

**VILLAGE OF TELKWA**

**Financial Statements**

**December 31, 2022**

**VILLAGE OF TELKWA**

**Financial Statements**

**December 31, 2022**

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EDMISON MEHR  
CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Councillors of  
Village of Telkwa  
Telkwa, BC

Opinion

We have audited the accompanying consolidated financial statements of the Village of Telkwa, which comprise the Consolidated Statement of Financial Position as at December 31, 2022, and the Consolidated Statements of Operations and Accumulated Surplus, Cash Flows, and Changes in Net Financial Assets for the year then ended, and a summary of significant accounting policies and other explanatory information. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Village of Telkwa as at December 31, 2022, and its financial performance, its changes in its net debt, and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Village of Telkwa in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The current year's supplementary information, including Schedules A to I has been presented for the purposes of additional analysis. The supplementary information presented in Schedules E to I has been subjected to the auditing procedures applied in the financial statements and, in our opinion, this supplementary information is presented fairly, in all material respects, in relation to the financial statements taken as a whole. We do not express an opinion on Schedules E to I because our examination did not extend to the detailed information therein.

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

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Village of Telkwa'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 have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Village of Telkwa's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

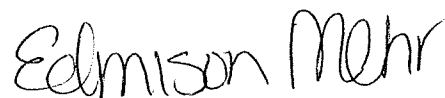
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not 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 errors and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian auditing standards, we exercise professional judgement and maintain professional skepticism through 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 controls.
- 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 purposes of expressing an opinion on the effectiveness of the Village of Telkwa'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 of Telkwa'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 of Telkwa to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Smithers, BC  
April 25, 2023




Edmison Mehr

**VILLAGE OF TELKWA**  
**Consolidated Statement of Financial Position**  
**December 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>FINANCIAL ASSETS</b>		
Cash and Cash Equivalents, note 2	\$ 574,311	388,917
Investments, note 2	5,674,186	6,046,716
Taxes Receivable, note 3	105,838	104,542
Accounts Receivable, note 4	595,696	504,850
Due from Federal Government - GST	50,109	78,309
Investment in Wetzin'Kwa Management Services Ltd., note 14	1	1
	<u>7,000,141</u>	<u>7,123,335</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Liabilities, note 5	317,247	336,478
Deferred Revenue, note 6	694,469	891,785
MFA Short Term Borrowing, note 7	45,894	58,170
MFA Short Term Borrowing - fire truck , note 8	181,384	-
	<u>1,238,994</u>	<u>1,286,433</u>
Contingent Liabilities, note 12		
<b>NET FINANCIAL ASSETS</b>	<u>5,761,147</u>	<u>5,836,902</u>
<b>NON FINANCIAL ASSETS</b>		
Inventory, note 9	6,800	8,000
Prepaid expenses	40,995	27,275
Tangible Capital Assets (Schedule A), note 10	19,777,446	18,480,152
	<u>19,825,241</u>	<u>18,515,427</u>
<b>ACCUMULATED SURPLUS, note 11</b>	<u>\$ 25,586,388</u>	<u>24,352,329</u>

  
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 Mayor

  
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 Corporate Officer

**VILLAGE OF TELKWA****Consolidated Statement of Operations and Accumulated Surplus  
For the Year Ended December 31, 2022**

	2022 <u>Actual</u>	2022 <u>Budget</u>	2021 <u>Actual</u>
<b>REVENUE</b>			
Taxation (Schedule C)	\$ 989,276	987,401	925,904
Service charges/user fees (Schedule C)	835,466	806,017	753,026
Unconditional transfers - Province of BC	583,000	466,137	466,000
Conditional transfers - Federal Government	178,193	178,193	-
Conditional transfers - Provincial Government	1,224,137	1,573,179	1,774,530
Conditional transfers - Regional District	186,358	143,845	154,974
Grants - other	33,983	42,500	36,562
Other income (Schedule C)	9,100	11,000	5,000
Investment interest	95,855	-	38,639
Wetzin'Kwa Community Forest grant	50,000	30,000	50,000
Community Building Fund agreement, note 13	59,106	571,233	185,419
	<u>4,244,474</u>	<u>4,809,505</u>	<u>4,390,054</u>
<b>EXPENDITURES</b>			
General Government Services	846,611	994,123	844,943
Protective Services	296,420	371,809	322,712
Transportation Services	526,673	607,417	610,632
Environmental Health	213,008	125,738	39,024
Development	115,807	213,861	143,929
Recreation and Cultural Services	180,693	196,438	149,203
Utility Services (Water, Sewer)	831,203	845,315	751,852
	<u>3,010,415</u>	<u>3,354,701</u>	<u>2,862,295</u>
<b>ANNUAL SURPLUS</b>	<u>1,234,059</u>	<u>1,454,804</u>	<u>1,527,759</u>
<b>Accumulated Surplus Balances, beginning of year</b>	<u>24,352,329</u>	<u>24,352,329</u>	<u>22,824,570</u>
<b>Accumulated Surplus Balances, end of year</b>	<u>\$ 25,586,388</u>	<u>25,807,133</u>	<u>24,352,329</u>

**VILLAGE OF TELKWA**  
**Consolidated Statement of Cash Flows**  
**December 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>Cash provided by (used for):</b>		
<b>OPERATIONS</b>		
Annual Surplus	\$ 1,234,059	1,527,759
Non Cash Items included in annual surplus		
Amortization	693,601	622,155
Changes in Non-Cash Operating Items		
(Increase) in taxes receivable	(1,296)	(67,716)
(Increase) decrease in accounts receivable	(90,846)	88,012
Decrease (increase) in due from Federal Government - GST	28,200	(17,008)
(Decrease) in accounts payable	(19,231)	(572,412)
(Decrease) increase in deferred revenue	(197,316)	49,481
Decrease (increase) in inventory	1,200	(307)
(Increase) in prepaid expenses	(13,720)	(2,238)
	<u>1,634,651</u>	<u>1,627,726</u>
<b>CAPITAL</b>		
Acquisition of tangible capital assets	<u>(1,990,895)</u>	<u>(2,764,936)</u>
<b>INVESTING</b>		
	<u>-</u>	<u>-</u>
<b>FINANCING</b>		
Proceeds from MFA equipment loan	202,000	65,670
MFA equipment loans principle repayments	<u>(32,892)</u>	<u>(7,500)</u>
	<u>169,108</u>	<u>58,170</u>
Decrease in Cash and Investments	(187,136)	(1,079,040)
Cash and Investments, Beginning of Year	<u>6,435,633</u>	<u>7,514,673</u>
Cash and Investments, End of Year	<u>\$ 6,248,497</u>	<u>6,435,633</u>
Cash and Investments is composed of:		
Cash and cash equivalents	\$ 574,311	388,917
Investments	5,674,186	6,046,716
	<u>\$ 6,248,497</u>	<u>6,435,633</u>
Additional Information		
Debt Interest Payments	<u>\$ 4,918</u>	<u>344</u>

