

The Corporation of the Village of Clinton  
Financial Statements  
For the year ended December 31, 2024

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For the year ended December 31, 2024

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## Management's Responsibility for Financial Reporting

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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.

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.



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Mandy McKague, Chief Financial Officer

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## Independent Auditor's Report

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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, 2024, 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, 2024, 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 and 4 on pages 30-31 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 23, 2025

The Corporation of the Village of Clinton  
Statement of Financial Position

As at December 31	2024	2023
Financial assets		
Cash	\$ 5,134,141	\$ 4,947,564
Portfolio investments (Note 2)	1,471,907	833,307
Taxes and utilities receivable	99,509	120,046
Accounts receivable	41,901	40,355
Investment in Community Forest Company (Note 4)	849,622	955,740
	<u>7,597,080</u>	<u>6,897,012</u>
Liabilities		
Accounts payable and accrued liabilities	172,491	76,036
Deferred revenue (Note 14)	221,061	361,002
Long-term debt (Note 5)	1,119,687	1,152,692
Asset retirement obligation liability (Note 6)	178,632	170,173
Silviculture liability	78,019	89,449
	<u>1,769,890</u>	<u>1,849,352</u>
Net financial assets	<u>5,827,190</u>	<u>5,047,660</u>
Non-financial assets		
Tangible capital assets (Note 7)	10,046,343	9,944,868
Prepaid expenses	56,184	52,881
	<u>10,102,527</u>	<u>9,997,749</u>
Accumulated surplus (Note 8)	<u>\$15,929,717</u>	<u>\$ 15,045,409</u>

Contingent liabilities (Note 11)

  
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 Mandy McKague, Chief Financial Officer

  
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 Roland Stanke, Mayor

The Corporation of the Village of Clinton  
Statement of Operations

For the year ended December 31	Budget 2024	2024	2023
	(Note 13)		
Revenue (Schedule 1)			
Municipal taxation and grants-in-lieu of taxes (Note 9)	\$ 925,370	\$ 919,215	\$ 1,115,730
Sales of services	392,527	399,386	390,479
Revenue from own sources	172,214	351,316	399,380
Transfers from other governments	716,682	1,358,100	1,555,664
Actuarial adjustment on debenture debt	-	2,886	2,106
Equity (loss) income in Community Forest Company (Note 4)	-	(106,118)	20,908
	<u>2,206,793</u>	<u>2,924,785</u>	<u>3,484,267</u>
Expenses (Schedule 2)			
General administration and legislative services	705,274	676,925	687,996
Protective services	146,059	149,328	147,786
Public Works	557,715	429,866	429,531
Environmental and health services	403,948	552,012	472,869
Recreation and cultural services	208,755	201,918	330,756
Interest on long term debt	-	30,428	33,255
	<u>2,021,751</u>	<u>2,040,477</u>	<u>2,102,193</u>
Annual surplus	185,042	884,308	1,382,074
Accumulated surplus, beginning of year	<u>15,045,409</u>	<u>15,045,409</u>	<u>13,663,335</u>
Accumulated surplus, end of year	<u>\$15,230,451</u>	<u>\$15,929,717</u>	<u>\$ 15,045,409</u>

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

For the year ended December 31	Budget 2024	2024	2023
	(Note 13)		
Annual surplus	\$ 185,042	\$ 884,308	\$ 1,382,074
Acquisition of tangible capital assets (Note 7)	(140,714)	(564,454)	(468,593)
Amortization of tangible capital assets (Note 7)	282,986	462,979	476,731
	327,314	782,833	1,390,212
Change in prepaid expenses	-	(3,303)	(8,631)
Increase (decrease) in net financial assets	327,314	779,530	1,381,581
Net financial assets, beginning of year	5,047,660	5,047,660	3,666,079
Net financial assets, end of year	\$ 5,374,974	\$ 5,827,190	\$ 5,047,660



