



Village of Fruitvale 2025 Annual Report

We acknowledge and appreciate that the land on which we gather is the converging, transitional and unceded territory of the Syilx, Secwepemc, Sinixt and Ktunaxa Peoples as well as the Métis Peoples whose footsteps have also marked these lands.

Village of Fruitvale

2025 Annual Report

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Mayor's Message

Village of Fruitvale,

It is my pleasure to present the Village of Fruitvale's 2025 Annual Report and reflect on a year of meaningful progress and community investment.

Throughout the year, Council and staff remained focused on supporting residents' needs while advancing key priorities. We were pleased to complete the astro-turf upgrade at the Little League park, providing an improved space for recreation and community use.

A significant milestone was the opening of Blizzard Place, a 31-unit affordable housing development, demonstrating the value of strong partnerships in addressing local housing needs.

We also completed a major sewer infrastructure upgrade from the Search and Rescue building to Kootenay Avenue—an important investment in reliable and sustainable services for our community.

These achievements reflect our commitment to responsible governance, sound financial management, and continued investment in Fruitvale's future.

I would like to thank Council, staff, volunteers, and our community partners for their dedication, and most importantly, thank the residents of Fruitvale for their ongoing support and engagement.

As we look ahead, we remain committed to strengthening our community and enhancing quality of life for all.

Respectfully,



Wesley Startup

Mayor, Village of Fruitvale

2025 Village Council



Wes Startup
Mayor as of April 2025



Catherine Guesford
Councillor, Deputy Mayor



Karen Halifax
Councillor



Julia Mason
Councillor



Bill Wenman
Councillor

The Village Council responds to citizen's concerns, sets the budget and works on the Village's many services. In addition, Council members must review proposals for variances to building permits, zoning changes, and set rates and fees for Village services.

Of course, it's the Village staff who keep things humming on a day-to-day basis and deliver services to our community members. Staff reports are part of every Village Council meeting. All public Council meetings are now online to make it easy for citizens to participate. You can also download agendas and minutes from the Village's website:



www.fruitvale.ca

Familiar Faces, New Roles

Startup Becomes Mayor, Halifax Joins Council, Dehnel Named CAO

Residents will find two familiar faces at the Village office and Council Chambers. Karen Halifax was elected as a city councillor after ending her 37-year career working in the Village Office in 2024. Patricia Dehnel has joined the Village as Chief Administrative Officer on a permanent basis after serving two interim stints in 2022 and 2025.

The cascade of by-elections started when then-mayor Steve Morrissette won a seat in the BC Legislature in 2024. Current Mayor Wes Startup was acclaimed in April 2025 to fill that vacancy, and then Halifax was elected to the vacant councillor seat in

April 2025. Halifax will take on the Parks portfolio and act as the Spirit Events Liaison, and will serve until the current term ends in October 2026.

Patricia Dehnel is a Registered Professional Planner who has provided administrative services to several other small West Kootenay municipalities. Her areas of expertise include land use, energy efficiency, active transportation, climate action, sustainability, age-friendly and healthy built community.

Among other tasks, Dehnel will oversee the contract to renew the Official Community Plan in 2026.

2025 Year in Review: Community Highlights



Beaver Valley Child Care Centre – a long-awaited facility for families in the region, now up and running.



Gym hours extended – the Municipal Gym is now open 5 a.m. to 10 p.m. for all residents 19+, making it more accessible than ever.



North Creekside Park is coming – RDKB funding secured and a concept plan completed; construction of Phase 1 is on the horizon.



Going electric – Village fleet trucks and equipment were swapped out for electric alternatives, reducing emissions and operating costs.



Blizzard Place offers new housing – 31 families in our community will have access to new, affordable housing.



McHale Lane sewer project Phase 2 complete – a \$549,000 infrastructure investment wrapping up a critical upgrade to the Village's wastewater system.



Beaver Creek Flood Risk Assessment – a key step in protecting the community from future flooding and strengthening emergency preparedness.



Five-Year Financial Plan adopted – the 2025–2029 plan sets a clear path for responsible spending and capital investment.

Official Community Plan Update 2026

Shaping What Fruitvale Looks Like in 2035

The Official Community Plan shapes where homes get built, how streets work, and what kind of growth the village welcomes. A new one is coming – and residents get a say.

What is an OCP?

It's the legal document that sets the rules for every major decision about land in Fruitvale: what can be built where, how dense, and to what purpose. When Council approves or turns down a development, this is what they point to. It usually stays in force for roughly a decade.

What the OCP will decide:



Where new housing goes

How to integrate new housing into the community



How you get around

How the Active Transportation Plan will come to life to reduce traffic and improve safety, and how infrastructure supports safe and efficient movement.



Renewable energy

The policy framework for the Village's renewable energy strategy.



Flood preparedness

How Fruitvale develops around Beaver Creek, and what protections guide building in flood-risk areas.



Downtown's future

What kinds of businesses and density are welcomed on Main Street, and what keeps the village centre alive and growing.

Ask Yourself:

What do I love about my community that I want to preserve?

Think about the characteristics, places, and qualities that make your community worth living in.

What concerns or problems do I see that need to be addressed?

Consider issues like traffic, housing affordability, green space, services, or anything that affects quality of life.

What is my vision for the future of this community?

Where do you want the community to be in 10–20 years in terms of growth, character, and livability?

What trade-offs am I willing to accept?

Growth, affordability, infrastructure, and other needs may compete. Consider what compromises you can live with.



Engagement opens in 2026

Visit fruitvale.ca or the Village Office for dates and how to share your priorities.

2023-2028 Strategic Plan

MISSION

Our mission is to initiate leadership and stewardship by addressing pivotal community issues, thereby facilitating the village's growth, enthusiasm, and resilience in a manner that best serves our community members.

VALUES

We cultivate confidence in our Council, entity, and society through the establishment of trust through our actions and principles.



Climate Action

The Village of Fruitvale is committed to community safety, addressing social issues, environmental stewardship, sustainable growth, and tackling climate change impacts proactively.

Areas of Focus

- **Environmental Lens** - We will consider environmental impact in our procurement and project management.
- **Climate Change Mitigation Adaptation** - We are committed to diminishing environmental impacts and directly addressing our community's climate challenges.
- **Regional Services** - We are dedicated to evolving community services, ensuring access to amenities, and promoting sustainable growth.
- **Emergency Management** - We focus on enhancing resilience, minimizing emergency impacts, and adapting services to community needs.



Organizational Excellence

The Village of Fruitvale distinguishes itself through a governance model that emphasizes accountability and bases its decisions on concrete facts.

Areas of Focus

- **Fiscal Responsibility** - We prioritize the village's community through transparent, cost-effective, and accountable fiscal resource management practices.
- **Responsible Service Delivery** - Provide services directly and with our regional partners that are both efficient and effective.
- **Internal Processes and Systems** - Ensure we have the tools, talent and systems to meet the needs of the Village.
- **Governance Excellence** - We commit to governance that guarantees stable decision-making processes and robust community management.
- **Modernizing Village Services** - We focus on leading with smart, sustainable innovations to boost efficiency, connect communities, and enhance living standards.



