286,634	1,198,533
Less: disposals and transfers during the year	-	(2,352)	519,713	-	-	-	(519,713)	(2,352)	(59,541)
Balance, end of year	1,523,331	1,663,570	7,538,741	2,792,152	3,151,852	6,558,077	157,544	23,385,267	23,100,985
<b>Accumulated Amortization</b>									
Balance, beginning of year	-	914,855	3,821,281	850,810	1,607,438	2,348,237	-	9,542,621	9,369,857
Add: amortization	-	32,180	180,795	44,234	153,618	154,142	-	564,969	549,385
Less: accumulated amortization on disposals	-	-	-	-	-	-	-	-	(376,621)
Balance, end of year	-	947,035	4,002,076	895,044	1,761,056	2,502,379	-	10,107,590	9,542,621
<b>Net Book Value 2022</b>	<b>\$ 1,523,331</b>	<b>\$ 716,535</b>	<b>\$ 3,536,665</b>	<b>\$ 1,897,108</b>	<b>\$ 1,390,796</b>	<b>\$ 4,055,698</b>	<b>\$ 157,544</b>	<b>\$ 13,277,677</b>	<b>\$ 13,558,364</b>
<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>\$ -</b>	<b>\$ 13,558,364</b>

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**SCHEDULE 2 - SEGMENTED INFORMATION**  
**AS AT December 31, 2022**

	General Government	Protective Services	Transportation Services	Environmental Health Services	Public health and Welfare Services	Environment Development Services	Recreation and Cultural Services	Sewer Operations	2022 Total	2021 Total
<b>Revenue</b>										
Taxation	\$ 1,060,825	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 304,450	\$ 1,365,275	\$ 1,178,189
Sales of services	-	-	-	94,905	-	-	28,040	412,730	535,675	496,622
Other revenues from own sources	97,258	3,140	-	-	22,764	41,342	45,356	-	209,860	420,814
Government transfers	725,930	-	-	-	36,680	-	167,555	68,487	998,652	1,088,098
Cost Recoveries	17,505	-	-	-	-	-	-	-	17,505	31,166
Investment income	4,768	-	-	-	-	-	-	-	4,768	5,058
Loss on sale of TCA	-	-	-	-	-	-	-	-	-	(40,481)
	1,906,286	3,140	-	94,905	59,444	41,342	240,951	785,667	3,131,735	3,179,466
<b>Expenditure</b>										
Salaries and benefits	400,478	-	222,870	17,586	19,518	44,527	63,232	123,649	891,860	842,877
Contracts and professional services	234,853	20,999	91,787	24,182	1,665	9,173	33,061	136,001	551,721	438,367
Supplies, materials and equipment	184,064	634	175,692	10,750	3,174	82,100	49,802	122,465	628,681	520,097
<b>Total before debt, other fiscal services and amortization</b>	819,395	21,633	490,349	52,518	24,357	135,800	146,095	382,115	2,072,262	1,801,341
Debt interest, fiscal services and other	54,183	-	-	-	-	-	-	10,500	64,683	66,248
Amortization	405,509	-	-	-	-	-	-	159,460	564,969	549,386
	1,279,087	21,633	490,349	52,518	24,357	135,800	146,095	552,075	2,701,914	2,416,975
<b>Net revenue</b>	\$ 627,199	\$ (18,493)	\$ (490,349)	\$ 42,387	\$ 35,087	\$ (94,458)	\$ 94,856	\$ 233,592	\$ 429,821	\$ 762,491

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**EXHIBIT 1 - SCHEDULE OF CAPITAL EQUITY**  
**YEAR ENDED December 31, 2022**

(UNAUDITED)

	General Capital Fund		Sewer Capital Fund		Consolidated	
	2022	2021	2022	2021	2022	2021
<b>Capital equity, beginning of year</b>	\$ 6,394,042	\$ 5,590,769	\$ 5,059,897	\$ 5,057,004	\$ 11,453,939	\$ 10,647,773
Contributions to capital assets						
Capital additions from operating	213,029	1,045,566	73,605	152,967	286,634	1,198,533
Debt retirement						
Repayment of debenture debt	62,081	60,358	-	-	62,081	60,358
Transfer of assets to inventory	(2,352)	357,561	-	-	(2,352)	357,561
Prior year unspent borrowings	(103,081)	(323,500)	-	-	(103,081)	(323,500)
Unspent long term borrowing	103,081	103,081	-	-	103,081	103,081
Amortization of TCA	(405,509)	(399,312)	(159,460)	(150,074)	(564,969)	(549,386)
Loss on disposal of TCA	-	(40,481)	-	-	-	(40,481)
	(407,861)	(302,651)	(159,460)	(150,074)	(567,321)	(452,725)
<b>Capital equity, end of year</b>	<b>\$ 6,261,291</b>	<b>\$ 6,394,042</b>	<b>\$ 4,974,042</b>	<b>\$ 5,059,897</b>	<b>\$ 11,235,333</b>	<b>\$ 11,453,939</b>
Equity in capital assets is as follows:						
Financial equity	\$ 81,079	\$ 81,079	\$ 143	\$ 143	\$ 81,222	\$ 81,222
Physical equity	6,180,212	6,312,963	4,973,900	5,059,754	11,154,112	11,372,717
	<b>\$ 6,261,291</b>	<b>\$ 6,394,042</b>	<b>\$ 4,974,043</b>	<b>\$ 5,059,897</b>	<b>\$ 11,235,334</b>	<b>\$ 11,453,939</b>

