

The Corporation of the Village of Clinton
Financial Statements
For the year ended December 31, 2022

The Corporation of the Village of Clinton
Financial Statements
For the year ended December 31, 2022

Contents

Management's Responsibility for Financial Reporting	2
Independent Auditor's Report	3-4
Financial Statements	
Statement of Financial Position	5
Statement of Operations	6
Statement of Change in Net Financial Assets	7
Statement of Cash Flows	8
Notes to Financial Statements	9-23
Schedule 1: Fund Revenue	22
Schedule 2: Fund Expenses	23
Schedule 3: Covid Safe Restart Grant	24

Management's Responsibility for Financial Reporting

The accompanying financial statements of the Corporation of the Village of Clinton are the responsibility of management and have been approved by the Mayor and Council of the Village.

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Corporation of the Village of Clinton maintains systems of internal accounting and administrative controls of sufficient quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Village's assets are appropriately accounted for and adequately safeguarded.

The Corporation of the Village of Clinton is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council carries out this responsibility principally through its Finance committee.

The Mayor and Council review the Village's financial statements and recommend their approval. The Mayor and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report. The Mayor and Council takes this information into consideration when approving the financial statements for issuance to the ratepayers. The Mayor and Council also appoint the engagement of the external auditors.

The financial statements have been audited by BDO Canada LLP in accordance with Canadian public sector accounting standards on behalf of the ratepayers. BDO Canada LLP has full access to the Council and management.



Mandy McKague, Chief Financial Officer

Independent Auditor's Report

To the Members of Council of The Corporation of the Village of Clinton

Opinion

We have audited the financial statements of The Corporation of the Village of Clinton (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 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 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 Matter

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of Schedule 3 on page 24 of these financial statements.

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

Chartered Professional Accountants

Kamloops, British Columbia
April 19, 2023

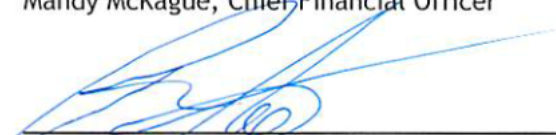
The Corporation of the Village of Clinton
Statement of Financial Position

As at December 31	2022	2021
Financial assets		
Cash	\$ 3,719,194	\$ 4,187,715
Portfolio investments (Note 2)	793,009	781,762
Taxes and utilities receivable	99,958	115,719
Accounts receivable	56,365	82,606
Investment in Community Forest Company (Note 4)	934,835	536,614
	5,603,361	5,704,416
Liabilities		
Accounts payable and accrued liabilities	294,736	256,525
Deferred revenue	132,491	57,419
Long-term debt (Note 5)	1,187,940	1,240,241
Silviculture liability	160,000	78,041
	1,775,167	1,632,226
Net financial assets	3,828,194	4,072,190
Non-financial assets		
Tangible capital assets (Note 6)	9,938,515	9,354,611
Prepaid expenses	44,250	26,721
	9,982,765	9,381,332
Accumulated surplus (Note 7)	\$13,810,959	\$ 13,453,522

Contingent liabilities (Note 10)



Mandy McKague, Chief Financial Officer



Roland Stanke, Mayor

The Corporation of the Village of Clinton
Statement of Operations

For the year ended December 31	Budget 2022	2022	2021
	(Note 12)		
Revenue (Schedule 1)			
Municipal taxation and grants-in-lieu of taxes (Note 8)	\$ 923,780	\$ 922,393	\$ 818,641
Sales of services	362,152	378,038	352,026
Revenue from own sources	110,146	190,904	164,890
Transfers from other governments	2,820,600	679,045	704,620
Actuarial adjustment on debenture debt	-	1,345	1,229
Equity (loss) income in Community Forest Company (Note 4)	-	398,221	(26,226)
	<u>4,216,678</u>	<u>2,569,946</u>	<u>2,015,180</u>
Expenses (Schedule 2)			
General administration and legislative services	728,309	709,938	785,668
Protective services	153,875	181,047	148,268
Public Works	599,512	461,164	363,329
Environmental and health services	433,429	493,144	458,272
Recreation and cultural services	205,800	327,361	286,532
Interest on long term debt	-	39,855	10,747
	<u>2,120,925</u>	<u>2,212,509</u>	<u>2,052,816</u>
Annual surplus (deficit)	2,095,753	357,437	(37,636)
Accumulated surplus, beginning of year	<u>13,453,522</u>	<u>13,453,522</u>	<u>13,491,158</u>
Accumulated surplus, end of year	<u>\$15,549,275</u>	<u>\$13,810,959</u>	<u>\$ 13,453,522</u>