Relationships

The Village of Fruitvale fosters meaningful, accessible innovation in involvement, ensuring diverse inputs inform decision-making and build transparent relationships

Areas of Focus

- **Community Relations** - Fruitvale focuses on reinforcing resident relations, ensuring their perspectives are respected and necessities fulfilled.
- **Community Groups** - We are committed to nurturing growth that thoughtfully enhances our community's overall balance.
- **Advocacy** - The Village of Fruitvale articulates its objectives assertively to various organizations and governments.
- **Regional Relations and Services** - Developing and nurturing key relationships with stakeholders and other levels of government; building on mutual strengths.
- **Regional First Nations Engagement Strategy** - We focus on strengthening alliances through active dialogue and mutual knowledge sharing, fostering regional progress and successful



Livability and Quality of Life

The Village of Fruitvale is dedicated to enhancing the quality of life for a community that values inclusivity, diversity, and sustainability.

Areas of Focus

- **Parks** - We support our thriving amenities which make living in our Village so appealing
- **Recreation and Healthy Living** - We focus on creating amenities for recreation, arts, culture, and ensure an environment that provides access to comprehensive health services and wellness programs.
- **Active Transportation** - We prioritize safe, accessible urban spaces, supporting diverse transportation needs for all age groups.
- **Healthy Economy** - We prioritize establishing a nurturing environment that values health, community, and social bonds.



Growth

The Village of Fruitvale prioritizes the establishment of a favourable business environment, essential for sustaining a lively and steadfast economy.

Areas of Focus

- **Community Connection** - We will focus on the use of our land and fields to create community connection and an energetic Village core.
- **Asset Management** - Ensure our water and sewer infrastructure are sufficient now and in the future for our Village.
- **Diversity of Housing** - We will ensure our planning systems align to allow for a range of housing options for our residents.
- **Staff Retention** - We focus on supporting employers' workforce retention support through daycare facilities, schools, and transit systems.

Municipal Operations Summary

Streets and Sidewalks

- Spring street sweeping completed; all streets swept at least twice with priority routes cleaned multiple times; assisted Montrose with three days of sweeping operations.
- All catch basins cleaned; asphalt patching completed following winter damage.
- Dust control: 22,789 liters of Calcium Chloride applied to gravel roads and parking areas following road grading.
- Crosswalk painting and line marking completed throughout summer months.
- Roadside ditching undertaken at multiple locations; severe storm events caused localized flooding requiring grading and cleanup.
- Dangerous trees assessed and removed throughout the year; additional removals scheduled for fall.
- Downtown beautification: Hanging baskets installed; Blooming Society Poleyard landscaping project completed (REDI Grant – excavation, concrete curbing, and irrigation upgrades); planters stored for winter.
- Winter preparedness: Road salt and sand stockpiled; hazard markers installed; Deadmarsh Ave barricades planned; BVCCC parking area added to snow removal policy.
- New hybrid pickup truck ordered to modernize fleet; regular scheduled maintenance and inspections current on all units.



Sewer

- Main Lift Station Overflow Tank construction completed; warranty repairs addressed for groundwater infiltration issues.
- Effluent diversion to storage maintained for regulatory compliance; I&I appearing to decrease in collection system.
- Grit system operating well, removing approximately 80–90 lbs weekly with low maintenance requirements.
- Problem sewer lines and lift stations flushed and cleaned throughout the year; Beaver Street Lift Station SCADA repairs completed; two sanitary sewer service line failures repaired.
- I&I Phase II (McHale Lane): Phase 1 (infrastructure improvements) at substantial completion; Phase 2.2 (CIPP) scheduled to begin October 2025.
- I&I Phase III (Highway 3B corridor) grant submitted.
- Sewage Treatment Plant:
 - UV system rebuilt; Channel #1 UV bulbs and sleeves replaced after 30,000 hours of service; aeration repairs completed.
 - STP Annual Report developed and submitted to the Ministry of Environment with consultant support.
 - Ammonia monitoring in Beaver Creek commenced; Federal Wastewater Regulation Temporary Authorization reissued; federal authorization investigation ongoing.
- Annual Environmental Monitoring Program conducted over five weeks beginning in August.
- Operator training ongoing: WWC I certification completed for senior operator; WWT OiT and Water Distribution certifications scheduled for junior staff; Confined Space Entry training completed.

Municipal Operations Summary

Parks

- Seasonal maintenance: Irrigation systems readied, repaired, and upgraded; hanging baskets installed; mowing, aeration, and safety inspections across all parks.
- McInnis Park: Grand opening ceremony held; washrooms repaired and fully operational.
- Haines Park: 20 maple trees and fence extension installed through FortisBC Community Giving Day; concrete slabs at upper diamonds in progress; concession winterized for winter.
- Blooming Society collaborations: Poleyard landscaping project completed; rain garden removed; ongoing community beautification partnerships.
- Daycare landscaping and shade structure installed; concerns regarding hot doors being addressed.
- SPARC BC Grant awarded: Accessible picnic tables to replace aging units at various park locations.
- RV Park: Cleanup and refurbishment required; seasonal closure October 14th.
- Cemetery: Columbaria installation completed; ongoing marker installations and grave maintenance.
- Winterization: All parks closed October 1st; irrigation shut down and meters removed; planters stored for winter.



Special Projects

BVMS Demolition:

- Demolition plan received from Redwood Engineering via NAPP; revised schedule targets completion by November 30, 2025.
- LCAHS and Deadmarsh Ave Civil Works:
- Civil construction near completion; drainage and elevation adjustments finalized.

FMC Improvements:

- BV Lanes kitchen and flooring renovation completed; hall floor refinished; two new air conditioning units procured.
- Kitchen stove replacement underway; HVAC and oven replacement being organized; new treadmill installed.

Other:

- Vactor truck water tank replacement scheduled for early November 2025; replacement loader investigations ongoing with early 2026 target.
- Stormwater, Flood, and Emergency Management
- Catch basins and storm lines cleaned on schedule throughout the season.
- UBCM Flood Risk Management Study near completion.
- Severe storm events in late summer caused localized flooding; grading and cleanup operations completed.
- I&I Phase III (Highway 3B corridor) grant submitted to address long-term drainage infrastructure and active transportation needs.
- Winter emergency readiness: Road salt and sand stockpiled; hazard markers installed; public communications underway.



Blizzard Mountain Place Opens

Blizzard Mountain Place is a new residential building offering new housing options for people with low to moderate income. The project is a partnership between the Village of Fruitvale and Lower Columbia Affordable Housing Society with funding from BC Housing, Teck, Columbia Basin Trust, Kootenay Savings Community Foundation. Construction started in December 2023 on the grounds of the former middle school, and the Housing Society invited the first tenants in October 2025.

There are three tiers of affordability: 16 units are available for families whose income is below a threshold set by BC Housing. Rent is set at 30% of income for these families. Six units are reserved for families with the lowest incomes, who will also pay no more than 30% of income to rent, and nine affordable market units are reserved for low and moderate income families, with rent that can't be less than the Fruitvale average.

With the three tiers of rent structure and multiple criteria to meet with each tier, identifying and qualifying potential tenants takes longer than for a private market rental. As of the end of April 2026, Blizzard Mountain Place will be at 60% occupancy. In spring 2026, tenants will be assisted to start working on a shared vegetable gardening opportunity in raised beds in the large shared outdoor amenity space.