**VILLAGE OF TELKWA**  
**Consolidated Statement of Changes in Net Financial Assets**  
**For the Year Ended December 31, 2022**

	<u>2022</u>	<u>2022</u>	<u>2021</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
<b>Annual Income (Deficit)</b>	\$ 1,234,059	1,454,804	1,527,759
Acquisition of tangible capital assets	(1,990,895)	(3,469,951)	(2,764,936)
Amortization of tangible capital assets	693,601	550,000	622,155
(Gain) loss on disposal of tangible capital assets	-	-	-
Proceeds on sale of tangible capital assets	-	-	-
	<u>(63,235)</u>	<u>(1,465,147)</u>	<u>(615,022)</u>
Net change in prepaid expenses	(13,720)	-	(2,238)
Net change in inventory of supplies	1,200	-	(307)
	<u>(12,520)</u>	<u>-</u>	<u>(2,545)</u>
<b>Change in Net Financial Assets (Net Debt)</b>	<b>(75,755)</b>	<b>(1,465,147)</b>	<b>(617,567)</b>
<b>Net Financial Assets, beginning of year</b>	<b>5,836,902</b>	<b>5,836,902</b>	<b>6,454,469</b>
<b>Net Financial Assets, end of year</b>	<b>\$ 5,761,147</b>	<b>4,371,755</b>	<b>5,836,902</b>



**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2022**

**GENERAL**

The Village of Telkwa was incorporated as a municipality in 1952 under the Municipal Act, a Statute of the Province of British Columbia. The principal activities of the Village include the provision of local government services to the residents of the incorporated area. These services include administrative, protective, transportation, recreation, economic development, water, sewer, and fiscal services.

**1. SIGNIFICANT ACCOUNTING POLICIES:**

The consolidated financial statements of the Village of Telkwa are prepared in accordance with Canadian Sector Accounting Standards (PSAS) as prescribed by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants.

**(a) Principals of consolidation:**

The consolidated financial statements reflect the combined results and activities of the Village of Telkwa. The statements exclude trust assets that are administered by the Village for the benefit of external parties. Interfund transactions have been eliminated on consolidation.

**(b) Fund accounting:**

The resources and operations of the Village have been segregated for accounting and financial reporting purposes into the following funds.

Operating Funds: Operating funds report the General, Water, and Sewer operations

Capital Funds: Capital funds report the acquisition and disposal of property and equipment and their related financing.

Statutory Reserve Funds: Statutory Reserve funds report the assets held for specific future requirements, which are subject to special restrictions.

**(c) Cash and Cash Equivalents**

Cash consists of cash and cash equivalents that are defined as highly liquid investments of three months or less at the acquisition date.

**(d) Investments**

Investments are held at the Municipal Finance Authority of British Columbia in a money market fund, and in bank term deposits and high savings accounts. Cost approximates fair market for these investments.

**(e) Inventory**

Inventory is composed of supply inventories. Inventory is valued using the average cost method and is valued at the lower of average cost and net realizable value.

**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES (CON'T)**

**(f) Tangible Capital assets:**

Tangible Capital Assets, comprised of capital assets and capital work in progress, are recorded at cost, net of capital asset disposals, write-downs and accumulated amortization. Tangible capital assets are classified according to their function use. Amortization is recorded on a straight line basis over the estimated useful life of the asset commencing the year the asset is put into service. Donated tangible capital assets are reported at fair market value at the time of donation. Estimated useful lives are as follows:

<b>Major Asset Category</b>	<b>Useful Life Range</b>
Land	Unlimited
Buildings	15 to 50 years
Machinery & Equipment, Vehicles	5 to 20 years
Office Equipment and Computers	5 to 10 years
Engineering Structures (Roads, Streets, Parks)	10 to 75 years
Utility Systems (Water, Sewer, Storm)	20 to 100 years
Work in progress	Not amortized until complete

**(g) Financial Instruments**

**Measurement of financial instruments**

The Village initially measures its financial assets and financial liabilities at fair value.

The Village subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents, taxes receivable, accounts receivable, GST receivable, and investment in Community Forest.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, deferred revenue, and MFA equipment loan.

**Impairment**

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

**Transaction costs**

The Village recognizes its transaction costs in net income in the period incurred. However, the carrying amount of the financial instruments that will not be subsequently measured at fair value is reflected in the transaction costs that are directly attributable to their origination, issuance, or assumption.

**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES . . . (CON'T):**

**(h) Accounts Payable and accrued liabilities**

Accrued payroll benefits include an estimated value for accrued sick pay that could be paid out over the next few years to employees, in accordance with the provisions of the CUPE Union agreement.

**(i) Revenue Recognition:**

The Village of Telkwa follows the restricted contribution method for recording revenues. Restricted contributions related to general operations are recognized as revenue in the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Taxation revenue is recognized at the time of issuing the property tax notices for the fiscal year. Sale of services and user fee revenues are recognized when the service or product is rendered by the Village.

**(j) Expenditure Recognition:**

Operating and capital expenditures are recognized on the accrual basis in the period when goods or services have been received. Interest expense is accrued on long-term debt to year-end.

**(k) Government Transfers:**

Government transfers are recognized as revenues or expenditures in the period that the events giving rise to the transfer occur. Transfers to other agencies are granted only in return for services provided to the community.

Entitlement transfers are received from the provincial and federal governments according to prescribed legislation and/or regulations. These include the provincial equalization grant and provincial utility debt-sharing payments.

**(l) Use of Estimates:**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements, and the reported revenue and expenditures during the reporting period. Significant areas requiring the use of management estimates relate to the determination of employee benefit plans, allowance for doubtful accounts receivable, provision for contingencies and prior years tangible capital asset historical costs and related amortization. Actual results could differ from management's best estimates as additional information becomes available. Adjustments, if any, will be reflected in the financial statements in the period that the change in estimate is made, as well as in the period of settlement if the amount is different.