The Corporation of the Village of Clinton
Statement of Change in Net Financial Assets

For the year ended December 31	Budget 2022	2022	2021
	(Note 13)		
Annual surplus (deficit)	\$ 2,095,753	\$ 357,437	\$ (37,636)
Acquisition of tangible capital assets (Note 6)	(3,455,900)	(1,025,430)	(681,499)
Amortization of tangible capital assets (Note 6)	415,832	441,526	393,722
	(944,315)	(226,467)	(325,413)
Change in prepaid expenses	-	(17,529)	128
Increase (decrease) in net financial assets	(944,315)	(243,996)	(325,285)
Net financial assets, beginning of year	4,072,190	4,072,190	4,397,475
Net financial assets, end of year	\$ 3,127,875	\$ 3,828,194	\$ 4,072,190

The Corporation of the Village of Clinton
Statement of Cash Flows

For the year ended December 31	2022	2021
Operating transactions		
Annual surplus (deficit)	\$ 357,437	\$ (37,636)
Items not involving cash		
Amortization	441,526	393,722
Actuarial adjustment on long-term debt	(1,345)	(1,229)
Changes in non-cash operating balances		
Taxes and utilities receivable	15,761	4,169
Accounts receivable	27,585	(44,182)
Prepaid expenses	(17,529)	128
Accounts payable and accrued liabilities	38,211	225,784
Deferred revenue	75,072	-
Equity change in Community Forest	(398,221)	(43,361)
Solid waste closure and post closure liabilities	81,959	26,226
	<u>620,456</u>	<u>523,621</u>
Capital transactions		
Acquisition of tangible capital assets	<u>(1,025,430)</u>	<u>(681,499)</u>
Investing transaction		
Acquisition of portfolio investments	<u>(11,247)</u>	<u>(472)</u>
Financing transactions		
Repayment of long-term debt	(52,300)	(35,349)
Proceeds from long-term debt	<u>-</u>	<u>1,200,000</u>
Net change in cash	(468,521)	1,006,301
Cash, beginning of year	<u>4,187,715</u>	<u>3,181,414</u>
Cash, end of year	<u>\$ 3,719,194</u>	<u>\$ 4,187,715</u>
Supplementary cash flow information		
Interest paid	<u>\$ 39,855</u>	<u>\$ 10,747</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2022

1. Significant accounting policies

Basis of Presentation	The financial statements of the Corporation of the Village of Clinton (the "Village") are the responsibility of management. They have been prepared in accordance with Canadian generally accepted accounting principles established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.										
Nature of Operations	The Village was incorporated on July 16, 1963 under the Municipal Act, a former statute of the Province of British Columbia. Its principal activities include the provision of local government services to the residents of the incorporated area. These include administrative, protective, transportation, environmental, recreational, water, sewer, and fiscal services.										
Cash and Cash Equivalents	Management considers all highly liquid investments with maturity of three months or less at acquisition to be cash equivalents.										
Portfolio Investments	Portfolio investments are recorded at cost unless there has been a decline in the market value which is other than temporary in nature in which case the investments are written down to market value.										
Investment in Government Business Enterprises	The Village accounts for its 100% interest in the Clinton and District Community Forest of BC Limited (the "Company") using the modified equity method as the Company is a self-sustaining subsidiary of the Village. Under the modified equity method, the cost of the investment is adjusted by the earnings or losses of the Company.										
Tangible Capital Assets	<p>Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:</p> <table><tr><td>Engineering Structures</td><td>10 to 70 years</td></tr><tr><td>Buildings</td><td>10 to 60 years</td></tr><tr><td>Furniture and equipment</td><td>5 to 10 years</td></tr><tr><td>Sewer system and equipment</td><td>25 to 80 years</td></tr><tr><td>Water system and equipment</td><td>25 to 80 years</td></tr></table>	Engineering Structures	10 to 70 years	Buildings	10 to 60 years	Furniture and equipment	5 to 10 years	Sewer system and equipment	25 to 80 years	Water system and equipment	25 to 80 years
Engineering Structures	10 to 70 years										
Buildings	10 to 60 years										
Furniture and equipment	5 to 10 years										
Sewer system and equipment	25 to 80 years										
Water system and equipment	25 to 80 years										

