



VILLAGE OF FRASER LAKE
REGULAR MEETING OF COUNCIL
AGENDA

Date: April 10, 2024
Time: 5:30 PM
Location: 210 Carrier Crescent, Fraser Lake, B.C.
Municipal Chambers

Pages

1. Adoption of the Agenda

Recommendation:

THAT the April 10th, 2024 Regular Council Meeting agenda be adopted.

2. Delegations

1. **Micaela Roque, CPA, CA Partner in Audit for KPMG Regarding the 2023 Audited Financial Statements**

4

Recommendation:

THAT Council adopt the Draft 2023 Audit Statements as presented.

3. Adoption of Minutes

1. **March 27th, 2024 Regular Council Meeting Minutes**

Recommendation:

THAT the March 27th, 2024 Regular Council Meeting Minutes be adopted as presented.

4. Business Arising from the Minutes

5. Councillor Reports

1. Councillor Fennema
2. Councillor Jenkinson
3. Councillor LePoidevin
4. Councillor Webb
5. Mayor Storey

Recommendation:

THAT the Councillor reports be received for information.

6. Accounts Payable

1. **Village of Fraser Lake Cheque Register from March 19th, 2024 to April 2nd, 2024**

79

Recommendation:

THAT Village of Fraser Lake Cheque Register from March 19th, 2024 to April 2nd, 2024 for the amount of \$69,855.55 be received for information.

7. Correspondence List

1.	Lyall D. Knott, Andrea Raso, Scot Lamb, and Cameron Fox, Barristers and Solicitors for Clark Wilson LLP regarding Municipal Code of Conduct Bylaws dated March 21st, 2024	81
	Recommendation: THAT Council direct staff to review and bring back an update of the Village's Code of Conduct.	
2.	Sue McKortoff Mayor for the Town of Osoyoos regarding Support for Resolution dated March 22nd, 2024	83
8.	<u>Staff Reports</u>	
1.	Office of the Chief Administrative Officer	
a.	C.H. Foote Arena Rename Option	86
	Recommendation: THAT Council provide options for the renaming of the C.H. Foote Memorial Arena.	
b.	CAO Verbal Report	
	Recommendation: THAT Council support the Village of Fraser Lake's application to Northern Development Initiative Trust's Northern Healthy Communities Capacity Building grant for \$60,000.00 to support a temporary and part time Recreation Lead role.	
	Recommendation: THAT Council support the Village of Fraser Lake's application towards Northern Development Initiative Trust Recreation Infrastructure Grant for the amount of \$300,000.00 to support Phase 2 of the Curling Rink and Arena.	
	Recommendation: THAT Council support the Village of Fraser Lake's grant application for Northern Development Initiative Trust's Grant Writing Support Grant for the amount of \$8,000 to support a temporary and part time Recreation Lead role.	
9.	<u>Reading List</u>	
1.	Jeff Weightman Acting Director, Land Use and Geospatial Unit for the B.C. Ministry of Agriculture and Food regarding A Presentation on Land Use Planning for Agriculture - Invitation dated March 22nd, 2024	88
2.	Anita Baril Branch Coordinator for the Forest Tenures Branch for the Ministry of Forests regarding Forest Act Amendments dated March 20th, 2024	89
3.	Dave Christie Regional Manager for the Ministry of jobs, Economic Development, and innovation regarding an Employer Engagement Event on April 16th, dated April 2nd, 2024	95
	Recommendation: THAT the reading list items 9.1 to 9.3 be received for information.	
10.	<u>New Business</u>	
11.	<u>Bylaws</u>	

12. In Camera

Recommendation:

THAT the meeting is closed to the public in accordance with the Community Charter section 90 (1) (c) labour, and (k) negotiations and related discussions that in the view of Council could reasonably expect to harm the interest of the municipality if they were held in public.

13. Rise with Report

14. Adjournment



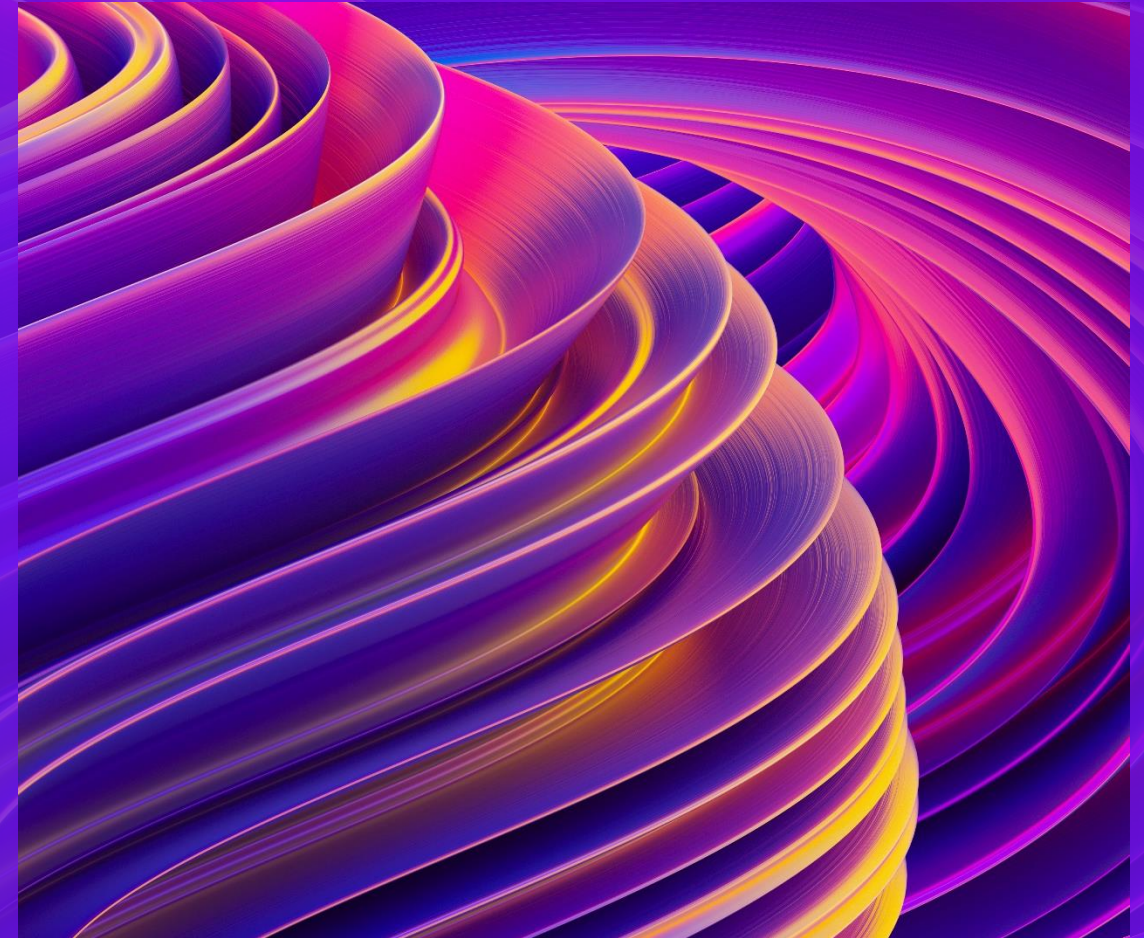
Village of Fraser Lake

Audit Findings Report for the
year ended December 31, 2023

KPMG LLP

Dated April 5, 2024 for presentation on April 10, 2024

kpmg.ca/audit



KPMG contacts

Key contacts in connection with this engagement

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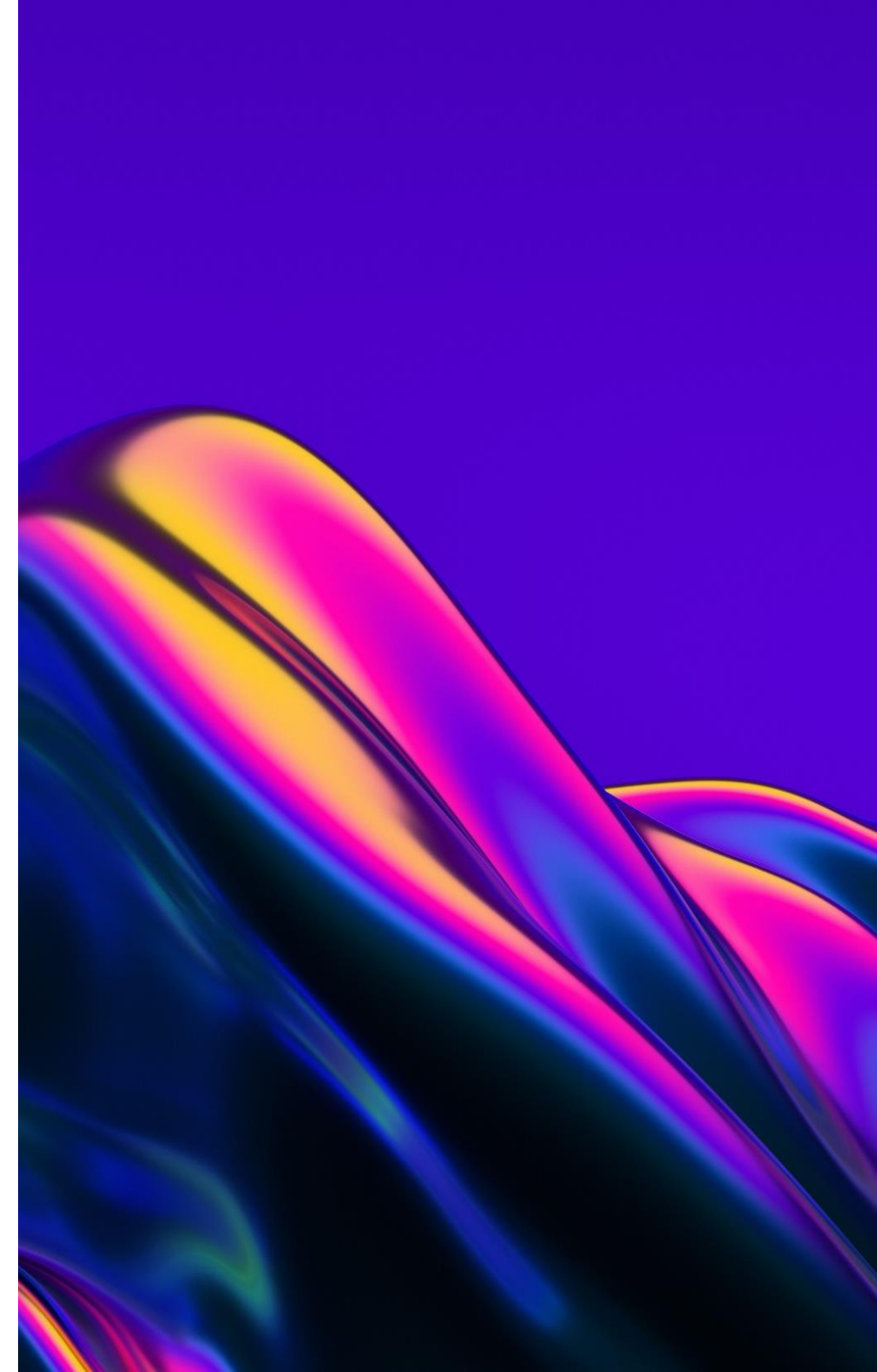


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Digital use information

This Audit Findings Report is also available as a “hyper-linked” PDF document.

If you are reading in electronic form (e.g. In “Adobe Reader” or “Board Books”), clicking on the home symbol on the top right corner will bring you back to this slide.



Click on any item in the table of contents to navigate to that section.

4	Audit Highlights	6	Risk and Results	14	Policies and Practices
15	Control Observations	16	Audit Quality	17	Appendices

The purpose of this report is to assist you, as a member of Mayor and Council (“Council”), in your review of the results of our audit of the financial statements. This report is intended solely for the information and use of Management, and Council and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



Audit highlights



No matters to report



Matters to report – see link for details

Purpose of this report

The purpose of this Audit Findings Report is to assist you, as a member of Mayor and Council (“Council”), in your review of the results of our audit of the consolidated financial statements (hereinafter referred to as the “financial statements”) of the Village of Fraser Lake (the “Village”) as at and for the year ended December 31, 2023. Our audit has been performed in accordance with Canadian generally accepted auditing standards (CAS).

Status

As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include:

- Completing our discussions with Council.
- Obtaining the signed management representation letter.
- Obtaining evidence of Council’s acceptance of the financial statements.
- Completing subsequent event review procedures up to the date of Council’s acceptance of the financial statements.

We will update you and management on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures. Our auditor’s report, a draft of which is enclosed with this report, will be dated upon the completion of any remaining procedures.

Risks and results

Significant risks



Other risks of material misstatement



Going concern matters



Audit highlights (continued)



No matters to report



Matters to report – see link for details

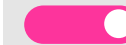
Uncorrected misstatements



Uncorrected misstatements

We identified one uncorrected audit misstatements

Corrected misstatements



Corrected misstatements

We identified one corrected audit misstatements

Control deficiencies



Significant deficiencies

We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting.



Other control deficiencies

We did not identify any new other control deficiencies in the current year.

Policies and practices



Significant unusual transactions



Accounting policies and practices



Quality control and Independence

We confirm that we are independent with respect to the Village within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation from January 1, 2023 up to the date of this report.



Significant risks and results



Presumption of the risk of fraud resulting from management override of controls

RISK OF



ERROR FRAUD

Significant risk

Estimate?

Management is in a unique position to perpetrate fraud because of its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. Although the level of risk of management override of controls will vary from entity to entity, the risk nevertheless is present in all entities.

No

Our response

As the risk is not rebuttable, our audit methodology incorporates the required procedures in professional standards to address this risk. These procedures include:

- Testing of journal entries and other adjustments.
- Performing a retrospective review of significant estimates and evaluating the business rationale of significant unusual transactions.
- Utilizing application software to evaluate the completeness of the journal entry population through a roll-forward of all accounts.
- Reviewing the accounting estimates and assessing whether management's estimates are reasonable and not indicative of management bias.

Significant findings

There were no issues noted in our audit testing described above.



Other risks of material misstatement and results

We highlight our significant findings in respect of **other risks of material misstatement**.



Asset Retirement Obligations (“ARO”) – new accounting standard

Background

PS 3280 Asset Retirement Obligations (“PS 3280”) is a new accounting standard effective for the Village’s 2023 fiscal year. The new standard addresses the recognition, measurement, presentation, and disclosure of legal obligations. As at December 31 2023, due to the adoption of the new accounting standard, the Village has recognized a liability for asset retirement obligations (“ARO”) of \$932,206. The initial cost was capitalized as part of the carrying amount of the related tangible capital asset for assets that are recognized and in productive use. For related tangible capital assets that are unrecognized or no longer in productive use, the asset retirement cost has been expensed. The Village adopted this new accounting standard on a modified retrospective basis.

Estimate?

Yes – Expenditures required to retire a tangible capital asset

Our response

- We obtained an understanding of management’s process for implementing PS 3280, including how in-scope Tangible Capital Assets “TCA” were identified, sources of information used, and significant measurement data, assumptions and decisions.
- We ensured the asset retirement obligations accounting policy set by management is in accordance with PS 3280.
- We obtained a list of TCA that reconciles to the general ledger and reviewed the listing to ensure management’s identification of TCA with potential in-scope retirement obligations is accurate and complete.
- We inquired with Management and confirmed that there were no additional legal agreements entered into by the Village that contractually obligates the Village to an asset retirement obligation.
- We obtained Management’s calculation of the ARO liability, and the incremental amortization expense. We verified the mathematical accuracy of the calculations and agreed a sample of inputs to supporting documentation and agreed the reasonableness of significant assumptions and judgments made to measure the liability.
- We reviewed the application of the modified retrospective provisions applied by management for the initial implementation of the accounting standard.
- We reviewed the financial statement presentation and note disclosures to ensure it is consistent with the guidance in PS 3280.



Other risks of material misstatement and results (continued)

We highlight our significant findings in respect of **other risks of material misstatement**.



Asset Retirement Obligations (“ARO”) – new accounting standard (Continued)

Our response

- We discussed with management that the ARO liability will need to be monitored on an annual basis to keep track of any retirement of AROs or changes in rates used in the determination of the liability and make adjustments as necessary.

Our findings

There were no issues noted in our testing.



Other risks of material misstatement and results (continued)

We highlight our significant findings in respect of **other risks of material misstatement**.



Financial instruments – new accounting standard

Background

The new standard PS 3450 *Financial Instruments*, PS 2601 *Foreign currency translation*, PS 1201 *Financial statement presentation* and PS 3041 *Portfolio Investments* are effective for the Village's 2023 fiscal year. Equity instruments quoted in an active market and derivatives are required to be measured at fair value. All other financial instruments can be carried at cost/amortized cost or fair value depending on the Village's accounting policy choice. The Village has elected to carry all other investments at cost or amortized cost.