Schedule of Permissive Tax Exemptions

2026 SCHEDULE OF PERMISSIVE TAX EXEMPTIONS

BYLAW	NAME	ROLL #	CLASS	2026 ASSESSED VALUE	2026 ASSESSED VALUE TOTAL	2026 MUNICIPAL RATE	2026 VILLAGE GENERAL TAXES	WATER & SEWER PARCEL TAXES	2026 TOTALS
959, 2023	Beaver Valley Manor	521-00032.050	Land - 1 Buildings - 1	298,000 2,049,000	2,347,000	2.857 2.857	\$851.39 \$5,854.01	\$1,000.00	\$7,705.40
959, 2023	Scouts Properties	521-00267.000	Land - 8 Buildings - 6	322,000 42,800	364,800	2.857 6.857	\$919.96 \$293.47	\$1,000.00	\$2,213.43
959, 2023	Scouts Properties	521-00268.000	Land - 8 Buildings - 6	393,000 140,000	533,000	2.857 6.857	\$1,122.80 \$959.96	\$1,000.00	\$3,082.76
959, 2023	Beaver Valley Curling Club	521-00288.000	Land - 8 Land - 6 Buildings - 6	98,600 98,600 993,000	1,190,200	2.857 6.857 6.857	\$281.70 \$676.08 \$6,808.87	\$1,000.00	\$8,766.65
960, 2023	St. Rita's Catholic Church (hall)	521-00055.012	Land - 8 Buildings - 8	107,400 219,000	326,400	2.857 2.857	\$306.84 \$625.69	\$1,000.00	\$1,932.53
960, 2023	Beaver Valley Christian Fellowship	521-00337.000	Land - 8 Buildings - 8	127,800 153,000	280,800	2.857 2.857	\$365.13 \$437.12	\$1,000.00	\$1,802.25
959, 2023	South Columbia Search & Rescue	521-00371.110	Land - 6 Buildings - 6	94,200 145,000	239,200	6.857 6.857	\$645.91 \$994.25	\$1,000.00	\$2,640.16
947, 2022	Lower Columbia Affordable Housing Society	521-00304.240 *	Land - 1 Buildings - 1	633,000 771,000	1,404,000	2.857 2.857	\$1,808.49 \$2,202.75	\$1,000.00	\$5,011.24
GRAND TOTAL							\$25,154.42	\$8,000.00	

* This is the roll number for the original parcel of 96 Deadmarsh Avenue. Once it is apportioned to specific units/stratas, it will have a unit specific legal description based on units/strata lots. As per bylaw 947, 2022, the final year of this exemption will be 2029.

As per bylaws 959, 2023 (Not-for-profit Organizations) and 960, 2023 (Churches) the final year of these exemptions will be 2027. This list will be examined annually to ensure its accuracy. Any changes (if applicable) to the list will be adopted by October 31st of the calendar year.

Beaver Valley Youth Action Network

The Beaver Valley Youth Action Network has grown quite a bit over the last year, and we have worked hard to provide a space for local youth to hang out with their peers, as well as giving them access to equipment and opportunities they wouldn't have been able to access otherwise.

This year we introduced weekly drop-ins for the first time and they have helped us reach lots of youth in our community.

The highlight of our year has to be our Leadership Camping trip at Kokanee Creek Park! We ran the Columbia Basin Trust's Leadership program in collaboration with the Trail, Warfield, and Salmo YANs,

which ended with a weekend trip to Kokanee Creek. This workshop helped teach kids what being a leader means through engaging activities and showing them how they can take their ideas and put them into action. Other fun events included bowling, needlefelting, cooking nights, craft nights, and attending local markets as well as other community events! (among others!)

This has all been made possible thanks to our amazing local youth who always come out to have fun and to help, as well as our amazing volunteers! I have valued the connections I have made with them, as well as the connections that they have made in their community.

submitted by Kate Friesen



Beaver Valley Volunteer of the Year

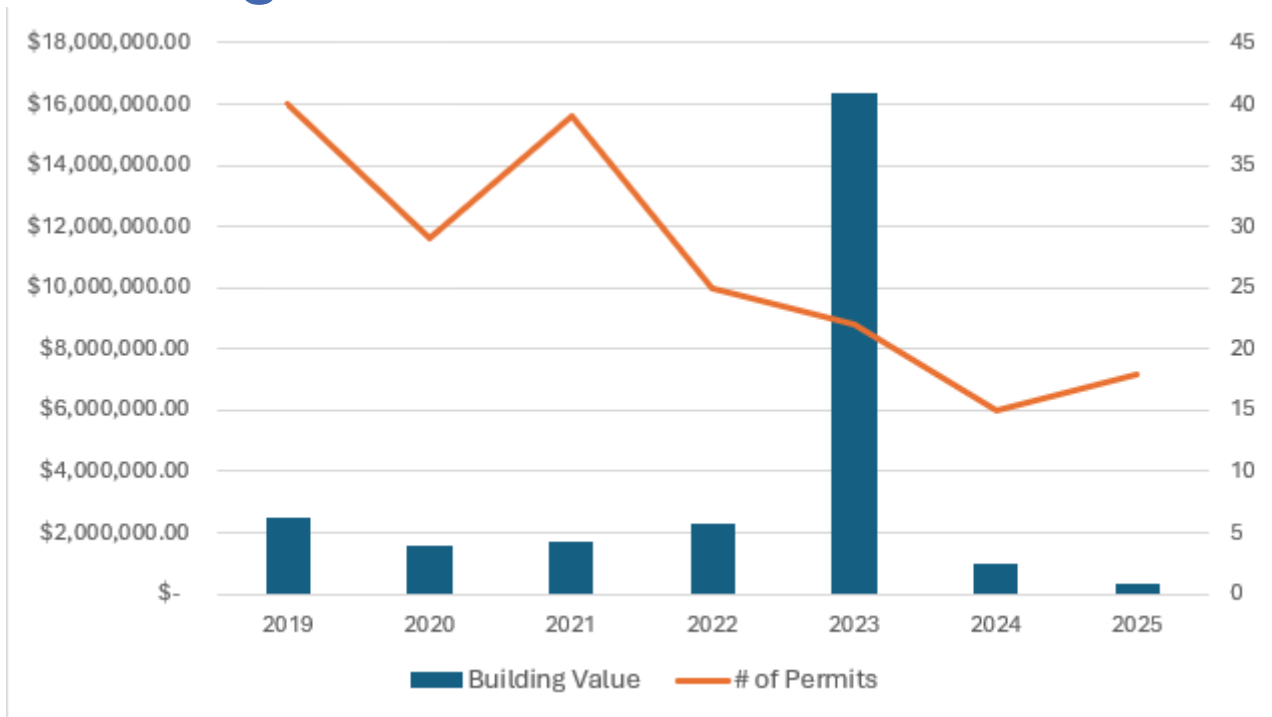


Congratulations to South Columbia Search and Rescue, 2025 Beaver Valley Volunteer of the Year!



The Moonlit Meadows yurt is now open at the Beaver Valley Family Park and Campground thanks to a grant from the Province of BC. The yurt is open for camping and other uses, and helps extend the camping season into the fall. Book through Beaver Valley Recreation.

Building Permits



Total Building permits in 2025 increased to 18 from 15 in 2024. The total value of the permits issued decreased from \$990,975 to \$240,750.