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2022

1. Significant accounting policies (continued)

Leased Assets Leases entered into that transfer substantially all the benefits and risks associated with ownership are recorded as the acquisition of a tangible capital asset and the incurrence of an obligation. The asset is amortized in a manner consistent with tangible capital assets owned by the Village, and the obligation, including interest thereon, is liquidated over the term of the lease. All other leases are accounted for as operating leases, and the rental costs are expensed as incurred.

Collection of Taxes on Behalf of Other Taxation Authorities The Village collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of entities are not reflected in these financial statements.

Reserve Funds Reserves represent amounts set aside for specific or future expenditures. Statutory reserves require the passing of a by-law before funds can be expended. Reserve accounts require an approved council budget and resolution.

Trust Funds Trust funds held in trust by the Village, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately.

Retirement Benefits and Other Employee Benefit Plans The Village's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred. The costs of other pensions and other retirement benefits that accumulate over the period of service provided by employees are actuarially determined using the projected benefit method prorated on services based on management's best estimate of retirement ages, inflation rates, investment returns, wage and salary escalation, insurance and health care costs trends, employee turnover and discount rates. Actuarial gains and losses are amortized on a straight-line basis over the expected average remaining service life of the employee group.

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2022

1. Significant accounting policies (continued)

Deferred Revenue	Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specified purpose.
Government Transfers	Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.
Revenue Recognition	<p>Taxes are recognized as revenue in the year they are levied.</p> <p>Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.</p> <p>Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.</p> <p>Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.</p> <p>Sales of service and other revenue is recognized on an accrual basis.</p>
Financial Instruments	Unless otherwise noted, it is management's opinion that the Village is not exposed to significant interest, currency or credit risk arising from its financial instruments. The fair value of its financial instruments approximate their carrying values, unless otherwise noted.
Use of Estimates	The preparation of 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2022

2. Portfolio Investments

	<u>2022</u>	<u>2021</u>
Bonds	\$ 71,066	\$ 72,935
Money market investments	721,943	708,827
	<u>\$ 793,009</u>	<u>\$ 781,762</u>

The income from portfolio investments for the year was \$10,427 (2021 - \$10,472). The market value of the Village's marketable securities was \$793,009 (2021 - \$781,762) and the ending carrying value was 798,276 (2021 - 781,762).

3. Employee Future Benefits

Municipal Employees Retirement System

The Village 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 Village paid \$42,996 (2021 - \$39,892) for employer contributions to the plan in fiscal 2019.

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 individual employers participating in the plan.

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2022

4. Investments

	2022	2021
Investment in Clinton & District Community Forest of BC Ltd.	\$ 934,835	\$ 536,614

Summary of the audited financial statements of the Clinton & District Community Forest of BC Ltd. for the year ended December 31, 2022 are as follows:

Statement of Financial Position

	2022	2021
Cash	662,725	381,981
Term deposit	830,971	814,238
Property, plant and equipment	129,569	41,652
	1,623,265	1,237,871
Accounts payable and accrued liabilities	77,309	64,830
Silviculture liability	611,122	636,428
Share capital	1	1
Shareholder's equity	934,834	536,612
	\$ 1,623,266	\$ 1,237,871

Statement of Operations

Revenue	2,588,505	3,637,742
Expenses	(2,083,932)	(3,590,800)
	504,573	46,942
Income from operations	504,573	46,942
Donations to the Community		
Donations to the Community at large	(46,270)	(70,166)
Economic development contribution	(60,080)	-
Scholarships	-	(3,000)
	398,223	(26,224)
Net Income for the year	398,223	(26,224)
Retained earnings, beginning of the year	536,612	562,838
Retained earnings, end of the year	\$ 934,835	\$ 536,614

