



**MUNICIPAL
STATEMENT OF FINANCIAL INFORMATION
(SOFI)
2025**

**Village of Fraser Lake
210 Carrier Crescent
PO Box 430
Fraser Lake, BC
V0J 1S0**

**Mayor
Sarrah Storey**

**Chief Administrative Officer
Ethan Fredeen**

**Director of Finance
Laura McMaster**

MANAGEMENT REPORT

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Village of Fraser Lake Council is responsible for ensuring that management fulfills its' responsibilities for financial reporting and internal control, and exercises this responsibility. The Village of Fraser Lake Council meets with management and the external auditors *once* a year.

The Village of Fraser Lake's Director of Finance has the responsibility for assessing the management systems and practices of the Village of Fraser Lake.

The external auditors, KPMG conduct an independent examination, in accordance with accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. Their examination includes a review and evaluation of the Village of Fraser Lake's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to the Village of Fraser Lake's Council and meet with it on a regular annual basis.

On behalf of the Village of Fraser Lake



Laura McMaster
Director of Finance
June 10, 2026

June 10, 2026

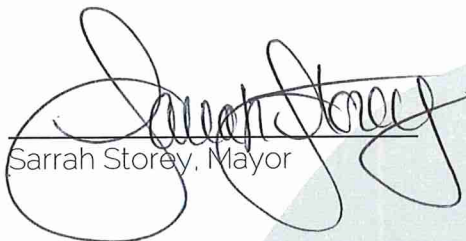
Mayor and Council

Enclosed is a copy of the Financial Statement and the documentation requested for the 'Statement of Financial Information' (SOFI) that needs to be forwarded to the Province of British Columbia.

Management has prepared the documentation in compliance with the generally accepted accounting principles of Canada. To the best of our knowledge the information enclosed is true and accurate according to the financial records of the Village of Fraser Lake and Financial Statements prepared by the Auditors.



Laura McMaster
Director of Finance


Sarrah Storey, Mayor
Ethan Fredeen
Chief Administrative Officer

June 10th / 26
Date

June 11, 2026
Date

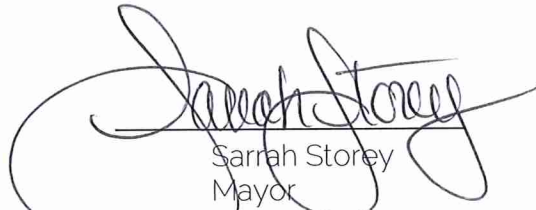
STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.



Laura McMaster
Director of Finance

Date June 11, 2026



Sarah Storey
Mayor

Date June 11/26

Financial Information Act
Financial Information Regulation (FIR), Schedule 1

Statement of Financial Information (SOFI)
Index to FIR Schedule 1 and the Checklist

Page 1: Corporation Information

Ministry Information

General: Section One

- 1(1)(a) Statement of assets and liabilities
- 1(1)(b) Operational statement
- 1(1)(c) Schedule of debts
- 1(1)(d) Schedule of guarantee and indemnity agreements
- 1(1)(e) Schedule of employee remuneration and expenses
- 1(1)(f) Schedule of suppliers of goods and services
- 1(2) [Explanatory information for reference]
- 1(3) Statements prepared on a consolidated basis or for each fund
- 1(4) & (5) Notes to the statements and schedules in section 1(1)

Page 2: Statement of Assets & Liabilities: Section Two

- 2 Balance sheet
- Changes in equity and surplus or deficit

Operational Statement: Section Three

- 3(1) Statement of Income / Statement of Revenue and Expenditures
- Statement of Changes in Financial Position
- 3(2) & (3) Omission of Statement of Changes in Financial Position, with explanation
- 3(4) Requirement for community colleges, school districts and municipalities

Statement of Debts: Section Four

- 4(1)(a) & 4(2) List and detail the schedule of long-term debts
- 4(1)(b) Identify debts covered by sinking funds / reserves
- 4(3) & (4) Omission of schedule, with explanation

Page 3: Schedule of Guarantee and Indemnity Agreements: Section Five

- 5(1) List agreements under the Guarantees and Indemnities Regulation
- 5(2) State the entities and amounts involved
- 5(3) & (4) Omission of schedule, with explanation

Page 3 & 4: Schedule of Remuneration and Expenses: Section Six

- 6(1) [Definitions for reference]
- 6(2)(a) List remuneration / expenses for each elected official, member of board, Cabinet appointees
- 6(2)(b) List each employee with remuneration exceeding \$75,000, plus expenses
- 6(2)(c) Consolidated total for all employees with remuneration of \$75,000 or less
- 6(2)(d) Reconcile difference in total remuneration above with operational statement
- 6(3) Exclude personal information other than as required

Page 3 & 4: Schedule of Remuneration and Expenses: Section Six (continued)