Estimate?

No

Our response

- We reviewed management's documentation of the process applied to analyze the appropriate recognition, measurement, presentation and disclosure of financial instruments.
- We obtained an understanding of the significant account policies applied to financial instruments to ensure they comply with the new accounting standard.
- We ensured financial instruments have been appropriately recognized and measured in accordance with the new accounting standard.
- We reviewed the financial statement presentation and note disclosures to ensure that it is consistent with the new accounting standard.

Our findings

There were no issues noted in our testing.



Other risks of material misstatement and results (continued)

We highlight our significant findings in respect of **other risks of material misstatement**.



Tangible Capital Assets (“TCA”)

Background

TCA represent a significant portion of assets of the Village. The assets owned by the Village include land, buildings and building improvements, vehicles, machinery and equipment, road infrastructure, water and waste system infrastructure, and their useful lives require estimation.

Estimate?

Yes - the established useful lives of TCA

Our response

- We updated our understanding of the process activities and controls over TCA, including the year-end process around identifying assets for impairment.
- We obtained the TCA continuity schedule, verified its mathematical accuracy, and performed substantive procedures over additions, disposals, reclassifications, and other adjustments.
- We tested asset additions including inspection of supporting documentation to determine if additions are capital in nature and amounts recorded are accurate.
- We tested asset dispositions including inspection of supporting documentation and assessed appropriateness of the gain or loss recorded.
- We performed an analytical review of the amortization of TCA.
- We reviewed the financial statement note disclosure to ensure it is complete and accurate.

Our findings

There were no issues noted in our testing.



Other risks of material misstatement and results (continued)

We highlight our significant findings in respect of **other risks of material misstatement**.



Revenue, deferred revenues, and accounts receivable

Background

Revenue is recorded on an accrual basis and is recognized when it is earned and measurable. Revenue relating to future periods, including government grants are reported as deferred revenue and recognized when earned.

Estimate?

No

Our response

- We updated our understanding of the process activities and controls over revenue, deferred revenue and accounts receivable.
- We inspected a sample of contracts and new grants to determine whether there were stipulations or restrictions impacting revenue recognition. We assessed whether revenue was appropriately recognized, or the amount was appropriately deferred. We also agreed the amounts recorded to cash receipts and the funding letter.
- We selected a sample of letters of credit held by the Village and confirmed the authenticity of the letter of credit with the financial institution.
- We assessed whether the appropriate stipulations have been met by inspecting and recalculating expenses incurred for certain projects.
- Obtained approved bylaws, rates and requisitions to recalculate the taxation revenue for the fiscal year.

Our findings

There were no issues noted in our testing.



Other risks of material misstatement and results (continued)

We highlight our significant findings in respect of **other risks of material misstatement**.



Expenses, including salaries and benefits expense

Background

Estimate?

Expenses are closely monitored against approved budgets. Salaries and expenses represent a significant portion of the Village's expenses. There is a need to ensure that the expenses recognized are appropriate.

No

Our response

- We updated our understanding of the process activities and controls over expenses, including salaries and benefits expense.
- We performed testing over the payroll process over hires and terminations, and noted that the controls are designed, implemented, and operating effectively.
- We developed an expectation for the current year salaries and benefits expense based on the prior year expense adjusted for changes in head count, pay rates and other non-recurring items. We compared our expectation to the actual salaries and benefits expense recorded and corroborated any significant variances noted.
- We performed substantive procedures over expenses, including reviewing and vouching a sample of expenses to underlying supporting documentation, ensuring the expenses are appropriately recognized.
- We selected a sample of payments made, trade payables recorded, and invoices received subsequent to year-end and ensured they were recorded in the appropriate fiscal year.

Our findings

KPMG noted an uncorrected audit misstatement for the classification of accounts payable and cash, as cheques written after the year end were understating cash in the amount of \$53,549.



Other risks of material misstatement and results (continued)

We highlight our significant findings in respect of **other risks of material misstatement**.



Silviculture obligation

Background

The Village has a legal obligation of silviculture activities as a result of community forest logging operations. Management works with a forester to assist in the development of the estimate.

Estimate?

Yes – Expenditures required to fulfill silviculture obligations.

Our response

- We updated our understanding of the process activities and controls over recording silviculture activity.
- We selected a sample of payments for current year silviculture activities and vouched to underlying supporting documentation, ensuring the expenditures are appropriately recorded.
- We assessed the competence, expertise, and qualifications of Jason Regnier of Fraser Lake Community Forest, and the reasonableness of the methodology applied.
- We assessed the reasonableness of significant assumptions used in the estimate, including changes in assumptions from the prior year.
- We reviewed the financial statement note disclosure to ensure it is complete and accurate.

Our findings

KPMG noted a corrected misstatement in regards to prepaid seedlings. The prepaid seedlings adjustment was understating the Silviculture obligation and understating prepaid expense by \$106,457.

KPMG also noted that the silviculture obligation was not increased to reflect the year end balance provided by the Forester.



Accounting policies and practices



Significant accounting policies

- There have been no initial selections of, or changes to, significant accounting policies and practices, except for the adoption of Canadian public standard *PS 3280 Asset Retirement Obligations* (refer pages 7 to 8) and new financial instruments standards *PS 3450 Financial instruments*, *PS 2601 Foreign currency translation*, *PS 1201 Financial statement presentation* and *PS 3041 Portfolio investments* (refer page 9).
- There were no significant accounting policies in controversial or emerging areas.
- There were no issues noted with the timing of the Village's transactions in relation to the period in which they were recorded.
- There were no issues noted with the extent to which the financial statements are affected by a significant unusual transaction and extent of disclosure of such transactions.
- There were no issues noted with the extent to which the financial statements are affected by non-recurring amounts recognized during the period and extent of disclosure of such transactions.



Significant accounting estimates

- There were no issues noted with management's identification of accounting estimates.
- There were no issues noted with management's process for making accounting estimates.
- There were no indicators of possible management bias.
- There were no significant factors affecting the Village's asset and liability carrying values



Significant disclosures and financial statement presentation

- There were no issues noted with the judgments made, in formulating particularly sensitive financial statement disclosures.
- There were no issues noted with the overall neutrality, consistency, and clarity of the disclosures in the financial statements.
- There were no significant potential effects on the financial statements of significant risks, exposures, and uncertainties.



Control observations

Consideration of internal control over financial reporting (“ICFR”)



In planning and performing our audit, we considered ICFR relevant to the Village’s preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on ICFR.

Our understanding of internal control over financial reporting was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies. The matters being reported are limited to those deficiencies that we have identified during the audit that we have concluded are of sufficient importance to merit being reported to those charged with governance.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors. Had we performed more extensive procedures on internal control over financial reporting, we might have identified more significant deficiencies to be reported or concluded that some of the reported significant deficiencies need not, in fact, have been reported.

A deficiency in internal control over financial reporting



A deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

Significant deficiencies in internal control over financial reporting



A significant deficiency in internal control over financial reporting is a deficiency, or combination of deficiencies, in internal control that, in the auditor’s professional judgment, is of sufficient importance to merit the attention of those charged with governance.

We did not identify any control deficiencies that we determined to be significant deficiencies in ICFR.



Appendix: Audit quality - How do we deliver audit quality?

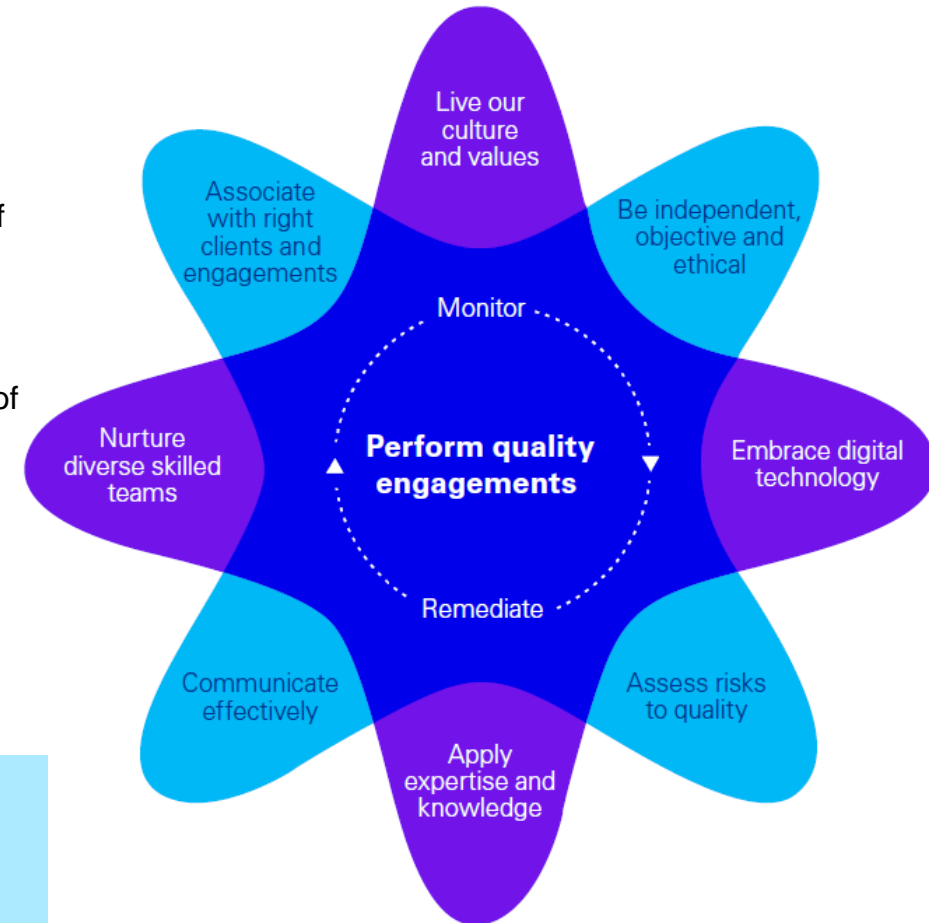
Quality essentially means doing the right thing and remains our highest priority. Our Global Quality Framework outlines how we deliver quality and how every partner and staff member contributes to its delivery.

The drivers outlined in the framework are the ten components of the KPMG System of Quality Management (SoQM). Aligned with ISQM 1/CSQM 1, our SoQM components also meet the requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) and the relevant rules of professional conduct / code of ethics applicable to the practice of public accounting in Canada, which apply to professional services firms that perform audits of financial statements. Our Transparency Report includes our firm's Statement on the Effectiveness of our SoQM.

 [KPMG 2023 Audit Quality and Transparency Report](#)

We define 'audit quality' as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality management**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics and integrity**.



Doing the right thing. Always.



Appendices

1

Required communications

2

Management representation letter

3

Current developments

4

Thought leadership and insights



Appendix 1: Required communications

Draft auditor's report

The conclusion of our audit is set out in our draft auditor's report attached to the draft financial statements.

Audit findings report

Represented by this report.

Management representation letter



In accordance with professional standards, a copy of the management representation letter for the Village is included in Appendix 2.

Internal control deficiencies



We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting.
We did not identify any new other observations in during the audit.

Independence



In accordance with professional standards, we have confirmed our independence on page 5.



Appendix 2: Management representation letter

THE CORPORATION OF THE VILLAGE OF FRASER LAKE
P.O. BOX 430
FRASER LAKE, BC V0J 1S0

KPMG LLP
177 Victoria Street, Suite 400
Prince George, BC V2L 5R8
Canada

April 10, 2024

We are writing at your request to confirm our understanding that your audit was for the purpose of expressing an opinion on the consolidated financial statements (hereinafter referred to as "financial statements") of **The Corporation of the Village of Fraser Lake** ("the Entity") as at and for the period ended December 31, 2023.

GENERAL:

We confirm that the representations we make in this letter are in accordance with the definitions as set out in **Attachment I** to this letter.

We also confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

RESPONSIBILITIES:

- 1) We have fulfilled our responsibilities, as set out in the terms of the engagement letter dated January 6, 2020, including for:
 - a) the preparation and fair presentation of the financial statements and believe that these financial statements have been prepared and present fairly in accordance with the relevant financial reporting framework.
 - b) providing you with all information of which we are aware that is relevant to the preparation of the financial statements ("relevant information"), such as financial records, documentation and other matters, including:
 - the names of all related parties and information regarding all relationships and transactions with related parties;
 - the complete minutes of meetings, or summaries of actions of recent meetings for which minutes have not yet been prepared, of shareholders, board of directors and committees of the board of directors that may affect the financial statements. All significant actions are included in such summaries.
 - c) providing you with unrestricted access to such relevant information.
 - d) providing you with complete responses to all enquiries made by you during the engagement.

- e) providing you with additional information that you may request from us for the purpose of the engagement.
- f) providing you with unrestricted access to persons within the Entity from whom you determined it necessary to obtain audit evidence.
- g) such internal control as we determined is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. We also acknowledge and understand that we are responsible for the design, implementation and maintenance of internal control to prevent and detect fraud.
- h) ensuring that all transactions have been recorded in the accounting records and are reflected in the financial statements.
- i) ensuring that internal auditors providing direct assistance to you, if any, were instructed to follow your instructions and that we, and others within the entity, did not intervene in the work the internal auditors performed for you.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- 2) We have communicated to you all deficiencies in the design and implementation or maintenance of internal control over financial reporting of which we are aware.

FRAUD & NON-COMPLIANCE WITH LAWS AND REGULATIONS:

- 3) We have disclosed to you:
 - a) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
 - b) all information in relation to fraud or suspected fraud that we are aware of that involves:
 - management;
 - employees who have significant roles in internal control over financial reporting; or
 - otherswhere such fraud or suspected fraud could have a material effect on the financial statements.
 - c) all information in relation to allegations of fraud, or suspected fraud, affecting the financial statements, communicated by employees, former employees, analysts, regulators, or others.
 - d) all known instances of non-compliance or suspected non-compliance with laws and regulations, including all aspects of contractual agreements or illegal acts, whose effects should be considered when preparing financial statements.
 - e) all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.

SUBSEQUENT EVENTS:

- 4) All events subsequent to the date of the financial statements and for which the relevant financial reporting framework requires adjustment or disclosure in the financial statements have been adjusted or disclosed.

RELATED PARTIES:

- 5) We have disclosed to you the identity of the Entity's related parties.
- 6) We have disclosed to you all the related party relationships and transactions/balances of which we are aware.
- 7) All related party relationships and transactions/balances have been appropriately accounted for and disclosed in accordance with the relevant financial reporting framework.

ESTIMATES:

- 8) The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

GOING CONCERN:

- 9) We have provided you with all information relevant to the use of the going concern assumption in the financial statements.

COMPARATIVE INFORMATION:

- 10) In respect of the restatement related to the adoption of PS 3280 Asset Retirement Obligation standard made to correct a material misstatement in the comparative information as a result of using the modified retrospective transition method for PS 3280, we reaffirm that the written representations we previously provided to you, in respect of the prior period financial statements presented as comparative information, remain appropriate.

MISSTATEMENTS:

- 11) The effects of the uncorrected misstatements described in Attachment II are immaterial, both individually and in the aggregate, to the financial statements as a whole.
- 12) We approve the corrected misstatements identified by you during the audit described in Attachment II.

NON-SEC REGISTRANTS OR NON-REPORTING ISSUERS:

- 13) We confirm that the Entity is not a Canadian reporting issuer (as defined under any applicable Canadian securities act) and is not a United States Securities and Exchange Commission ("SEC") Issuer (as defined by the Sarbanes-Oxley Act of 2002).
- 14) We also confirm that the financial statements of the Entity will not be included in the group financial statements of a Canadian reporting issuer audited by KPMG or an SEC Issuer audited by any member of the KPMG organization.