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2022

5. Long-term Debt

Long-term debt reported on the statement of financial position is comprised of the following:

	2022	2021
General, Municipal Finance Authority, Chevrolet Silverado, interest at 1.44%, with blended monthly payments of \$676 maturing January 2022	\$ -	\$ 1,177
Water, Municipal Finance Authority, Bylaw 395, interest at 4.4%, annual principle payments of \$1,679, due 2027	16,379	16,379
Municipal Finance Authority, Public Works Building, interest at 1.39%, with semi-annual payments of \$28,439 plus interest, maturing September 2051	1,171,561	1,200,000
Municipal Finance Authority, 2017 Backhoe, interest at 1.81%, with blended monthly payments of \$2,202, maturing October 2022	-	22,685
	<u>\$ 1,187,940</u>	<u>\$ 1,240,241</u>

Principal repayments and sinking fund contributions relating to long-term debt of \$1,187,940 outstanding are due as follows:

2023	\$ 32,224
2024	33,004
2025	33,804
2026	36,624
2027	31,786
Thereafter	1,020,498
	<u>\$ 1,187,940</u>

Included in long-term debt are outstanding debentures of \$19,144 (2021 - \$19,144) secured by sinking fund assets with a carrying value of \$13,127 (market value - \$13,127) (2021 - \$12,841 (market value - \$12,841)).

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2022

6. Tangible Capital Assets

								2022
	Land	Buildings	Engineering structures	Furniture and equipment	Sewer systems	Water systems	Assets under construction	Total
Cost, beginning of year	\$ 729,595	\$ 3,040,685	\$ 4,213,893	\$ 1,644,253	\$ 889,329	\$ 5,355,760	\$ 328,335	\$ 16,201,850
Additions	-	-	276,370	124,283	-	-	624,777	1,025,430
Disposals	-	(6,117)	-	-	-	-	-	(6,117)
Write-downs	-	-	-	-	-	-	-	-
Cost, end of year	\$ 729,595	\$ 3,034,568	\$ 4,490,263	\$ 1,768,536	\$ 889,329	\$ 5,355,760	\$ 953,112	\$ 17,221,163
Accumulated amortization, beginning of year	\$ -	\$ 1,691,302	\$ 2,231,869	\$ 1,045,573	\$ 388,288	\$ 1,490,207	\$ -	\$ 6,847,239
Amortization	-	97,663	100,480	113,658	13,832	115,893	-	441,526
Disposals	-	(6,117)	-	-	-	-	-	(6,117)
Accumulated amortization, end of year	\$ -	\$ 1,782,848	\$ 2,332,349	\$ 1,159,231	\$ 402,120	\$ 1,606,100	\$ -	\$ 7,282,648
Net carrying amount, end of year	\$ 729,595	\$ 1,251,720	\$ 2,157,914	\$ 609,305	\$ 487,209	\$ 3,749,660	\$ 953,112	\$ 9,938,515

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2022

6. Tangible Capital Assets (continued)

								2021
	Land	Buildings	Engineering structures	Furniture and equipment	Sewer systems	Water systems	Assets under construction	Total
Cost, beginning of year	\$ 729,595	\$ 3,040,685	\$ 3,883,731	\$ 1,621,251	\$ 889,329	\$ 5,355,760	\$ -	\$ 15,520,351
Additions	-	-	330,162	23,002	-	-	328,335	681,499
Cost, end of year	\$ 729,595	\$ 3,040,685	\$ 4,213,893	\$ 1,644,253	\$ 889,329	\$ 5,355,760	\$ 328,335	\$ 16,201,850
Accumulated amortization, beginning of year	\$ -	\$ 1,625,560	\$ 2,138,011	\$ 944,344	\$ 371,288	\$ 1,374,314	\$ -	\$ 6,453,517
Amortization	-	65,742	93,858	101,229	17,000	115,893	-	393,722
Accumulated amortization, end of year	\$ -	\$ 1,691,302	\$ 2,231,869	\$ 1,045,573	\$ 388,288	\$ 1,490,207	\$ -	\$ 6,847,239
Net carrying amount, end of year	\$ 729,595	\$ 1,349,383	\$ 1,982,024	\$ 598,680	\$ 501,041	\$ 3,865,553	\$ 328,335	\$ 9,354,611

The Village holds various works of art and historical treasures. These items are not recognized as tangible capital assets in the financial statements because a reasonable estimate of the future benefits associated with such property cannot be made.