**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES . . . (CON'T):**

**(m) Budget Presentation:**

Budget amounts are from the Village's Five Year Financial Plan for the years 2022 - 2026, adopted by Council in May 2022 with minor subsequent reallocations and reclassifications to conform to financial statement presentation (see Note 15)

**(n) Segmented Information**

The Village of Telkwa is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed. The nature of the segments and the activities they encompass are as follows, and quantitative data on these segments can be found in Schedule B.

*General Government:* This segment includes the revenue and expenses associated with Legislative (Council), Administration, Finance, Information Technology and the Municipal Building services. It also included the Election costs (in an election year).

*Protective Services:* This segment includes the revenue and expenses associated with the fire department, bylaw enforcement/animal control and building inspection services.

*Transportation:* This segment includes the revenue and expenses associated with Works Yard costs, vandalism, and all operating costs associated with all Roads and Streets (snow removal, sanding, street lighting, dust control, line marking, sidewalk maintenance, boulevard work, street sweeping and drainage ditches).

*Solid Waste Management/Recycling:* This segment includes the revenue and expenses associated with garbage (solid waste).

*Economic Development:* This segment includes the revenue and expenses associated with Engineering, Planning, Economic Development and Tourism services.

*Recreation and Culture:* This segment includes the revenue and expenses associated with Arenas, Parks, and Playgrounds, Recreation programs and cultural facilities services.

*Utilities:* This segment includes the revenue and expenses associated with providing water, sewer and storm sewer services.

**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES . . . (CON'T):**

**(o) Comparative Figures:**

Certain comparative figures have been reclassified to conform to the presentation adopted for the current year.

**(p) Financial Assets and Liabilities**

The municipality is not subject to significant risk from market, foreign currency, or price rate risk. The significant financial risks to which the Municipality is exposed include the following:

**Credit Risk**

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Municipality to a concentration of credit risk consist primarily of cash, investments and accounts receivable. The Municipality limits its exposure to credit loss by placing its cash with major Canadian financial institutions. The Municipality's maximum exposure to credit risk for cash, investments and accounts receivable are the amounts disclosed in the statement of financial position. Management believes that the credit risk concentration with respect to financial instruments included in cash, investments, and receivables is minimal.

**Fair value**

The Municipality estimates the fair value of its financial instruments based on current interest rates, market value and pricing of financial instruments with comparable terms. Unless otherwise indicated, the carrying value of these financial instruments approximates their fair market value because of the near maturity of those instruments.

**Liquidity Risk**

Liquidity risk is the risk that the Municipality will not be able to meet its financial obligations as they fall due. The Municipality's approach to managing liquidity is to evaluate current and expected liquidity requirements under both normal and stressed conditions to ensure that it maintains sufficient reserves of cash or have an available credit facility to meet its liquidity requirements in the short and long term.

As at December 31, 2022, the Municipality has unrestricted cash of \$574,311 (December 31, 2021 - \$388,917) and unrestricted investments of 1,888,170 (December 31, 2021 - \$2,089,943) to settle current liabilities of \$1,238,994 (December 31, 2021 - \$1,286,433). The Municipality would cover any possible shortfall with receivables and investments.

**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2022**

**1. SIGNIFICANT ACCOUNTING POLICIES . . . (CON'T):**

**(q) Financial Assets and Liabilities**

Interest Rate Risk

The Municipality is exposed to interest rate risk to the extent that the cash and term deposits maintained at the financial institutions is subject to a floating rate of interest. The interest rate risk on cash and term deposits is not considered significant. Fixed-interest instruments subject the municipality to a fair value risk while the floating rate instruments subject it to a cash flow risk.

**2. CASH AND INVESTMENTS**

	<u>2022</u>	<u>2021</u>
Unrestricted cash	\$ 574,311	388,917
Restricted cash, Schedule G	-	-
	<u>574,311</u>	<u>388,917</u>
Investments		
Money Market Fund within the Municipal Finance Authority		
Pooled Investment program 80,586 units @\$10/unit (2021, 79168)	805,865	791,685
BVCU term deposit, interest 1.25%(2021 -.15%), matures Jun 15/23	1,540	1,538
BVCU term deposit, interest 2.0% (2021 -.15%), matures Aug 9/23	1,551	1,548
BVCU term deposit, interest 1.15%, matures July 22, 2024	-	2,039,167
Cannacord - Sunshine Cash GIC 4.25% matures November 23, 2023		
Book value \$2,083,095, accrued interest \$9,217	2,092,312	-
CIBC cash savings account - CUBC - PHISA .8% int Dec 31, 2021	-	3,212,778
CIBC High interest savings 4.3% at December 31, 2022 variable	2,772,918	-
	<u>5,674,186</u>	<u>6,046,716</u>
Composed of:		
Restricted investments backing reserves	3,786,016	3,956,773
Unrestricted investments	1,888,170	2,089,943
	<u>5,674,186</u>	<u>6,046,716</u>
Total cash and investments	<u>\$ 6,248,497</u>	<u>6,435,633</u>

**3. TAXES RECEIVABLE**

	<u>2022</u>	<u>2021</u>
Property taxes receivable - current	\$ 87,407	89,634
Property taxes receivable - arrears	18,431	14,908
Property taxes receivable - delinquent	-	-
	<u>105,838</u>	<u>104,542</u>

**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2022**

**4. ACCOUNTS RECEIVABLE**

	<u>2022</u>	<u>2021</u>
Trade and accrued receivables	\$ 593,045	504,080
Home owner grant receivable	2,651	770
	<u>\$ 595,696</u>	<u>504,850</u>

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	<u>2022</u>	<u>2021</u>
Trade payables and accrued liabilities	\$ 81,377	33,687
Holdbacks payable	53,583	131,873
Payroll payable and accrued payroll benefits	174,941	156,095
Deposit - election	-	300
Deposits - rentals	3,754	4,240
Deposit - facility rentals	2,000	-
Due to other governments	1,592	10,283
	<u>317,247</u>	<u>336,478</u>
Due to statutory trusts	-	-
	<u>\$ 317,247</u>	<u>336,478</u>