The Corporation of the Village of Clinton  
Statement of Cash Flows

For the year ended December 31	2024	2023
Operating transactions		
Annual surplus	\$ 884,308	\$ 1,382,074
Items not involving cash		
Accretion	8,459	8,058
Amortization	462,979	476,731
Actuarial adjustment on long-term debt	(2,886)	(2,106)
Changes in non-cash operating balances		
Taxes and utilities receivable	20,537	(20,088)
Accounts receivable	(1,546)	16,010
Prepaid expenses	(3,303)	(8,631)
Accounts payable and accrued liabilities	96,455	(218,697)
Deferred revenue	(139,941)	228,511
Equity change in Community Forest	106,118	(20,908)
Solid waste closure and post closure liabilities	(11,430)	(70,551)
	<u>1,419,750</u>	<u>1,770,403</u>
Capital transactions		
Acquisition of tangible capital assets	<u>(564,454)</u>	<u>(468,593)</u>
Investing transaction		
Acquisition of portfolio investments	<u>(638,600)</u>	<u>(40,298)</u>
Financing transactions		
Repayment of long-term debt	<u>(30,119)</u>	<u>(33,142)</u>
Net change in cash	186,577	1,228,370
Cash, beginning of year	<u>4,947,564</u>	<u>3,719,194</u>
Cash, end of year	<u>\$ 5,134,141</u>	<u>\$ 4,947,564</u>
Supplementary cash flow information		
Interest paid	<u>\$ 30,429</u>	<u>\$ 33,255</u>

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

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# The Corporation of the Village of Clinton

## Notes to Financial Statements

December 31, 2024

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### 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

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:

Engineering Structures	10 to 70 years
Buildings	10 to 80 years
Furniture and equipment	5 to 10 years
Sewer system and equipment	25 to 80 years
Water system and equipment	25 to 80 years

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The Corporation of the Village of Clinton  
Notes to Financial Statements

December 31, 2024

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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.

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The Corporation of the Village of Clinton  
Notes to Financial Statements

December 31, 2024

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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** Taxes are recorded at estimated amounts when they meet the definition of an asset, have been authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized. Taxes receivable are recognized net of an allowance for anticipated uncollectable amounts.

Revenues from transactions with performance obligations are recognized when (at a point in time) or as (over a period of time) the Village satisfies the performance obligations, which occurs when control of the benefits associated with the promised goods or services has passed to the payor.

The Village recognizes revenue from users of the water, sewer, solid waste disposal, and rentals of Village property services on a straight-line basis over the period of time that the relevant performance obligations are satisfied by the Village.

The Village recognizes revenue from administrative services, building permits, development permits, sales of goods and other licenses and permits at the point in time that the Village has performed the related performance obligations and control of the related benefits has passed to the payors.

Revenue from transactions without performance obligation is recognized at realizable value when the Village has the authority to claim or retain an inflow of economic resources received or receivable and there is a past transaction or event that gives rise to the economic resources.

The Village recognizes revenue from tax penalties and interest, parking ticket fines, and other revenue without associated performance obligations at the realizable value at the point in time when the Village is authorized to collect these revenues.

Conditional non-government grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional non-government grant revenue is recognized when monies are receivable.

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The Corporation of the Village of Clinton  
Notes to Financial Statements

December 31, 2024

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1. Significant accounting policies (continued)

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenditures are made.

Asset Retirement  
Obligation

A liability for an asset retirement obligation is recognized when 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. The liability is recorded at an amount that is the best estimate of the expenditure required to retire a tangible capital asset at the financial statement date. This liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. Upon the initial measurement of an asset retirement obligation, a corresponding asset retirement cost is added to the carrying value of the related tangible capital asset if it is still in productive use. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed.

Financial Instruments

Cash and equity instruments quoted in an active market are measured at fair value. Accounts receivable, accounts payable, and long-term debt are measured at cost or amortized cost. The carrying amount of each of these financial instruments is presented on the statement of financial position.

Unrealized gains and losses from changes in the fair value of financial instruments are recognized in the statement of remeasurement gains and losses. Upon settlement, the cumulative gain or loss is reclassified from the statement of remeasurement gains and losses and recognized in the statement of operations. Interest and dividends attributable to financial instruments are reported in the statement of operations.

When investment income and realized and unrealized gains and losses from changes in the fair value of financial instruments are externally restricted, the investment income and fair value changes are recognized as revenue in the period in which the resources are used for the purpose specified.

For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations.

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The Corporation of the Village of Clinton  
Notes to Financial Statements

December 31, 2024

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1. Significant accounting policies (continued)

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.