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2022

7. Accumulated Surplus

The Village segregates its accumulated surplus in the following categories:

	2022	2021
Investment in tangible capital assets	\$ 8,750,579	\$ 8,114,370
General Fund	1,882,397	2,664,531
Sewer Fund	324,897	296,088
Water Fund	336,396	196,775
Equity in Community Forest Company	934,835	536,614
	12,229,104	11,808,378
 Reserve Funds		
Community support grant reserve	\$ 74,437	\$ 100,000
Covid-19 Safe Restart Reserve	68,007	219,225
Equipment reserve	1,895	1,895
Fire department statutory reserve	10,013	10,013
Gas tax reserve	360,015	551,813
General asset management reserve	200,000	200,000
General capital reserve	169,483	169,483
General sewer reserve	99,438	99,438
Land replacement	55,000	55,000
Paving reserve	94,729	-
Recreation	3,266	3,266
Sidewalk reserve	104,500	4,500
Small community grants reserve	75,277	75,277
Spirit of Clinton reserve	2,328	2,343
Transit reserve	21,846	46,295
Water asset management reserve	75,322	75,322
Woodlot general reserve	81,274	31,274
	1,496,830	1,645,144
	\$13,725,934	\$ 13,453,522

The investment in tangible capital assets represents amounts already spent and invested in infrastructure and other non-financial assets.

Reserve funds represent funds set aside by by-law or council resolution for specific purposes.

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2022

8. Taxation - Net

	Budget 2022	2022	2021
	(Note 12)		
Property taxes and payments-in-lieu	\$ 923,780	\$ 922,393	\$ 818,641
Collections for other governments			
Province of British Columbia - school tax	199,566	212,835	221,724
Regional Hospital District	43,421	34,688	39,426
Thompson Nicola Regional District	92,007	77,687	80,415
Municipal Finance Authority	19	21	20
British Columbia Assessment Authority	6,775	4,051	5,480
Police Tax	33,529	28,331	33,991
	<u>1,299,097</u>	<u>1,280,006</u>	<u>1,199,697</u>
Transfers			
Province of British Columbia - school tax	(199,566)	(216,417)	(221,724)
Regional Hospital District	(43,421)	(34,689)	(39,425)
Thompson Nicola Regional District	(92,007)	(77,686)	(80,307)
Municipal Finance Authority	(19)	(20)	(20)
British Columbia Assessment Authority	(6,775)	(4,164)	(5,589)
Police Tax	(33,529)	(24,791)	(33,991)
	<u>(375,317)</u>	<u>(357,767)</u>	<u>(381,056)</u>
Available for general municipal purposes	<u>\$ 923,780</u>	<u>\$ 922,239</u>	<u>\$ 818,641</u>

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2022

9. Expenses by Object

	Budget 2022	2022	2021
	(Note 12)		
Amortization	\$ 415,832	\$ 441,524	\$ 393,721
Insurance	55,989	49,411	46,069
Interest on long-term debt	-	39,855	10,747
Office and administration	493,910	562,296	553,205
Repairs and maintenance and supplies	437,371	397,473	317,267
Salaries and benefits	717,823	721,950	731,807
	<u>\$ 2,120,925</u>	<u>\$ 2,212,509</u>	<u>\$ 2,052,816</u>

10. Contingent Liabilities

- (a) Debts of the Thompson-Nicola Regional District (TNRD) are, under the provisions of the British Columbia Community Charter, a direct, joint and several liability of the TNRD and each member municipality within the TNRD, including the Corporation of the Village of Clinton.
- (b) The Village is a participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible the Village, along with other participants, would be required to contribute towards the deficit.
- (c) From time to time the Village is brought forth as a defendant in various lawsuits. The Village reviews its exposure to any potential litigation for which it would not be covered by insurance and assesses whether a successful claim against the Village would materially affect the financial statements of the Village. The Village reserves a portion of its operating surplus for future payment of insurance deductibles and payment of claims for which it would not be covered by insurance. The Village is currently not aware of any claims brought against it that if not defended successfully would result in a material change to the financial statements of the Village.