**6. DEFERRED REVENUE**

	<u>2022</u>	<u>2021</u>
BC Alliance for Healthy Living Society (trail)	\$ 3,628	3,629
Community Economic Recovery Infrastructure Program Grant	-	6,674
Community Works Grant (formerly gas tax) (Note 13)	608,679	541,502
LGCAP Capital funding	50,000	-
Regional District Bulkley Nechako Business Forum	8,200	-
Round Lake 2023 and 2024 fees	2,712	4,068
Rural Northern Community Grant	-	297,533
Wetzinkwa Fire Department Equipment grant	2,674	-
Prepaid property taxes	18,576	38,379
	<u>\$ 694,469</u>	<u>891,785</u>

**7. MFA SCBA SHORT TERM BORROWING**

	<u>2022</u>	<u>2021</u>
MFA equipment loan, repayable in payments of \$1,121 per month including floating interest at 4.51% (approx prime - 1.81%, prime 5.8%% Dec 31, 2022, due May 31, 2026 and secured by equipment with NBV \$116,944 (SCBA fire equipment)	\$ 45,894	58,170

Repayment schedule	Principle	Interest	Total
2023	\$ 11,445	2,002	13,447
2024	12,012	1,435	13,447
2025	12,623	824	13,447
2026	9,814	201	10,015
	<u>\$ 45,894</u>	<u>4,462</u>	<u>50,356</u>

**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2022**

**8. MFA SHORT TERM BORROWING - FIRE DEPARTMENT TRUCK**

	<u>2022</u>	<u>2021</u>
MFA equipment loan, repayable in payments of \$3,457 per month including floating interest at 4.51% (approx prime - 1.81%, prime 5.8% Dec 31, 2022, due 2027 and secured by and secured by equipment with NBV \$200,000 (fire engine deposit)	\$ 181,384	-

Repayment schedule	Principle	Interest	Total
2023	\$ 33,568	7,919	41,487
2024	35,184	6,303	41,487
2025	36,920	4,567	41,487
2026	38,720	2,767	41,487
2027	36,992	598	37,590
	<u>\$ 181,384</u>	<u>22,154</u>	<u>203,538</u>

**9. INVENTORY**

	<u>2022</u>	<u>2021</u>
Garbage bins	\$ 6,800	8,000

**10. TANGIBLE CAPITAL ASSETS (Schedule A)**

	<u>2022</u>	<u>2021</u>
Land	\$ 259,687	259,687
Buildings	1,415,012	1,400,163
Machinery and equipment, vehicles	575,256	631,604
Office equipment and computers	11,107	12,266
Engineered structures	2,520,270	1,654,075
Utilities	14,418,883	12,383,044
Operations - Work in progress	447,158	701,147
Utilities - Work in progress	130,073	1,438,166
	<u>\$ 19,777,446</u>	<u>18,480,152</u>

Tangible capital assets are recorded net of accumulated amortization at net book value.

**11. ACCUMULATED SURPLUS**

	<u>2022</u>	<u>2021</u>
Operating Funds (Schedule D)	\$ 2,248,204	1,973,574
Capital Funds		
Capital Reserves (Schedule G)	3,786,016	3,956,773
Equity in tangible capital assets (Schedule F)	19,552,168	18,421,982
	<u>\$ 25,586,388</u>	<u>24,352,329</u>

Equity in Tangible Capital Assets represents the net book value of total Tangible Capital Assets less any long-term debt obligations required to obtain those assets.



## VILLAGE OF TELKWA

### Notes to Consolidated Financial Statements

#### For the Year Ended December 31, 2022

#### 12. CONTINGENT LIABILITIES:

**(a) Bulkley Nechako Regional District:**

The Village, as a member of the Bulkley Nechako Regional District, is jointly and severally liable for the net capital liabilities of the Regional District.

**(b) Reciprocal Insurance Exchange Agreement:**

The Village is a subscribed member of the Municipal Insurance Association of British Columbia (The "Exchange") as provided by Section 3.02 of the Insurance Act of the Province of British Columbia. The main purpose of the Exchange is to pool the risks of liability so as to lessen the impact upon any Subscriber. Under the Reciprocal Insurance Exchange Agreements, The Village is assessed a premium and specific deductible for its claims based on population. The obligation of the Village with respect to the Exchange and/or contracts and obligations entered into by the Exchange on behalf of its Subscribers in connection with the Exchange are in every case several, and not joint and several. The Village irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other Subscribers against liability losses and costs which the other Subscriber may suffer.

**(c) Contaminated Sites Accounting**

Effective April 1, 2014, Canadian municipalities are required under PSAB 3260 to account for contaminated site liabilities that exist on municipal owned lands. The District has not identified any significant contaminated site liability on its lands.

**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2022**

**12. CONTINGENT LIABILITIES CONTINUED:**

**(d) Pension liability:**

The Village of Telkwa 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 the assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2021, the plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local government.

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 of December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The Village of Telkwa paid \$63,056 for employer contributions to the Plan in fiscal 2022 (2021 - \$63,056), while employees contributed \$58,212 for employee contributions to the Plan in fiscal 2022 (2021 - \$56,104).

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

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

**(e) Municipal Finance Authority:**

The loan agreements with the Municipal Finance Authority provide that if the Authority does not have sufficient funds to meet payments on its obligations, it shall make payments from the Debt Reserve Fund which is established by a similar Debt Reserve Fund in the Municipality and all other borrowing participants. If the Debt reserve fund is deficient, the Authority's obligations become a liability of the Regional District and may become a liability of the participating municipalities.

**VILLAGE OF TELKWA**

**Notes to Consolidated Financial Statements**

**For the Year Ended December 31, 2022**

**13. COMMUNITY BUILDING FUND (PREVIOUSLY GAS TAX AGREEMENT)**

The Government of Canada provides the Community Building Fund grant. The use of funding is established by a funding agreement between the local government and the Union of British Columbia Municipalities. The funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreement.