Progress Report



Growth

2025 Accomplishments

- 31 units of affordable housing completed and occupied (BC Housing / Lower Columbia AHS)
- Beaver Valley Child Care Centre completed and opened
- McHale Lane sewer project Phase 2 completed (\$549,000)
- Middle School gym demolished
- Interim Housing Needs Report completed with RDKB
- Public Works staff achieved water and wastewater operator tickets
- Water System Operating Agreement approved for 2026–2030

2026 Goals

- Develop Phase 1 of North Creekside Park
- Begin downtown I&I Phase 3 / Active Transportation project
- OCP update to incorporate Housing Needs Report findings
- Explore 'missing middle' housing options at Middle School site
- Continue water/wastewater operator training
- Review Middle School demolition options with grant funding



Organizational Excellence

2025 Accomplishments

- 2025–2029 Five-Year Financial Plan adopted
- Capital Reserve strategy underway
- CAO joined RDKB Regional Waste Management working group
- Key bylaws updated: Business License, Animal Responsibility, Cemetery, Council Procedures
- Social Media Policy updated
- 2024 Audited Financial Statements approved
- Inter-municipal Accessibility Committee Terms of Reference updated
- Interim CAO appointed; Corporate Officer designated

2026 Goals

- Continue Capital Reserve strategy for infrastructure needs
- Policy review under new CAO
- Housekeeping updates to Zoning Bylaw to streamline and modernize
- Governance and election preparation training for incoming Council
- Continued support for employee professional development



Relationships

2025 Accomplishments

- Council Member serves as Chair of East End Services Committee
- Council Members liaise with 14 community groups and organizations
- Community Health Centre opened in Trail; Mayor appointed to CHC Board
- Combined funds with RDKB to advance Indigenous cultural training
- Donated to Kootenay South Métis Society (Bison Trailer food truck)
- Bylaw enforcement contract renewed

2026 Goals

- Expand CHC services to Rossland and Beaver Valley
- Indigenous training scheduled (July 2026)
- Collective Agreement adopted for 2025–2027
- Maintain and build relationships with regional municipal leaders



Livability and Quality of Life

2025 Accomplishments

- Received RDKB funding to develop North Creekside Park; concept plan prepared
- Replaced picnic tables at Haines, Creekside, and Vale Parks with accessible models
- Upgraded Village Office entrance with accessible push-button door
- Expanded gym hours to 5 a.m.–10 p.m. for all users 19+
- Applied for ReDi grants for Municipal Gym upgrades and Blooming Society
- Supported Farmers' Market, Tailgate Sale, May Days, and community events

2026 Goals

- Complete Phase 1 of North Creekside Park
- Continue accessibility improvements to Village facilities
- Support opening of new downtown café



Climate Action

2025 Accomplishments

- Beaver Creek Flood Risk Assessment adopted
- Replaced gasoline fleet truck and equipment with electric alternatives
- Replaced office building windows with energy-efficient models
- Continued maple tree planting at Haines Park
- Signed Memorial Centre Emergency Shelter Agreement with School District #20
- Supported RDKB FireSmart CRI grant

2026 Goals

- OCP update to incorporate climate action and emergency management policies
- Increase bylaw enforcement services
- Strengthen emergency preparedness (Memorial Centre shelter agreement in place)

Audited Financial Statements

The audited and signed financial statements for the Village of Fruitvale are appended to this report.



Photo by Renata Zaal

Financial Statements

The Corporation of the Village of Fruitvale

December 31, 2025

THE CORPORATION OF THE VILLAGE OF FRUITVALE

December 31, 2025

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Exhibit 2 - Statement of Financial Position by Fund (Unaudited)

Exhibit 3 - Financial Activities - General Operating Fund (Unaudited)

Exhibit 4 - Financial Activities - Sewer Operating Fund (Unaudited)

Exhibit 5 - Schedule of Reserve Funds (Unaudited)

Exhibit 6 - COVID-19 Safe Restart Grant (Unaudited)

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

It is my pleasure to present the Corporation of the Village of Fruitvale's 2025 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 Doane 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, 2025. The external auditors have full and free access to Village Council.

Respectfully submitted,



Marcus Partridge
Chief Financial Officer

Independent Auditor's Report

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To the Mayor and Council of

The Corporation of Village of Fruitvale

Opinion

We have audited the financial statements of the Corporation of Village of Fruitvale (the “Village”), which comprise the statement of financial position as at December 31, 2025, and the statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation of Village of Fruitvale as at December 31, 2025, and its results of operations, its changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *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 Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. Exhibit 1-6 is 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 it.

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

Management is responsible for the preparation and fair presentation of these 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.

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.

Doane Grant Thornton LLP

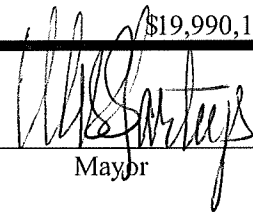
Nelson, Canada
May 11, 2026

Chartered Professional Accountants

THE CORPORATION OF THE VILLAGE OF FRUITVALE
STATEMENT OF FINANCIAL POSITION
AS AT December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash (Note 2)	\$ 3,431,600	\$ 4,109,350
Investments (Note 3)	1,565,910	1,510,655
Accounts receivable (Note 4)	624,348	1,141,096
Deposits, Municipal Finance Authority (Note 5)	30,031	30,031
	5,651,889	6,791,132
LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	629,945	445,083
Deferred revenue (Note 7)	1,283,482	1,423,600
MFA debt reserve (Note 5)	30,031	30,031
Debenture debt (Note 8)	2,032,724	2,097,352
Asset retirement obligations (Note 9)	1,200,872	1,364,482
	5,177,054	5,360,548
NET FINANCIAL ASSETS	474,835	1,430,584
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 1)	19,397,073	17,900,705
Prepaid expenses	79,170	84,310
Other	39,066	14,122
ACCUMULATED SURPLUS (Note 10)	\$19,990,144	\$19,429,721


 Chief Financial Officer


 Mayor

THE CORPORATION OF THE VILLAGE OF FRUITVALE
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED December 31, 2025

	BUDGET (Note 15)	2025	2024
REVENUES			
Taxation, grants in lieu, assessments (Note 11)	\$ 3,988,661	\$ 3,992,591	\$ 3,861,858
Payments to other authorities (Note 11)	(2,349,069)	(2,349,775)	(2,295,290)
Taxation for Village purposes (Note 11)	1,639,592	1,642,816	1,566,568
Sales of services	582,780	568,383	563,453
Other revenue from own sources	219,120	236,498	265,001
Government transfers (Note 12)	825,218	860,255	773,964
Cost recoveries	-	21,345	25,353
Investment income	89,093	128,260	209,323
Loss on disposal of tangible capital assets	-	(25,095)	(28,912)
	3,355,803	3,432,462	3,374,750
EXPENSES			
General government services	1,033,830	1,591,129	1,760,683
Protective services	31,800	26,372	20,789
Transportation services	688,120	536,569	550,244
Environmental health services	27,221	19,365	26,755
Public health and welfare services	32,597	26,824	27,985
Environment development services	252,737	301,662	249,916
Recreation and cultural services	255,937	250,339	219,380
Sewer operations	487,074	555,166	518,032
Accretion	-	64,685	57,933
	2,809,316	3,372,111	3,431,717
SURPLUS (DEFICIT) BEFORE OTHER	546,487	60,351	(56,967)
Government transfers for capital (Note 12)	298,720	500,072	959,547
SURPLUS	845,207	560,423	902,580
ACCUMULATED SURPLUS, beginning of year	19,429,721	19,429,721	18,527,141
ACCUMULATED SURPLUS, end of year	\$20,274,928	\$19,990,144	\$19,429,721

THE CORPORATION OF THE VILLAGE OF FRUITVALE
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS (DEBT)
YEAR ENDED December 31, 2025