OTHER ITEMS:

- 15) The accounting policies selected and applied are appropriate in the circumstances.
- 16) The Village has satisfactory title to all owned assets.
- 17) We have no knowledge of any liens or encumbrances on assets and/or assets that have been pledged or assigned as security for liabilities, performance of contracts etc., not disclosed in the financial statements.
- 18) We have no knowledge of any plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- 19) We have no knowledge of material unrecorded assets or liabilities or contingent assets or liabilities (such as claims related to patent infringements, unfulfilled contracts, etc., whose values depend on fulfillment of conditions regarded as uncertain or receivables sold or discounted, endorsements or guarantees, additional taxes for prior years, repurchase agreements, sales subject to renegotiation or price re-determination, etc.).
- 20) We have no knowledge of shortages that have been discovered and not disclosed to you (such as shortages in inventory, cash, negotiable instruments, etc.).
- 21) The Village has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of non-compliance including violations or default of the covenants in the Entity's debt agreements.
- 22) The Village has appropriately recognized, measured and disclosed environmental matters in the financial statements.
- 23) There are no arrangements (contractual or otherwise) by which programs have been established to provide employee future benefits.
- 24) Receivables reported in the financial statements represent valid claims against customers and other debtors for sales or other charges arising on or before the balance sheet date, and do not include amounts relating to goods shipped on consignment or approval. Receivables have been appropriately reduced to their net realizable value.
- 25) The Village has appropriately grouped long-lived assets together for purposes of assessing impairment.
- 26) For financial statement purposes, taxation and user fee revenues are recognized in accordance with the provisions of the Community Charter. The Village is required to act as the agent for the collection of certain taxes and fees imposed by other authorities. Collection for other authorities are excluded from the Village's taxation revenues.
- 27) Revenue unearned in the current period is reported on the statement of financial position as deferred revenue or deposits.
- 28) We have no knowledge of material liabilities resulting from the evaluation of owned properties under PS 3260 - Liability for contaminated sites.

- 29) The Village has evaluated all owned properties under the PS 3260 - Liability for contaminated sites standard.
- 30) The Village has evaluated all transactions and relationships involving variable interest entities (and/or special purpose entities) to determine that the accounting for such transactions is in accordance with the relevant financial reporting framework. The evaluation did not result in the identification of variable interest entities.
- 31) The Village has recorded and reflected all transfers to and from the reserves as at December 31, 2023.
- 32) We confirm that the the silviculture obligation estimate is using appropriate assumptions and information relevant to the liability.
- 33) The Board has approved the December 31, 2023 consolidated financial statements.

Yours very truly,

By: Mr. Ethan Fredeen, Chief Administrative Officer

By: Mrs. Laura McMaster, Director of Finance

Attachment I – Definitions

MATERIALITY

Certain representations in this letter are described as being limited to matters that are material.

Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Judgments about materiality are made in light of surrounding circumstances, and are affected by perception of the needs of, or the characteristics of, the users of the financial statements and, the size or nature of a misstatement, or a combination of both while also considering the entity's own circumstances.

FRAUD & ERROR

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity's assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorization.

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Attachment II

The Corporation of the Village of Fraser Lake

G5

Year End: December 31, 2023
Uncorrected audit misstatement
Date: 1/1/2023 To 12/31/2023

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
SUAM 1	12/31/2023	GENERAL BANK ACCOUNT	01-03-100-31210	TRS. 3.1.1	53,548.50			
SUAM 1	12/31/2023	ACCOUNTS PAYABLE	01-04-320-42500	TRS. 3.1.1		53,548.50		
		To reclassify outstanding cheques written after year end to accounts payable.						
					53,548.50	53,548.50		
Net Income (Loss)			5,016,925.52					

The Corporation of the Village of Fraser Lake

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Year End: December 31, 2023

Adjusting Journal Entries

Date: 1/1/2023 To 12/31/2023

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
AJE 1	12/31/2023	EQUITY IN FIXED ASSETS	01-04-345-47160			496,215.31		
AJE 1	12/31/2023	EQUITY IN FIXED ASSETS	01-04-345-47160			18,330.26		
AJE 1	12/31/2023	GENERAL FUND SURPLUS	01-05-950-49100		2,774,281.06			
AJE 1	12/31/2023	GENERAL FUND SURPLUS	01-05-950-49100		18,330.26			
AJE 1	12/31/2023	WATER EQUITY IN FIXED ASSETS	02-04-345-54800			181,634.60		
AJE 1	12/31/2023	WATER FUND SURPLUS	02-05-950-49200		77,585.86			
AJE 1	12/31/2023	SEWER EQUITY IN FIXED ASSETS	03-04-345-64800			868,151.93		
AJE 1	12/31/2023	SEWER FUND SURPLUS	03-05-950-49300			97,007.79		
AJE 1	12/31/2023	FUND SURPLUS COMM FOREST	10-05-950-69300			1,208,857.29		
		To reclassify opening surplus to agree to prior year audited closing balance.						
AJE 2	12/31/2023	TRANS TO WATER	01-02-300-29155			2,310.80		
AJE 2	12/31/2023	TRANS TO CEMETERY TRUST	01-02-300-29170		2,310.80			
AJE 2	12/31/2023	TRANS TO COVID 19 RESTART RESERVE	01-02-300-29205		1,921.27			
AJE 2	12/31/2023	COMM WORKS FUND AKA NEW DEAL GIC CASH	01-03-100-31240		53,111.23			
AJE 2	12/31/2023	COMM WORKS FUND AKA NEW DEAL GIC CASH	01-03-100-31240		53,111.23			
AJE 2	12/31/2023	NEW DEAL RESERVE BALANCE	05-06-710-71185			53,111.23		
AJE 2	12/31/2023	NEW DEAL RESERVE BALANCE	05-06-710-71185			53,111.23		
AJE 2	12/31/2023	NORTHERN CAPITAL PLANNING GRANT	05-06-710-71196			40,667.46		
AJE 2	12/31/2023	NORTHERN CAP & PLAN RESERVE BALANCE	05-06-710-71205		40,667.46			
AJE 2	12/31/2023	COVID RESTART RESERVE BALANCE	05-06-710-71210			1,921.27		
AJE 2	12/31/2023	CLIMATE ACTION RESERVE BALANCE	05-06-710-72245			47,082.00		
AJE 2	12/31/2023	CLIMATE ACTION RESERVE SAVINGS	05-06-720-72240		47,082.00			
		To adjust transfers to reserve to agree with prior year closing audited balances.						
AJE 3	12/31/2023	INTEREST ON RESERVES	01-01-155-15500			70,868.09		
AJE 3	12/31/2023	BANK SERVICE CHARGE	01-02-155-21480		7.00			
AJE 3	12/31/2023	COMM WORKS FUND AKA NEW DEAL GIC CASH	01-03-100-31240		675.12			
AJE 3	12/31/2023	UNEXPENDED /SINKING FUND CASH	01-04-420-44200		369.27			
AJE 3	12/31/2023	CEMETERY CAPITAL DEV FUND SAVINGS	04-06-720-72220		10.14			
AJE 3	12/31/2023	NORTHERN CAP & PLAN RESERVE BALANCE	05-06-710-71205		5,438.82			
AJE 3	12/31/2023	WATER CAPITAL RESERVE SAVINGS	05-06-720-72100			4,536.71		
AJE 3	12/31/2023	WATER CAPITAL RESERVE SAVINGS	05-06-720-72100		743.21			
AJE 3	12/31/2023	SEWER CAPITAL RESERVE SAVINGS	05-06-720-72110		452.76			
AJE 3	12/31/2023	AIRPORT RESERVE SAVINGS	05-06-720-72120		538.42			
AJE 3	12/31/2023	CERF RESERVE SAVINGS	05-06-720-72140		535.64			
AJE 3	12/31/2023	REC CENTER RESERVE SAVINGS	05-06-720-72160		82.17			
AJE 3	12/31/2023	RESCUE TRUCK RESERVE SAVINGS	05-06-720-72170		225.43			
AJE 3	12/31/2023	STREET RESERVE SAVINGS	05-06-720-72190		629.42			
AJE 3	12/31/2023	COVID RESTART RESERVE SAVINGS	05-06-720-72225		98.19			
AJE 3	12/31/2023	GROWING COMMUNITIES RESERVE SAVINGS	05-06-720-72241		7.06			
AJE 3	12/31/2023	COMM FOREST RESERVE SAVINGS	05-06-730-72230		51,521.36			

The Corporation of the Village of Fraser Lake
Year End: December 31, 2023
Adjusting Journal Entries
Date: 1/1/2023 To 12/31/2023

G3-1

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
AJE 3	12/31/2023	COMM FOREST SILVICULTURE RESERVE SAVINGS	05-06-730-72235		9,534.08			
AJE 3	12/31/2023	WATER CAP RES DUE TO/FR GEN.	05-06-730-73100		4,536.71			
		To adjust reserve cash balances to actual.						
AJE 4	12/31/2023	FIRE HALL PROJECTS	01-02-290-22160			537,364.07		
AJE 4	12/31/2023	CEMETERY PROJECTS	01-02-290-26100			15,671.69		
AJE 4	12/31/2023	COMPLEX PROJECTS	01-02-290-27110			83,785.69		
AJE 4	12/31/2023	CURLING PROJECTS	01-02-290-27120			3,593,210.70		
AJE 4	12/31/2023	PARKS & REC CAPITAL PROJECT	01-02-290-27130			109,661.68		
AJE 4	12/31/2023	PARKS & REC CAPITAL PROJECT	01-02-290-27130			7,532.80		
AJE 4	12/31/2023	PARKS & REC CAPITAL PROJECT	01-02-290-27130			3,916.67		
AJE 4	12/31/2023	PARKS & REC CAPITAL PROJECT	01-02-290-27130			43,920.00		
AJE 4	12/31/2023	PARKS & REC CAPITAL PROJECT	01-02-290-27130			63,591.48		
AJE 4	12/31/2023	TRAILER COURT PROJECTS	01-02-290-27800			15,538.16		
AJE 4	12/31/2023	AIRPORT PROJECTS	01-02-290-27900			54,579.12		
AJE 4	12/31/2023	GENERAL PROJECTS	01-02-290-29100			5,287.50		
AJE 4	12/31/2023	GENERAL PROJECTS	01-02-290-29100			3,805.00		
AJE 4	12/31/2023	GENERAL PROJECTS	01-02-290-29100			842,283.09		
AJE 4	12/31/2023	GENERAL PROJECTS	01-02-290-29100			236,877.82		
AJE 4	12/31/2023	GENERAL PROJECTS	01-02-290-29100			26,582.04		
AJE 4	12/31/2023	GENERAL PROJECTS	01-02-290-29100			12,500.00		
AJE 4	12/31/2023	GENERAL PROJECTS	01-02-290-29100			6,510.00		
AJE 4	12/31/2023	GENERAL PROJECTS	01-02-290-29100			20,020.55		
AJE 4	12/31/2023	GENERAL PROJECTS	01-02-290-29100		0.30			
AJE 4	12/31/2023	CONTRUCTION IN PROGRESS	01-03-350-30000		83,785.69			
AJE 4	12/31/2023	CONTRUCTION IN PROGRESS	01-03-350-30000		208,081.04			
AJE 4	12/31/2023	CONTRUCTION IN PROGRESS	01-03-350-30000		45,963.61			
AJE 4	12/31/2023	CONTRUCTION IN PROGRESS	01-03-350-30000		3,593,210.70			
AJE 4	12/31/2023	ASSET-BUILDING	01-03-350-35000		458.42			
AJE 4	12/31/2023	ASSET-BUILDING	01-03-350-35000		15,538.16			
AJE 4	12/31/2023	ASSET-BUILDING	01-03-350-35000		6,510.00			
AJE 4	12/31/2023	ASSET -ROADS AND INFRSTRUCTURE	01-03-350-35020		15,213.27			
AJE 4	12/31/2023	ASSET -ROADS AND INFRSTRUCTURE	01-03-350-35020		54,579.12			
AJE 4	12/31/2023	ASSET -ROADS AND INFRSTRUCTURE	01-03-350-35020		3,805.00			
AJE 4	12/31/2023	ASSET -ROADS AND INFRSTRUCTURE	01-03-350-35020		842,283.09			
AJE 4	12/31/2023	ASSET -ROADS AND INFRSTRUCTURE	01-03-350-35020		26,582.04			
AJE 4	12/31/2023	ASSET -ROADS AND INFRSTRUCTURE	01-03-350-35020		12,500.00			
AJE 4	12/31/2023	ASSET -ROADS AND INFRSTRUCTURE	01-03-350-35020		20,020.55			
AJE 4	12/31/2023	ASSET-PARKS & INFRSTRUCTURE	01-03-350-35025		5,287.50			
AJE 4	12/31/2023	ASSET-PARKS & INFRSTRUCTURE	01-03-350-35025		236,877.82			
AJE 4	12/31/2023	ASSET-PARKS & INFRSTRUCTURE	01-03-350-35025			0.30		
AJE 4	12/31/2023	ASSET-PARKS & INFRSTRUCTURE	01-03-350-35025		109,661.68			
AJE 4	12/31/2023	ASSET-PARKS & INFRSTRUCTURE	01-03-350-35025		7,532.80			
AJE 4	12/31/2023	ASSET-PARKS & INFRSTRUCTURE	01-03-350-35025		3,916.67			

The Corporation of the Village of Fraser Lake
Year End: December 31, 2023
Adjusting Journal Entries
Date: 1/1/2023 To 12/31/2023

G3-2

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
AJE 4	12/31/2023	ASSET-PARKS & INFRSTRUCTURE	01-03-350-35025		43,920.00			
AJE 4	12/31/2023	ASSET-PARKS & INFRSTRUCTURE	01-03-350-35025		55,257.76			
AJE 4	12/31/2023	ASSET - PARKS & REC EQUIPMENT	01-03-350-35030		8,333.72			
AJE 4	12/31/2023	ASSET- FIRE DEPARTMENT BUILDING	01-03-350-35070		11,212.03			
AJE 4	12/31/2023	ASSET - FIRE DEPARTMENT VEHICLES	01-03-350-35080		482,276.82			
AJE 4	12/31/2023	ASSET - FIRE DEPARTMENT EQUIPMENT	01-03-350-35090		43,875.22			
AJE 4	12/31/2023	WATER CONT. TO CAPITAL MAT.	02-02-560-52160			45,963.61		
AJE 4	12/31/2023	WATER CONT. TO CAPITAL MAT.	02-02-560-52160			25,559.74		
AJE 4	12/31/2023	WATER ASSET WATER SYSTEM	02-03-360-53500		25,559.74			
AJE 4	12/31/2023	SEWER CONTRIBU TO CAP. MATER	03-02-660-62160			208,081.04		
		To adjust TCA additions to the asset accounts.						
AJE 5	12/31/2023	ACCUMULATED AMORT PARKS BUILDING	01-03-350-35150		62,851.27			
AJE 5	12/31/2023	ACCUM AMORT ARENA BUILDING	01-03-350-35160			62,851.27		
		To adjust accumulated amortization for Arena Building and Parks Building to agree to prior year closing.						
AJE 6	12/31/2023	AMORTIZATION EXPENSE - GENERAL	01-02-355-21000		503,196.58			
AJE 6	12/31/2023	ACCUMULATED AMORT PARKS INFRASTRUCTURE	01-03-350-35140			71,625.18		
AJE 6	12/31/2023	ACCUMULATED AMORT PARKS BUILDING	01-03-350-35150			17,759.85		
AJE 6	12/31/2023	ACCUM AMORT ARENA BUILDING	01-03-350-35160			66,193.69		
AJE 6	12/31/2023	ACCUM AMORT ARENA BUILDING	01-03-350-35160			285.90		
AJE 6	12/31/2023	ACCUM AMORT ARENA EQUIPMENT	01-03-350-35170			9,789.87		
AJE 6	12/31/2023	ACCUM AMORT COMPLEX BUILDING	01-03-350-35180			2,073.94		
AJE 6	12/31/2023	ACCUM AMORT COMPLEX EQUIP	01-03-350-35190			1,005.93		
AJE 6	12/31/2023	ACCUM AMORT CURLING	01-03-350-35191			2,176.56		
AJE 6	12/31/2023	ACCUM AMORT VEHICLES	01-03-350-35201			21,406.96		
AJE 6	12/31/2023	ACCUM AMORT FIRE BUILDING	01-03-350-35202			3,013.10		
AJE 6	12/31/2023	ACCUM AMORT FIRE VEHICLES	01-03-350-35210			48,064.57		
AJE 6	12/31/2023	ACCUM AMORT FIRE EQUIPMENT	01-03-350-35220			16,859.69		
AJE 6	12/31/2023	ACCUM AMORT WORKS DEPARTMENT	01-03-350-35221			2,432.64		
AJE 6	12/31/2023	ACCUM AMORT OFFICE EQUIPMENT	01-03-350-35230			6,656.33		
AJE 6	12/31/2023	ACCUM AMORT ROADS INFRSTRUCTURE	01-03-350-35240			84,249.44		
AJE 6	12/31/2023	ACCUM AMORT EQUIPMENT	01-03-350-35250			96,749.18		
AJE 6	12/31/2023	ACCUM AMORT BUILDINGS	01-03-350-35350			52,853.75		
AJE 6	12/31/2023	AMORTIZATION EXPENSE WATER	02-02-355-52200		74,756.99			
AJE 6	12/31/2023	ACCU AMORT WATER SYSTEM	02-03-360-53550			74,756.99		
AJE 6	12/31/2023	AMORTIZATION EXPENSE SEWER	03-02-355-62200		78,235.46			
AJE 6	12/31/2023	ACCU AMORT SEWER EQUIP	03-03-365-63450			3,013.35		
AJE 6	12/31/2023	ACCUM AMORT LAGOON	03-03-365-63550			37,904.41		
AJE 6	12/31/2023	SEWER ASSET MISC EQUIPMENT	03-03-365-63650			37,317.70		