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2022

11. Funds Held in Trust

The Village operates a cemetery in accordance with the Cremation, Interment and Funeral Services Act. These funds are not included in these financial statements. The Village holds the assets for the benefit of and stand in fiduciary relationship to the beneficiaries.

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 13,506	\$ 13,506
Balance, end of year	<u>\$ 13,506</u>	<u>\$ 13,506</u>

12. Budget

The Financial Plan (Budget) By-Law adopted by Council on April 13, 2022 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Public Sector Accounting Standards now require a full accrual basis. The budget figures anticipated use surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. As a result, the budget figures presented in the statements of financial activities and change in net financial assets represent the Financial Plan adopted by Council on April 13, 2022 with adjustments as follows:

	<u>2022</u>
Financial Plan (Budget) By-Law surplus for the year	\$ -
Add:	
Capital expenditures	3,455,900
Transfers to capital reserve	20,000
Less:	
Debt	(974,000)
Transfers from capital reserve	<u>(406,147)</u>
Budget surplus per statement of operations	<u>\$ 2,095,753</u>

13. Comparative Figures

Certain of the comparative figures have been restated to conform with the current year financial statement presentation.

The Corporation of the Village of Clinton
Notes to Financial Statements

December 31, 2022

14. Segmented Information

The Village is a diversified municipal government institution that provides a wide range of services to its citizens such as transit, police, fire and water. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

General Administrative and Legislative Services

This item relates to the revenues and expenses that relate to the operations of the Village itself and cannot be directly attributed to a specific segment.

Protective Services

Protective services is comprised of police services and fire protection. The police services work to ensure the safety and protection of the citizens and their property. The fire department is responsible to provide fire suppression service, fire prevention programs, training and education. The members of the fire department consist of volunteers.

Transportation Services

Transportation is responsible for providing the Village's transit services.

Environmental and Public Health

Environmental and public health services are comprised of water, sewer, waste removal, and health services. Water provides the Village's drinking water. The Village processes and cleans sewage and ensures the water system meets all Provincial standards. Waste removal services consists of providing waste disposal to citizens. Health services are comprised of public health services which works to improve the overall health of the population and overcome health inequalities by providing services to individuals and communities.

Recreation and Cultural Services

This service area provides services meant to improve the health and development of the Village's citizens. Recreational programs and cultural programs like swimming and skating lessons and English as a second language are provided at arenas, aquatic centres and community centres. Also, the Village provides library services to assist with its citizens' informational needs.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. Amounts that are directly attributable to a number of segments have been allocated on a reasonable basis as follows:

Taxation, fees and user charges	Allocated to those segments that are funded by these amounts based on the net surplus for the year
Grants	Based on percent of budgeted expenses

The Corporation of the Village of Clinton
Schedule 1: Fund Revenue

December 31, 2022

	General Operating	Sewer	Water	2022 Total	2021 Total
Tax levies					
Real property taxes	\$ 868,950	\$ -	\$ -	\$ 868,950	\$ 759,002
Grants in lieu of taxes	53,443	-	-	53,443	59,639
	922,393	-	-	922,393	818,641
Sale of services					
Cemetery care	4,438	-	-	4,438	1,815
User fees	-	127,955	245,645	373,600	350,211
	4,438	127,955	245,645	378,038	352,026
Revenues from own sources					
Licences and permits	8,455	-	-	8,455	6,470
Leases, contracts and other rentals	51,742	-	-	51,742	24,302
Community Forest revenue	60,080	-	-	60,080	-
Investment income	44,267	-	-	44,267	21,203
Woodlot revenue	-	-	-	-	28,724
Penalties and interest on taxes	23,988	-	-	23,988	21,917
Fees, donations and other	2,372	-	-	2,372	62,274
	190,904	-	-	190,904	164,890
Transfers from other governments					
Provincial	639,045	-	-	639,045	666,120
Thompson-Nicola Regional District	40,000	-	-	40,000	38,500
	679,045	-	-	679,045	704,620
Equity income(loss) in Community Forest Company	398,221	-	-	398,221	(26,226)
Actuarial adjustment on debenture debt	-	-	1,345	1,345	1,229
Total revenue	\$ 2,195,001	\$ 127,955	\$ 246,990	\$ 2,569,946	\$ 2,015,180