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**EXHIBIT 2 - STATEMENT OF FINANCIAL POSITION BY FUND**  
**YEAR ENDED December 31, 2022**  
**(UNAUDITED)**

	OPERATING		CAPITAL		Reserve Funds	2022	2021
	General	Sewer	General	Sewer			
<b>FINANCIAL ASSETS</b>							
Cash	\$ 2,159,107	\$ -	\$ -	\$ -	\$ -	\$ 2,159,107	\$ 2,218,805
Restricted cash	140,623	-	-	-	2,248,213	2,388,836	2,177,046
Accounts receivable	533,194	-	-	-	-	533,194	384,425
Due (to) from other funds	(184,303)	-	184,160	143	-	-	-
Investments	1,000,000	-	-	-	99,117	1,099,117	-
Deposits, MFA	25,000	-	-	-	-	25,000	25,000
	3,673,621	-	184,160	143	2,347,330	6,205,254	4,805,276
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	548,750	-	-	-	-	548,750	840,305
Deferred revenue	2,534,206	-	-	-	-	2,534,206	1,476,911
MFA debt reserve	25,000	-	-	-	-	25,000	25,000
Equipment financing	-	-	5,630	-	-	5,630	8,568
Debenture debt	-	-	2,221,015	-	-	2,221,015	2,280,158
	3,107,956	-	2,226,645	-	-	5,334,601	4,630,942
<b>Net Financial Assets</b>	565,665	-	(2,042,485)	143	2,347,330	870,653	174,334
<b>Prepaid expenses</b>	45,310	-	-	-	-	45,310	39,115
<b>Other</b>	18,702	-	-	-	-	18,702	10,708
<b>Tangible capital assets</b>	-	-	8,303,776	4,973,900	-	13,277,676	13,558,364
<b>NET ASSETS</b>	\$ 629,677	\$ -	\$ 6,261,291	\$ 4,974,043	\$ 2,347,330	\$ 14,212,341	\$ 13,782,521
<b>EQUITY, Financial</b>							
Unappropriated surplus	\$ 629,676	\$ -	\$ -	\$ -	\$ -	\$ 629,676	\$ 1,541,126
Capital funds	-	-	81,079	143	-	81,222	81,222
Reserve funds	-	-	-	-	2,347,330	2,347,330	787,456
	629,676	-	81,079	143	2,347,330	3,058,228	2,409,804
<b>EQUITY, Physical</b>							
Tangible capital assets	-	-	6,180,212	4,973,900	-	11,154,112	11,372,717
<b>TOTAL EQUITY</b>	\$ 629,676	\$ -	\$ 6,261,291	\$ 4,974,043	\$ 2,347,330	\$ 14,212,340	\$ 13,782,521

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**EXHIBIT 3 - FINANCIAL ACTIVITIES**  
**GENERAL OPERATING FUND**  
**YEAR ENDED December 31, 2022**

(UNAUDITED)

	BUDGET	2022	2021
<b>REVENUES</b>			
Taxation, grants in lieu, assessments	\$ 2,994,253	\$ 3,047,668	\$ 2,815,651
Payments to other authorities	(1,937,775)	(1,986,843)	(1,903,812)
<b>Taxation for village purposes</b>	<b>1,056,478</b>	<b>1,060,825</b>	<b>911,839</b>
Sale of services	118,782	122,945	104,965
Other revenue from own sources	184,968	214,628	282,354
Grants	-	-	143,518
Cost recoveries	64,618	51,733	50,930
Conditional transfers from provincial government	-	71,724	79,245
Conditional transfers regional district/local government	331,116	206,781	241,839
Conditional transfers from federal government	-	51,660	276,853
Unconditional transfers from provincial government	478,000	600,000	478,000
	<b>2,233,962</b>	<b>2,380,296</b>	<b>2,569,543</b>
<b>EXPENSES</b>			
General government services	740,435	819,398	717,429
Protective services	30,954	21,633	18,448
Transportation services	566,137	490,349	473,994
Environmental health services	61,449	52,518	59,340
Public health and welfare services	41,597	24,357	21,583
Environmental development services	141,995	135,800	169,437
Recreational and cultural	218,416	146,095	139,268
Debt interest, fiscal services and other	62,400	54,183	55,748
	<b>1,863,383</b>	<b>1,744,333</b>	<b>1,655,247</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>370,579</b>	<b>635,963</b>	<b>914,296</b>
Debt principal repaid	(47,666)	(62,081)	(60,358)
<b>NET EXCESS OF REVENUE OVER EXPENSES</b>	<b>322,913</b>	<b>573,882</b>	<b>853,938</b>
Transfers from (to) own funds and reserves:			
Cemetery care fund	(2,460)	(6,482)	(5,133)
Transfer from reserve	55,260	-	200,280
General capital - purchase of tangible capital assets	(174,320)	(213,029)	(1,045,566)
Capital reserve	(198,393)	(384,306)	(138,197)
Sewer revenue fund	-	-	(48,943)
Carbon tax reserve	-	-	(4,312)
Transfer from land inventory to tangible capital assets	-	2,352	(357,561)
Operating reserves	(3,000)	(473,716)	-
Long term borrowings	-	103,081	323,500
Unspent long term borrowings	-	(103,081)	(103,081)
	<b>(322,913)</b>	<b>(1,075,181)</b>	<b>(1,179,013)</b>
<b>NET FUND SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>-</b>	<b>(501,299)</b>	<b>(325,075)</b>
<b>FINANCIAL EQUITY, BEGINNING OF YEAR</b>	<b>1,130,975</b>	<b>1,130,975</b>	<b>1,456,050</b>
<b>FINANCIAL EQUITY, END OF YEAR</b>	<b>\$ 1,130,975</b>	<b>\$ 629,676</b>	<b>\$ 1,130,975</b>

