

Consolidated Financial Statements of



# VILLAGE OF FRASER LAKE



*White Swan Capital of the World*



And Independent Auditor's Report thereon

Year ended December 31, 2022



# VILLAGE OF FRASER LAKE



*White Swan Capital of the World*



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# Village of Fraser Lake



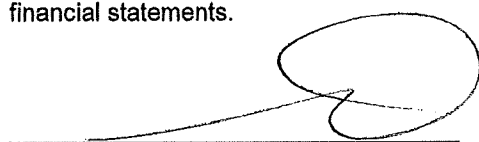
## MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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. Rodney Holland, Chief Administrative Officer



*White Swan Capital of the World*





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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 Village), which comprise:

- the consolidated statement of financial position as at December 31, 2022
- 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, 2022 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.

### *Other Information*

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

- Information, other than the financial statements and the auditors' report thereon, included in Schedule 1 - Northern Capital Planning Reserve



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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 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.



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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.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

Prince George, Canada

April 11, 2023



# VILLAGE OF FRASER LAKE



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## Consolidated Statement of Financial Position

December 31, 2022, with comparative information for 2021

	2022	2021
<b>Financial assets:</b>		
Cash and cash equivalents (note 2)	\$ 30,892,968	\$ 26,524,868
Accounts receivable (note 3)	485,594	2,739,934
Inventory	-	227,817
	<u>31,378,562</u>	<u>29,492,619</u>
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities (note 4)	333,212	1,533,656
Deferred revenue	616,634	1,065,178
Silviculture obligation (note 5)	1,957,098	1,909,272
	<u>2,906,944</u>	<u>4,508,106</u>
Net financial assets	28,471,618	24,984,513
<b>Non-financial assets:</b>		
Tangible capital assets (note 6)	13,773,711	12,227,714
Southside land held for resale	172,179	202,499
Prepaid expenses	25,641	22,067
	<u>13,971,531</u>	<u>12,452,280</u>
Commitments and contingencies (note 8)		
<b>Accumulated surplus (note 7)</b>	<b>\$ 42,443,149</b>	<b>\$ 37,436,793</b>

See accompanying notes to consolidated financial statements.

Mayor

Chief Administrative Officer



# VILLAGE OF FRASER LAKE



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## Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2022, with comparative information for 2021

	2022 Budget (note 13)	2022 Actual	2021 Actual
Revenue (note 12):			
Net taxation (note 9)	\$ 2,042,791	\$ 2,050,153	\$ 1,918,532
User fees	509,906	654,840	838,874
Government transfers (note 10)			
Provincial	1,958,290	1,209,276	1,673,187
Federal	-	175,059	406,768
Investments and penalties	71,500	700,781	104,625
Licenses and permits	8,900	18,387	11,586
Concession and franchises	18,150	300	20,776
Community forest	9,444,000	7,823,104	24,333,536
Miscellaneous	39,704	274,520	230,827
Total revenue	14,093,241	12,906,420	29,538,711
Expenses (note 12):			
Community forest	5,808,227	4,618,442	14,864,603
General government	1,509,108	1,602,202	2,635,216
Protective services	249,587	250,830	188,798
Transportation services	332,858	306,332	242,747
Environmental development services	189,633	156,279	157,241
Environmental health services	69,925	57,332	67,678
Recreation and cultural services	431,598	416,127	420,989
Waste water utility	189,075	226,668	139,187
Water utility	453,050	265,852	255,955
Total expenses	9,233,061	7,900,064	18,972,414
Annual surplus	4,860,180	5,006,356	10,566,297
Accumulated surplus, beginning of year	37,436,793	37,436,793	26,870,496
Accumulated surplus, end of year	\$ 42,296,973	\$ 42,443,149	\$ 37,436,793

See accompanying notes to consolidated financial statements.



# VILLAGE OF FRASER LAKE



*White Swan Capital of the World*



## Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2022, with comparative information for 2021

	Budget (note13)	2022	2021
Annual surplus	\$ 4,860,180	\$ 5,006,356	\$ 10,566,297
Acquisition of tangible capital assets	(3,109,435)	(2,067,481)	(1,912,775)
Amortization of tangible capital assets	-	521,484	446,450
	(3,109,435)	(1,545,997)	(1,466,325)
Change on Southside land held for resale	-	30,320	15,403
Acquisition of prepaid expenses	-	(25,641)	(22,067)
Use of prepaid expenses	-	22,067	21,057
	-	26,746	14,393
Change in net financial assets	1,750,745	3,487,105	9,114,365
Net financial assets, beginning of year	24,984,513	24,984,513	15,870,148
Net financial assets, end of year	\$ 26,735,258	\$ 28,471,618	\$ 24,984,513

See accompanying notes to consolidated financial statements.