	BUDGET		
	(Note 15)	2025	2024
ANNUAL SURPLUS	845,207	\$ 560,423	\$ 902,580
Acquisition of tangible capital assets	(3,725,586)	(2,329,280)	(1,657,889)
Amortization of tangible capital assets	-	807,817	720,217
Loss on disposal of tangible capital assets	-	25,095	28,912
	(2,880,379)	(935,945)	(6,180)
Change in other assets	-	(24,944)	(4,160)
Change in prepaid expenses	-	5,140	(21,965)
INCREASE IN NET DEBT	(2,880,379)	(955,749)	(32,305)
NET DEBT, BEGINNING OF YEAR	1,430,584	1,430,584	1,462,889
NET FINANCIAL ASSETS (NET DEBT), END OF YEAR	(1,449,795)	\$ 474,835	\$ 1,430,584

THE CORPORATION OF THE VILLAGE OF FRUITVALE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED December 31, 2025

	2025	2024
OPERATING TRANSACTIONS		
Annual surplus	\$ 560,423	\$ 902,580
Non-cash items:		
Amortization	807,817	720,215
Accretion	64,683	57,933
Actuarial adjustments	-	(10,197)
Loss on disposal of tangible capital assets	25,095	28,912
Changes to financial assets/liabilities:		
Accounts receivable	516,748	(187,783)
Prepaid expenses	5,140	(21,965)
Other	(24,944)	(4,160)
Accounts payable and accrued liabilities	184,862	(870,320)
Deferred revenue	(140,118)	300,731
	1,999,706	915,946
FINANCING TRANSACTIONS		
Net purchase of investments	(55,255)	(344,448)
Repayment of debenture debt and equipment financing	(64,628)	(55,241)
	(119,883)	(399,689)
CAPITAL TRANSACTIONS		
Tangible capital assets acquired	(2,329,280)	(1,657,889)
Recognition of asset retirement obligation	(228,293)	115,424
	(677,750)	(1,026,208)
INCREASE IN CASH	(677,750)	(1,026,208)
CASH, beginning of year	4,109,350	5,135,558
CASH, end of year	\$ 3,431,600	\$ 4,109,350

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

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

Transactions where goods or services are provided for consideration include performance obligations to a specific payor, revenue from these transactions are recognized as the performance obligations are satisfied. Transactions without performance obligations are recognized when the revenue is received or receivable.

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

D) 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 (losses) from disposal of tangible capital assets

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

D) ASSET RETIREMENT OBLIGATIONS

An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset controlled by a government or government organization. The liability for an asset retirement obligation is recognized when all the following criteria are met:

- there is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- the past transaction or event giving rise to the liability has occurred;
- it is expected that future economic benefits will be given up; and
- a reasonable estimate of the amount can be made.

Asset retirement obligations are initially measured at the best estimate of the amount required to retire a tangible capital asset at the financial statement date. Asset retirement obligations are recorded as liabilities with a corresponding increase to the carrying amount of the related tangible capital asset. The obligation is adjusted to reflect period-to-period changes resulting from the passage of time and for revisions to either the timing or the amount of the original estimate of the future cash flows or the discount rate.

The asset retirement costs are amortized on a straight-line basis over the estimated useful life of the asset.

A recovery related to asset retirement obligation is recognized when the recovery can be appropriately measured, reasonably estimated, and it is expected that future economic benefits will be obtained. The recovery is not netted against the liability.

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

E) 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.

F) 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

G) BUDGET

Budget figures shown represent the amended initial Five Year Financial Plan Bylaw No. 989 as adopted by Council December 1, 2025. Subsequent amendments may have been made to reflect changes in expenditures approved by Council and required by law.

H) 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.

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

1. SIGNIFICANT ACCOUNTING POLICIES - Continued

D) 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.

J) FINANCIAL INSTRUMENTS

The Village's financial instruments consist of cash and cash equivalents, investments, accounts receivable, accounts payable and accrued liabilities and equipment financing loans which are recorded at their cost/amortized cost.

K) 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.

2. CASH

Cash includes \$ 1,128,621 (2024 - \$ 1,103,134) of funds held in term deposits that are redeemable after 90 days, earning interest at 3.07% (2024 - 3.17 %) and \$ 1,120,905 (2024 - \$ 1,083,796) of funds held in MFA earning interest at 2.96%.

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 5.5% 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 2.80% to 3.07%.

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

4. ACCOUNTS RECEIVABLE

	2025	2024
Taxes	\$ 145,461	\$ 198,634
Federal Government	129,427	63,053
Regional District of Kootenay Boundary	239,420	582,528
Provincial Government	75,005	160,090
Columbia Basin Trust	6,000	80,000
Other	29,035	56,791
	\$ 624,348	\$ 1,141,096

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.

As at December 31, 2025, the total of the Debt Reserve Fund was comprised of cash deposits of \$30,930 and a demand note of \$36,274.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Trade payables	\$ 574,907	\$ 389,577
Employee accrued liabilities	55,038	55,512
	\$ 629,945	\$ 445,089

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

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.

	2024	Received	Recognized	2025
Prepaid parcel taxes	\$ 208,142			\$ 221,020
Prepaid utilities	69,716			73,424
RDKB cemetery capital grant	153,919	75,000	60,961	167,958
RDKB BVREC capital grant	4,061	65,000	45,332	23,729
RDKB BVREC operating grants	23,556	56,918	76,484	3,990
RDKB FMC capital grants	160,251	75,000	94,355	140,896
RDKB FMC general grants	64,518	92,865	94,412	62,971
RDKB Daycare Playground Area A	24,363	-	24,363	-
CBT Beaver Valley Youth Action	45,534	61,300	55,074	51,760
CBT Wildfire Grant	2,336	-	2,336	-
Rural Dividend Fund	8,334	-	472	7,862
CARIP - Local govt climate action	256,588	-	99,071	157,517
Next Gen 911 Grant	11,927	-	4,532	7,395
Other	48,682	27,552	26,225	50,012
Fortis BC Community giving project	-	30,000	30,000	-
SPARC - Accessible picnic tables	-	25,000	25,000	-
Flood Mitigation Disaster Risk	21,592	75,000	90,012	6,580
Provincial Planning Grant	127,514	-	19,205	108,310
Indigenous Engagement Funding	40,000	42,000	40,000	42,000
UBCM Gas Tax (details below)	152,567	152,567	147,074	158,060
	\$ 1,423,600	\$ 778,202	\$ 934,908	\$ 1,283,484

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

7. DEFERRED REVENUE - Continued

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.

	2025	2024
Opening balance of unspent funds	\$ 152,567	\$ -
Add: Amount received during the year	152,567	152,567
Less: Amount spent on approved projects	(147,074)	-
Closing balance of unspent funds	\$ 158,060	\$ 152,567

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 at interest of 2.80% per annum:

2026	\$ 66,566
2027	68,563
2028	70,620
2029	72,739
2030	72,739
Thereafter	1,681,497
	\$ 2,032,724

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

9. ASSET RETIREMENT OBLIGATIONS

Existing laws and regulations require the Village to take specific actions regarding the removal and disposal of certain capital assets at the end of their useful life. Asset retirement obligations related to general and sewer infrastructure capital assets are amortized over the remaining expected useful life of the related assets.

The Village has adopted this standard prospectively. Under the prospective method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard. Estimated costs totaling \$2,285,003 have been discounted using a present value calculation with a discount rate of 4.76%. The discount rate used is based on borrowing rate for liabilities with similar risks and maturity. The timing of these expenditures is estimated to occur between 2026 and 2054 with the regular replacement, renovation, or disposal of assets. No recoveries are expected at this time. The Village issues debt instruments through the Municipal Finance Authority, pursuant to security issuing bylaws under authority of the Local Government Act, to finance certain capital expenditures.