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2. Portfolio Investments

	2024	2023
Bonds	\$ 78,944	\$ 74,830
Money market investments	791,788	758,477
Mutual Funds investments - Guaranteed Principle	601,175	-
	<u>\$ 1,471,907</u>	<u>\$ 833,307</u>

The income from portfolio investments for the year was \$37,425 (2023 - \$42,181). The market value of the Village's marketable securities was \$1,471,907 (2023 - \$833,307) and the carrying value was \$1,477,306 (2023 - \$837,238).

The Mutual Fund Investment has been set aside for the Growing Community Fund Reserve.

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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, 2024, the plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 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 \$45,607 (2023 - \$43,243) for employer contributions to the plan in fiscal 2024.

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The Corporation of the Village of Clinton  
Notes to Financial Statements

December 31, 2024

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3. Employee Future Benefits (continued)

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, 2024

4. Investments

	2024	2023
Investment in Clinton & District Community Forest of BC Ltd.	\$ 849,622	\$ 955,740

Summary of the audited financial statements of the Clinton & District Community Forest of BC Ltd. for the year ended December 31, 2024 are as follows:

Statement of Financial Position

	2024	2023
Cash	\$ 476,215	\$ 322,222
Term deposit	888,841	844,404
Accounts receivable	17,562	338,158
Property, plant and equipment	146,246	152,989
	<u>1,528,864</u>	<u>1,657,773</u>
Accounts payable and accrued liabilities	46,230	79,074
Silviculture liability	633,011	622,958
Share capital	1	1
Shareholder's equity	849,622	955,740
	<u>\$ 1,528,864</u>	<u>\$ 1,657,773</u>

Statement of Operations

Revenue	\$ 1,780,182	\$ 2,928,821
Expenses	(1,684,226)	(2,696,049)
Income from operations	95,956	232,772
Donations to the Community		
Donations to the Community at large	(78,550)	(74,800)
Economic development contribution	(119,524)	(133,064)
Scholarships	(4,000)	(4,000)
Net (loss) income for the year	(106,118)	20,908
Retained earnings, beginning of the year	955,740	934,832
Retained earnings, end of the year	<u>\$ 849,622</u>	<u>\$ 955,740</u>



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The Corporation of the Village of Clinton  
Notes to Financial Statements

December 31, 2024

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5. Long-term Debt

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

	<u>2024</u>	<u>2023</u>
Water, Municipal Finance Authority, Bylaw 395, interest at 4.4%, annual principle payments of \$1,679, due 2027	6,939	10,210
Municipal Finance Authority, Public Works Building, interest at 1.39%, with semi-annual payments of \$28,439 plus interest, maturing September 2051	1,112,748	1,142,482
	<u>\$ 1,119,687</u>	<u>\$ 1,152,692</u>

Principal repayments and sinking fund contributions relating to long-term debt of \$1,119,687 outstanding are due as follows:

2025	\$ 31,841
2026	31,977
2027	28,439
2028	28,439
2029	28,439
Thereafter	<u>970,552</u>
	<u>\$ 1,119,687</u>

Included in long-term debt are outstanding debentures of \$19,144 (2023 - \$19,144) secured by sinking fund assets with a carrying value of \$14,007 (market value - \$14,007) (2023 - \$13,536 (market value - \$13,536)).

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The Corporation of the Village of Clinton  
Notes to Financial Statements

December 31, 2024

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6. Asset Retirement Obligation

The Village's asset retirement obligation consists of the following obligations:

a) The Village owns and operates several buildings that are known to contain asbestos, which represents a health hazard and which various regulations require specific considerations upon asset retirement. The buildings all have an estimated useful life of 60-70 years from the date of completion of construction, of which various numbers of years remain. The related asset retirement costs are being amortized on a straight-line basis. The estimated total undiscounted future expenditures are \$200,068, which are to be incurred at the end of the individual asset's useful life.

b) The Village has two wells requiring decommissioning at the end of the wells' useful lives. The wells have an estimated useful life of 70 years. The related asset retirement costs are being amortized on a straight-line basis. The estimated total undiscounted future expenditures are \$10,000, which are to be incurred at the end of the assets' useful lives.

c) The Village is responsible for a septic system at the Municipal Works Yard and a freon compressor at the curling rink and arena. The septic system has an useful life of 60 years and the freon compressor has an useful life of 50 years. The estimated total undiscounted future expenditures are \$10,000, which are to be incurred at the end of the assets' useful lives.