- 6(4) & (5) [Explanatory information for reference]
- 6(6) Report employer portion of EI and CPP as a supplier payment
- 6(7)(a) & (b) Statement of severance agreements
- 6(8) Explain an omission of statement of severance agreements
- 6(9) [Statement of severance agreements to minister – not required unless requested]

Page 4: Schedule of Suppliers of Goods or Services: Section Seven

- 7(1)(a) List suppliers receiving payments exceeding \$25,000
- 7(1)(b) Consolidated total of all payments of \$25,000 or less
- 7(1)(c) Reconcile difference in total above with operational statement
- 7(2)(a) [Explanatory information for reference]
- 7(2)(b) Statement of payments of grants or contributions
- 7(2)(c) [Explanatory information for reference]

Page 5: Inactive Corporations: Section Eight

- 8(1) Ministry to report for inactive corporations
- 8(2)(a) Contents of report – statements and schedules under section 1(1) to extent possible
- 8(2)(b) Contents of report – operational status of corporation

Approval of Financial Information: Section Nine

- 9(1) Approval of SOFI for corporations (other than municipalities)
- 9(2) Approval of SOFI for municipalities
- 9(3) Management report
- 9(4) Management report must explain roles and responsibilities
- 9(5) Signature approval is for all contents of the SOFI

Access to the Financial Information: Section Ten

- 10(1) to (3) [Explanatory information for reference]

Financial Information Regulation, Schedule 1

Checklist – Statement of Financial Information (SOFI)

For the Corporation:

Corporate Name: THE CORPORATION OF THE VILLAGE OF FRASER LAKE Contact Name: Laura McMaster
 Fiscal Year End: 2025 Phone Number: (250) 699-6257
 Date Submitted: JUNE 11, 2026 E-mail: finance@fraserlake.ca

For the Ministry:

Ministry Name: _____ Reviewer: _____
 Date Received: _____ Deficiencies: Yes No
 Date Reviewed: _____ Deficiencies Addressed: Yes No
 Approved (SFO): _____ Further Action Taken: _____

Distribution: Legislative Library Ministry Retention

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
General					
1 (1) (a)	Statement of assets and liabilities	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Page 1, Financial Statements (FS)
1 (1) (b)	Operational statement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Page 2, FS
1 (1) (c)	Schedule of debts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Schedule of Debt
1 (1) (d)	Schedule of guarantee and indemnity agreements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Pages 3-19, FS
1 (1) (e)	Schedule of employee remuneration and expenses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Schedule of Employee Remuneration & Expenses
1 (1) (f)	Schedule of suppliers of goods and services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Schedule of Payments to Suppliers
1 (3)	Statements prepared on a consolidated basis or for each fund, as appropriate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Page 17, FS
1 (4) 1 (5)	Notes to the financial statements for the statements and schedules listed above	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Pages 5-28, FS

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Statement of Assets & Liabilities					
2	<ul style="list-style-type: none"> • A balance sheet prepared in accordance with GAAP or stated accounting principles / policies, and • Show changes in equity and surplus or deficit due to operations 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Page 1, FS
Operational Statement					
3 (1)	Prepared in accordance with GAAP or stated accounting principles / policies and consists of: <ul style="list-style-type: none"> • a Statement of Income or Statement of Revenue and Expenditures, and • a Statement of Changes in Financial Position 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Pages 2-3, FS
3 (2) 3 (3)	<ul style="list-style-type: none"> • The Statement of Changes in Financial Position may be omitted if it provides no additional information • The omission must be explained in the notes 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Page 1, FS
3 (4)	Community colleges, school districts, and municipalities must prepare a Statement of Changes in Financial Position for the Capital Fund	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Pages 15-17, FS
Schedule of Debts					
4 (1) (a) 4 (2)	List each long-term debt (secured by debentures, mortgages, bonds, etc.), stating the amount outstanding, the interest rate, and the maturity date	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4 (1) (b)	Identify debts covered by sinking funds or reserves and amounts in these accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
4 (3) 4 (4)	<ul style="list-style-type: none"> • The schedule may be omitted if addressed under section 2 or 5 and it provides no additional information • The omission must be explained in a note to the schedule 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Schedule of Guarantee and Indemnity Agreements					
5 (1)	List financial agreements that required government approval prior to being given (see Guarantees and Indemnities Regulation in FIA Guidance Package)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Schedule D
5 (2)	State the entities involved, and the specific amount involved if known	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Schedule D
5 (3) 5 (4)	<ul style="list-style-type: none"> • The schedule may be omitted if addressed under section 2 or 4 and it provides no additional information • The omission must be explained in a note to the schedule 	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Schedule of Remuneration and Expenses (See Guidance Package for suggested format)					
6 (2) (a)	List separately, by name and position, the total remuneration and the total expenses for each elected official, member of the board of directors, and employee appointed by Cabinet	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Schedule of Council Remuneration & Expenses
6 (2) (b)	List alphabetically each employee whose total remuneration exceeds \$75,000 and the total expenses for each [excluding the persons listed under 6 (2) (a)]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Schedule of Employee Remuneration & Expenses
6 (2) (c)	Include a consolidated total for employees whose remuneration is \$75,000 or less [excluding the persons listed under 6 (2) (a)]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Schedule of Employee Remuneration & Expenses
6 (2) (d)	Reconcile or explain any difference between total remuneration in this schedule and related information in the operational statement	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
6 (3)	Exclude personal information other than name, position, function or remuneration and expenses of employees	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Schedule of Employee Remuneration & Expenses