# VILLAGE OF FRASER LAKE



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## Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Annual surplus	\$ 5,006,356	\$ 10,566,297
Items not involving cash:		
Amortization of tangible capital assets	521,484	446,450
Gain on sale of Southside land	(32,963)	(15,791)
Accounts receivable	2,254,340	(381,105)
Inventory	227,817	(146,996)
Silviculture deposits	-	734,572
Accounts payable and accrued liabilities	(1,200,444)	(63,128)
Deferred revenue	(448,544)	1,026,245
Silviculture obligation	47,826	1,003,156
Prepaid expenses	(3,574)	(1,010)
	6,372,298	13,168,690
Capital activities:		
Acquisition of tangible capital assets	(2,067,481)	(1,912,775)
Proceeds from sale of Southside land	63,283	31,194
Increase in cash and cash equivalents	4,368,100	11,287,109
Cash and cash equivalents, beginning of year	26,524,868	15,237,759
Cash and cash equivalents, end of year	\$ 30,892,968	\$ 26,524,868

See accompanying notes to consolidated financial statements.



# VILLAGE OF FRASER LAKE



*White Swan Capital of the World*



## Notes to Consolidated Financial Statements

Year ended December 31, 2022, with comparative information for 2021

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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



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Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022, with comparative information for 2021

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## 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



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Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022, with comparative information for 2021

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## 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



*White Swan Capital of the World*



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022, with comparative information for 2021

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## 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



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Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022, with comparative information for 2021

## 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 exceeds 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.

## 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, 2022 borrowing against the operating line balance is nil (2021 - nil).

## 3. Accounts receivable:

	2022	2021
Taxes	\$ 104,955	\$ 94,791
Grants	125,988	178,065
Miscellaneous	239,828	306,277
Community forest	14,823	2,160,801
	<u>\$ 485,594</u>	<u>\$ 2,739,934</u>



## VILLAGE OF FRASER LAKE



*White Swan Capital of the World*



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022, with comparative information for 2021

#### 4. Accounts payable and accrued liabilities:

	2022	2021
Trade	\$ 276,124	\$ 1,394,371
Sales tax	1,191	2,022
Wages and related costs	55,897	137,263
	<u>\$ 333,212</u>	<u>\$ 1,533,656</u>

#### 5. Silviculture obligation:

	2022	2021
Silviculture obligation, beginning of year	\$ 1,909,272	\$ 906,116
Increase in accrual due to current year logging	475,212	1,478,963
Actual silviculture costs paid in the year	(427,386)	(475,807)
	<u>\$ 1,957,098</u>	<u>\$ 1,909,272</u>



Year ended December 31, 2022, with comparative information for 2021

## 2022

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



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Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022, with comparative information for 2021

## 7. Accumulated surplus:

	2022	2021
<b>Surplus:</b>		
Invested in tangible capital assets	\$ 13,755,380	\$ 12,209,383
General fund	2,699,681	3,234,135
Water utility fund	1,006,958	971,358
Waste water utility fund	291,886	281,431
	<u>17,753,905</u>	<u>16,696,307</u>
<b>Reserves set aside by Council:</b>		
Search and rescue	261	261
MFA unexpended funds	98,308	96,089
	<u>98,569</u>	<u>96,350</u>
<b>Reserve funds set aside for specific purposes by Council:</b>		
Capital expenditure replacement	1,937,943	1,706,291
Building reserve	237	237
Emergency vehicle and equipment	62,833	57,368
Recreation centre	22,486	21,107
Streets	1,798,123	1,764,886
Sewer reserve	140,570	117,908
Water reserve	247,877	215,000
CWF, Parks and trails and Arena reserve	120,835	118,600
Northern Capital Planning Grant (Schedule 1)	812,271	1,993,722
Cemetery development fund	4,289	2,939
Airport reserve	148,173	144,818
Community forest reserve	19,247,956	14,501,260
Climate action reserve	47,082	-
	<u>24,590,675</u>	<u>20,644,136</u>
	<u>\$ 42,443,149</u>	<u>\$ 37,436,793</u>



# VILLAGE OF FRASER LAKE



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Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022, with comparative information for 2021

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## 8. 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 trusted 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, 2021, the Plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the Plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the 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 \$75,992 (2021 - \$71,861) for employer contributions to the Plan in fiscal 2022.

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

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocation of the obligation, assets and cost to the individual employers participating in the plan.