The Corporation of the Village of Clinton  
Notes to Financial Statements

December 31, 2024

6. Asset Retirement Obligation (continued)

The related asset retirement costs are being amortized on a straight-line basis over the remaining useful lives of the assets. The related asset retirement costs for the above assets are being amortized on a straight-line basis. The liabilities have been estimated using a net present value technique with a discount rate of 4.51%. (2023 - 4.97%)

Changes in the asset retirement obligation in the year are as follows:

Asset Retirement Obligation	Asbestos remediation	Well decommissioning	Other AROs	2024
Opening balance	\$ 158,245	\$ 6,711	\$ 5,217	\$ 170,173
Accretion expense	7,866	334	259	8,459
Closing balance	\$ 166,111	\$ 7,045	\$ 5,476	\$ 178,632

  

Asset Retirement Obligation	Asbestos remediation	Well decommissioning	Other AROs	2023
Opening balance	\$ 150,753	\$ 6,393	\$ 4,969	\$ 162,115
Accretion expense	7,492	318	248	8,058
Closing balance	\$ 158,245	\$ 6,711	\$ 5,217	\$ 170,173

The asset retirement liability has been estimated using a net present value technique using the assumptions as described above. The related asset retirement costs are being amortized on a straight-line basis over the remaining useful lives of the assets.

Significant estimates and assumptions are made in determining the asset retirement costs as there are numerous factors that will affect the amount ultimately payable. Those uncertainties may result in future actual expenditures that are different than the amounts currently recorded. At each reporting date, as more information and experience is obtained as it relates to these asset retirement obligations, the estimates of the timing, the undiscounted cash flows and the discount rates may change. Adjustments to these factors are accounted for as an adjustment to the asset retirement obligation and the related tangible capital asset in the current period on a prospective basis.

The Corporation of the Village of Clinton  
Notes to Financial Statements

December 31, 2024

7. Tangible Capital Assets

							2024
	Land	Buildings	Engineering structures	Furniture and equipment	Sewer systems	Water systems	Total
Cost, beginning of year	\$ 729,595	\$ 4,107,058	\$ 4,686,792	\$ 1,956,551	\$ 889,329	\$ 5,356,389	\$ 17,725,714
Additions	-	45,399	433,320	85,735	-	-	564,454
Cost, end of year	\$ 729,595	\$ 4,152,457	\$ 5,120,112	\$ 2,042,286	\$ 889,329	\$ 5,356,389	\$ 18,290,168
Accumulated amortization, beginning of year	\$ -	\$ 2,151,102	\$ 2,335,516	\$ 1,159,231	\$ 412,785	\$ 1,722,212	\$ 7,780,846
Amortization	-	333,246	-	-	13,832	115,901	462,979
Accumulated amortization, end of year	\$ -	\$ 2,484,348	\$ 2,335,516	\$ 1,159,231	\$ 426,617	\$ 1,838,113	\$ 8,243,825
Net carrying amount, end of year	\$ 729,595	\$ 1,668,109	\$ 2,784,596	\$ 883,055	\$ 462,712	\$ 3,518,276	\$ 10,046,343

The Corporation of the Village of Clinton  
Notes to Financial Statements

December 31, 2024

7. Tangible Capital Assets (continued)

								2023
	Land	Buildings	Engineering structures	Furniture and equipment	Sewer systems	Water systems	Assets under construction	Total
Cost, beginning of year	\$ 729,595	\$ 3,069,897	\$ 4,490,263	\$ 1,768,536	\$ 889,329	\$ 5,356,389	\$ 953,112	\$ 17,257,121
Additions	-	84,049	196,529	188,015	-	-	-	468,593
Disposals	-	953,112	-	-	-	-	(953,112)	-
Cost, end of year	\$ 729,595	\$ 4,107,058	\$ 4,686,792	\$ 1,956,551	\$ 889,329	\$ 5,356,389	\$ -	\$ 17,725,714
Accumulated amortization, beginning of year	\$ -	\$ 1,804,105	\$ 2,335,516	\$ 1,159,231	\$ 398,953	\$ 1,606,310	\$ -	\$ 7,304,115
Amortization	-	346,997	-	-	13,832	115,902	-	476,731
Accumulated amortization, end of year	\$ -	\$ 2,151,102	\$ 2,335,516	\$ 1,159,231	\$ 412,785	\$ 1,722,212	\$ -	\$ 7,780,846
Net carrying amount, end of year	\$ 729,595	\$ 1,955,956	\$ 2,351,276	\$ 797,320	\$ 476,544	\$ 3,634,177	\$ -	\$ 9,944,868