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Schedule of Remuneration and Expenses (See Guidance Package for suggested format)					
6 (6)	Report the employer portion of EI and CPP as a supplier payment to the Receiver General for Canada rather than as employee remuneration	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Schedule of Payments to Suppliers
6 (7) (a) 6 (7) (b)	Include a statement of severance agreements providing: <ul style="list-style-type: none"> • the number of severance agreements under which payment commenced in the fiscal year being reported on for non-union employees, and • the range of equivalent months' compensation for them (see Guidance Package for suggested format)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Statement of Severance Agreements
6 (8)	Provide the reason for omitting a statement of severance agreements in a note to the schedule of remuneration and expenses	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Schedule of Suppliers of Goods or Services (See Guidance Package for suggested format)					
7 (1) (a)	List in alphabetical order all suppliers of goods and services who received aggregate payments exceeding \$25,000	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Schedule of Payments to Suppliers
7 (1) (b)	Include a consolidated total of all payments to suppliers who received \$25,000 or less	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Schedule of Payments to Suppliers
7 (1) (c)	Reconcile or explain any difference between the consolidated total and related figures in the operational statement	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
7 (2) (b)	Include a statement of payments for the purposes of grants or contributions	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Schedule D

FIR Schedule 1 Section	Item	Yes	No	N/A	Comments
Inactive Corporations					
8 (1)	The ministry reports for the corporation if the corporation is not operating to the extent required to produce a SOFI	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
8 (2) (a)	The ministry's report contains the statements and schedules required under section 1 (1), to the extent possible	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
8 (2) (b)	The ministry's report contains a statement of the operational status of the corporation (see Guidance Package regarding what to include)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Approval of Financial Information					
9 (1)	Corporations other than municipalities – the SOFI is signed as approved by the board of directors or the governing body (see Guidance Package for example)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
9 (2)	Municipalities – the SOFI is approved by its council and by the officer assigned responsibility for financial administration (see Guidance Package for example)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9 (3)	A management report is included, signed by the head and chief financial officer, or by the municipal officer assigned responsibility for financial administration (see examples in annual report at http://www.gov.bc.ca/cas/popt/)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9 (4)	The management report explains the roles and responsibilities of the board of directors or governing body, audit committee, management, and the auditors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
9 (5)	Signature approvals required in section 9 are for each of the statements and schedules of financial information, not just the financial statements	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Village of Fraser Lake
Statement of Financial Information
For the Year Ended December 31, 2025
Schedule of Employee Remuneration and Expenses

Employee Name	Position	Remuneration	Expenses
Bussi, Wade	Wastewater Operator/Public Works	\$ 86,948	\$ -
Campbell, Cameron	Arena Attendant/Public Works	85,654	0
Fredeen, Ethan	Chief Administrative Officer	122,962	7,362
Gervais, Jessie	Director of Corporate Services/Deputy Corporate Officer	92,350	9,038
Graham, Jeffrey	Director of Operations	114,227	300
Hilman, Hyyt	Wastewater Operator/Public Works	77,682	0
McMaster, Laura	Director of Finance	104,050	6,770
Moe, Terrance	Water Plant Operator	92,174	815
Pacheco, Joe	Fire Chief	90,772	815
Westerman, Michael	Arena Attendant/Public Works	77,008	815
		<u>\$ 943,826</u>	<u>\$ 25,913</u>
	Employees less than \$75,000	<u>\$ 328,936</u>	<u>\$ 3,580</u>
		<u><u>\$ 1,272,762</u></u>	<u><u>\$ 29,492</u></u>

Village of Fraser Lake
Statement of Financial Information
For the Year Ended December 31, 2025
Schedule of Council Remuneration and Expenses

Elected Officials	Position	Remuneration	Expenses
Fennema, Audrey	Councillor	\$ 12,621	\$ 10,171
Jenkinson, Joseph	Councillor	13,673	314
LePoidevin, Craig	Councillor	12,621	3,072
Storey, Sarrah	Mayor	29,800	13,881
Webb, Jolene	Councillor	12,621	502
		<u>\$ 81,335</u>	<u>\$ 27,940</u>

Village of Fraser Lake
Statement of Financial Information
For the Year Ended December 31, 2025
Schedule of Payments to Suppliers