	2025	2024
Opening asset retirement obligations	\$ 1,364,481	\$ 1,191,124
decrease due to remediation work	(169,770)	-
increase/(decrease) due to the change in discount rate	(58,523)	115,424
increase due to accretion	64,685	57,933
Closing retirement obligation	\$ 1,200,872	\$ 1,364,481

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

10. ACCUMULATED SURPLUS

Accumulated surplus is represented by:

	2025	2024
Unappropriated surplus - general	\$ 330,410	\$ 255,875
Unappropriated surplus - sewer	247,396	67,622
COVID-19 restart grant (Exhibit 6)	594,125	623,282
	1,171,931	\$ 946,779
Capital funds (Exhibit 1)	81,222	81,222
Reserve funds (Exhibit 5)	2,470,661	3,859,765
Equity in tangible capital assets (Exhibit 1)	16,266,330	14,541,951
	\$19,990,144	\$19,429,717

11. REVENUES

	2025	2024
Taxation, grants in lieu, assessments:		
Property taxes	\$ 1,637,317	\$ 1,561,917
Grants in lieu of taxes	2,197	2,041
Collections for other authorities:		
Province of BC	854,348	828,565
Regional District of Kootenay Boundary	1,417,192	1,390,316
West Kootenay-Boundary Regional Hospital District	65,426	63,754
BC Assessment Authority	16,028	15,184
Municipal Finance Authority	83	81
	3,992,591	3,861,858
Payments to other authorities	(2,349,775)	(2,295,290)
	\$ 1,642,816	\$ 1,566,568

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

12. GOVERNMENT TRANSFERS

	2025	2024
Government transfers - capital		
Federal conditional transfers:		
Provincial conditional transfers:		
Provincial capital grants	269,425	666,247
Regional district, local governments, and other conditional transfers	230,647	293,300
Government transfers - capital	500,072	959,547
Government transfers - non-capital		
Provincial conditional transfers:		
Province of British Columbia	191,118	57,229
Provincial unconditional transfers:		
Small Communities grant	457,000	511,900
Emergency Management	-	(30)
Federal conditional transfers:		
Other	-	3,624
Regional District of Kootenay Boundary conditional transfer:	212,137	201,241
Government transfers - non-capital	860,255	773,964
	\$ 1,360,327	\$ 1,733,511

13. 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, 2025, the promissory note is \$37,669 (2024 - \$37,669).

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.

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

14. 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, 2024, the Plan has about 273,000 active members and approximately 133,000 retired members. Active members include approximately 47,000 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, 2024 indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

The next valuation will be as at December 31, 2027.

The Corporation of the Village of Fruitvale paid \$83,524 (2024 - \$92,507) for employer contributions while employees contributed \$77,244 (2024 - \$85,551) to the plan in fiscal 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.

15. BUDGET RECONCILIATION

The reconciliation of the approved budget Bylaw No. 989 for the current year to the budget figures reported in these financial statements is as follows:

Budget surplus per Statement of Operations	\$ 845,207
Less: capital expenditures	(3,725,586)
Less: debt principal repaid	(52,582)
Less: transfers to other funds	2,932,961
	<hr/>
	\$ -

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

16. 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

17. COMMITMENTS

The Village of Fruitvale entered into agreements with the following vendors to purchase and complete projects related to tangible capital assets totalling \$722,804

- Insituform Technologies Limited - \$25,216 for manhole rehabilitation
- Gally Equipment Services Ltd - \$697,588 to replace the water main pipe

18. FINANCIAL INSTRUMENTS

Credit Risk

Credit risk is the risk of financial loss to the Village if a debtor fails to discharge their obligation (e.g., pay property taxes to the Village). The Village is exposed to this risk arising from its cash, investments and accounts receivable. The Village holds its cash accounts with a federally regulated chartered bank who is insured by the Canadian Deposit Insurance Corporation.

The Village's investment policy operates within the constraints of the investment guidelines laid out in Section 183 of the Community Charter, which puts limits on the types of investments the Village may invest in. The Section permits the Village's funds to be invested in securities of the Municipal Finance Authority; specified pooled investments; securities issued by the Government of Canada, a Canadian province, municipality, or regional district; investments guaranteed by a chartered bank; and deposits in savings institutions or non-equity or membership shares of a credit union.

Accounts receivable is primarily amounts due from government (grants receivable) and Village residents. The Village mitigates credit risk by regular submission of reporting requirements for grants receivable. Property tax receivable risk is mitigated by regular notification to the residents of outstanding amounts and ultimately tax sale for tax recovery, if necessary. If an accounts receivable is held for a long period of time, an impairment allowance is setup to offset the receivable. There were no changes in exposures to credit risk during the period. The amounts outstanding at year end were as follows:

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

18. FINANCIAL INSTRUMENTS - Continued

	2025				
	Current	31-60 days	61-90 days	Over 90 days	Total
Due from other governments	\$ 449,852	\$ -	\$ -	\$ -	\$ 449,852
Taxes receivable	-	-	-	145,461	145,461
Total receivables	\$ 449,852	\$ -	\$ -	\$ 145,461	\$ 595,313

	2024				
	Current	31-60 days	61-90 days	Over 90 days	Total
Due from other governments	\$ 885,671	\$ -	\$ -	\$ -	\$ 885,671
Taxes receivable	-	-	-	198,634	198,634
Total receivables	\$ 885,671	\$ -	\$ -	\$ 198,634	\$ 1,084,305

Liquidity Risk

Liquidity risk is the risk that the Village will not be able to meet all cash outflow obligations as they come due. The Village mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near-term if unexpected cash outflows arise. The following table sets out the expected maturities, representing undiscounted cash-flows of its financial liabilities:

	2025
Accounts payable and accrued liabilities	\$ 629,945

There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

THE CORPORATION OF THE VILLAGE OF FRUITVALE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2025

18. FINANCIAL INSTRUMENTS - Continued

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Village operates within the constraints of the investment guidelines in Section 183 of the Community Charter. The investment portfolio is monitored by management, the investment managers, and Council.

Currency risk

Currency risk arises from the change in price of one currency in relation to another. The Village is not exposed to this risk as it does not transact in foreign currencies.

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in the fair value or future cash flows of financial instruments because of changes in market interest rates. The Village mitigates this risk by having a fixed rate of interest for its debt. The Village also ensures that they have sufficient cash to meet the outstanding debt obligation if interest rates should rise. The Village monitors expected cash outflow through budgeting and maintenance of loans payable and investments. There have been no significant changes from the previous year in the exposure to risk or policies, procedures and methods used to measure the risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk). The Village is not exposed to other price risk as the Village does not have any investments in equity instruments.