The Corporation of the Village of Fraser Lake
Year End: December 31, 2023
Adjusting Journal Entries
Date: 1/1/2023 To 12/31/2023

G3-3

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement	
		To record the current year amortization on capital assets.							Judgmental
AJE 7	12/31/2023	MED./ EXTENDED HEALTH/ DENTAL	01-02-175-21780			33,148.03			
AJE 7	12/31/2023	A/P EMPLOYER HEALTH TAX	01-04-175-42246		33,148.03				
		To adjust employer Health Tax payable, recorded as an expense twice in the year.							Judgmental
AJE 8	12/31/2023	ASSET - FIRE DEPARTMENT VEHICLES	01-03-350-35080	TCA. 1.4.1		14,270.80			
AJE 8	12/31/2023	ACCUM AMORT FIRE VEHICLES	01-03-350-35210	TCA. 1.4.1	14,270.80				
		To record the disposal of the fire truck.							Judgmental
AJE 9	12/31/2023	INTEREST ON RESERVES	01-01-155-15500		2,099.45				
AJE 9	12/31/2023	CEMETERY REVENUE	01-01-215-16100			1,259.00			
AJE 9	12/31/2023	TRANS TO CEMETERY TRUST	01-02-300-29170			2,310.80			
AJE 9	12/31/2023	TRANS TO CEMETERY TRUST	01-02-300-29170			870.00			
AJE 9	12/31/2023	DTF CEMETERY	01-04-290-42400			195.50			
AJE 9	12/31/2023	CEMT DTF GEN	04-04-290-42400		2,324.50				
AJE 9	12/31/2023	CEMETERY TRUST FUND BALANCE	04-06-710-71200		46.28				
AJE 9	12/31/2023	CEMETERY TRUST FUND BALANCE	04-06-710-71200		992.50				
AJE 9	12/31/2023	CEMETERY TRUST FUND SAVINGS	04-06-720-72200		165.07				
AJE 9	12/31/2023	CEMETERY TRST. FUND DTF GEN	04-06-730-73200			992.50			
		To adjust interest earned on cemetery trust funds to actual and adjust interest income to due to from account.							Judgmental
AJE10	12/31/2023	SEWER SINKING FUND CASH	03-03-420-63280			120,117.22			
AJE10	12/31/2023	SEWER CAPITAL RESERVE SAVINGS	05-06-720-72110		63,000.00				
AJE10	12/31/2023	SEWER CAPITAL RESERVE SAVINGS	05-06-720-72110		120,117.22				
AJE10	12/31/2023	CERF RESERVE SAVINGS	05-06-720-72140			63,000.00			
		To adjust cash balances to agree with bank confirmation.							
AJE11	12/31/2023	LAND SALE	01-01-140-15600	3. 2.3.1	160,924.00				
AJE11	12/31/2023	INVENTORY SOUTHSIDE	01-03-350-36100	3. 2.3.1		160,924.00			
		To record sale of Southside Lots 14, 15, 16 and 17.							
AJE12	12/31/2023	NORTHERN CAP & PLAN RESERVE BALANCE	05-06-710-71205		37,869.03				
AJE12	12/31/2023	NORTHERN CAP & PLAN SAVINGS	05-06-720-72155			37,195.75			
AJE12	12/31/2023	NEW DEAL RESERVE SAVINGS	05-06-720-72185			673.28			

The Corporation of the Village of Fraser Lake
Year End: December 31, 2023
Adjusting Journal Entries
Date: 1/1/2023 To 12/31/2023

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Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
To net general ledger accounts relating to bank account 5422418 for Northern Capital and Planning reserve.								
AJE13	12/31/2023	INTEREST ON RESERVES	01-01-155-15500			170,162.92		
AJE13	12/31/2023	WATER CAP RES DUE TO/FR GEN.	05-06-730-73100		371.65			
AJE13	12/31/2023	PARKS AND TRAILS DTF GEN	05-06-730-73125		4,972.93			
AJE13	12/31/2023	ARENA SINKING DTF GEN	05-06-730-73135		374.54			
AJE13	12/31/2023	CERF DTF GEN MFA POOLED	05-06-730-73146		81,878.62			
AJE13	12/31/2023	STREET STF MFA POOLED	05-06-730-73196		82,565.18			
To record interest income on MFABC money market fund.								
AJE14	12/31/2023	PARKS MATERIALS	01-02-235-27130		6,135.00			
AJE14	12/31/2023	PARKS & REC CAPITAL PROJECT	01-02-290-27130			6,135.00		
To adjust tree removal as an expense rather than capital.								
AJE15	12/31/2023	AMORTIZATION EXPENSE - GENERAL	01-02-355-21000		7,935.00			
AJE15	12/31/2023	ASSET-BUILDING	01-03-350-35000		317,381.00			
AJE15	12/31/2023	ACCUM AMORT ARENA BUILDING	01-03-350-35160			269,790.00		
AJE15	12/31/2023	ASSET RETIREMENT OBLIGATION - GENERAL	01-04-600-85000			325,307.00		
AJE15	12/31/2023	GENERAL FUND SURPLUS	01-05-950-49100		269,781.00			
AJE15	12/31/2023	AMORTIZATION EXPENSE WATER	02-02-355-52200		5,297.00			
AJE15	12/31/2023	WATER ASSET WATER SYSTEM	02-03-360-53500		317,798.00			
AJE15	12/31/2023	ACCU AMORT WATER SYSTEM	02-03-360-53550			180,098.00		
AJE15	12/31/2023	ASSET RETIREMENT OBLIGATION - WATER	02-04-600-85000			317,848.00		
AJE15	12/31/2023	WATER FUND SURPLUS	02-05-950-49200		174,851.00			
AJE15	12/31/2023	AMORTIZATION EXPENSE SEWER	03-02-355-62200		4,818.00			
AJE15	12/31/2023	SEWER ASSET - SEWER SYSTEM	03-03-365-63600		289,051.00			
AJE15	12/31/2023	SEWER ASSET MISC EQUIPMENT	03-03-365-63650			163,812.00		
AJE15	12/31/2023	ASSET RETIREMENT OBLIGATION - SEWER	03-04-600-85000			289,051.00		
AJE15	12/31/2023	SEWER FUND SURPLUS	03-05-950-49300		158,994.00			
To record asset retirement obligation under the modified retroactive transitional method.								
AJE16	12/31/2023	SILVICULTURE EXPENSE COMM FOREST	10-02-620-82200		17,468.54			
AJE16	12/31/2023	SILVICULTURE OBLIGATION COMM FOREST	10-04-600-84800			17,468.54		
To adjust silviculture obligation to agree with calculation provided.								
SAM 1	12/31/2023	PREPAID SEEDLINGS COMM FOREST	10-03-365-83450		106,457.28			

The Corporation of the Village of Fraser Lake

Year End: December 31, 2023

Adjusting Journal Entries

Date: 1/1/2023 To 12/31/2023

G3-5

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
SAM 1	12/31/2023	SILVICULTURE OBLIGATION COMM FOREST	10-04-600-84800			106,457.28		
		To adjust seedlings paid for in advance to prepaid expenses.						
CAJE 1	12/31/2023	UBCM GRANTS	01-01-270-17680		7,500.00			
CAJE 1	12/31/2023	A/R UBCM GRANTS	01-03-270-32202			7,500.00		
		To reverse housing needs assessment receivable that was recorded twice.						
CAJE 2	12/31/2023	GST PAYABLE	01-03-130-32191	G22		1,133.88		
CAJE 2	12/31/2023	A/R PNG FRANCHISE	01-03-275-32290	G22	23,811.39			
CAJE 2	12/31/2023	A/R PNG FRANCHISE	01-03-275-32290	G22		22,677.51		
		To book Pacific Northern Gas Franchise Fee Payment.						
CAJE 3	12/31/2023	MED./ EXTENDED HEALTH/ DENTAL	01-02-175-21780		3,576.66			
CAJE 3	12/31/2023	MED./ EXTENDED HEALTH/ DENTAL	01-02-175-21780		3,576.66			
CAJE 3	12/31/2023	A/R EMPLOYER HEALTH TAX	01-03-275-32315			3,576.66		
CAJE 3	12/31/2023	ACCRUED ACCOUNTS PAYABLE	01-04-320-42505			3,576.66		
		To adjust employer health tax receivable to a payable.						
					12,144,640.35	12,144,640.35		
Net Income (Loss)			5,016,925.52					



Appendix 3: Current developments

Changes in auditing standards

Effective for periods beginning on or after December 15, 2022

ISA/CAS 220

.....
(Revised) Quality management for an audit of financial statements

ISQM1/CSQM1

.....
Quality management for firms that perform audits or reviews of financial statements or other assurance or related services engagements

ISQM2/CSQM2

.....
Engagement quality reviews

Effective for periods beginning on or after December 15, 2023

ISA 600/CAS 600

.....
Revised special considerations – Audits of group financial statements

Refer to the next page for more information about CAS 600.



Appendix 3: Current developments (continued)

Changes in auditing standards (continued)

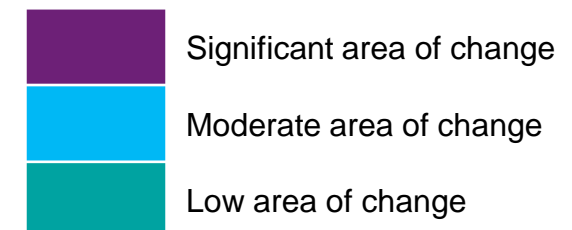
CAS 600 *Special Considerations – Audits of Group Financial Statements (including the work of component auditors)* (“CAS 600”) is an auditing standard that is currently applied by KPMG for the audit of the University’s financial statements. Effective for the University’s 2025 fiscal year, CAS 600 has been revised to include new and enhanced requirements that KPMG will be required to implement in the audit. A summary of the key changes in CAS 600 is as follows:

[Click here](#) for information about the revised CAS 600 from CPA Canada



Key changes include:

- Risk-based approach to group audit scoping.
- Increased direction and supervision of component auditors.
- Increased two-way communication through the audit.



KPMG is in the process of evaluating the impact of the revised CAS 600 for the Village’s audit and will communicate with management and the Committee as more information is available.



Appendix 3: Current developments (continued)

Changes in accounting standards

Standard	Summary and implications
Concepts Underlying Financial Performance	<ul style="list-style-type: none"> The revised Conceptual Framework is effective for fiscal years beginning on or after April 1, 2026 with early adoption permitted. The framework provides the core concepts and objectives underlying Canadian public sector accounting standards. The ten chapter conceptual framework defines and elaborates on the characteristics of public sector entities and their financial reporting objectives. Additional information is provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts are introduced.
Financial Statement Presentation	<ul style="list-style-type: none"> The proposed section PS 1202 <i>Financial statement presentation</i> will replace the current section PS 1201 <i>Financial statement presentation</i>. PS 1202 <i>Financial statement presentation</i> will apply to fiscal years beginning on or after April 1, 2026 to coincide with the adoption of the revised conceptual framework. Early adoption is permitted. The proposed section includes the following: <ul style="list-style-type: none"> Relocation of the net debt indicator to its own statement called the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained. Separating liabilities into financial liabilities and non-financial liabilities. Restructuring the statement of financial position to present total assets followed by total liabilities. Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities). Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”. A new provision whereby an entity can use an amended budget in certain circumstances. Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position.



Appendix 3: Current developments (continued)

Changes in accounting standards (continued)

Standard	Summary and implications
Employee Future Benefit Obligations	<ul style="list-style-type: none"> • The Public Sector Accounting Board has initiated a review of sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>. • The intention is to use principles from International Public Sector Accounting Standard 39 <i>Employee benefits</i> as a starting point to develop the Canadian standard. • Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, the new standards will be implemented in a multi-release strategy. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues. • The proposed section PS 3251 <i>Employee benefits</i> will replace the current sections PS 3250 <i>Retirement benefits</i> and PS 3255 <i>Post-employment benefits, compensated absences and termination benefits</i>. It will apply to fiscal years beginning on or after April 1, 2026. Early adoption will be permitted and guidance applied retroactively. • This proposed section would result in public sector entities recognizing the impact of revaluations of the net defined benefit liability (asset) immediately on the statement of financial position. Organizations would also assess the funding status of their post-employment benefit plans to determine the appropriate rate for discounting post-employment benefit obligations. • The Public Sector Accounting Board is in the process of evaluating comments received from stakeholders on the exposure draft.



Appendix 4: Thought leadership and insights

Environmental, social and governance (“ESG”)

What is ESG?

ESG is a framework to integrate environmental, social and governance risks and opportunities into an organization’s strategy to build long term financial sustainability and create value. ESG includes a wide range of non-financial scoring categories, used by investors and other stakeholders to assess the impact of a Association’s products and business practices on sustainability and social causes.

Environmental

Our IMPACT on our planet

- Climate change
- Greenhouse gas (GHG) emissions
- Natural resource depletion
- Waste and pollution
- Deforestation
- Hazardous materials
- Biodiversity

Social

Our IMPACT in our communities

- Working conditions, including slavery and child labour
- Impact on local communities
- Conflict regions
- Health and safety
- Employee diversity, equity, and inclusion
- Product mis-selling
- Data protection

Governance

Our conduct

- Executive pay
- Bribery and corruption
- Political lobbying and donations
- Board diversity and structure
- Tax strategy
- Data breaches

ESG strategies can help entities deliver long-term value through effective engagement with all stakeholders – generating trust and a competitive advantage.



Appendix 4: Thought leadership and insights (continued)

Environmental, social and governance (“ESG”) (continued)

First IFRS Sustainability Disclosure Standards

The arrival of the first two IFRS Sustainability Disclosure Standards marks a key milestone in sustainability reporting and is a significant step towards creation of a global baseline for stakeholder-focused sustainability reporting that local jurisdictions can build on. **Although the standards are not required to be adopted by the University, the new IFRS sustainability standards provide key insights into what the future of sustainability reporting may look like for the University.**

Summary of the recently released standards

The standards build on the four-pillar structure of the **Task Force on Climate-related Financial Disclosures**.

The **general requirements standard (IFRS S1)** defines the scope and objectives of reporting and provides core content, presentation and practical requirements.

It requires disclosure of material information on all sustainability-related risks and opportunities – not just on climate.

The **climate standard (IFRS S2)** replicates the core content requirements and supplements them with climate-specific reporting requirements.



Visit KPMG’s Sustainability Reporting website for more information, including a comprehensive summary of the new requirements and KPMG’s insights and illustrative examples for the new standards.

[Click here](#) to access KPMG’s portal



Appendix 4: Thought leadership and insights (continued)

Thought leadership – Environmental, social and governance (“ESG”)

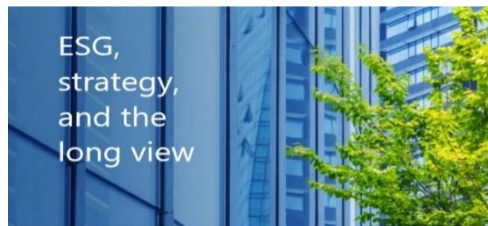
Note: Click on images to visit document link.



CoP26 made progress towards tackling climate change, but there is much more to do. At KPMG, we're committed to accelerating the changes required to fight climate change.



The Green City outlines the need of the cities and the buildings in them to reflect climate consciousness. The link provides guidance on what that looks like and the first steps to meeting those objectives.



This highlights a five-part framework to help organizations shape the total impact of strategy and operations on performance both externally, and internally.



This article outlines how ESG is impacting valuation and performance of the underlying companies institutional investors have a stake in.

KPMG's Climate Change Financial Reporting Resource Centre provides FAQs to help you identify the potential financial statement impacts for your business.
[Click here](#) to access KPMG's portal.



Appendix 4: Thought leadership and insights (continued)

General

Global Economic Outlook

We may be only part-way through 2023, but the phrase that has overwhelmingly dominated conversations – from board rooms to political chambers and Main Streets – has been the cost-of-living crisis. In recent years, the world has faced waves of challenges, from the pandemic to the invasion of Ukraine, to the unfolding bank liquidity challenges amidst skittish depositors. The impact of such a lengthy period of uncertainty is being felt by everyone and that's reflected in KPMG's latest Global Economic Outlook.