BC HYDRO	\$ 204,375.03
BURNS LAKE AUTOMOTIVE SUPPLY	69,071.57
CANADA CUSTOMS & REVENUE	380,597.63
1477121 B.C. LTD.	34,650.00
CENTRALSQUARE CANADA SOFTWARE INC.	29,275.88
CIBC VISA	67,611.54
CIVIL NORTH CONSULTING LTD.	1,159,622.55
DAWSON CIVIL	3,174,714.25
EXCEED ELECTRICAL ENGINEERING	41,152.39
FL PUBLIC LIBRARY	67,244.00
FL VOLUNTEER FIRE DEPARTMENT	43,086.85
FOOD CYCLE SCIENCE CORPORATION	34,849.09
FOUR RIVERS CO-OPERATIVE	47,583.84
FRASER LAKE FOREST CONSULTING LTD	386,575.97
GROUPHEALTH - BENEFIT SOLUTIONS	81,201.04
KPMG LLP T4348	66,102.75
L & M ENGINEERING LTD.	81,401.51
MIN. OF FIN & CORP RELATIONS SCHOOL LAND	256,171.63
MIZA ARCHITECTS INC.	52,216.58
MUNICIPAL PENSION PLAN	172,431.43
PRAIRIECOAST EQUIPMENT INC.	40,810.95
PRD CONSTRUCTION LTD	138,391.79
RDBN	215,984.74
RD FRASER FORT GEORGE	56,414.81
ROCKY MOUNTAIN PHOENIX	56,565.39
RUSSELL HENDRIX FOODSERVICE EQUIPMENT	135,634.77
SEAL TEC INDUSTRIES LTD	26,385.91
SHOTGUN CONTRACTING LTD	53,686.50
SOILTECH CONSULTING LTD	55,541.34
STUART-NECHAKO REG. HOSP. DIST	270,225.25
URBAN SYSTEMS	794,192.44
WCB	41,700.42
WESTERN FINANCIAL GROUP (FRA)	107,635.00
WESTERN INDUSTRIAL CONTRACTORS LTD	1,572,023.42
YETI REFRIGERATION INC.	110,198.41
Total Suppliers over \$25,000	<u>\$ 10,125,326.67</u>
Total Suppliers under \$25,000	<u>\$ 739,909.58</u>
Total Suppliers	<u>\$ 10,865,236.25</u>

Village of Fraser Lake
Statement of Financial Information
For the Year Ended December 31, 2025
Schedule D

List of Financial Agreements

Pacific Northern Gas 3% Franchise Fee	\$25,184.40
Arena Concession Fee (Flat Fee)	\$100.00
Total	<u>\$25,284.40</u>

List of Donations to Non Profit Organizations

Cops for Cancer-Tour De North	\$500.00
Fraser Lake Minor Hockey	\$350.00
Emergency Services RCMP	\$600.00
Fraser Lake Travel Club-SD #91 FLESS	\$456.90
Ministry 3:16	\$500.00
Royal Canadian Legion Branch #274	\$600.00
Total	<u>\$3,006.90</u>

Village of Fraser Lake
Statement of Financial Information
For the Year Ended December 31, 2025
Schedule of Debt

The Corporation of the Village of Fraser Lake does not have any debt to report.

Village of Fraser Lake
Statement of Financial Information
For the Year Ended December 31, 2025
Statement of Severance Agreements

There were no severance agreements made between The Corporation of the Village of Fraser Lake and its non-unionized employees during the fiscal year 2025.

Consolidated Financial Statements of



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

And Independent Auditor's Report thereon

Year ended December 31, 2025



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Table of Contents

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Management Responsibility Statement	
Independent Auditor's Report	
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Consolidated Statement of Cash Flows	4
Notes to Consolidated Financial Statements	5 - 28



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



KPMG LLP
177 Victoria Street, Suite 400
Prince George, BC V2L 5R8
Canada
Telephone 250 563 7151
Fax 250 563 5693

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, 2025
- 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, 2025 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.

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.



Page 3

- 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.

KPMG LLP

Chartered Professional Accountants

Prince George, Canada

April 29, 2026

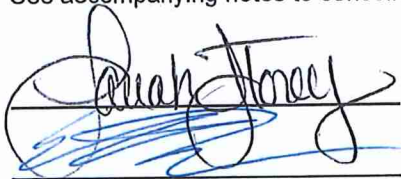


THE CORPORATION OF THE VILLAGE OF FRASER LAKE
 Consolidated Statement of Financial Position

December 31, 2025, with comparative information for 2024

	2025	2024
Financial assets:		
Cash and cash equivalents (note 2)	\$ 34,141,676	\$ 30,259,548
Accounts receivable (note 3)	1,871,420	668,392
	<u>36,013,096</u>	<u>30,927,940</u>
Financial liabilities:		
Accounts payable and accrued liabilities (note 4)	1,220,290	554,037
Deferred revenue (note 5)	5,610,458	1,556,265
Silviculture obligation (note 6)	1,270,735	1,005,471
Asset retirement obligation (note 7)	864,623	922,681
	<u>8,966,106</u>	<u>4,038,454</u>
Net financial assets	27,046,990	26,889,486
Non-financial assets:		
Tangible capital assets (note 8)	30,102,157	23,109,134
Southside land held for resale	-	11,255
Prepaid expenses	39,282	47,727
	<u>30,141,439</u>	<u>23,168,116</u>
Commitments and contingencies (note 10)		
Accumulated surplus (note 9)	<u>\$ 57,188,429</u>	<u>\$ 50,057,602</u>

See accompanying notes to consolidated financial statements.