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, 2024

8. Accumulated Surplus

The Village segregates its accumulated surplus in the following categories:

	2024	2023
Investment in tangible capital assets	\$ 8,748,024	\$ 8,622,009
General Fund	3,261,947	2,501,811
Sewer Fund	497,378	328,836
Water Fund	518,151	499,638
Equity in Community Forest Company	849,625	955,743
	<u>13,875,125</u>	<u>12,908,037</u>
Reserve Funds		
Community support grant reserve	\$ 74,437	\$ 74,437
Covid-19 Safe Restart Reserve	1,961	40,040
Community Works Fund reserve	453,533	368,593
Community Forest reserve	312,668	-
Fire department statutory reserve	49,972	29,972
General asset management reserve	270,869	205,869
General capital reserve	224,483	169,483
General sewer reserve	127,102	113,270
Land replacement	55,000	55,000
Paving reserve	34,729	4,729
Recreation	3,185	3,266
Growing communities fund reserve	718,000	718,000
Sidewalk reserve	4,500	104,500
Small community grants reserve	75,277	75,277
Spirit of Clinton reserve	1,768	2,328
Transit reserve	21,846	21,846
Water asset management reserve	128,222	101,722
Woodlot general reserve	97,040	49,040
	<u>2,654,592</u>	<u>2,137,372</u>
	<u>\$16,529,717</u>	<u>\$ 15,045,409</u>

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, 2024

9. Taxation - Net

	Budget 2024 (Note 13)	2024	2023
Property taxes and payments-in-lieu	\$ 925,370	\$ 919,326	\$ 1,115,730
Collections for other governments			
Province of British Columbia - school tax	240,082	240,921	242,811
Regional Hospital District	37,208	37,206	36,839
Thompson Nicola Regional District	83,826	83,815	82,039
Municipal Finance Authority	25	24	25
British Columbia Assessment Authority	4,746	4,746	4,660
Police Tax	34,076	36,106	33,507
	<u>1,325,333</u>	<u>1,322,144</u>	<u>1,515,611</u>
Transfers			
Province of British Columbia - school tax	(240,082)	(240,883)	(242,811)
Regional Hospital District	(37,208)	(37,208)	(36,839)
Thompson Nicola Regional District	(83,826)	(83,826)	(82,039)
Municipal Finance Authority	(25)	(25)	(25)
British Columbia Assessment Authority	(4,746)	(4,878)	(4,660)
Police Tax	(34,076)	(36,109)	(33,507)
	<u>(399,963)</u>	<u>(402,929)</u>	<u>(399,881)</u>
Available for general municipal purposes	<u>\$ 925,370</u>	<u>\$ 919,215</u>	<u>\$ 1,115,730</u>

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The Corporation of the Village of Clinton  
Notes to Financial Statements

December 31, 2024

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10. Expenses by Object

	Budget 2024 (Note 13)	2024	2023
Amortization	\$ 282,986	\$ 467,707	\$ 476,731
Insurance	75,347	74,877	67,278
Interest on long-term debt	-	30,429	33,255
Office and administration	548,880	504,652	491,422
Repairs and maintenance and supplies	424,684	279,378	380,752
Salaries and benefits	689,854	683,434	695,538
	<u>\$ 2,021,751</u>	<u>\$ 2,040,477</u>	<u>\$ 2,144,976</u>

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11. 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, 2024

### 12. 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.

	2024	2023
Balance, beginning of year	\$ 13,506	\$ 13,506

### 13. Budget

The Financial Plan (Budget) By-Law adopted by Council on May 8, 2024 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 May 8, 2024 with adjustments as follows:

	2024
Financial Plan (Budget) By-Law surplus for the year	\$ -
Add:	
Capital expenditures	140,714
Transfers to reserve	468,029
Less:	
Amortization	(282,986)
Transfers from capital reserve	(140,714)
Budget surplus per statement of operations	\$ 185,042