	<u>2022</u>	<u>2021</u>
Balance carried forward	\$ 541,502	495,664
Funding received	116,284	227,292
Interest earned	9,998	3,965
	<u>126,282</u>	<u>231,257</u>
Gas Tax Spent:		
Morris Reservoir work in progress	(27,598)	(121,901)
Roads	-	(63,518)
Structural flood mitigation	(31,507)	-
	<u>(59,105)</u>	<u>(185,419)</u>
Balance in deferred revenue	<u>\$ 608,679</u>	<u>541,502</u>

**14. INVESTMENT IN WETZIN'KWA MANAGEMENT SERVICES LTD.**

Pursuant to Section 185 of the Community Charter, the Village of Telkwa and the Town of Smithers were given approval by the BC Inspector of Municipalities in 2007 to form two corporations: Wetzin'Kwa Management Services Ltd. and Wetzin'Kwa Community Forest Corporation. The sole shareholders of Wetzin'Kwa Management Services Ltd. are the Village of Telkwa and the Town of Smithers, at 100 shares valued at \$1. Wetzin'Kwa Management Services Ltd. is the sole shareholder to the Wetzin'Kwa Community Forest Corporation. The Village of Telkwa's investment of \$1 is recorded at cost.

**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2022**

**15. TRUST FUNDS**

The Village administers the following funds with these changes in fund balances.

	<u>Park</u>	<u>Cemetery</u>			<u>Total</u>	<u>Total</u>
	<u>Revenue</u>	<u>Trust</u>	<u>DCC</u>	<u>Tax Sale</u>	<u>2022</u>	<u>2021</u>
Trust Funds						
beginning of year	\$ 23,563	67,862	76,531	-	167,956	165,827
Source of Funds						
Cemetery Plots	-	1,512	-	-	1,512	313
Interest	393	1,210	1,281	-	2,884	1,816
	<u>393</u>	<u>1,210</u>	<u>1,281</u>	<u>-</u>	<u>2,884</u>	<u>1,816</u>
Balance, end of year	\$ <u>23,956</u>	<u>70,584</u>	<u>77,812</u>	<u>-</u>	<u>172,352</u>	<u>167,956</u>
Balance Represented by						
Due from general	\$ -	-	-	-	-	-
MFA Deposits	23,956	70,584	77,812	-	172,352	167,956
	<u>23,956</u>	<u>70,584</u>	<u>77,812</u>	<u>-</u>	<u>172,352</u>	<u>167,956</u>

**VILLAGE OF TELKWA**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2022**

**16. COMPLIANCE WITH LEGISLATIVE FINANCIAL PLAN REQUIREMENTS**

The legislative requirements for the Financial Plan are that cash inflows for the period must equal cash outflows.

Cash inflows and outflows include such items as: debt proceeds, transfers to and from reserves and surplus, debt principal repayment and asset sale proceeds. These items are not recognized as revenues and expenses in the Consolidated Statement of Operations as they do not meet the public sector accounting standard requirements. The legislation does not require (but does not preclude) the funding of non-cash items such as amortization or liability accruals to provide for future cash requirements, thus, there is no legislative requirement to include these items in the Financial Plan. However, these items are recognized as expenses in the Statement of Operations.

Thus, the financial items included in the legislative Financial Plan and the Public Sector Accounting Statement of Operations are different. The purpose of this note is to explain the difference between these two requirements and demonstrate how the legislative requirement for a balanced budget, or Financial Plan net balance of "0", has been met.

	2022 <u>Budget</u>	2022 <u>Actual</u>	2021 <u>Actual</u>
Consolidated Accumulated Surplus - Statement of Operations	\$ 1,454,804	1,234,059	1,527,759
Adjustments to non-cash items:			
Amortization expense	550,000	693,601	622,155
Adjustments for cash items, not recognized as revenues Or expenses in the Statement of Operations:			
Tangible Capital Asset costs	(3,469,951)	(1,990,895)	(2,764,936)
Proceeds from borrowing	202,000	202,000	65,670
Debt principle repayments	(38,442)	(32,892)	(7,500)
Net transfers from reserves	1,102,213	(398,306)	(830,716)
Net transfer to reserves	(252,572)	131,694	175,948
Net transfer to capital funds	-	352,011	834,888
Net transfers (from) to operating surplus	<u>451,948</u>	<u>(191,272)</u>	<u>376,732</u>
Balanced Financial Plan/Operations	<u>\$ -</u>	<u>-</u>	<u>-</u>

## 17. FUTURE ACCOUNTING CHANGES

### PS 3280 Asset retirement obligations

This section revises and replaces the existing Section PS 3270 Solid Waste Landfill Closure and Post-Closure Liability. This section applies to fiscal years beginning on or after April 1, 2022, with early adoption permitted.

### PS 3160 Public private partnerships

This section establishes standards on how to account for and report public private partnerships. This section applies to fiscal years beginning on or after April 1, 2023, with early adoption permitted.

### PS 3400 Revenues

This section establishes standards on how to account for and report on revenue. This section applies to fiscal years beginning on or after April 1, 2023, with early adoption permitted.

### PS 3450 Financial instruments

This section establishes standards for recognizing and measuring financial assets, financial liabilities and non-financial derivatives. This section applies to fiscal years beginning on or after April 1, 2022, with early adoption permitted. Adoption of this standard requires corresponding adoption of PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation and PS 3041 Portfolio Investments in the same fiscal period.

#### PS 1201 Financial Statement Presentation

This section revises the general reporting principles and standards for disclosure of information in the financial statements. This section applies to fiscal years beginning on or after April 1, 2022, with early adoption permitted.

#### PS 2601 Foreign Currency Translation

This section revises and replaces the existing Section PS 2600 Foreign Currency Translation. This section applies to fiscal years beginning on or after April 1, 2022, with early adoption permitted.

#### PS 3401 Portfolio investments

This section revises and replaces the existing Section PS 3040 Portfolio investments. This section applies to fiscal years beginning on or after April 1, 2022, with early adoption permitted.

### Purchased Intangibles, PSG -8

This public sector guideline establishes standards on how to account for and report on purchased intangibles. This public sector guideline applies to fiscal years beginning on or after April 1, 2023, with early adoption permitted.