Mayor

Chief Administrative Officer



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2025, with comparative information for 2024

	2025 Budget (note 15)	2025 Actual	2024 Actual
Revenue (note 14):			
Net taxation (note 11)	\$ 2,630,026	\$ 2,630,373	\$ 2,405,022
User fees	522,950	636,918	634,648
Government transfers (note 12)	10,346,521	6,852,269	1,959,538
Investments and penalties	69,500	904,125	1,517,727
Other grants	-	331,875	365,012
Community forest	-	439	203,292
Miscellaneous (note 13)	62,160	195,104	145,705
Total revenue	13,631,157	11,551,103	7,230,944
Expenses (note 14):			
Community forest	62,000	305,214	305,670
Environmental development services	596,930	200,505	124,674
Environmental health services	90,025	81,461	73,905
General government	1,965,123	2,181,031	1,856,866
Protective services	274,611	254,220	375,739
Recreation and cultural services	571,594	582,691	495,245
Transportation services	383,390	290,947	273,937
Waste water utility	2,433,380	242,442	253,203
Water utility	13,235,918	281,765	270,552
Total expenses	19,612,971	4,420,276	4,029,791
Annual (deficit) surplus	(5,981,814)	7,130,827	3,201,153
Accumulated surplus, beginning of year	50,057,602	50,057,602	46,856,449
Accumulated surplus, end of year	\$ 44,075,788	\$ 57,188,429	\$ 50,057,602

See accompanying notes to consolidated financial statements.



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2025, with comparative information for 2024

	Budget (note 15)	2025	2024
Annual (deficit) surplus	\$ (5,981,814)	\$ 7,130,827	\$ 3,201,153
Acquisition of tangible capital assets	(3,361,491)	(7,877,456)	(4,488,163)
Amortization of tangible capital assets	-	884,433	769,324
	(3,361,491)	(6,993,023)	(3,718,839)
Change on Southside land held for resale	-	11,255	-
Acquisition of prepaid expenses	-	(39,282)	(47,727)
Use of prepaid expenses	-	47,727	168,294
	-	19,700	120,567
Change in net financial assets	(9,343,305)	157,504	(397,119)
Net financial assets, beginning of year	26,889,486	26,889,486	27,286,605
Net financial assets, end of year	\$ 17,546,181	\$ 27,046,990	\$ 26,889,486

See accompanying notes to consolidated financial statements.



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Consolidated Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash and cash equivalents provided by (used in):		
Operations:		
Annual surplus	\$ 7,130,827	\$ 3,201,153
Items not involving cash:		
Amortization of tangible capital assets	884,433	769,324
Loss on sale of Southside land	11,234	-
	<u>8,026,494</u>	<u>3,970,477</u>
Changes in non-cash operating working capital:		
Accounts receivable	(1,203,028)	455,943
Asset retirement obligation	(58,058)	(9,525)
Accounts payable and accrued liabilities	666,253	(52,054)
Deferred revenue	4,054,193	640,520
Silviculture obligation	265,264	(507,588)
Prepaid expenses	8,445	120,567
	<u>11,759,563</u>	<u>4,618,340</u>
Capital activities:		
Acquisition of tangible capital assets	(7,877,456)	(4,488,163)
Proceeds from sale of Southside land	21	-
Increase in cash and cash equivalents	<u>3,882,128</u>	<u>130,177</u>
Cash and cash equivalents, beginning of year	30,259,548	30,129,371
Cash and cash equivalents, end of year	<u>\$ 34,141,676</u>	<u>\$ 30,259,548</u>

See accompanying notes to consolidated financial statements.



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements

Year ended December 31, 2025, with comparative information for 2024

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.



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

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. Property tax billings are prepared by the Village based on assessment rolls issued by the British Columbia Assessment Authority. Tax rates are established annually by the Village Council. Taxation revenue is recorded at the time tax billings are issued. 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.

The Village is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are levied.

Revenue from the sales of services and user charges, as well as miscellaneous revenue and other grants, are recorded as revenue when the performance obligations are met.

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

(d) 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. Government transfer revenue is recognized in the consolidated statement of operations and accumulated surplus as the stipulations for liabilities are settled.



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

1. Significant accounting policies (continued):

(e) 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.

(f) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand less outstanding cheques and deposits with a maturity of less than three months at the time of purchase and term deposits with a maturity of less than one year. When outstanding cheques are in excess of cash on hand, the excess is reported in bank indebtedness.