[Click here](#) to access KPMG's portal.

2023 CEO Outlook

While CEOs maintain confidence in the future of the global economy, their views on what constitutes a risk to their business have shifted significantly. The persistent flux in global politics, trade dynamics and international relations has required a new level of resilience from CEOs. They are reassessing their strategic priorities, focusing on the rise of generative AI, talent management and high stakeholder expectations in addressing environmental, social and government (ESG) issues.

[Click here](#) to access KPMG's portal.

Board Leadership Centre

KPMG in Canada Board Leadership Centre engages with directors, board members and business leaders to discuss timely and relevant boardroom challenges and deliver practical thought leadership on risk and strategy, talent and technology, globalization and regulatory issues, financial reporting and more.

[Click here](#) to access KPMG's portal.

Accelerate

Our annual article series, developed by KPMG subject matter experts, which tackles the most pressing risks and opportunities that face audit committees, boards and management teams across the country. The focus areas for 2024 include economic uncertainty, cyber risk, digital transformation, talent retention and mandatory ESG reporting.

[Click here](#) to access KPMG's portal.



Appendix 4: Thought leadership and insights (continued)

Information technology and digital transformation

Digital Transformation and Technology

Pre-COVID-19, private and public organizations were moving towards a digital business model, travelling at varying speeds. But the pandemic forced a dramatic acceleration, both in the speed of change and the required investment to digitally transform. According to Canadian insights from KPMG's recent global survey, organizations are investing heavily in technology to address immediate concerns, ranging from falling revenue and interrupted supply chains to building longer-term competitiveness and operational resilience.

[Click here](#) to access KPMG's portal.

Five Questions Boards Should Ask About Digital Transformation Projects

Boards and management committees alike have increasingly expressed interest in technology investments that improve operations, enable customer relationships, and support virtual workforces. Based on our experience working with organizations across many industries, five questions have been identified to help a Board understand and 'sponsor' a project successfully.

[Click here](#) to access KPMG's portal.

KPMG Global Tech Report 2023

Be determined, not deterred. Despite the headwinds of global economic uncertainty, digital transformation leaders that are committed to their innovation priorities continue to realize value at pace. In our latest survey – the KPMG global tech report 2023 – digital leaders are bullish in their belief that embracing technology across all facets of their business is bringing productivity gains.

[Click here](#) to access KPMG's portal.

Maintaining Cyber Vigilance and Staying Resilient

Cyber resilience is vital to maintain business operational capabilities, safeguard customer trust, and reduce the impact of future attacks. Regulators worldwide are also increasingly focused on cyber resilience, obligating organizations to be more transparent about their ability to respond to breaches before, during and after an incident. KPMG's eBook shares hard-won lessons which are intended to help organizations confidently and proactively address cyber threats, recover from cyber incidents and emerge stronger.

[Click here](#) to access KPMG's portal.

Asset management

Asset Management in the Age of Uncertainty

Most asset managers seem to recognize that their business is in the midst of a significant disruption. The fundamentals of the asset management industry are changing and there is need for new ideas and new models.

[Click here](#) to access KPMG's portal.

Converging Trends 2033: The Long View

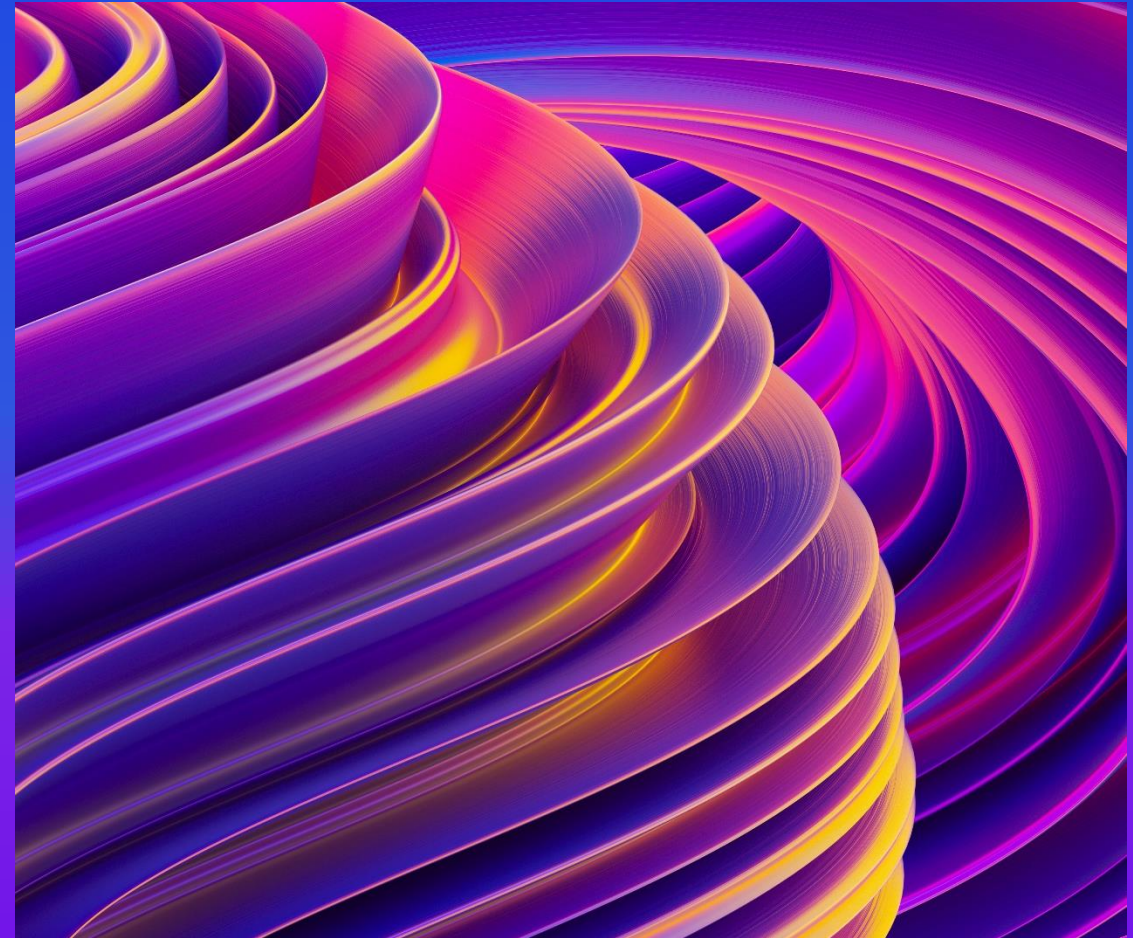
We asked KPMG's global infrastructure leaders to use their experience and insight to put themselves in the year 2033. We had them tell us what they saw, pick some winners and losers, and provide insights and ideas to help readers in the mid-2020s prepare for the world of 2033. To make this report practical, we focused on three key yet interdependent themes – cities, sustainable development and innovation.

[Click here](#) to access KPMG's portal.



<https://kpmg.com/ca/en/home.html>

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DRAFT Consolidated Financial Statements of



**VILLAGE OF
FRASER LAKE**



White Swan Capital of the World



And Independent Auditor's Report thereon

Year ended December 31, 2023



VILLAGE OF FRASER LAKE



White Swan Capital of the World



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Village of Fraser Lake



MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Corporation of the Village of Fraser Lake (the "Village") are the responsibility of the Village's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies is described in Note 1 to the consolidated financial statements. The preparation of the consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Village's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Mayor and Council meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Village. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Village's consolidated financial statements.

Mr. Ethan Fredeen, Chief Administrative Officer



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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of The Corporation of the Village of Fraser Lake

Opinion

We have audited the consolidated financial statements of The Corporation of the Village of Fraser Lake (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Village as at December 31, 2023 and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated 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 auditor's 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.

Emphasis of Matter - Restatement of Financial Statements

We draw attention to Note 12 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated.

Note 12 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect to this matter.

Other Information

Management is responsible for the other information. The other information comprises:

- Information, other than the financial statements and the auditor's report thereon, included in Schedule 1 - Northern Capital Planning Reserve and Schedule 2 - Growing Communities Fund Reserve

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Information, other than the financial statements and the auditors' report thereon, included in Schedule 1 - Northern Capital Planning Reserve and Schedule 2 - Growing Communities Fund Reserve as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Village's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Village or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance are responsible for overseeing the Village's financial reporting process.

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 the 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
- 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.

DRAFT

Chartered Professional Accountants

Prince George, Canada

April 10, 2024



VILLAGE OF FRASER LAKE



Consolidated Statement of Financial Position

DRAFT

December 31, 2023, with comparative information for 2022

	2023	2022 (restated - note 12)
Financial assets:		
Cash and cash equivalents (note 2)	\$ 30,129,371	\$ 30,892,968
Accounts receivable (note 3)	1,124,335	485,594
	<u>31,253,706</u>	<u>31,378,562</u>
Financial liabilities:		
Accounts payable and accrued liabilities (note 4)	606,091	333,212
Deferred revenue	915,745	616,634
Silviculture obligation (note 5)	1,513,059	1,957,098
Asset retirement obligation (note 6)	932,206	932,206
	<u>3,967,101</u>	<u>3,839,150</u>
Net financial assets	27,286,605	27,539,412
Non-financial assets:		
Tangible capital assets (note 7)	19,390,295	14,102,291
Southside land held for resale	11,255	172,179
Prepaid expenses	168,294	25,641
	<u>19,569,844</u>	<u>14,300,111</u>
Commitments and contingencies (note 9)		
Accumulated surplus (note 8)	\$ 46,856,449	\$ 41,839,523

See accompanying notes to consolidated financial statements.

Mayor

Chief Administrative Officer



VILLAGE OF FRASER LAKE



White Swan Capital of the World



Consolidated Statement of Operations and Accumulated Surplus

DRAFT

Year ended December 31, 2023, with comparative information for 2022

	2023 Budget (note 15)	2023 Actual	2022 Actual (restated - note 12)
Revenue (note 14):			
Net taxation (note 10)	\$ 2,229,644	\$ 2,234,929	\$ 2,050,153
User fees	562,851	902,166	654,840
Government transfers (note 11)			
Provincial	2,799,265	3,163,661	1,209,276
Federal	-	141,366	175,059
Investments and penalties	69,500	1,578,328	700,781
Licenses and permits	8,900	12,172	18,387
Concession and franchises	18,300	250	300
Community forest	2,970,000	-	7,823,104
Miscellaneous	126,502	318,593	274,520
Total revenue	8,784,962	8,351,465	12,906,420
Expenses (note 14):			
Community forest	2,197,695	12,214	4,618,442
Environmental development services	201,098	92,881	156,279
Environmental health services	73,425	54,200	57,332
General government	1,536,075	1,663,208	1,610,137
Protective services	250,570	215,181	250,830
Recreation and cultural services	422,145	468,571	416,127
Transportation services	331,493	281,700	306,332
Waste water utility	145,000	275,498	231,486
Water utility	275,600	271,086	271,149
Total expenses	5,433,101	3,334,539	7,918,114
Annual surplus	3,351,861	5,016,926	4,988,306
Accumulated surplus, beginning of year	41,839,523	41,839,523	37,436,793
Adjustment on adoption of the asset retirement obligation standard	-	-	(585,576)
Accumulated surplus, end of year	\$ 45,191,384	\$ 46,856,449	\$ 41,839,523

See accompanying notes to consolidated financial statements.



VILLAGE OF FRASER LAKE



Consolidated Statement of Change in Net Financial Assets

DRAFT

Year ended December 31, 2023, with comparative information for 2022

	Budget (note15)	2023	2022 (restated - note 12)
Annual surplus	\$ 3,351,861	\$ 5,016,926	\$ 4,988,306
Acquisition of tangible capital assets	(18,883,023)	(5,962,243)	(2,067,481)
Amortization of tangible capital assets	-	674,239	539,534
	(18,883,023)	(5,288,004)	(1,527,947)
Change on Southside land held for resale	-	160,924	30,320
Acquisition of prepaid expenses	-	(168,294)	(25,641)
Use of prepaid expenses	-	25,641	22,067
	-	18,271	26,746
Change in net financial assets	(15,531,162)	(252,807)	3,487,105
Net financial assets, beginning of year	27,539,412	27,539,412	24,984,513
Adjustment on adoption of the asset retirement obligation standard	-	-	(932,206)
Net financial assets, end of year	\$ 12,008,250	\$ 27,286,605	\$ 27,539,412

See accompanying notes to consolidated financial statements.



VILLAGE OF FRASER LAKE



White Swan Capital of the World



Statement of Cash Flows

DRAFT

Year ended December 31, 2023, with comparative information for 2022

	2023	2022 (restated - note 12)
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 5,016,926	\$ 4,988,306
Items not involving cash:		
Amortization of tangible capital assets	674,239	539,534
Gain on sale of Southside land	(76,156)	(32,963)
Accounts receivable	(638,741)	2,254,340
Inventory	-	227,817
Accounts payable and accrued liabilities	272,879	(1,200,444)
Deferred revenue	299,111	(448,544)
Silviculture obligation	(444,039)	47,826
Prepaid expenses	(142,653)	(3,574)
	4,961,566	6,372,298
Capital activities:		
Acquisition of tangible capital assets	(5,962,243)	(2,067,481)
Proceeds from sale of Southside land	237,080	63,283
(Decrease) increase in cash and cash equivalents	(763,597)	4,368,100
Cash and cash equivalents, beginning of year	30,892,968	26,524,868
Cash and cash equivalents, end of year	\$ 30,129,371	\$ 30,892,968

See accompanying notes to consolidated financial statements.



VILLAGE OF FRASER LAKE



White Swan Capital of the World



Notes to Consolidated Financial Statements

DRAFT

Year ended December 31, 2023, with comparative information for 2022

The Corporation of the Village of Fraser Lake (the "Village") is a municipality that was created in 1966 under the Community Charter, formerly the Municipal Act, a statute of the Province of British Columbia. The Village's principal activities include the provision of local government services to residents of the incorporated area. These services include administrative, protective, transportation, environmental, recreational, water, waste water and fiscal services.

1. Significant accounting policies:

The consolidated financial statements of the Village are prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. The Village's significant accounting policies are as follows:

(a) Basis of consolidation:

(i) Consolidated entities:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the Village. The Village is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Village and which are owned or controlled by the Village.

(ii) Accounting for Region and School Board transactions:

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the Region and the School Board are not reflected in these consolidated financial statements.

(iii) Trust funds:

Trust funds and their related operations administered by the Village are not included in these consolidated financial statements.



VILLAGE OF FRASER LAKE



White Swan Capital of the World



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2023, with comparative information for 2022

1. Significant accounting policies (continued):

(b) Basis of accounting:

The Village follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods and services and/or the creation of a legal obligation to pay.

(c) Revenue recognition:

Revenues are recognized in accordance with the provisions of Community Charter. The Village is required to act as the agent for the collection of certain taxes and fees imposed by other authorities. Collections for other authorities are excluded from the Village's taxation revenues.

Revenue unearned in the current period is reported on the consolidated statement of financial position as deferred revenue.

(d) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

(e) Cash and cash equivalents:

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition.

(f) Guaranteed investment certificates:

Guaranteed investment certificates include investments with a term to maturity of 90 days or more at acquisition.

(g) Southside land held for resale:

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.



VILLAGE OF FRASER LAKE



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2023, with comparative information for 2022

1. Significant accounting policies (continued):

(h) Inventory:

Inventory is comprised of harvested logs and is valued at the lower of cost and net realizable value. The cost is determined using the weighted average acquisition costs of logs. Net realizable value is the estimated selling price in the ordinary course of business, less the cost of completion and cost necessary to make the sale. The reversal of previously written down inventories is recognized in the consolidated statement of operations and accumulated surplus.

(i) Silviculture obligations:

The Village harvests timber under Community Forest Agreements with the Province of British Columbia. Estimated future timber reforestation and silviculture obligations are accrued and expensed based on the volume of timber removed.

(j) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful life - years
Building and building improvements	10 - 40
Vehicles, machinery and equipment	5 - 60
Roads infrastructure	5 - 75
Water infrastructure	2 - 60
Waste water infrastructure	2 - 60

Construction-in-progress is not amortized until the asset is available for productive use.



VILLAGE OF FRASER LAKE



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2023, with comparative information for 2022

1. Significant accounting policies (continued):

(j) Non-financial assets (continued):

(ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Interest capitalization:

The Village does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

(k) Use of estimates:

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the period. Items subject to such estimates and assumptions include the silviculture obligations, the carrying value of tangible capital assets and Southside land held for sale, inventory, and as well as the collectibility of accounts receivable. Actual results could differ from these estimates.