**VILLAGE OF TELKWA**

**Schedule of Changes in Tangible Capital Assets and Accumulated Amortization**

**For the year ended December 31, 2022**

	Land	Buildings	Machinery & Equipment	Engineered Structures	Utilities	Office Equipment	Work in Progress	2022 Total	2021 Total
<b>TANGIBLE CAPITAL ASSETS - COST</b>									
Opening Balance	\$ 259,687	2,022,876	1,810,339	4,466,526	19,593,930	159,118	2,139,313	30,451,789	27,709,507
Add: Additions	-	40,894	42,859	276,175	1,053,736	-	577,231	1,990,895	2,764,936
Add: Donated Assets	-	-	-	-	-	-	-	-	-
Less: Disposals	-	-	-	-	-	-	-	-	22,654
Add: Asset Reallocations	-	-	-	-	-	-	-	-	-
Add: Work in progress	-	13,698	-	687,449	1,438,166	-	(2,139,313)	-	-
Closing Balance	259,687	2,077,468	1,853,198	5,430,150	22,085,832	159,118	577,231	32,442,684	30,451,789

**ACCUMULATED AMORTIZATION**

Opening Balance	-	622,713	1,178,735	2,812,451	7,210,886	146,852	-	11,971,637	11,372,136
Add: Amortization	-	39,743	99,207	97,429	456,063	1,159	-	693,601	622,155
Add: Amortization Reallocation	-	-	-	-	-	-	-	-	-
Less: Accumulated Amortization on disposals	-	-	-	-	-	-	-	-	22,654
Closing Balance	-	662,456	1,277,942	2,909,880	7,666,949	148,011	-	12,665,238	11,971,637

**Net Book Value for year ended December 31, 2022**

\$ 259,687	1,415,012	575,256	2,520,270	14,418,883	11,107	577,231	19,777,446
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**Net Book Value for year ended December 31, 2021**

\$ 259,687	1,400,163	631,604	1,654,075	12,383,044	12,266	2,139,313	18,480,152
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**SCHEDULE B**

**VILLAGE OF TELKWA**  
**Statement of Operations by Segment**  
**For the Year Ended December 31, 2022**

	General Government	Protective Services	Solid Waste Management/ Recycling	Transportation & Transit	Recreation & Culture	Development	Utilities (water/sewer/storm)	Capital Funds	Capital Reserve Funds	2022 Total Operations	2022 Budget	2021 Total Operations
<b>REVENUE</b>												
Taxation, Sch. C	\$ 806,773	152,197	-	18,806	-	-	11,500	-	-	989,276	987,401	925,904
Service Charges/User Fees, Sch. C	115,199	20,898	113,782	1,680	14,130	31,438	538,339	-	-	835,466	806,017	753,026
Government Transfers/Grants	634,083	132,048	3,000	18,966	-	54,904	-	1,471,776	-	2,314,777	3,005,087	2,667,485
Other income, Schedule C	4,100	-	-	5,000	-	-	-	-	-	9,100	11,000	5,000
Interest	-	-	-	-	-	-	-	-	95,855	95,855	-	38,639
Total operating revenue	1,560,155	305,143	116,782	44,452	14,130	86,342	549,839	1,471,776	95,855	4,244,474	4,809,505	4,590,054
<b>EXPENDITURES</b>												
Advertising and Promotion	7,991	-	-	-	-	-	-	-	-	7,991	12,000	14,749
Amortization	16,414	76,099	15,832	96,737	29,060	3,397	456,062	-	-	693,601	550,000	622,155
Bad debts	806	-	-	-	-	-	-	-	-	806	-	988
Covid 19 Safe Restart	55,110	-	-	-	-	-	-	-	-	55,110	67,757	36,636
Election	13,398	-	-	-	-	-	-	-	-	13,398	16,000	10,348
Professional and Contracted Services	50,118	9,661	46,879	45,762	-	56,212	-	-	-	208,632	251,150	188,649
Council Remuneration/Travel	74,557	-	-	-	-	-	-	-	-	74,557	65,913	54,111
Grants to Organizations/Fees Waivers	22,303	2,606	-	-	-	-	-	-	-	24,909	24,200	30,538
Insurance, dues and subscriptions	31,763	8,035	3,141	12,908	8,487	-	9,270	-	-	73,604	64,055	67,417
Materials and Supplies	59,268	40,787	31,788	145,523	42,489	-	37,887	-	-	357,742	495,602	338,045
Miscellaneous and special projects	10,964	46,790	3,000	8,449	832	56,198	95,504	-	-	221,737	360,670	167,146
Travel, Training, Memberships	24,126	10,630	-	17,457	-	-	-	-	-	52,213	65,616	26,961
Utilities (Telephone, Hydro and Gas)	19,708	17,267	15,200	6,062	7,080	-	58,040	-	-	123,357	142,782	159,444
Wages and Employee Benefits	459,323	79,627	97,168	193,775	92,745	-	174,440	-	-	1,097,078	1,233,864	1,144,764
Interest	762	4,918	-	-	-	-	-	-	-	5,680	5,092	344
Total operating expenditures	\$ 846,611	296,420	213,008	526,673	180,693	115,807	831,203	-	-	3,010,415	3,354,701	2,862,295
<b>REVENUE OVER EXPENDITURES/ (EXPENDITURES OVER REVENUE)</b>	\$ 713,544	8,723	(96,226)	(482,221)	(166,563)	(29,465)	(281,364)	1,471,776	95,855	1,234,059	1,454,804	1,527,759



**VILLAGE OF TELKWA**  
**Schedule of Taxation, Service Charges and User Fees**  
**For the year ended December 31, 2022**

**SCHEDULE C**

<u>Budget</u>		<u>2022</u>	<u>2021</u>
	Revenue		
	<u>Taxation</u>		
936,529	Taxation - Property	\$ 936,531	875,260
39,212	Grants in Lieu of taxes	41,245	39,104
11,660	Water parcel tax	11,500	11,540
<hr/>		<hr/>	<hr/>
987,401		989,276	925,904
	Collections for other governments		
450,000	School tax levy	472,989	449,603
235,000	Regional District	263,627	232,471
110,000	Regional Hospital District	122,617	108,291
40	Municipal Finance Authority	47	38
8,400	BC Assessment Authority	8,872	8,318
64,000	Policing	67,537	64,105
<hr/>		<hr/>	<hr/>
867,440		935,689	862,826
	Transmission of Tax Levied		
<hr/>	Other governments	<hr/>	<hr/>
(867,440)		(935,689)	(862,826)
<hr/>		<hr/>	<hr/>
987,401		989,276	925,904
	<u>Service charges/user fees</u>		
	Sales of Services		
64,500	Garbage collection and disposal	63,985	63,483
9,100	Cemetery - burials	13,003	5,656
298,145	Water user fees, net of discounts	301,519	294,230
2,962	Water connections and internal	1,087	1,062
232,419	Sewer user fees, net of discounts	234,564	233,510
5,000	Sewer connections and internal	1,169	100
<hr/>		<hr/>	<hr/>
612,126		615,327	598,041
	Other Revenue from own sources		
500	Garbage bins	1,448	2,561
20,500	Heating revenue	18,640	14,869
27,500	Interest and penalties	65,500	25,917
27,125	Licenses and permits	17,185	38,485
34,100	Recycle program	29,709	13,655
37,965	Rentals	46,493	34,462
57,201	Other	50,264	25,036
<hr/>		<hr/>	<hr/>
204,891		229,239	154,985
<hr/>		<hr/>	<hr/>
817,017		\$ 844,566	753,026