(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.

(h) 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.

(i) 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.



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

1. Significant accounting policies (continued):

(i) Non-financial assets (continued):

(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

Annual amortization is charged for half a year in the year that an asset becomes available for productive use and in the year of disposal.

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

(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.



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

1. Significant accounting policies (continued):

(j) 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 collectability of accounts receivable, estimated useful lives of tangible capital assets and the provision for asset retirement obligations and silviculture obligations, as well as the valuation of Southside land held for sale and inventory. Actual results could differ from these estimates.

(k) 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 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.



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

1. Significant accounting policies (continued):

(l) Financial instruments:

Financial instruments include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities.

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, 2025 and December 31, 2024. As a result, the Village does not have a consolidated statement of remeasurement gains and losses.

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.



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

1. Significant accounting policies (continued):

(m) 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 1(i(i)).

(n) Future accounting pronouncements::

These standards and amendments were not effective for the year ended December 31, 2025, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.

- (i) Concepts Underlying Financial Performance. The revised conceptual framework will replace the existing conceptual framework, which consists of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives. The conceptual framework is to be adopted prospectively. This revised conceptual framework is effective for fiscal years beginning on or after April 1, 2026.
- (ii) PS 1202, Financial Statement Presentation, will replace the current section PS 1201. The Village is currently assessing the impact of this standard on the future consolidated financial statements. Prior period amounts would need to be restated to conform to the presentation requirements for comparative financial information. This standard is effective for fiscal years beginning on or after April 1, 2026.



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

1. Significant accounting policies (continued):

(n) Future accounting pronouncements: (continued):

- (iii) PS 3251, Employee Benefits, will replace the current sections PS 3250 and PS 3255. The proposed section is currently undergoing discussions where further changes are expected as a result of the re-exposure comments. Effective date is currently not determined.

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, 2025 borrowing against the operating line balance is nil (2024 - nil).

3. Accounts receivable:

	2025	2024
Taxes	\$ 108,650	\$ 141,170
Grants	1,620,549	262,694
Miscellaneous	142,221	264,528
	\$ 1,871,420	\$ 668,392



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

4. Accounts payable and accrued liabilities:

	2025	2024
Trade	\$ 1,121,542	\$ 505,740
Government remittances	26,150	-
Wages and related costs	72,598	48,297
	<u>\$ 1,220,290</u>	<u>\$ 554,037</u>

5. Deferred revenue:

	Balance, beginning of year	Contributions received	Contributions brought into revenue	Balance, end of year
Provincial grants	\$ 1,528,511	\$ 6,022,980	\$ (1,986,554)	\$ 5,564,937
Federal grants	-	4,256,054	(4,256,054)	-
Other government agencies	22,500	40,325	(20,950)	41,875
Revenue received in advance	5,254	3,646	(5,254)	3,646
	<u>\$ 1,556,265</u>	<u>\$ 10,323,005</u>	<u>\$ (6,268,812)</u>	<u>\$ 5,610,458</u>



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

6. Silviculture obligation:

	2025	2024
Silviculture obligation, beginning of year	\$ 1,005,471	\$ 1,513,059
Increase in accrual	265,264	-
Actual silviculture costs paid in the year	-	(507,588)
	<u>\$ 1,270,735</u>	<u>\$ 1,005,471</u>

The increase in silviculture is a result of inflationary increases, and additional silviculture activities required for blocks that were impacted by forest fires in the year.

7. 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 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.

	2025	2024
Asset retirement obligation, beginning of year	\$ 922,681	\$ 932,206
Settlements during the year	(58,058)	(9,525)
Asset retirement obligation, end of year	<u>\$ 864,623</u>	<u>\$ 922,681</u>



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

8. Tangible capital assets:

	2025							
	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	3,408,376	1,879,872	9,044,671	6,018,097	6,748,804	3,527,370	5,174,473	35,801,663
Additions	7,395,205	-	85,585	396,666	-	-	-	7,877,456
Transfer	(4,217,002)	-	3,422,173	-	-	159,366	635,463	-
Balance, end of year	6,586,579	1,879,872	12,552,429	6,414,763	6,748,804	3,686,736	5,809,936	43,679,119
Accumulated amortization:								
Balance, beginning of year	-	-	2,463,955	3,549,797	2,393,553	1,505,971	2,779,253	12,692,529
Disposal	-	-	-	-	-	-	-	-
Amortization expense	-	-	216,921	255,027	210,530	89,315	112,640	884,433
Balance, end of year	-	-	2,680,876	3,804,824	2,604,083	1,595,286	2,891,893	13,576,962
Net book value, end of year	\$ 6,586,579	\$ 1,879,872	\$ 9,871,553	\$ 2,609,939	\$ 4,144,721	\$ 2,091,450	\$ 2,918,043	\$ 30,102,157

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.