# VILLAGE OF FRASER LAKE



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Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022, with comparative information for 2021

## 8. 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.

## 9. Net taxation revenue:

As disclosed in note 7(c), the Village is required to collect taxes on behalf of and transfer these amounts to the government agencies below:

	2022	2021
General purposes	\$ 1,982,849	\$ 1,853,733
Grants in lieu of taxes	74,349	65,569
Collection for other governments	829,740	849,554
	2,886,938	2,768,856
Ministry of Education, Province of British Columbia	358,053	345,182
Stuart-Nechako Regional Hospital District	243,213	232,322
Regional District of Bulkley-Nechako	159,516	189,733
British Columbia Assessment Authority	18,563	18,565
Municipal Finance Authority	39	36
Royal Canadian Mounted Police	57,401	64,486
	836,785	850,324
	\$ 2,050,153	\$ 1,918,532



# VILLAGE OF FRASER LAKE



*White Swan Capital of the World*



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022, with comparative information for 2021

## 10. 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:

	2022	2021
Provincial grants:		
Unconditional	\$ 468,000	\$ 371,000
Miscellaneous	505,450	163,510
Northern Development Initiative Trust	89,652	220,489
Coastal Gas Link	50,000	-
Union of BC Municipalities	20,883	918,188
Nechako Development Fund	75,291	-
	1,209,276	1,673,187
Federal grants:		
Environmental	101,364	198,095
Miscellaneous	73,695	208,673
	175,059	406,768
	\$ 1,384,335	\$ 2,079,955

## 11. Concentration of risk:

The Village derived community forest revenue from one (2021 - one) major customer amounting to approximately \$6,337,699 (2021 - \$21,569,646) representing 81% (2021 - 89%) of total community forest revenue. Accounts receivable from the above significant customers at year end amounted to approximately \$nil (2021 - \$1,939,136)



# VILLAGE OF FRASER LAKE



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Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022, with comparative information for 2021

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## 12. 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.

(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.



# VILLAGE OF FRASER LAKE



*White Swan Capital of the World*



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022, with comparative information for 2021

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## 12. Segmented information (continued):

### (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)

Year ended December 31, 2022, with comparative information for 2021

## 12. Segmented information (continued):

	2022				
	General Government	Protective Services	Transportation Services	Environmental Development Services	Environmental Health Services
<b>Revenues:</b>					
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	-	-	-	-
<b>Total revenues</b>	<b>4,410,091</b>	<b>18,387</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses:</b>					
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	372,779	-	-	-	-
Interest recovered	99	-	-	-	-
Insurance	94,391	-	-	-	3,347
Professional services	62,915	-	-	-	-
Garbage disposal	-	-	-	-	36,535
<b>Total expenses</b>	<b>1,602,202</b>	<b>250,830</b>	<b>306,332</b>	<b>156,279</b>	<b>57,332</b>
<b>Annual surplus (deficit)</b>	<b>\$ 2,807,889</b>	<b>\$ (232,443)</b>	<b>\$ (306,332)</b>	<b>\$ (156,279)</b>	<b>\$ (57,332)</b>



# VILLAGE OF FRASER LAKE



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022, with comparative information for 2021

## 12. Segmented information (continued):

		2022 (continued)				
		Recreation and Cultural Services	Water Utility	Waste Water Utility	Community Forest	Total
<b>Revenues:</b>						
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
<b>Total revenues</b>		<b>36,390</b>	<b>379,038</b>	<b>239,412</b>	<b>7,823,104</b>	<b>12,906,420</b>
<b>Expenses:</b>						
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		-	70,674	78,031	-	521,484
Interest recovered		-	-	-	-	99
Insurance		-	-	-	-	97,738
Professional services		-	-	-	-	62,915
Garbage disposal		-	-	-	-	36,535
<b>Total expenses</b>		<b>416,127</b>	<b>265,852</b>	<b>226,668</b>	<b>4,618,442</b>	<b>7,900,064</b>
<b>Annual (deficit) surplus</b>	<b>\$</b>	<b>(379,737)</b>	<b>\$ 113,186</b>	<b>\$ 12,744</b>	<b>\$ 3,204,662</b>	<b>\$ 5,006,356</b>



# VILLAGE OF FRASER LAKE



*White Swan Capital of the World*

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022, with comparative information for 2021