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**EXHIBIT 4 - FINANCIAL ACTIVITIES**  
**SEWER OPERATING FUND**  
**YEAR ENDED December 31, 2022**

(UNAUDITED)

	BUDGET	2022	2021
<b>REVENUES</b>			
Sewer user rates	\$ 409,221	\$ 412,877	\$ 381,076
Connection charges	-	(147)	10,581
Sewer parcel taxes	304,400	304,450	266,350
Conditional transfers from provincial government	957,000	68,487	12,161
Conditional transfers from regional district			
	1,670,621	785,667	670,168
<b>EXPENSES</b>			
Salaries, wages and benefits	174,262	123,649	73,198
Contracted services	169,063	136,001	54,138
Supplies, materials and equipment	127,820	122,465	74,506
Debt interest	18,382	10,500	10,500
	489,527	392,615	212,342
<b>EXCESS OF REVENUE OVER EXPENSES</b>	1,181,094	393,052	457,826
Sewer capital reserve	-	(423,075)	-
Transfer from reserve	-	-	124,865
Sewer capital - purchase of tangible capital assets	(957,000)	(73,605)	(152,967)
Transfer from general revenue	92,500	-	48,943
Internal charges	(44,300)	(34,228)	(19,764)
Sewer general reserve	(272,294)	(272,294)	(206,948)
	(1,181,094)	(803,202)	(205,871)
<b>NET FUND SURPLUS (DEFICIT) FOR THE YEAR</b>	-	(410,150)	251,955
<b>FINANCIAL EQUITY, BEGINNING OF YEAR</b>	410,150	410,150	158,195
<b>FINANCIAL EQUITY, END OF YEAR</b>	\$ 410,150	\$ -	\$ 410,150



**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**EXHIBIT 5 - SCHEDULE OF RESERVE FUNDS**  
**YEAR ENDED December 31, 2022**

(UNAUDITED)

	Carbon Tax Reserve	Cemetery Care Development and Capital Cost Charges Reserve	Improvement Fund	Capital Reserve	General Reserve	Sewer Reserve	2022 Total	2021 Total
<b>ASSETS</b>								
Cash	\$ -	\$ -	\$ 6,947	\$ 601,879	\$ 500,821	\$ 1,138,566	\$ 2,248,213	\$ 758,012
Investments	-	-	99,117	-	-	-	99,117	-
Due from general operating fund	-	-	(10)	-	9	-	(1)	29,444
	\$ -	\$ -	\$ 106,054	\$ 601,879	\$ 500,830	\$ 1,138,566	\$ 2,347,329	\$ 787,456
<b>FUND BALANCES,</b>								
<b>beginning of year</b>	\$ 40,386	\$ 2,400	\$ 99,572	\$ 174,787	\$ 27,114	\$ 443,197	\$ 787,456	\$ 758,012
Transfers	(40,386)	(2,400)	-	42,786	-	-	-	-
Transfers from own fund: operating	-	-	6,482	384,306	473,716	695,369	1,559,873	354,589
Deduct: Transfers to own fund: operating	-	-	-	-	-	-	-	325,145
<b>FUND BALANCES, end of year</b>	\$ -	\$ -	\$ 106,054	\$ 601,879	\$ 500,830	\$ 1,138,566	\$ 2,347,329	\$ 787,456

**THE CORPORATION OF THE VILLAGE OF FRUITVALE**  
**EXHIBIT 6 - COVID-19 Safe Restart Grant**  
**YEAR ENDED December 31, 2022**

**(UNAUDITED)**

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Balance, beginning of year	\$ 649,671
Eligible costs:	
Emergency supplies	(303)
Contracted services	(19,692)
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Balance, end of year	\$ 629,676

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