**VILLAGE OF TELKWA**  
**Statement of Financial Position - by Fund**  
**December 31, 2022**

**SCHEDULE D**

	General Operating Fund	Water Operating Fund	Sewer Operating Fund	Total Operating Funds	General Capital Fund	Water Capital Fund	Sewer Capital Fund	Total Capital Funds	Capital Reserve Fund	Consolidating adjustments	Consolidated 2022	Consolidated 2021
<b>FINANCIAL ASSETS</b>												
Cash and cash equivalents, note 2	\$ 574,311	-	-	574,311	-	-	-	-	-	-	574,311	388,917
Investments, note 2	5,674,186	-	-	5,674,186	-	-	-	-	-	-	5,674,186	6,046,716
Taxes Receivable, note 3	105,838	-	-	105,838	-	-	-	-	-	-	105,838	104,542
Accounts Receivable, note 4	595,696	-	-	595,696	-	-	-	-	-	-	595,696	504,850
Due from Federal Government - GST	50,109	-	-	50,109	-	-	-	-	-	-	50,109	78,309
Investment in Wezlin'kwa Management Services Ltd., Note 14	1	-	-	1	-	-	-	-	-	-	1	1
Due from Own Funds	-	232,261	826,730	1,058,991	2,000	-	-	2,000	3,786,016	(4,847,007)	-	-
	7,000,141	232,261	826,730	8,059,132	2,000	-	-	2,000	3,786,016	(4,847,007)	7,000,141	7,123,335
<b>LIABILITIES</b>												
Accounts Payable and Accrued Liabilities, note 5	317,247	-	-	317,247	-	-	-	-	-	-	317,247	336,478
Due to Own Funds	4,847,007	-	-	4,847,007	-	-	-	-	-	(4,847,007)	-	-
Deferred Revenue, note 6	694,469	-	-	694,469	-	-	-	-	-	-	694,469	891,785
MFA Short term borrowing, note 7	-	-	-	-	45,894	-	-	45,894	-	-	45,894	58,170
MFA Short term borrowing - fire truck, note 8	-	-	-	-	181,384	-	-	181,384	-	-	181,384	-
	5,858,723	-	-	5,858,723	227,278	-	-	227,278	-	(4,847,007)	1,238,994	1,286,433
<b>NET FINANCIAL ASSETS</b>	1,141,418	232,261	826,730	2,200,409	(225,278)	-	-	(225,278)	3,786,016	-	5,761,147	5,836,902
<b>NON FINANCIAL ASSETS</b>												
Inventory, note 9	6,800	-	-	6,800	-	-	-	-	-	-	6,800	8,000
Prepaid expenses	40,995	-	-	40,995	-	-	-	-	-	-	40,995	27,275
Tangible Capital Assets (Schedule A), note 10	-	-	-	-	5,228,489	9,601,452	4,947,505	19,777,446	-	-	19,777,446	18,480,152
<b>ACCUMULATED SURPLUS</b>	\$ 1,189,213	232,261	826,730	2,248,204	5,003,211	9,601,452	4,947,505	19,552,168	3,786,016	-	25,586,388	24,352,329