## 12. Segmented information (continued):

	2021				
	General Government	Protective Services	Transportation Services	Environmental Development Services	Environmental Health Services
<b>Revenues:</b>					
Net taxation	\$ 1,918,532	\$ -	\$ -	\$ -	\$ -
User fees and licenses and permits	-	11,586	-	-	-
Government transfers	1,258,241	-	-	-	-
Investment income	104,625	-	-	-	-
Other	251,604	-	-	-	-
<b>Total revenues</b>	<b>3,533,002</b>	<b>11,586</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenses:</b>					
Salaries, wages and employee benefits	673,218	88,806	56,505	106,239	32,206
Operating	1,422,998	99,992	186,242	51,002	-
Legislature	53,181	-	-	-	-
Amortization	347,928	-	-	-	-
Interest	22	-	-	-	-
Insurance	79,263	-	-	-	1,635
Professional services	58,606	-	-	-	-
Garbage disposal	-	-	-	-	33,837
<b>Total expenses</b>	<b>2,635,216</b>	<b>188,798</b>	<b>242,747</b>	<b>157,241</b>	<b>67,678</b>
<b>Annual surplus (deficit)</b>	<b>\$ 897,786</b>	<b>\$ (177,212)</b>	<b>\$ (242,747)</b>	<b>\$ (157,241)</b>	<b>\$ (67,678)</b>



# VILLAGE OF FRASER LAKE



*White Swan Capital of the World*

## Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022, with comparative information for 2021

### 12. Segmented information (continued):

	2021 (continued)				
	Recreation and Cultural Services	Water Utility	Waste Water Utility	Community Forest	Total
<b>Revenues:</b>					
Net taxation	\$ -	\$ -	\$ -	-	\$ 1,918,532
User fees and licenses and permits	19,205	499,704	319,964	-	850,459
Government transfers	-	821,714	-	-	2,079,955
Investment income	-	-	-	-	104,625
Other	-	-	-	24,333,536	24,585,140
<b>Total revenues</b>	<b>19,205</b>	<b>1,321,418</b>	<b>319,964</b>	<b>24,333,536</b>	<b>29,538,711</b>
<b>Expenses:</b>					
Salaries, wages and employee benefits	217,174	44,297	18,912	-	1,237,357
Operating	203,815	159,555	73,856	14,864,603	17,062,063
Legislature	-	-	-	-	53,181
Amortization	-	52,103	46,419	-	446,450
Interest	-	-	-	-	22
Insurance	-	-	-	-	80,898
Professional services	-	-	-	-	58,606
Garbage disposal	-	-	-	-	33,837
<b>Total expenses</b>	<b>420,989</b>	<b>255,955</b>	<b>139,187</b>	<b>14,864,603</b>	<b>18,972,414</b>
<b>Annual (deficit) surplus</b>	<b>\$ (401,784)</b>	<b>\$ 1,065,463</b>	<b>\$ 180,777</b>	<b>\$ 9,468,933</b>	<b>\$ 10,566,297</b>



## VILLAGE OF FRASER LAKE



*White Swan Capital of the World*



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022, with comparative information for 2021

### 13. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2022 operating and capital budgets approved by Council on April 13, 2022. 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	\$ 16,860,959
Less:	
Collections for other governments	(875,190)
Transfer from reserves	(1,892,528)
	14,093,241
Expenses:	
Operating budget	16,860,959
Less:	
Payments to other governments	(875,190)
Capital expenditures	(3,109,435)
Transfer to reserve funds	(3,643,273)
	9,233,061
	\$ 4,860,180



# VILLAGE OF FRASER LAKE



*White Swan Capital of the World*



Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2022, with comparative information for 2021

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**14. 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.

**15. 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



*White Swan Capital of the World*



## Schedule 1 - Northern Capital Planning Grant Reserve

Year ended December 31, 2022, with comparative information for 2021  
(Unaudited)

	2022	2021
Opening balance of reserve	\$ 1,993,722	\$ 2,556,182
Interest income	49,919	17,256
	2,043,641	2,573,438
Project expenditures:		
Arena	103,664	22,920
Asset management - Munisight	-	12,500
Cemetery	434	23,591
Community signage	-	11,872
Fibre optic	-	93,470
Fire department - SCBA	8,994	-
Fire hydrants	62,235	-
Fraser Lake Villa	28,006	83,181
Garbage truck	255,627	12,213
Generator trailer	-	22,102
Lawnmower	-	10,272
Parks	27,240	90,567
Paving	386,993	-
Public works - fencing	28,525	-
Public works - pole shed	122,700	-
Sewer - lift station #1	-	5,858
Sidewalk - Endako	126,773	-
Water - generator	30,395	-
Water - reservoir	14,500	-
Water - pumphouse	35,284	-
Water - vertical pump	-	22,351
Wharf repair	-	168,819
	1,231,370	579,716
	\$ 812,271	\$ 1,993,722