THE CORPORATION OF THE VILLAGE OF FRUITVALE
SCHEDULE 1 - SCHEDULE OF TANGIBLE CAPITAL ASSETS
AS AT December 31, 2025

	Land	Land Improvements	<u>Engineering Structures</u>				Machinery Equipment & Vehicles	Buildings	Work in Progress	2025	2024
			General	Sewer						TOTAL	TOTAL
COST											
Balance, beginning of year	\$ 1,523,331	\$ 1,922,135	\$ 8,516,752	\$ 3,798,461	\$ 4,146,087	\$ 9,101,896	\$	192,166	\$ 29,200,828	\$ 27,897,474	
Add: additions during the year	999,010	165,494	147,074	408,154	354,879	(57,121)		431,151	2,448,641	3,660,545	
Less: disposals and transfers during the year	-	(36,536)	(20,343)	(2,678)	-	-		(119,361)	(178,918)	(2,357,194)	
Balance, end of year	2,522,341	2,051,093	8,643,483	4,203,937	4,500,966	9,044,775		503,956	31,470,551	29,200,825	
Accumulated Amortization											
Balance, beginning of year	-	693,903	4,250,392	1,018,770	2,070,645	3,266,410		-	11,300,120	10,905,531	
Add: amortization	-	55,128	195,599	65,312	219,856	271,922		-	807,817	720,215	
Less: accumulated amortization on disposals	-	(12,220)	(19,849)	(2,391)	-	-		-	(34,460)	(325,626)	
Balance, end of year	-	736,811	4,426,142	1,081,691	2,290,501	3,538,333		-	12,073,478	11,300,120	
Net Book Value 2025	\$ 2,522,341	\$ 1,314,282	\$ 4,217,341	\$ 3,122,246	\$ 2,210,465	\$ 5,506,442	\$	503,956	\$ 19,397,073	\$ 17,900,705	
Net Book Value 2024	\$ 1,523,331	\$ 1,228,231	\$ 4,266,360	\$ 2,779,689	\$ 2,075,442	\$ 5,835,486	\$	192,166	\$ -	\$ 17,900,705	

Current year additions for the general building and sewer engineering structures include the change in the MFA discount rate for asset retirement obligation.

THE CORPORATION OF THE VILLAGE OF FRUITVALE
SCHEDULE 2 - SEGMENTED INFORMATION
AS AT December 31, 2025

	General Government	Protective Services	Transportation Services	Environmental Health Services	Public health and Welfare Services	Environment Development Services	Recreation and Cultural Services	Sewer Operations	2025 Total	2024 Total
Revenue										
Taxation	\$ 1,224,066	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 418,750	\$ 1,642,816	\$ 1,566,568
Sales of services	14,654	-	-	1,767	-	-	52,624	499,338	568,383	563,453
Other revenues from own sources	144,407	2,405	-	-	22,362	12,250	55,074	-	236,498	265,001
Government transfers	1,013,022	-	-	-	36,723	-	310,582	-	1,360,327	1,733,511
Cost Recoveries	21,345	-	-	-	-	-	-	-	21,345	25,353
Investment income	128,260	-	-	-	-	-	-	-	128,260	209,323
Loss on sale of TCA	(25,095)	-	-	-	-	-	-	-	(25,095)	(28,912)
	2,520,659	2,405	-	1,767	59,085	12,250	418,280	918,088	3,932,534	4,334,297
Expenditure										
Salaries and benefits	490,632	-	288,068	5,483	22,094	12,207	125,078	128,492	1,072,054	1,283,201
Contracts and professional services	272,134	26,372	74,445	3,245	150	53,085	50,864	37,576	517,871	629,217
Supplies, materials and equipment	202,876	-	174,057	10,637	4,580	236,370	74,398	134,178	837,096	669,538
Total before debt, other fiscal services and amortization	965,642	26,372	536,570	19,365	26,824	301,662	250,340	300,246	2,427,021	2,581,956
Debt interest, fiscal services and other	62,087	-	-	-	-	-	-	10,500	72,587	71,615
Amortization	563,398	-	-	-	-	-	-	244,420	807,818	720,217
Accretion	42,555	-	-	-	-	-	-	22,130	64,685	57,933
	1,633,682	26,372	536,570	19,365	26,824	301,662	250,340	577,296	3,372,111	3,431,721
Net revenue	\$ 886,977	\$ (23,967)	\$ (536,570)	\$ (17,598)	\$ 32,261	\$ (289,412)	\$ 167,940	\$ 340,792	\$ 560,423	\$ 902,576

THE CORPORATION OF THE VILLAGE OF FRUITVALE
EXHIBIT 1 - SCHEDULE OF CAPITAL EQUITY
YEAR ENDED December 31, 2025

(UNAUDITED)

	General Capital Fund		Sewer Capital Fund		Consolidated	
	2025	2024	2025	2024	2025	2024
Capital equity, beginning of year	\$ 8,730,509	\$ 8,050,862	\$ 5,892,667	\$ 5,771,468	\$ 14,623,176	\$ 13,822,330
Contributions to capital assets						
Capital additions from operating	1,640,940	1,240,637	916,633	301,828	2,557,573	1,542,465
Capital additions from asset retirement obligation	(208,808)	86,458	(19,485)	28,966	(228,293)	115,424
Debt retirement						
Repayment of debenture debt	64,628	65,438	-	-	64,628	65,438
Asset retirement obligation	208,808	(86,458)	19,485	(28,966)	228,293	(115,424)
Prior year unspent borrowings	(103,081)	(103,081)	-	-	(103,081)	(103,081)
Unspent long term borrowing	103,081	103,081	-	-	103,081	103,081
Accretion	(42,555)	(38,687)	(22,130)	(19,245)	(64,685)	(57,932)
Amortization of TCA	(563,398)	(558,829)	(244,420)	(161,386)	(807,818)	(720,215)
Loss on disposal of TCA	(25,095)	(28,912)	-	-	(25,095)	(28,912)
	(422,240)	(712,886)	(247,065)	(209,597)	(669,305)	(922,483)
Capital equity, end of year	\$ 9,805,029	\$ 8,730,509	\$ 6,542,750	\$ 5,892,665	\$ 16,347,779	\$ 14,623,174
Equity in capital assets is as follows:						
Financial equity	\$ 81,079	\$ 81,079	\$ 143	\$ 143	\$ 81,222	\$ 81,222
Physical equity	9,723,723	8,649,427	6,542,607	5,892,524	16,266,330	14,541,951
	\$ 9,804,802	\$ 8,730,506	\$ 6,542,750	\$ 5,892,667	\$ 16,347,552	\$ 14,623,173

THE CORPORATION OF THE VILLAGE OF FRUITVALE
EXHIBIT 2 - STATEMENT OF FINANCIAL POSITION BY FUND
YEAR ENDED December 31, 2025
(UNAUDITED)

	OPERATING		CAPITAL		Reserve Funds	2025	2024
	General	Sewer	General	Sewer			
FINANCIAL ASSETS							
Cash	\$ 1,182,074	\$ -	\$ -	\$ -	\$ -	\$ 1,182,074	\$ 1,922,420
Restricted cash	-	-	-	-	2,249,526	2,249,526	2,186,930
Accounts receivable	624,348	-	-	-	-	624,348	1,141,096
Due (to) from other funds	913,181	247,396	182,575	1,622	(1,344,774)	-	-
Investments	-	-	-	-	1,565,910	1,565,910	1,510,655
Deposits, MFA	30,031	-	-	-	-	30,031	30,031
	2,749,634	247,396	182,575	1,622	2,470,662	5,651,889	6,791,132
LIABILITIES							
Accounts payable and accrued liabilities	629,945	-	-	-	-	629,945	445,086
Deferred revenue	1,283,482	-	-	-	-	1,283,482	1,423,600
MFA debt reserve	30,031	-	-	-	-	30,031	30,031
Debtenture debt	-	-	2,032,724	-	-	2,032,724	2,097,352
Asset retirement obligation	-	-	732,906	467,966	-	1,200,872	1,364,481
	1,943,458	-	2,765,630	467,966	-	5,177,054	5,360,550
Net Financial Assets	806,176	247,396	(2,583,055)	(466,344)	2,470,662	474,835	1,430,582
Prepaid expenses	79,170	-	-	-	-	79,170	84,310
Other	39,066	-	-	-	-	39,066	14,122
Tangible capital assets	-	-	12,387,979	7,009,094	-	19,397,073	17,900,705
NET ASSETS	\$ 924,412	\$ 247,396	\$ 9,804,924	\$ 6,542,750	\$ 2,470,662	\$ 19,990,144	\$ 19,429,719
EQUITY, Financial							
Unappropriated surplus	\$ 924,303	\$ 247,396	-	\$ -	-	\$ 1,171,699	\$ 946,779
Capital funds	-	-	81,079	143	-	81,222	81,222
Reserve funds	-	-	-	-	2,470,662	2,470,662	3,859,765
	924,303	247,396	81,079	143	2,470,662	3,723,583	4,887,766
EQUITY, Physical							
Tangible capital assets	-	-	9,723,723	6,542,607	-	16,266,330	14,541,951
TOTAL EQUITY	\$ 924,303	\$ 247,396	\$ 9,804,802	\$ 6,542,750	\$ 2,470,662	\$ 19,989,913	\$ 19,429,717