### 14. Deferred Revenue

Deferred revenue consists of project liabilities pertaining to grants with external restrictions place in use for which the related restrictions have not yet been met. These items are summarized as follows:

	2024	2023
Provincial Grant - Local Gov't Climate Action	\$ -	\$ 88,164
Province of BC Destination Development Fund	72,899	188,505
Provincial Grant - UBCM Next Gen 911	22,500	22,500
Provincial Grant - Indigenous Engagement Grant	38,979	-
Provincial Grant - UBCM Flood Plain Disaster	-	19,837
UBCM - Firesmart Program	36,760	-
Others	49,923	41,996
	\$ 221,061	\$ 361,002

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## The Corporation of the Village of Clinton

### Notes to Financial Statements

December 31, 2024

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#### 15. Comparative Figures

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

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#### 16. Financial instruments

The Village is potentially exposed to credit risk, liquidity risk, and interest rate risk from the its financial instruments. This note describes the Village's objectives, policies, and processes for managing those risks and the methods used to measure them. Further qualitative and quantitative information in respect of these risks is presented below and throughout these financial statements.

There have not been any changes from the prior year in the Villages's exposure to above risks or the policies, procedures and methods it uses to manage and measure the risk

##### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Village is exposed to credit risk through its cash and accounts receivable.

The maximum exposure to credit risk at the financial statement date is the carrying value of its cash and accounts receivable as outlined on the statement of financial position. Accounts receivable arise primarily as a result of GST receivable. Based on this knowledge, credit risk of cash and accounts receivable are assessed as low.

##### Liquidity risk

Liquidity risk is the risk that the Village will encounter difficulty in meeting obligations associated with financial liabilities. The Village is exposed to liquidity risk through its accounts payable, long-term debt, and investments.

The Village manages liquidity risk around investments by maintaining a balance of short-term or highly liquid investments, and by maintaining investments that may be converted to cash in the near-term if needed. The Village manages liquidity risk around accounts payable and long-term debt as they have the ability to raise property taxes and revenues if needed, and ensuring that expenditures around capital projects are within budget. Also to help manage and measure the risk, the Village has in place a planning, budgeting and forecasting process to help determine the funds required to support the normal operating requirements. The Village's five-year financial plan is approved by the Mayor and Council, which includes operational activities and capital investments.

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The Corporation of the Village of Clinton  
Notes to Financial Statements

December 31, 2024

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16. Financial instruments (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Village is exposed to interest rate risk through its long-term debt.

The Village manages interest rate risk on its long-term debt by holding all debt through MFA at a fixed rate, with refinancing typically being completed at the ten or fifteen year mark. Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to long-term debt. See Note 5 for interest rates and maturity dates for long term debt.

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## The Corporation of the Village of Clinton

### Notes to Financial Statements

December 31, 2024

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#### 17. 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. The Village has two recreational facilities; a skating arena and a curling rink. There are also two recreational parks that host a variety of playground equipment and allow for sports activities. The Village maintains the parks and facilities in order to create opportunities for non-profit organizations to facilitate events for minor sports, markets, senior activities, etc.

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

December 31, 2024

	General Operating	Sewer	Water	2024 Total	2023 Total
<b>Tax levies</b>					
Real property taxes	\$ 866,052	\$ -	\$ -	\$ 866,052	\$ 1,056,747
Grants in lieu of taxes	53,163	-	-	53,163	58,983
	919,215	-	-	919,215	1,115,730
<b>Sale of services</b>					
Cemetery care	3,005	-	-	3,005	6,475
User fees	-	137,484	258,897	396,381	384,004
	3,005	137,484	258,897	399,386	390,479
<b>Revenues from own sources</b>					
Licences and permits	9,915	-	-	9,915	7,380
Leases, contracts and other rentals	61,086	-	-	61,086	68,098
Community Forest revenue	119,524	-	-	119,524	133,064
Investment income	110,181	-	-	110,181	105,891
Penalties and interest on taxes	33,833	-	-	33,833	28,753
Fees, donations and other	16,777	-	-	16,777	56,194
	351,316	-	-	351,316	399,380
<b>Transfers from other governments</b>					
Provincial	1,313,245	-	-	1,313,245	1,500,704
Federal	4,355	-	-	4,355	14,960
Thompson-Nicola Regional District	40,500	-	-	40,500	40,000
	1,358,100	-	-	1,358,100	1,555,664
<b>Equity income(loss) in Community Forest Company</b>	(106,118)	-	-	(106,118)	20,908
<b>Actuarial adjustment on debenture debt</b>	-	-	2,886	2,886	2,106
<b>Total revenue</b>	\$ 2,525,518	\$ 137,484	\$ 261,783	\$ 2,924,785	\$ 3,484,267