(l) Government transfers:

Government transfers, which include legislative grants, are recognized as revenue in the consolidated financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized in the consolidated statement of operations and accumulated surplus as the stipulations for liabilities are settled.



VILLAGE OF FRASER LAKE



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2023, with comparative information for 2022

1. Significant accounting policies (continued):

(m) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceed an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the criteria are met:

- i) an environmental standard exists;
- ii) contamination exceeds the environmental standard;
- iii) the organization is directly responsible or accepts responsibility for the liability;
- iv) future economic benefits will be given up, and
- v) a reasonable estimate of the liability can be made.

(n) Financial instruments:

Financial instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, deferred revenue, silviculture obligation, and asset retirement obligation.

Financial instruments are recorded at fair value on initial recognition. Equity instruments quoted in an active market and derivatives are subsequently measured at fair value as at the reporting date. All other financial instruments are subsequently measured at cost or amortized cost unless the Village has elected to carry the financial instrument at fair value. The Village has not elected to carry any financial instruments at fair value.

Unrealized changes in fair value would be recognized on the consolidated statement of remeasurement gains and losses. They are recorded in the consolidated statement of operations when they are realized. There are no unrealized changes in fair value as at December 31, 2023 and December 31, 2022. As a result, the Village does not have a consolidated statement of remeasurement gains and losses.



VILLAGE OF FRASER LAKE



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2023, with comparative information for 2022

1. Significant accounting policies (continued):

(n) Financial instruments (continued):

Transaction costs incurred on the acquisition of financial instruments subsequently measured at fair value are expensed as incurred. Transaction costs incurred on the acquisition of financial instruments recorded at cost or amortized cost are included in the cost.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the consolidated statement of operations.

(o) Asset retirement obligations:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

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

The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the amortization policies outlined in (j).

2. Cash and cash equivalents:

The Village has established a \$1,000,000 operating line which bears interest at prime plus 1.0%. The operating line is secured by a charge over the taxation and general revenue of the Village in an amount sufficient to cover all credit facilities. As at December 31, 2023 borrowing against the operating line balance is nil (2022 - nil).



VILLAGE OF FRASER LAKE



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2023, with comparative information for 2022

3. Accounts receivable:

	2023	2022
Taxes	\$ 66,403	\$ 104,955
Grants	829,997	125,988
Miscellaneous	213,112	239,828
Community forest	14,823	14,823
	<u>\$ 1,124,335</u>	<u>\$ 485,594</u>

4. Accounts payable and accrued liabilities:

	2023	2022
Trade	\$ 547,437	\$ 276,124
Sales tax	2,325	1,191
Wages and related costs	56,329	55,897
	<u>\$ 606,091</u>	<u>\$ 333,212</u>



VILLAGE OF FRASER LAKE



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2023, with comparative information for 2022

5. Silviculture obligation:

	2023	2022
Silviculture obligation, beginning of year	\$ 1,957,098	\$ 1,909,272
Increase in accrual due to current year logging	-	475,212
Actual silviculture costs paid in the year	(444,039)	(427,386)
	<u>\$ 1,513,059</u>	<u>\$ 1,957,098</u>

6. Asset retirement obligation:

The Village owns and operates several buildings, as well as water and sewer infrastructure that are known to have hazardous material, which represents a health hazard upon demolition or removal of the assets and there is a legal obligation to remove or encapsulate it. Following the adoption of PS 3280 - Asset Retirement Obligations, the Village recognized an obligation relating to the removal and post-removal care of the hazardous materials in these assets as estimated at January 1, 2022 in the amount of \$932,206.

The transition and recognition of the asset retirement obligations involved an accompanying increase to tangible capital assets and the restatement of prior year numbers (note 12).



VILLAGE OF FRASER LAKE



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2023, with comparative information for 2022

7. Tangible capital assets:

	2023							
	Construction- in-progress	Land	Buildings and building improvements	Vehicles, machinery and equipment	Roads infrastructure	Water infrastructure	Waste water infrastructure	Total
Cost:								
Balance, beginning of year	\$ 424,516	\$ 1,873,044	\$ 4,895,636	\$ 4,940,221	\$ 5,245,312	\$ 3,492,528	\$ 4,658,049	\$ 25,529,306
Additions	3,931,040	-	33,719	534,487	1,437,437	25,560	-	5,962,243
Balance, end of year	4,355,556	1,873,044	4,929,355	5,474,708	6,682,749	3,518,088	4,658,049	31,491,549
Accumulated amortization:								
Balance, beginning of year	-	-	2,189,387	3,267,301	2,023,876	1,341,709	2,604,742	11,427,015
Amortization expense	-	-	132,355	222,902	155,875	80,054	83,053	674,239
Balance, end of year	-	-	2,321,742	3,490,203	2,179,751	1,421,763	2,687,795	12,101,254
Net book value, end of year	\$ 4,355,556	\$ 1,873,044	\$ 2,607,613	\$ 1,984,505	\$ 4,502,998	\$ 2,096,325	\$ 1,970,254	\$ 19,390,295

Construction-in-progress represents capital projects at year end that have not been completed and are not ready for their intended use, no amortization has been charged against these assets.



VILLAGE OF FRASER LAKE



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2023, with comparative information for 2022

7. Tangible capital assets (continued):

	2022 (restated - note 12)							
	Construction- in-progress	Land	Building and building improvements	Vehicles, machinery and equipment	Roads infrastructure	Water infrastructure	Waste water infrastructure	Total (restated - note 12)
Cost:								
Balance, beginning of year	\$ 617,559	\$ 1,873,044	\$ 3,945,951	\$ 4,355,231	\$ 4,361,986	\$ 3,015,849	\$ 4,367,975	\$ 22,537,595
Adjustment relating to recognition of asset retirement obligation	\$ -	\$ -	\$ 317,381	\$ -	\$ -	\$ 317,798	\$ 289,051	\$ 924,230
Additions	773,162	-	-	510,806	782,490	-	1,023	2,067,481
Transfer	(966,205)	-	632,304	74,184	100,836	158,881	-	-
Balance, end of year	424,516	1,873,044	4,895,636	4,940,221	5,245,312	3,492,528	4,658,049	25,529,306
Accumulated amortization:								
Balance, beginning of year	-	-	1,823,162	3,114,985	1,907,783	1,096,234	2,367,717	10,309,881
Adjustment relating to recognition of asset retirement obligation	-	-	253,920	-	-	169,504	154,176	577,600
Amortization expense	-	-	112,305	152,316	116,093	75,971	82,849	539,534
Balance, end of year	-	-	2,189,387	3,267,301	2,023,876	1,341,709	2,604,742	11,427,015
Net book value, end of year	\$ 424,516	\$ 1,873,044	\$ 2,706,249	\$ 1,672,920	\$ 3,221,436	\$ 2,150,819	\$ 2,053,307	\$ 14,102,291

Construction-in-progress represents capital projects at year end that have not been completed and are not ready for their intended use, no amortization has been charged against these assets.



VILLAGE OF FRASER LAKE

 *White Swan Capital of the World* 

Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2023, with comparative information for 2022

8. Accumulated surplus:

	2023	2022 (restated - note 12)
Surplus:		
Invested in tangible capital assets	\$ 18,458,089	\$ 13,170,085
General fund	3,074,512	2,681,350
Water utility fund	1,059,568	1,006,958
Waste water utility fund	160,677	291,886
	<u>22,752,846</u>	<u>17,150,279</u>
Reserves set aside by Council:		
Search and rescue	261	261
MFA unexpended funds	103,379	98,308
	<u>103,640</u>	<u>98,569</u>
Reserve funds set aside for specific purposes by Council:		
Capital expenditure replacement	2,284,966	1,937,943
Building reserve	237	237
Emergency vehicle and equipment	66,079	62,833
Recreation centre	23,645	22,486
Streets	1,889,329	1,798,123
Sewer reserve	210,619	140,570
Water reserve	579,989	247,877
CWF, Parks and trails and Arena reserve	127,131	120,835
Northern Capital Planning Grant (Schedule 1)	398,908	812,271
Cemetery development fund	4,476	4,289
Airport reserve	150,357	148,173
Community forest reserve	18,167,068	19,247,956
Climate action reserve	97,159	47,082
	<u>23,999,963</u>	<u>24,590,675</u>
	<u>\$ 46,856,449</u>	<u>\$ 41,839,523</u>



VILLAGE OF FRASER LAKE



White Swan Capital of the World



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2023, with comparative information for 2022

9. Commitments and contingencies:

- (a) The Village is responsible, as a member of the Regional District of Bulkley-Nechako, for its portion of any operating deficits or capital debt related to functions in which it participates.
- (b) The Village and its employees contribute to the Municipal Pension Plan ("the 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 provided are based on a formula. As at December 31, 2023, the Plan has about 240,000 (2022 - 227,000) active members and approximately 124,000 (2022 - 118,000) retired members. Active members include approximately 43,000 (2022 - 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 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 \$71,317 (2022 - \$75,992) for employer contributions to the Plan in fiscal 2023.

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

Employers participating the 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 allocation of the obligation, assets and cost to the individual employers participating in the plan.



VILLAGE OF FRASER LAKE



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2023, with comparative information for 2022

9. Commitments and contingencies (continued):

(c) The Village is obligated to collect and transmit property taxes levied on Fraser Lake taxpayers in respect of the following bodies:

Ministry of Education, Province of British Columbia
 Regional District of Bulkley-Nechako
 British Columbia Assessment Authority
 Municipal Finance Authority
 Stuart-Nechako Regional Hospital District
 Royal Canadian Mounted Police

(d) The Village is participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible that the Village, along with other participants, would be required to contribute towards the deficit.

10. Net taxation revenue:

As disclosed in note 9(c), the Village is required to collect taxes on behalf of and transfer these amounts to the government agencies below:

	2023	2022
General purposes	\$ 2,156,395	\$ 1,982,849
Grants in lieu of taxes	80,454	74,349
Collection for other governments	904,718	829,740
	3,141,567	2,886,938
Ministry of Education, Province of British Columbia	384,527	358,053
Stuart-Nechako Regional Hospital District	260,200	243,213
Regional District of Bulkley-Nechako	177,149	159,516
British Columbia Assessment Authority	19,186	18,563
Municipal Finance Authority	43	39
Royal Canadian Mounted Police	65,533	57,401
	906,638	836,785
	\$ 2,234,929	\$ 2,050,153



VILLAGE OF FRASER LAKE



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2023, with comparative information for 2022

11. Government transfers:

The Village recognizes the transfer of government funding as expenses or revenues in the period that the events giving rise to the transfer occurred. The government transfers reported on the consolidated statement of operations and accumulated surplus are:

	2023	2022
Provincial grants:		
Unconditional	\$ 375,000	\$ 468,000
Miscellaneous	1,589,329	505,450
Northern Development Initiative Trust	1,128,832	89,652
Coastal Gas Link	-	50,000
Union of BC Municipalities	35,500	20,883
Nechako Development Fund	35,000	75,291
	<u>3,163,661</u>	<u>1,209,276</u>
Federal grants:		
Environmental	106,222	101,364
Miscellaneous	35,144	73,695
	<u>141,366</u>	<u>175,059</u>
	<u>\$ 3,305,027</u>	<u>\$ 1,384,335</u>

12. Change in accounting policy:

On January 1, 2022, the Village adopted Public Sector Accounting Standard PS 3280 - Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associate with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing PS 3270 - Solid Waste Landfill Closure and Post-Closure Liability. The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method the assumptions used on initial recognition are those as of the date of adoption of the standard.

The Village recognized an asset retirement obligation related to several buildings, sewer and water infrastructure owned by the Village that contained hazardous material. The liability was measured as of the date of when the Hazardous Materials Act was enacted in Canada in 1989 and asbestos was banned. In accordance with the provisions of this new standard, the Village reflected the following adjustments at January 1, 2022:



VILLAGE OF FRASER LAKE



White Swan Capital of the World



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2023, with comparative information for 2022

12. Change in accounting policy (continued):

	As previously reported	Increase (decrease)	As restated
Asset retirement obligation	\$ -	\$ 932,206	\$ 932,206
Tangible capital assets	13,773,711	328,580	14,102,291
Opening accumulated surplus	37,436,793	(585,576)	36,851,217
General government	1,602,202	7,935	1,610,137
Waste water utility	226,668	4,818	231,486
Water utility	265,852	5,297	271,149

13. Concentration of risk:

The Village derived community forest revenue from nil (2022 - one) major customer amounting to nil (2022 - \$6,337,699) In 2022, the one customer accounted for 81% of total community forest revenue.

14. Segmented information:

The Village is a diversified municipal organization that provides a wide range of services to its citizens. For management reporting purposes, the Village's operations and activities are organized and reported by service areas. Segmented information has been identified based upon those lines of service provided by the Village. Village services are provided by departments and their activities are reported by functional area in the body of the consolidated financial statements. Certain lines of service that have been separately disclosed in the segments information are as follows:

(a) General Government:

The general government operation provides the functions of corporate administration and legislative services and any other functions categorized as non-departmental in the Village.

(b) Protective Services:

Protective services is comprised of emergency management and regulatory services.



VILLAGE OF FRASER LAKE



White Swan Capital of the World



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2023, with comparative information for 2022

14. Segmented information (continued):

(c) Transportation Services:

Transportation services is responsible for a wide variety of services including the development and maintenance of the Village's roadway systems, snow removal and street lighting.

(d) Environmental Development and Environmental Health Services:

Environmental health and development services provides for garbage collection and disposal services to residents and businesses in the Village as well as maintenance of the cemetery.

(f) Recreation and Cultural Services:

Recreation and cultural services is responsible for the construction and maintenance of the Village's parks and green spaces. It provides funding for the operation of the arena, museum, library and wharf. It also administers economic development projects and provide grants to various community groups that provide recreational opportunities in the Village.

(g) Water Utility:

The water utility installs and maintains water mains, pump stations and the water treatment plant. The treatment and distribution of water in the Village is included in this segment.

(h) Waste Water Utility:

The waste water utility installs and maintains sewer mains, lift stations and the sewage treatment facility. The collection and treatment of sewage in the Village is included in this segment.

(i) Community Forest:

Community forest is comprised of all forestry related activities and services.

The following statement provides additional information for the foregoing functions. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in note 1.