THE CORPORATION OF THE VILLAGE OF FRUITVALE
EXHIBIT 3 - FINANCIAL ACTIVITIES
GENERAL OPERATING FUND
YEAR ENDED December 31, 2025

(UNAUDITED)

	BUDGET	2025	2024
REVENUES			
Taxation, grants in lieu, assessments	\$ 3,569,561	\$ 3,573,841	\$ 3,482,208
Payments to other authorities	(2,349,069)	(2,349,775)	(2,295,290)
<hr/>			
Taxation for village purposes	1,220,492	1,224,066	1,186,918
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Sale of services	84,523	69,045	78,284
Other revenue from own sources	308,213	364,758	474,324
Grants	59,950	32,336	514,146
Cost recoveries	103,780	48,045	66,675
Conditional transfers from provincial government	238,770	458,206	158,699
Conditional transfers regional district/local government	355,218	412,784	339,614
Conditional transfers from federal government	-	-	3,624
Unconditional transfers from provincial government	470,000	457,000	511,870
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	2,840,946	3,066,240	3,334,154
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EXPENSES			
General government services	964,955	965,642	1,140,743
Protective services	31,800	26,372	20,789
Transportation services	688,120	536,569	550,244
Environmental health services	27,221	19,365	26,755
Public health and welfare services	32,597	26,824	27,985
Environmental development services	252,737	301,662	249,916
Recreational and cultural	255,937	250,339	219,380
Debt interest, fiscal services and other	68,875	62,087	61,115
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	2,322,242	2,188,860	2,296,927
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EXCESS OF REVENUE OVER EXPENSES	518,704	877,380	1,037,227
Debt principal repaid	(44,700)	(64,628)	(65,438)
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NET EXCESS OF REVENUE OVER EXPENSES	474,004	812,752	971,789
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Transfers from (to) own funds and reserves:			
Cemetery care fund	(5,000)	(8,331)	(10,348)
Transfer from reserve - capital	2,088,673	1,108,368	458,769
General capital - purchase of tangible capital assets	(2,530,123)	(1,640,940)	(1,240,637)
Transfer to capital reserve	(82,201)	(109,681)	(182,118)
Transfer from reserve - operating	69,197	24,766	34,941
Transfer from sewer capital reserve	-	-	163,104
Transfer to operating reserve	(14,550)	(141,783)	(195,500)
Long term borrowings	-	103,081	103,081
Unspent long term borrowings	-	(103,081)	(103,081)
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	(474,004)	(767,601)	(971,789)
<hr/>			
NET FUND SURPLUS (DEFICIT) FOR THE YEAR	-	45,151	-
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FINANCIAL EQUITY, BEGINNING OF YEAR	879,152	879,152	879,152
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FINANCIAL EQUITY, END OF YEAR	\$ 879,152	\$ 924,303	\$ 879,152

THE CORPORATION OF THE VILLAGE OF FRUITVALE
EXHIBIT 4 - FINANCIAL ACTIVITIES
SEWER OPERATING FUND
YEAR ENDED December 31, 2025

(UNAUDITED)

	BUDGET	2025	2024
REVENUES			
Sewer user rates	\$ 498,257	\$ 499,338	\$ 485,169
Sewer parcel taxes	419,100	418,750	379,650
Conditional transfers from provincial government	-	-	205,558
Conditional transfers from regional district			
	917,357	918,088	1,070,377
EXPENSES			
Salaries, wages and benefits	210,530	128,492	157,211
Contracted services	87,169	37,576	61,158
Supplies, materials and equipment	178,875	134,178	127,777
Debt interest	10,500	10,500	10,500
	487,074	310,746	356,646
EXCESS OF REVENUE OVER EXPENSES	430,283	607,342	713,731
Debt principal repaid	(7,882)	-	-
NET EXCESS OF REVENUE OVER EXPENSES	422,401	607,342	713,731
From sewer capital reserve	815,789	935,015	79,392
To sewer operating reserve	-	(500)	(2,700)
Sewer capital - purchase of tangible capital assets	(1,195,463)	(916,633)	(301,828)
Internal charges	(42,727)	(26,700)	(41,323)
To sewer capital reserve	-	(418,750)	(379,650)
	(422,401)	(427,568)	(646,109)
NET FUND SURPLUS (DEFICIT) FOR THE YEAR	-	179,774	67,622
FINANCIAL EQUITY, BEGINNING OF YEAR	67,622	67,622	-
FINANCIAL EQUITY, END OF YEAR	\$ 67,622	\$ 247,396	\$ 67,622

THE CORPORATION OF THE VILLAGE OF FRUITVALE
EXHIBIT 5 - SCHEDULE OF RESERVE FUNDS
YEAR ENDED December 31, 2025

(UNAUDITED)

ASSETS	Cemetery Care		Growing and Capital		General		Sewer		2025	2024
	Fleet Reserve	Communities Reserve	Improvement Fund	Capital Reserve	Reserve	Reserve	Reserve	Total	Total	
Cash	\$ 178,990	\$ -	\$ -	\$ 77,083	\$ 677,185	\$ 1,316,268	\$ -	\$ 2,249,526	\$ 2,186,930	
Investments	-	524,758	131,616	-	909,535	-	-	1,565,909	1,510,655	
Due to general operating fund	-	-	-	-	(1,344,774)	-	-	(1,344,774)	162,180	
	\$ 178,990	\$ 524,758	\$ 131,616	\$ 77,083	\$ 241,946	\$ 1,316,268	\$ -	\$ 2,470,661	\$ 3,859,765	
FUND BALANCES,										
beginning of year	\$ 247,859	\$ 1,388,945	\$ 123,285	\$ 82,735	\$ 243,118	\$ 1,773,823	\$ -	\$ 3,859,765	\$ 3,825,655	
Interest earned	8,134	46,130	8,061	2,715	7,978	58,210	-	131,228	193,943	
Transfers to reserve	-	-	270	112,681	15,616	419,250	-	547,817	576,373	
Transfers from reserve	(77,003)	(910,317)	-	(121,048)	(24,766)	(935,015)	-	(2,068,149)	(736,206)	
FUND BALANCES, end of year	\$ 178,990	\$ 524,758	\$ 131,616	\$ 77,083	\$ 241,946	\$ 1,316,268	\$ -	\$ 2,470,661	\$ 3,859,765	

THE CORPORATION OF THE VILLAGE OF FRUITVALE
EXHIBIT 6 - COVID-19 Safe Restart Grant
YEAR ENDED December 31, 2025

(UNAUDITED)

	2025	2024
Balance, beginning of year	\$ 623,282	\$ 623,282
Eligible costs:		
Contracted services	(29,157)	-
Balance, end of year	\$ 594,125	\$ 623,282