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

December 31, 2024

	General Operating	Sewer	Water	2024 Total	2023 Total
General administrative and legislative services					
Administration, building operations and maintenance	\$ 53,297	\$ -	\$ -	\$ 53,297	\$ 55,582
Amortization	11,342	-	-	11,342	15,998
Insurance	60,801	-	-	60,801	59,555
Legislative	65,138	-	-	65,138	71,630
Office	57,447	-	-	57,447	83,753
Woodlot silviculture (recovery)/expense	(11,430)	-	-	(11,430)	-
Professional fees	43,878	-	-	43,878	37,232
Salaries and employee benefits	364,722	-	-	364,722	355,889
Contracted services	31,730	-	-	31,730	8,357
	676,925	-	-	676,925	687,996
Protective services					
Administration	31,159	-	-	31,159	34,426
Amortization	24,903	-	-	24,903	35,127
Bylaw and Animal Control	26,797	-	-	26,797	19,436
Building operations and maintenance	10,207	-	-	10,207	16,344
Wildfire expenses	-	-	-	-	13,452
Equipment	40,638	-	-	40,638	17,657
Insurance	10,124	-	-	10,124	5,844
Salaries and employee benefits	5,500	-	-	5,500	5,500
	149,328	-	-	149,328	147,786
Public Works					
Amortization	52,797	-	-	52,797	74,473
Building operations and maintenance	14,064	-	-	14,064	16,772
Equipment operations and maintenance	29,481	-	-	29,481	29,446
Road and street maintenance	62,484	-	-	62,484	72,078
Para transit services	24,089	-	-	24,089	11,146
Salaries and employee benefits	246,951	-	-	246,951	225,616
	429,866	-	-	429,866	429,531
Environmental and public health					
Administration	-	59,935	82,177	142,112	109,092
Amortization	209,952	13,832	115,902	339,686	296,150
Insurance	-	564	3,388	3,952	1,879
Salaries and employee benefits	-	21,685	44,577	66,262	65,748
	209,952	96,016	246,044	552,012	472,869
Recreation and cultural services					
Amortization	38,980	-	-	38,980	54,983
Committees of council	4,011	-	-	4,011	(34,330)
Community development	71,470	-	-	71,470	158,598
Memorial hall	14,474	-	-	14,474	26,639
Recreation centre	64,601	-	-	64,601	108,334
Parks and playground	5,388	-	-	5,388	6,459
Museum	2,130	-	-	2,130	10,073
Woodlot silviculture expense	864	-	-	864	-
	201,918	-	-	201,918	330,756
Interest/(recovery )on long-term debt	30,960	-	(532)	30,428	33,255
Total expenses	\$ 1,698,949	\$ 96,016	\$ 245,512	\$ 2,040,477	\$ 2,102,193

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

For the year ended December 31	2024	2023
Eligible costs incurred		
Arena	-	24,623
Memorial hall	29,329	-
Arena/Humidifier	8,750	-
Fitness room	-	3,345
	<u>38,079</u>	<u>27,968</u>
Annual (deficit) surplus	<u>(38,079)</u>	<u>(27,968)</u>
Surplus, beginning of the year	40,040	68,007
Surplus, end of year	<u>1,961</u>	<u>40,040</u>

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The Corporation of the Village of Clinton  
Schedule 4: Growing Communities Fund  
(Unaudited)

For the year ended December 31	2024	2023
Grant funding	<u>\$ -</u>	<u>\$ 718,000</u>
Annual Surplus for the year	<u>-</u>	<u>718,000</u>
Surplus at the beginning of the year	<u>718,000</u>	<u>-</u>
Surplus end of the year	<u>\$ 718,000</u>	<u>\$ 718,000</u>