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

8. Tangible capital assets (continued):

	2024								
	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	\$ 4,355,556	\$ 1,873,044	\$ 4,929,355	\$ 5,474,708	\$ 6,682,749	\$ 3,518,088	\$ 4,658,049	\$	\$ 31,491,549
Additions	3,676,331	6,828	17,511	721,438	66,055	-	-		4,488,163
Disposal	-	-	-	(178,049)	-	-	-		(178,049)
Transfer	(4,623,511)	-	4,097,805	-	-	9,282	516,424		-
Balance, end of year	3,408,376	1,879,872	9,044,671	6,018,097	6,748,804	3,527,370	5,174,473		35,801,663
Accumulated amortization:									
Balance, beginning of year	-	-	2,321,742	3,490,203	2,179,751	1,421,763	2,687,795		12,101,254
Disposal	-	-	-	(178,049)	-	-	-		(178,049)
Amortization expense	-	-	142,213	237,643	213,802	84,208	91,458		769,324
Balance, end of year	-	-	2,463,955	3,549,797	2,393,553	1,505,971	2,779,253		12,692,529
Net book value, end of year	\$ 3,408,376	\$ 1,879,872	\$ 6,580,716	\$ 2,468,300	\$ 4,355,251	\$ 2,021,399	\$ 2,395,220	\$	\$ 23,109,134

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.



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

9. Accumulated surplus:

	2025	2024
Surplus (deficit):		
Invested in tangible capital assets	\$ 29,237,534	\$ 22,186,453
General fund	3,903,338	3,484,676
Water utility fund	659,838	1,061,843
Waste water utility fund	146,540	(92,007)
	<u>33,947,250</u>	<u>26,640,965</u>
Reserves set aside by Council:		
Search and rescue	261	261
MFA unexpended funds	111,815	108,512
	<u>112,076</u>	<u>108,773</u>
Reserve funds set aside for specific purposes by Council:		
Capital expenditure replacement	2,589,764	2,405,948
Building reserve	237	237
Emergency vehicle and equipment	90,978	63,979
Recreation centre	28,515	26,091
Streets	2,037,713	1,980,481
Sewer reserve	233,810	221,078
Water reserve	744,020	685,674
CWF, Parks and trails and Arena reserve	183,768	245,174
Cemetery development fund	8,267	6,057
Airport reserve	178,882	158,094
Community forest reserve	16,430,458	17,078,863
Climate action reserve	-	107,021
Land acquisition	214,672	149,000
Northwest Regional Funding	388,019	180,167
	<u>23,129,103</u>	<u>23,307,864</u>
	<u>\$ 57,188,429</u>	<u>\$ 50,057,602</u>



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

10. 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 (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2024, the Plan has about 273,000 active members and approximately 133,000 retired members. Active members include approximately 47,000 contributors from local governments.

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

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

The Village paid \$89,583 (2024 - \$74,151) for employer contributions to the plan in fiscal 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 allocating the obligation, assets and cost to the individual employers participating in the plan.



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

10. 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.



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

11. Net taxation revenue:

As disclosed in note 10(c), the Village is required to collect taxes on behalf of and transfer these amounts to the government agencies below:

	2025	2024
General purposes	\$ 2,551,732	\$ 2,319,754
Grants in lieu of taxes	88,488	89,388
Collection for other governments	964,330	935,022
	<u>3,604,550</u>	<u>3,344,164</u>
Ministry of Education, Province of British Columbia	419,343	399,184
Stuart-Nechako Regional Hospital District	267,236	265,329
Regional District of Bulkley-Nechako	191,654	183,404
British Columbia Assessment Authority	20,837	19,766
Municipal Finance Authority	48	45
Royal Canadian Mounted Police	75,059	71,414
	<u>974,177</u>	<u>939,142</u>
	<u>\$ 2,630,373</u>	<u>\$ 2,405,022</u>



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

12. 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:

	2025	2024
Provincial grants:		
Conditional	\$ 1,986,554	\$ 1,414,378
Unconditional	588,711	423,500
	<u>2,575,265</u>	<u>1,837,878</u>
Federal grants:		
Conditional	4,256,054	121,660
Other government agencies:		
Conditional	20,950	-
	<u>\$ 6,852,269</u>	<u>\$ 1,959,538</u>

13. Miscellaneous revenue:

	2025	2024
Emergency services	\$ 44,430	\$ 23,358
Licenses and permits	9,583	7,657
Rental	43,395	35,890
Other	97,696	78,800
	<u>\$ 195,104</u>	<u>\$ 145,705</u>



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

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) Community Forest:

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

(b) 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.

(c) 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.

(d) Protective Services:

Protective services is comprised of emergency management and regulatory services.

(e) 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.



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

14. Segmented information (continued):

(f) 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.

(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.

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.