The Corporation of the Village of Clinton
Schedule 2: Fund Expenses

December 31, 2022

	General Operating	Sewer	Water	2022 Total	2021 Total
General administrative and legislative services					
Administration, building operations and maintenance	\$ 31,028	\$ -	\$ -	\$ 31,028	\$ 33,639
Amortization	15,775	-	-	15,775	13,356
Insurance	43,480	-	-	43,480	35,140
Legislative	69,352	-	-	69,352	91,738
Office	110,797	-	-	110,797	138,426
Professional fees	23,126	-	-	23,126	28,180
Salaries and employee benefits	381,956	-	-	381,956	389,122
Contracted services	34,424	-	-	34,424	56,067
	<u>709,938</u>	<u>-</u>	<u>-</u>	<u>709,938</u>	<u>785,668</u>
Protective services					
Amortization	34,637	-	-	34,637	29,326
Animal Pest Control	21,304	-	-	21,304	22,841
Building operations and maintenance	10,420	-	-	10,420	10,588
Wildfire expenses	60,675	-	-	60,675	-
Equipment	21,963	-	-	21,963	41,079
Insurance	4,264	-	-	4,264	9,232
Salaries and employee benefits	27,784	-	-	27,784	35,202
	<u>181,047</u>	<u>-</u>	<u>-</u>	<u>181,047</u>	<u>148,268</u>
Public Works					
Amortization	73,434	-	-	73,434	62,176
Building operations and maintenance	13,385	-	-	13,385	8,738
Equipment operations and maintenance	31,260	-	-	31,260	20,327
Road and street maintenance	114,885	-	-	114,885	70,197
Para transit services	14,333	-	-	14,333	10,116
Salaries and employee benefits	213,867	-	-	213,867	191,775
	<u>461,164</u>	<u>-</u>	<u>-</u>	<u>461,164</u>	<u>363,329</u>
Environmental and public health					
Administration	-	73,749	90,347	164,096	153,976
Amortization	133,738	13,832	115,893	263,463	242,959
Insurance	-	546	1,121	1,667	1,697
Salaries and employee benefits	-	24,851	39,067	63,918	59,640
	<u>133,738</u>	<u>112,978</u>	<u>246,428</u>	<u>493,144</u>	<u>458,272</u>
Recreation and cultural services					
Amortization	54,216	-	-	54,216	45,905
Committees of council	10,018	-	-	10,018	13,215
Community development	20,366	-	-	20,366	112,218
Memorial hall	42,238	-	-	42,238	33,277
Recreation centre	78,633	-	-	78,633	70,744
Parks and playground	33,544	-	-	33,544	8,657
Museum	4,550	-	-	4,550	2,516
Woodlot	83,796	-	-	83,796	-
	<u>327,361</u>	<u>-</u>	<u>-</u>	<u>327,361</u>	<u>286,532</u>
Interest on long-term debt	39,702	-	153	39,855	10,747
Total expenses	\$ 1,852,950	\$ 112,978	\$ 246,581	\$ 2,212,509	\$ 2,052,816

The Corporation of the Village of Clinton
Schedule 3: COVID-19 Safe Restart Grant
(Unaudited)

For the year ended December 31	2022	2021
Eligible costs incurred		
Computer and technology	-	13,873
Cleaning supplies	1,431	872
Office	671	5,753
Utility costs		
Memorial hall	24,833	19,648
Arena	-	14,741
Curling rink	-	12,540
Chiller	-	7,860
Museum	-	662
Fitness room	-	5,610
Community initiatives	-	50,000
Fire and Safety	124,283	-
	<u>151,218</u>	<u>131,559</u>
Annual (deficit) surplus	<u>(151,218)</u>	<u>(131,559)</u>
Surplus, beginning of the year	219,225	350,784
Surplus, end of year	<u>\$ 68,007</u>	<u>\$ 219,225</u>