VILLAGE OF FRASER LAKE



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2023, with comparative information for 2022

14. Segmented information (continued):

	2023				
	General Government	Protective Services	Transportation Services	Environmental Development Services	Environmental Health Services
Revenues:					
Net taxation	\$ 2,234,929	\$ -	\$ -	\$ -	\$ -
User fees and licenses and permits	-	12,172	-	-	-
Government transfers	3,305,027	-	-	-	-
Investment income	1,578,328	-	-	-	-
Other	318,843	-	-	-	-
Total revenues	7,437,127	12,172	-	-	-
Expenses:					
Salaries, wages and employee benefits	690,377	92,191	76,478	54,269	16,298
Operating	198,913	122,990	205,222	38,612	-
Legislature	109,999	-	-	-	-
Amortization	511,132	-	-	-	-
Insurance	98,069	-	-	-	3,420
Professional services	54,718	-	-	-	-
Garbage disposal	-	-	-	-	34,482
Total expenses	1,663,208	215,181	281,700	92,881	54,200
Annual surplus (deficit)	\$ 5,773,919	\$ (203,009)	\$ (281,700)	\$ (92,881)	\$ (54,200)



VILLAGE OF FRASER LAKE



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2023, with comparative information for 2022

14. Segmented information (continued):

	2023 (continued)					
	Recreation and Cultural Services	Water Utility	Waste Water Utility	Community Forest		Total
Revenues:						
Net taxation	\$ -	\$ -	\$ -	\$ -		\$ 2,234,929
User fees and licenses and permits	34,684	535,165	332,317	-		914,338
Government transfers	-	-	-	-		3,305,027
Investment income	-	-	-	-		1,578,328
Other	-	-	-	-		318,843
Total revenues	34,684	535,165	332,317	-		8,351,465
Expenses:						
Salaries, wages and employee benefits	211,777	50,045	39,410	-		1,230,945
Operating	256,794	140,987	153,035	12,214		1,128,667
Legislature	-	-	-	-		109,999
Amortization	-	80,054	83,053	-		674,239
Interest recovered	-	-	-	-		-
Insurance	-	-	-	-		101,489
Professional services	-	-	-	-		54,718
Garbage disposal	-	-	-	-		34,482
Total expenses	468,571	271,086	275,498	12,214		3,334,539
Annual (deficit) surplus	\$ (433,887)	\$ 264,079	\$ 56,819	\$ (12,214)		\$ 5,016,926



VILLAGE OF FRASER LAKE



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2023, with comparative information for 2022

14. Segmented information (continued):

	2022 (restated - note 12)				
	General Government	Protective Services	Transportation Services	Environmental Development Services	Environmental Health Services
Revenues:					
Net taxation	\$ 2,050,153	\$ -	\$ -	\$ -	\$ -
User fees and licenses and permits	-	18,387	-	-	-
Government transfers	1,384,335	-	-	-	-
Investment income	700,781	-	-	-	-
Other	274,822	-	-	-	-
Total revenues	4,410,091	18,387	-	-	-
Expenses:					
Salaries, wages and employee benefits	601,355	82,600	89,959	107,313	17,450
Operating	382,394	168,230	216,373	48,966	-
Legislature	88,269	-	-	-	-
Amortization	380,714	-	-	-	-
Interest	99	-	-	-	-
Insurance	94,391	-	-	-	3,347
Professional services	62,915	-	-	-	-
Garbage disposal	-	-	-	-	36,535
Total expenses	1,610,137	250,830	306,332	156,279	57,332
Annual surplus (deficit)	\$ 2,799,954	\$ (232,443)	\$ (306,332)	\$ (156,279)	\$ (57,332)



VILLAGE OF FRASER LAKE



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2023, with comparative information for 2022

14. Segmented information (continued):

	2022 (restated - note 12) (continued)				
	Recreation and Cultural Services	Water Utility	Waste Water Utility	Community Forest	Total
Revenues:					
Net taxation	\$ -	\$ -	\$ -	\$ -	\$ 2,050,153
User fees and licenses and permits	36,390	379,038	239,412	-	673,227
Government transfers	-	-	-	-	1,384,335
Investment income	-	-	-	-	700,781
Other	-	-	-	7,823,104	8,097,924
Total revenues	36,390	379,038	239,412	7,823,104	12,906,420
Expenses:					
Salaries, wages and employee benefits	208,453	45,806	34,870	-	1,187,806
Operating	207,674	149,372	113,767	4,618,442	5,905,218
Legislature	-	-	-	-	88,269
Amortization	-	75,971	82,849	-	539,534
Interest	-	-	-	-	99
Insurance	-	-	-	-	97,738
Professional services	-	-	-	-	62,915
Garbage disposal	-	-	-	-	36,535
Total expenses	416,127	271,149	231,486	4,618,442	7,918,114
Annual (deficit) surplus	\$ (379,737)	\$ 107,889	\$ 7,926	\$ 3,204,662	\$ 4,988,306



VILLAGE OF FRASER LAKE



White Swan Capital of the World



Notes to Consolidated Financial Statements (continued)

DRAFT

Year ended December 31, 2023, with comparative information for 2022

15. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2023 operating and capital budgets approved by Council on April 11, 2023. Amortization was not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget amount
Revenue:	
Operating budget	\$ 25,932,714
Less:	
Collections for other governments	(836,785)
Transfer from reserves	(16,310,967)
	<u>8,784,962</u>
Expenses:	
Operating budget	25,932,714
Less:	
Payments to other governments	(844,285)
Capital expenditures	(18,883,023)
Transfer to reserve funds	(772,305)
	<u>5,433,101</u>
	<u>\$ 3,351,861</u>

16. Significant taxpayers:

The Village derives a significant portion of its taxation revenue from the major industry taxpayers. Any changes in this sector could have an impact on the ongoing operations of the Village.

17. Comparative information:

Certain comparative figures have been reclassified, where applicable to conform to the presentation used in current year. The changes do not affect prior year annual surplus.



VILLAGE OF FRASER LAKE



Schedule 1 - Northern Capital Planning Grant Reserve

DRAFT

Year ended December 31, 2023, with comparative information for 2022
(Unaudited)

	2023	2022
Opening balance of reserve	\$ 812,271	\$ 1,993,722
Interest income	40,667	49,919
	852,938	2,043,641
Project expenditures:		
Arena	-	103,664
Boat Launch	84,662	-
Cemetery	13,954	434
Fire department - SCBA	-	8,994
Fire Hall	7,395	-
Fire hydrants	-	62,235
Fraser Lake Villa	-	28,006
Garbage truck	-	255,627
Parks	15,642	27,240
Paving	255,742	386,993
Public Works - Generator	12,321	-
Public works - fencing	-	28,525
Public works - pole shed	-	122,700
Public Works - Wash Pad	7,700	-
Sewer	17,100	-
Seeding/Signage	15,538	-
Sidewalk - Endako	-	126,773
Water - Fencing	17,000	-
Water - generator	-	30,395
Water - reservoir	-	14,500
Water - pumphouse	6,976	35,284
	454,030	1,231,370
	\$ 398,908	\$ 812,271



VILLAGE OF FRASER LAKE



Schedule 2 – Growing Communities Fund

DRAFT

Year ended December 31, 2023, with comparative information for 2022
(Unaudited)

The Province of British Columbia distributed conditional Growing Communities Fund (GCF) grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia.

The Village received \$850,000 of GCF funding in March 2023.

	2023	2022
Growing Communities Fund	\$ 850,000	\$ -
Project expenditures:		
Paving and seal coating	850,000	-
	850,000	-
	\$ -	\$ -



Village of Fraser Lake Cheque Register
Mar 19 – Apr 2, 2024

SUPPLIER NAME	CHEQUE NO.	SERVICE	AMOUNT
ACKLANDS GRAINGER	31772	SEWER-MODULE TONE UNIVERSAL	244.61
CHEMAQUA	31773	WATER TREATMENT PROGRAM	1,797.82
CITYWEST CABLE & TELEPHONE COR	31774	INTERNET/FAX/PHONE MARCH 2024	1,268.09
FRASER LAKE FOREST CONSULTING	31775	COMM FOREST CONSULTING FEB 2024	11,618.26
HEARTLAND STEEL DOORS	31776	SEWER 2 STEEL DOORS	2,020.95
HIATT, SALLY	31777	COMM BUS ANNUAL SERVICE/KAMLOOPS	557.88
KPMG LLP T4348	31778	AUDIT FEE 2023	21,000.00
MIDWAY PURNEL SANITARY SUPPLIE	31779	CLEAR FLOC WATER PLANT	938.28
NADLEH WHUT'EN FIRST NATION	31780	REIMBURSEMENT OF CANCELLED ICE	329.12
NANCY'S NIBBLES	31781	RETURN DAMAGE DEPOSIT-CONCESSION	500.00
NORTHERN H.O.T.	31782	FIRE DEPT TRAINING	5,060.60
RD FRASER FORT GEORGE	31783	CELLPHONE FEB/MARCH & ADOBE PROGRAM	1,076.26
ROSENAU TRANSPORT LTD.	31784	SHIPPING	91.11
ROYAL CANADIAN LEGION FL #274	31785	FIRE DEPT TRAINING - LUNCH	451.50
STOREY, SARRAH	31786	MAYOR/TRAVEL EXPENSES/RBA MEETING	495.74
URBAN SYSTEMS	31788	WATER TOWER/WATER LINE NOV 2023	20,325.39
VIMAR EQUIPMENT	31789	ZAMBONI PARTS	75.64
WESTLINE FORD LTD	31790	SERVICE FIRE CHIEF TRUCK	684.02
WURTH CANADA LIMITED	31791	SHOP MATERIALS	257.86
YETI REFRIGERATION INC.	31792	ARENA MATERIALS TEST GAS	1,062.42
			=====
		PAYABLE TOTAL :	69,855.55
			=====

Employee Bank Deposit - Summary



Employee : All

Department : All

Category : All

Period : 6 Month : 3 Year : 2024

S.I.N. : All

Bank Code	Bank Name	Number of Deposits	Deposit Amount
0002	BANK OF NOVA SCOTIA	1	721.08
0003	ROYAL BANK OF CANADA	2	3524.72
0004	TORONTO DOMINION	2	3479.89
0010	CANADIAN IMPERIAL BANK OF COMMERCE	10	18699.93
0809	BC CREDIT UNIONS	3	6169.73
Grand Total :		18	32595.35

RECEIVED

MAR 27 2024

March 21, 2024

Dear Mayor Sarrah Storey:

Re: Municipal Code of Conduct Bylaws

As you may be aware, in 2021, the provincial government passed legislation requiring all local governments in British Columbia to “consider” whether or not to enact a “code of conduct” (“Code”) that regulates the activities of members of city council.

Many municipalities have already done so and, predictably, complaints have been forthcoming. Some municipalities have already appointed an Ethics Commissioner, and Mayors have been targeted with complaints.

As a Mayor, you should be aware of:

1. Any Code already adopted, typically in the form of a bylaw, may be lengthy and technical.
2. Only the activities of Mayors and Councillors are regulated by the Code. City staff and the public are not covered.
3. The process for making complaints is easy to do and free of charge. This may be an invitation for frivolous and vexatious complaints.
4. Ethics Commissioners across BC (and Canada) are rendering decisions that are non-binding precedents. These precedents may be helpful to a Mayor in defending against any future complaint against them. Appropriate research is necessary.
5. The matter being determined is whether a Mayor behaved “unethically”. The determination of the Commissioner is made public. A Mayor’s reputation is at stake.
6. If a complaint is upheld, remedial or punitive action may be taken against a Mayor, despite the Commissioner lacking power or jurisdiction to mete out discipline.
7. Local governments may offer an indemnity to Mayors with respect to legal fees. This involves the municipality, the Mayor, and the Mayor’s lawyer to confirm the indemnity.

For further information, enclosed is a Memorandum that further describes this process.

If you have any questions, please do not hesitate to contact either Lyall Knott, Scott Lamb, Andrea Raso, or Cameron Fox.

Yours truly,
CLARK WILSON LLP



Lyall D. Knott, K.C.

LKnott@cwilson.com / 604-643-3129



D. Scott Lamb

SLamb@cwilson.com / 604-643-3103



Andrea Raso

ARaso@cwilson.com / 604-891-7769



Cameron Fox

CFox@cwilson.com / 604-643-3906

Municipal Code of Conduct Bylaws in British Columbia: What Local Government Decision-Makers Need to Know

Articles February 12, 2024

By [Andrea Raso](#) and [Cameron Fox](#)

In November 2021, British Columbia passed the [Municipal Affairs Statutes Amendment Act, 2021](#) into law, making changes to the legislation that gives municipalities and other local governments across the province their powers. One notable change was the insertion of a requirement into the *Community Charter* that all municipalities in the province, within six months of a local election, decide whether to enact a “code of conduct” that regulates the activities of its council members with respect to each other, municipal staff, and the general public.

While the amendments do not expressly require municipalities to adopt a code of conduct, they do require that all municipalities consider doing so after every local election and, if the decision is made to not adopt a code of conduct, to issue a statement to the public setting out the reasons for that decision. As a result, a significant majority of municipalities and other local governments in British Columbia, including the three largest municipalities of [Vancouver](#), [Surrey](#), and [Burnaby](#), have either already adopted a code of conduct, or are in the process of doing so.

An accompanying regulation, the [Principles for Codes of Conduct Regulation](#), requires that a municipality consider the following principles when deciding whether to adopt such a code of conduct:

- > Council members must carry out their duties with integrity;
- > Council members are accountable for the decisions that they make, and the actions that they take, in the course of their duties;
- > Council members must be respectful of others; and

February 29, 2024

Via Email

UBCM Member Municipalities

Dear UBCM Members:

Re: Support for Resolution

I am writing to you on behalf of Osoyoos Town Council to request your support for our proposed resolution on legislative changes regarding personal and defamatory attacks on municipal leaders at the upcoming SILGA Convention, in advance of the UBCM Convention this fall.

Municipal leaders across the province are facing increasing levels of personal and defamatory attacks, which not only impact our ability to effectively serve our communities but also have a negative impact on the overall functioning of local government. It is imperative that we address this issue and advocate for legislative changes that provide better protection for municipal leaders.

At the February 27, 2024, Regular Open Council Meeting, Town Council passed the following resolution:

Whereas Local Governments recognize the importance of fostering respectful and constructive dialogue within the community; and

Whereas personal and defamatory attacks on local government leaders, including both senior staff and elected officials, undermine the integrity of the democratic process and create a hostile working environment, and

Whereas current legislative and legal frameworks, including those of WorkSafeBC and Workers Compensation Act, do not provide adequate protection against such attacks, thereby hindering the ability of local government leaders to carry out their duties effectively,

Therefore be it resolved that UBCM advocate for legislative changes that address the issue of personal and defamatory attacks on local government leaders; and

Further be it resolved that these changes should aim to strengthen protections for local government leaders against unfounded, defamatory and malicious accusations while also upholding principles of freedom of speech and transparency;

Further be it resolved that UBCM is encouraged to collaborate with other relevant stakeholders, the Ministry of Municipal Affairs, including legal experts and advocacy groups, to develop comprehensive proposals for legislative reform.

2

Together, we can work towards creating a safer, more respectful environment for all municipal leaders to effectively carry out their duties on behalf of their communities. We look forward to and appreciate your support on this matter.

Attachments:

ToO Background Information SILGA Resolution

Yours truly,



c: Town Council
R. Risling, CAO
Brianna Hillson, Director of Corporate Services
Honourable Anne Kang, Minister of Municipal Affairs

Legislative Changes - Personal and Defamatory Attacks on Municipal Leaders

Background Information:

There has been a concerning rise in the frequency and severity of personal and defamatory attacks directed toward municipal leaders (including Council members and staff). These attacks are often through various channels, including social media, and create a hostile working environment and hinder the ability of municipal leaders to carry out their duties effectively. The repercussions of defamatory personal attacks extend beyond the municipal realm and can detrimentally affect Council members who are working professionals by impacting their livelihood. The damaging effects of the personal attacks are not confined to professional settings; they often infiltrate into the personal lives of both staff and municipal council members, including incidents outside of business hours.



Date: April 10th, 2024 Regular Council Meeting
To: Mayor & Council
From: Ethan Fredeen, Chief Administrative Officer
Subject: C.H. Foote Arena Renaming

PURPOSE

For Council to discuss and deliberate the renaming of the C.H. Foote Arena

BACKGROUND

In November 2023, ex-CAO Rod Holland engaged in a discussion with Architect Consultant David Zeibin from Miza Architects regarding the signage for the Curling Rink and Arena. Currently, the municipal facility bears the name "C.H. Foote Memorial Arena." It was agreed that this matter would be brought before the Council for deliberation, seeking guidance on the appropriate name for the facility.

There was a hanging sign that said "Recreation Centre" that was removed to permit the building of the new addition to the arena and has historically always been defined as such but with the upgrades to the facility could be changed.

The frontage of the curling rink is to resemble "Figure 1" of this report.



(Figure 1: Facility Name for Signage)



DISCUSSION & COMMENTS

The local surveyors, C.H. Foote and A. Langley, unearthed a significant molybdenum deposit in 1927, laying the groundwork for the establishment of the Endako Mine. Despite lying dormant for two decades, the mine was eventually developed in 1962.

In light of the Village's desire to distance itself from its resource extraction heritage, there's an inclination to explore a name that aligns with the community's future trajectory. Additionally, there's a suggestion for Council to consider rebranding the facility from a recreation center to a community center, mirroring its multifaceted role within the municipality.

ALTERNATIVE OPTIONS

None

RECOMMENDATIONS

THAT Council provide options for the renaming of the C.H. Foote Memorial Arena.

Prepared and Submitted by:	Ethan Fredeen, Chief Administrative Officer
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Ministry of
Agriculture
and Food

DATE: March 22, 2024

SUBJECT: A PRESENTATION ON LAND USE PLANNING FOR AGRICULTURE - INVITATION

Dear Local Government Council or Board,

With increasing pressures on provincial farming areas and the importance of agricultural land use planning in the province, B.C. Ministry of Agriculture and Food (Ministry) staff are pleased to offer interested Councils and Boards an opportunity for a Ministry staff delegation presentation on agricultural land use planning and the legislative tools available for consideration by local government elected officials.

The presentation:

- Will consist of a slide-deck that provides an update on the current economic and socio-economic state of the agricultural sector in B.C. and discusses available land use planning tools local governments can use to help ensure farmers can continue to farm successfully in the province;
- Are approximately 15 minutes in length. Ministry staff are available for questions following the presentation; and
- Are intended for local government Council, Board or Committee regularly scheduled meetings.

TIMELINE: Given available Ministry staff resources, presentations are anticipated be held either virtually, or in-person, between **April 2024 to June 2024** at the convenience of each local government. Other dates are potentially available.

NEXT STEPS: Please reach out to myself Jeff Weightman, Acting Director, Land Use and Geospatial Unit, Corporate Policy and Priorities Branch at Jeffrey.Weightman@gov.bc.ca to discuss further details and confirm presentation dates and times.

I look forward to hearing from you.