THE CORPORATION OF THE VILLAGE OF FRASER LAKE
Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

14. Segmented information (continued):

	2025				
	Community Forest	Environmental Development Services	Environmental Health Services	General Government	Protective Services
Revenues:					
Net taxation	\$ -	\$ -	\$ -	\$ 2,630,373	\$ -
User fees	-	-	75,468	-	-
Government transfers	-	-	-	3,840,622	-
Investment income	-	-	-	904,125	-
Other	439	-	5,350	475,310	46,319
Total revenues	439	-	80,818	7,850,430	46,319
Expenses:					
Salaries, wages and employee benefits	-	131,618	38,006	806,924	101,147
Operating	305,214	68,887	-	334,437	153,073
Legislature	-	-	-	107,475	-
Amortization	-	-	-	682,478	-
Insurance	-	-	3,535	122,767	-
Professional services	-	-	-	126,950	-
Garbage disposal	-	-	39,920	-	-
Total expenses	305,214	200,505	81,461	2,181,031	254,220
Annual surplus (deficit)	\$ (304,775)	\$ (200,505)	\$ (643)	\$ 5,669,399	\$ (207,901)



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

14. Segmented information (continued):

	2025 (continued)					Total
	Recreation and Cultural Services	Transportation Services	Waste Water Utility	Water Utility		
Revenues:						
Net taxation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,630,373
User fees	50,505	-	139,660	371,285	-	636,918
Government transfers	-	-	-	3,011,647	-	6,852,269
Investment income	-	-	-	-	-	904,125
Other	-	-	-	-	-	527,418
Total revenues	50,505	-	139,660	3,382,932	-	11,551,103
Expenses:						
Salaries, wages and employee benefits	267,237	91,508	30,578	52,153	-	1,519,171
Operating	315,454	199,439	99,224	140,297	-	1,616,025
Legislature	-	-	-	-	-	107,475
Amortization	-	-	112,640	89,315	-	884,433
Insurance	-	-	-	-	-	126,302
Professional services	-	-	-	-	-	126,950
Garbage disposal	-	-	-	-	-	39,920
Total expenses	582,691	290,947	242,442	281,765	-	4,420,276
Annual (deficit) surplus	\$ (532,186)	\$ (290,947)	\$ (102,782)	\$ 3,101,167	\$ -	\$ 7,130,827



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

14. Segmented information (continued):

	2024				
	Community Forest	Environmental Development Services	Environmental Health Services	General Government	Protective Services
Revenues:					
Net taxation	\$ -	\$ -	\$ -	\$ 2,405,022	\$ -
User fees	-	-	77,632	-	-
Government transfers	-	-	-	1,959,538	-
Investment income	-	-	-	1,517,727	-
Other	203,292	-	-	486,059	24,658
Total revenues	203,292	-	77,632	6,368,346	24,658
Expenses:					
Salaries, wages and employee benefits	-	84,104	39,323	675,927	100,464
Operating	305,670	40,570	-	306,677	275,275
Legislature	-	-	-	110,504	-
Amortization	-	-	-	593,659	-
Insurance	-	-	3,549	109,104	-
Professional services	-	-	-	60,995	-
Garbage disposal	-	-	31,033	-	-
Total expenses	305,670	124,674	73,905	1,856,866	375,739
Annual surplus (deficit)	\$ (102,378)	\$ (124,674)	\$ 3,727	\$ 4,511,480	\$ (351,081)



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

14. Segmented information (continued):

	2024 (continued)					
	Recreation and Cultural Services	Transportation Services	Waste Water Utility	Water Utility		Total
Revenues:						
Net taxation	\$ -	\$ -	\$ -	\$ -		\$ 2,405,022
User fees	42,556	-	143,751	370,709		634,648
Government transfers	-	-	-	-		1,959,538
Investment income	-	-	-	-		1,517,727
Other	-	-	-	-		714,009
Total revenues	42,556	-	143,751	370,709		7,230,944
Expenses:						
Salaries, wages and employee benefits	224,095	84,191	48,873	44,123		1,301,100
Operating	271,150	189,746	112,872	142,222		1,644,182
Legislature	-	-	-	-		110,504
Amortization	-	-	91,458	84,207		769,324
Insurance	-	-	-	-		112,653
Professional services	-	-	-	-		60,995
Garbage disposal	-	-	-	-		31,033
Total expenses	495,245	273,937	253,203	270,552		4,029,791
Annual (deficit) surplus	\$ (452,689)	\$ (273,937)	\$ (109,452)	\$ 100,157		\$ 3,201,153



THE CORPORATION OF THE VILLAGE OF FRASER LAKE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2025, with comparative information for 2024

15. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2025 operating and capital budgets approved by Council on April 23, 2025. 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	\$ 23,920,864
Less:	
Collections for other governments	(946,402)
Transfer from reserves	(9,343,305)
	<u>13,631,157</u>
Expenses:	
Operating budget	23,920,864
Less:	
Payments to other governments	(946,402)
Capital expenditures	(3,361,491)
	<u>19,612,971</u>
	<u>\$ (5,981,814)</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.