Sincerely,

Jeff Weightman
Acting Director, Land Use and Geospatial Unit
B.C. Ministry of Agriculture and Food

NOTE: Please place this letter for consideration on your next Council or Regional District Board



File: 19400-04/CP-RP Issuance

Ref: 278187

March 19, 2024

VIA EMAIL

All Licensee Holders:

On November 30, 2023, the *Forest Statutes Amendment Act* (Bill 41-2023) received royal ascent amending the *Forest Act*, the *Forest and Range Practices Act* (FRPA) and the *Wildfire Act*. Changes in these statutes introduced in Bill 41-2023 include:

- Increased discretion to the issuance of cutting permits (CPs) and road permits (RPs) (Part 3.1 and 8.0).
- Introduced new tools for compliance and enforcement along with powers for the province to refuse a replacement or issue a timber tenure for failure to pay penalties and for non-compliance with the tenure, the *Forest Act*, the FRPA and the *Wildfire Act*.
- Changes to the *Wildfire Act* to further enable government to assist Indigenous people in prescribed or cultural burning.

A summary of the changes to the *Forest Act* are provided in Appendix 1, which come into effect on April 1, 2024, by an order in council (OIC). After April 1, 2024, all CPs and RPs must be issued in accordance with the legislation and the licence agreement in effect at the time of CP or RP submission. As of April 1, 2024, all CPs and RPs must be advertised on a Forest Operation Map (FOM) for 30 days in accordance with the FRPA (enabled under OIC #403-2023, Schedule 6). Please refer to the Interim Guidance for Cutting Permits and Road Permits Application Refusal under the FOM available on the Forest Tenures Branch website.

Forest Tenures Branch is leading the implementation of the *Forest Act* amendments including the updating of bulletins, guidance manuals, policy, delegation matrix and templates relating to CP and RP administration. Training and additional support will be provided to assist staff and statutory decision makers with their respective roles and responsibilities under the CP and RP discretionary issuance framework. Additional information and guidance will be made available on the [Forest Tenure Branch website](#).

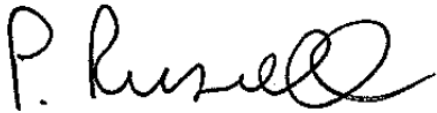
Page 1 of 2

All Licensee Holders

The province is committed to working with current forest tenure holders, and First Nations to fully implement these changes. As a result, we are recommending that CP/RP discretion be part of the Regional Operational Issues Forum agendas. This provides a forum to discuss implementation with provincial members of the area tenures, regional stewardships teams and Forest Tenures Branch.

If you have any questions or concerns, please do not hesitate to contact Kevin Kilpatrick, Senior Timber Tenures Forester, Forest Tenures Branch at Kevin.Kilpatrick@gov.bc.ca or (778) 974-2477.

Yours truly,



Patrick Russell
Acting Director
Forest Tenures Branch

Attachment(s): Appendix 1 – *Forest Act* Amendments (Bill 41-2023)
– CP/RP Administration

- pc. Matt Austin, Assistant Deputy Minister, Integrated Resource Operations Division
Shane Berg, Assistant Deputy Minister & Chief Forester
Melissa Sanderson, Assistant Deputy Minister, Timber, Range and Economics Division
Rachel Pollard, Executive Director, Forest Sector Transformation
Timber, Range and Economics Division
Lennard Joe, Chief Executive Officer, BC First Nations Forestry Council
len@forestrycouncil.ca
Linda Coady, President and CEO, Council of Forest Industries
coady@cofi.org
Paul Rasmussen, President, Interior Lumber Manufacturers' Association
paul.rasmussen@ilma.com
Jennifer Gunter, Executive Director, BC Community Forest Association
jgunter@bccfa.ca
Gord Chipman, General Manager, Federation of BC Woodlot Associations
gechipman@xylemrm.com
Kevin Kilpatrick, Senior Timber Tenures Forester, Forest Tenures Branch

Forest Act Amendments (Bill 41-2023)
Part 3.1 and 8.0
Cutting Permit and Road Permit Administration

Bill 41 Clause	Forest Act Section(s)	Topic	Description
4	12	Definition	<ul style="list-style-type: none"> • Cutting Permit is defined as a form of an agreement. • The cutting permit is issued in accordance with the <i>Forest Act</i>, Part 3.1
9 20 25 28 31	15 (RFL) 36 (TFL) 43.4 (CFA) 43.56 (FNWL) 46 (WL)	Replacement	<ul style="list-style-type: none"> • An agreement holder of a forest tenure agreement <u>may be declined an offer to replace</u> for the following: <ul style="list-style-type: none"> ○ the Licence has been suspended. ○ Licensee has failed to pay fees, including annual rent, stumpage and security deposits or penalties. ○ Licensee is in non-compliance with a requirement under the agreement, the <i>Forest Act</i>, the <i>Forest and Range Practices Act</i> or the <i>Wildfire Act</i>. ○ If the Minister is satisfied the outstanding issues listed above have been addressed, a replacement may be offered.
38 55 57 58 60 61	52.12 76(2.1) (2.2) 77(1.1) 79	Suspension and Cancelation Continuing Liability	<ul style="list-style-type: none"> • A forest tenure agreement <u>may</u> be suspended or cancelled for the following: <ul style="list-style-type: none"> ○ Misrepresentation or inaccurate information on an application or operational plan. ○ Failure to complete an obligation under the agreement, such as failure to pay fees, including annual rent, stumpage and security deposits or penalties. ○ Licensee is in non-compliance with a requirement <i>Forest Act</i>, the <i>Forest and Range Practices Act</i> or the <i>Wildfire Act</i>. ○ If an agreement expires, cancelled, or surrendered all cutting permits for the agreement are cancelled without notice. ○ Non-compliance <u>may</u> result in a suspension of the licence or cutting permit or both. ○ If rights are suspended, the minister <u>may</u> cancel the agreement and road use permit issued to the holder of the agreement, if the road use permit is related to the agreement being cancelled. ○ Despite the expiry, surrender, suspension or cancellation of an agreement the holder continues to be liable for payment of fees and fines owing to the government and to perform obligations associated with the agreement and the legislation. ○ If the Minister is satisfied the outstanding issues listed above have been addressed the suspension may be rescinded.
38	52.02(1) 52.02(2)	Authorization to harvest Crown timber	<ul style="list-style-type: none"> • The holder of a forest licence or an area-based licence must be authorized under a cutting permit or the Act or another enactment to harvest Crown timber for the AAC available under the licence. • The holder of a timber licence, master licence to cut and forestry licence to cut that provides for cutting permits must be authorized under a cutting permit or the Act or another enactment to harvest Crown timber.
38 74	52.03(1) 115(1)	Application	<ul style="list-style-type: none"> • A CP/RP application must be on a form and submitted in a manner determined by the Minister <p><i>New Policy – all new construction or new harvesting areas must be submitted in a new application and discretion will apply.</i></p>

Appendix 1: 2024 *Forest Act* Amendments (Bill 41-2023) - CP/RP Discretion Summary

Bill 41 Clause	<i>Forest Act</i> Section(s)	Topic	Description
38 74	52.03 115	Minister's Considerations	<ul style="list-style-type: none"> The Minister <u>may</u> issue a CP/RP upon application by the holder of an agreement authorizing the holder to exercise their rights under their agreement. <ul style="list-style-type: none"> Which include the harvesting of timber Construction, use, maintenance and deactivation of a road to access timber authorized for harvest. The Minister <u>must</u> consider the impact timber harvesting and road construction will have on the following: <ul style="list-style-type: none"> Management and conservation of forest resources Cultural heritage resources as defined in <i>Forest Act</i>, section 1 Public health and safety Prescribed matters (regulations which specifically reference <i>Forest Act</i>, section 52.03 or 115 The Minister <u>may</u> refuse to issue a CP/RP if the Minister is not satisfied the impact to the above values are acceptable.
38 74	52.04 116	Information request	<ul style="list-style-type: none"> The Minister <u>may</u> require the applicant to provide: <ul style="list-style-type: none"> Information respecting existing or proposed roads that would provide access to the proposed cutting permit area, Information, plans, studies or analysis the Minister considers will assist in the decision to issue, not issue or issue with conditions a cutting permit or road permit, or Any other information the Minister considers relevant to the application. The Minister <u>may</u> specify qualifications required for the preparation of the requested information, plans, studies or analysis.
38 39 40 74	52.05, 52.06, 52.07 117 Refusal of Cutting Permits or Road Permit Regulation	Mandatory Refusal	<ul style="list-style-type: none"> Minister <u>must</u> refuse to issue a cutting permit or road permit: <ul style="list-style-type: none"> If the Minister determines issuance would compromise a prescribed government objective (Refusal of Cutting Permit or Road Permit Regulation), The applicant does not hold a forest stewardship or woodlot licence plan, The area requested to be harvested is inconsistent with the approximate locations of cut blocks shown in the forest operations map¹ In prescribed circumstances (as defined in regulation) The Minister <u>must</u> also refuse to issue a cutting permit or road permit for a supplemental forest licence if the Minister determines a required condition has not been met. Minister <u>must</u> only issue a cutting permit for a master licence to cut if the cutting permit: <ul style="list-style-type: none"> Authorizes the holder to harvest Crown timber in an area the holder is authorized to occupy, or Facilitates harvesting for specified purposes under section 47.4 of the <i>Forest Act</i>.
38	52.08	Content of a Cutting Permit, including	<ul style="list-style-type: none"> A cutting permit <u>must</u>: <ul style="list-style-type: none"> Be for a maximum term of 4 years, or for a master licence to cut a longer period as prescribed in regulation,

¹ As of April 2024, due to the limits of legislation, CP/RPs cannot be issued from April 1 to 30, 2024. An application must be refused if there is no FOM. A complete application includes a ECAS submission, an ESF submission, a FOM ID or submitted maps, information sharing summary and the form to initiate processing. For the application not to be rejected, the form must be submitted on May 1st but district staff can review any of the other submitted information during the month of April.

Appendix 1: 2024 *Forest Act* Amendments (Bill 41-2023) - CP/RP Discretion Summary

Bill 41 Clause	<i>Forest Act</i> Section(s)	Topic	Description
		terms and conditions and discretion	<ul style="list-style-type: none"> ○ Include a timber mark, ○ Include the prescribed terms and conditions (if applicable), ○ Authorize the holder to harvest a portion of the allowable annual cut available from a specified area within the: <ul style="list-style-type: none"> ○ timber supply area or tree farm licence area specified in the forest licence, ○ area based licence, ○ area subject to a timber licence, master licence to cut, or forest licence to cut ● A cutting permit <u>may</u> include terms and conditions that impose requirements on the holder <u>consistent with</u> the requirements under the agreement, the <i>Forest Act</i>, <i>Forest and Range Practices Act</i> and the <i>Wildfire Act</i> or the regulations. ● A cutting permit <u>may</u> include terms and conditions respecting one or more of the following: <ul style="list-style-type: none"> ○ Timber that is to be reserved from harvesting, ○ Periods during which harvesting may not occur, ○ Equipment or harvesting methods that may not be used, or ○ Requirements for road use or construction. ● A cutting permit <u>may</u> include terms and conditions that impose requirements on the holder that are <u>more restrictive</u> than the required under the agreement, the <i>Forest Act</i>, <i>Forest and Range Practices Act</i> and the <i>Wildfire Act</i> or the regulations
74	118	Content of a Road Permit, including terms and conditions and discretion	<ul style="list-style-type: none"> ● A road permit <u>must</u>: <ul style="list-style-type: none"> ○ describe the location of the road, ○ include prescribe terms and conditions (if applicable), ○ include authorization to construct, use, maintain and deactivate or use and deactivate the road. ● A road permit <u>may</u>: <ul style="list-style-type: none"> ○ specify a date of deactivation, ○ authorize the holder to manage and use land for sand pits, rock quarries, or other quarries (if the road is in a Provincial Forest), ○ authorize the use of the material in the pits and quarries for construction of that road. ○ Road permit associated with a TSL <u>may</u>: <ul style="list-style-type: none"> ○ specify standards and programs established by one or more standard making bodies, ○ require the holder to comply with the specified standards and programs, ○ specify the manner in which the holder must conduct operations under the road permit in order to meet the standards and programs. <p>A road permit <u>may</u> include terms and conditions that impose requirements on the holder that are <u>consistent with</u> the requirements under the agreement, the <i>Forest Act</i>, <i>Forest and Range Practices Act</i> and the <i>Wildfire Act</i> or the regulations.</p> ● A road permit <u>may</u> include terms and conditions respecting one or more of the following: <ul style="list-style-type: none"> ○ The storage of timber cut under the road permit, ○ Periods during which activities may not occur, ○ The manner in which the holder may carry out activities referred above,

Appendix 1: 2024 *Forest Act* Amendments (Bill 41-2023) - CP/RP Discretion Summary

Bill 41 Clause	<i>Forest Act</i> Section(s)	Topic	Description
			<ul style="list-style-type: none"> ○ Vehicles, machinery, or equipment that may not be used by the holder, ○ Periods during which the holder may not use the road, ○ Specified signage that is to be posted by the holder. <ul style="list-style-type: none"> ● A road permit <u>may</u> include terms and conditions that impose requirements on the holder that are <u>more restrictive</u> than the requirements under the agreement, the <i>Forest Act</i>, <i>Forest and Range Practices Act</i> and the <i>Wildfire Act</i> or the regulations.
74	119 119.1	Rights to Crown timber under a Road Permit	<ul style="list-style-type: none"> ● A road permit <u>may</u> authorize the holder to harvest Crown timber to harvest roadway timber in relation to the road and no other person has the right to harvest that roadway timber. ● A road permit <u>may</u> be issued to a forest tenure holder that <u>does</u> have the rights to the underlying harvest rights to <u>cut and remove</u> the Crown timber needing to be harvested to construct the roadway. ● A road permit <u>may</u> be issued to a forest tenure holder that <u>does not</u> have the underlying harvest rights and provide the right to <u>cut only</u> for timber needing to be harvested construct the roadway.
67	81(2) 81(3)	Discretionary issuance of an agreement	<ul style="list-style-type: none"> ● A agreement or specified permits under section 81(1) & 81(3) (including a cutting permit or road permit) <u>may</u> not be issued if a current or former holder of an agreement has any of the following: <ul style="list-style-type: none"> ○ An agreement (including a cutting permit or road permit) that has been suspended, ○ An agreement (including a cutting permit or road permit) with outstanding payment of fees including penalties, rent or deposits, ○ An agreement (including a cutting permit or road permit) in noncompliance with an obligation under the agreement, the <i>Forest Act</i>, the <i>Forest and Range Practices Act</i>, or the <i>Wildfire Act</i>.
38	52.10	Extension of a Cutting Permit	<ul style="list-style-type: none"> ● Minister <u>must</u> extend a cutting permit upon request if the following applies: <ul style="list-style-type: none"> ○ The request includes the prescribed fee (if applicable), ○ The combine term of the cutting permit does not exceed 4-years. ○ The licence has not been suspended, cancelled, or expired. ○ The request is not for a cutting permit associated with a licence to cut. ○ The extension does not exceed the term of the licence. ○ The extension is not for a licence that does not allow for an extension. ○ The extension will not prevent the fulfillment of an obligation under FRPA.
38	52.11 Cutting Permit Postponement Regulation	Cutting Permit Postponement	<ul style="list-style-type: none"> ● New section number, no changes in provisions ● Formerly section 58.1
43	53.3	Transfer of a Cutting Permit	<ul style="list-style-type: none"> ● A cutting permit can only be transferred to another person as part of a transfer of a licence.
62 63 64	80	Compensation for a decision	<ul style="list-style-type: none"> ● No compensation is payable in respect of a decision by the minister under Part 3.1 (cutting permits) or Part 8 (road permits) regarding a decision to refuse to issue a permit or include terms and conditions to the permit.
38 172-180	52.13 Division 1, Part 2	Transition	<ul style="list-style-type: none"> ● Cutting permits and road permits submitted prior to the effective date of <i>Forest Act</i> Part 3.1 and 8.0 must be issued with no changes or conditions. ● The new provision described in the <i>Forest Act</i> Part 3.1 and 8.0 applies to all cutting permit and road permits submitted on or after the effective date. ● The new provision also applies to all cutting permits and road permit amendments, to issued cutting permit and road permits, requested on or affect the effective date.

WorkBC

Employment Services

Employer Engagement Event 2024

We are inviting
local employers for an
employer engagement
event!

Learn more about
BC Employer Training
Grants and Wage
Subsidy Programs

Join us on:
Tuesday, April 16, 2024
10:00 AM at
298 McMillan Ave,
Fraser Lake, BC
Professional Building next to
Fraser Lake Medicine Centre