**SCHEDULE E**

**VILLAGE OF TELKWA**  
**Statement of Operations - by Fund**  
**For the Year Ended December 31, 2022**

	General Operating Fund	Water Operating Fund	Sewer Operating Fund	Total Operating Funds	General Capital Fund	Water Capital Fund	Sewer Capital Fund	Total Capital Funds	Capital Reserve Funds	Consolidated 2022	Consolidated 2021
<b>REVENUE</b>											
Taxation (Schedule C)	\$ 977,776	11,500	-	989,276	-	-	-	-	-	989,276	925,904
Service charges/user fees (Schedule C)	297,127	302,606	235,733	835,466	-	-	-	-	-	835,466	753,026
Unconditional transfers - Province of BC	583,000	-	-	583,000	-	-	-	-	-	583,000	466,000
Conditional transfers - Federal Government	-	-	-	-	178,193	-	-	178,193	-	178,193	-
Conditional transfers - Provincial Government	69,952	-	-	69,952	141,051	-	1,013,134	1,154,185	-	1,224,137	1,774,530
Conditional transfers - Regional District	118,858	-	-	118,858	67,500	-	-	67,500	-	186,358	154,974
Grants - other	21,191	-	-	21,191	12,792	-	-	12,792	-	33,983	36,562
Other income, Schedule C	9,100	-	-	9,100	-	-	-	-	-	9,100	5,000
Investment interest	-	-	-	-	-	-	-	-	95,855	95,855	38,639
Wetzin/Kwa Community Forest Corporation grant	50,000	-	-	50,000	-	-	-	-	-	50,000	50,000
Community Building Fund agreement, note 13	-	-	-	-	31,507	27,599	-	59,106	-	59,106	185,419
	<b>2,127,004</b>	<b>314,106</b>	<b>235,733</b>	<b>2,676,843</b>	<b>431,043</b>	<b>27,599</b>	<b>1,013,134</b>	<b>1,471,776</b>	<b>95,855</b>	<b>4,244,474</b>	<b>4,390,054</b>
<b>EXPENSES (Schedule B)</b>											
General Government Services	830,197	-	-	830,197	16,414	-	-	16,414	-	846,611	844,943
Protective Services	220,321	-	-	220,321	76,099	-	-	76,099	-	296,420	322,712
Transportation Services	429,936	-	-	429,936	96,737	-	-	96,737	-	526,673	610,632
Environmental Health	197,176	-	-	197,176	15,832	-	-	15,832	-	213,008	39,024
Economic Development	112,410	-	-	112,410	3,397	-	-	3,397	-	115,807	143,929
Recreation and Cultural Services	151,633	-	-	151,633	29,060	-	-	29,060	-	180,693	149,203
Utility Services (Water, Sewer)	-	264,804	110,337	375,141	-	284,204	171,858	456,062	-	831,203	751,852
	<b>1,941,673</b>	<b>264,804</b>	<b>110,337</b>	<b>2,316,814</b>	<b>237,539</b>	<b>284,204</b>	<b>171,858</b>	<b>693,601</b>	<b>-</b>	<b>3,010,415</b>	<b>2,862,295</b>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<b>185,331</b>	<b>49,302</b>	<b>125,396</b>	<b>360,029</b>	<b>193,504</b>	<b>(256,605)</b>	<b>841,276</b>	<b>778,175</b>	<b>95,855</b>	<b>1,234,059</b>	<b>1,527,759</b>
<b>INTERFUND TRANSFERS</b>											
Transfer (to) from Capital Funds	(103,721)	(9,750)	(49,173)	(162,644)	208,935	90,651	52,425	352,011	(189,367)	-	-
Transfer (to) from Operating Funds	208,939	-	-	208,939	-	-	-	-	(208,939)	-	-
Transfer (to) from Reserve Funds, Schedule G	(123,521)	(8,173)	-	(131,694)	-	-	-	-	131,694	-	-
	<b>(18,303)</b>	<b>(17,923)</b>	<b>(49,173)</b>	<b>(85,399)</b>	<b>208,935</b>	<b>90,651</b>	<b>52,425</b>	<b>352,011</b>	<b>(266,612)</b>	<b>-</b>	<b>-</b>
<b>Change in accumulated Surplus Balances</b>	<b>167,028</b>	<b>31,379</b>	<b>76,223</b>	<b>274,630</b>	<b>402,439</b>	<b>(165,954)</b>	<b>893,701</b>	<b>1,130,186</b>	<b>(170,757)</b>	<b>1,234,059</b>	<b>1,527,759</b>
<b>Accumulated Surplus Balances, beginning of year</b>	<b>1,022,185</b>	<b>200,882</b>	<b>750,507</b>	<b>1,973,574</b>	<b>4,600,772</b>	<b>9,767,406</b>	<b>4,053,804</b>	<b>18,421,982</b>	<b>3,956,773</b>	<b>24,352,329</b>	<b>22,824,570</b>
<b>Accumulated Surplus Balances, end of year</b>	<b>\$ 1,189,213</b>	<b>232,261</b>	<b>826,730</b>	<b>2,248,204</b>	<b>5,003,211</b>	<b>9,601,452</b>	<b>4,947,505</b>	<b>19,552,168</b>	<b>3,786,016</b>	<b>25,586,388</b>	<b>24,352,329</b>

**VILLAGE OF TELKWA**

**SCHEDULE F**

**Statement of Changes in Equity in Tangible Capital Assets  
For the Year Ended December 31, 2022**

	Equity in Tangible Capital Assets - <u>General</u>	Equity in Tangible Capital Assets - <u>Water</u>	Equity in Tangible Capital Assets - <u>Sewer</u>	Consolidated <u>2022</u>	Consolidated <u>2021</u>
<b>REVENUE</b>					
Conditional transfers - Federal Government	\$ 178,193	-	-	178,193	-
Conditional transfer - Provincial Government	141,051	-	1,013,134	1,154,185	1,666,067
Conditional transfers - Regional District	67,500	-	-	67,500	20,392
Grants - other	12,792	-	-	12,792	-
Community Building Fund agreement agreement	31,507	27,599	-	59,106	185,419
	<u>431,043</u>	<u>27,599</u>	<u>1,013,134</u>	<u>1,471,776</u>	<u>1,871,878</u>
<b>EXPENSES</b>					
Amortization	<u>237,539</u>	<u>284,204</u>	<u>171,858</u>	<u>693,601</u>	<u>622,155</u>
<b>ANNUAL SURPLUS (DEFICIT)</b>	<u>193,504</u>	<u>(256,605)</u>	<u>841,276</u>	<u>778,175</u>	<u>1,249,723</u>
<b>INTERFUND TRANSFERS</b>					
Transfer (to) from Operating Funds	208,935	90,651	52,425	352,011	76,325
Transfer to Reserve Funds, schedule G	-	-	-	-	758,563
	<u>208,935</u>	<u>90,651</u>	<u>52,425</u>	<u>352,011</u>	<u>834,888</u>
<b>Change in accumulated Surplus Balances</b>	<u>402,439</u>	<u>(165,954)</u>	<u>893,701</u>	<u>1,130,186</u>	<u>2,084,611</u>
<b>Accumulated Surplus Balances, beginning of year</b>	<u>4,600,772</u>	<u>9,767,406</u>	<u>4,053,804</u>	<u>18,421,982</u>	<u>16,337,371</u>
<b>Accumulated Surplus Balances, end of year</b>	<u>\$ 5,003,211</u>	<u>9,601,452</u>	<u>4,947,505</u>	<u>19,552,168</u>	<u>18,421,982</u>

**VILLAGE OF TELKWA**  
**Statement of Changes in Capital Reserve Funds**  
**For the Year Ended December 31, 2022**

**SCHEDULE G**

	Fire protection Equipment	Fire Dept Capital	Sewer Capital	District Heating	Fire Building	Footbridge	Emergency Services	Transit	Park Maintenance	General Water	Subtotal 2022
Reserve Funds, Beginning of Year	\$ 7,749	185,824	118,811	1,944	26,389	45,111	39,374	2,246	7,352	46,703	481,503
Source of Funds											
Interest earned	630	3,700	1,984	32	491	753	658	38	123	916	9,325
Transfers - operating, schedule E	30,000	73,528	-	-	3,000	-	-	-	-	8,173	114,701
- capital	-	-	-	-	-	-	-	-	-	-	-
	<u>30,630</u>	<u>77,228</u>	<u>1,984</u>	<u>32</u>	<u>3,491</u>	<u>753</u>	<u>658</u>	<u>38</u>	<u>123</u>	<u>9,089</u>	<u>124,026</u>
	<u>38,379</u>	<u>263,052</u>	<u>120,795</u>	<u>1,976</u>	<u>29,880</u>	<u>45,864</u>	<u>40,032</u>	<u>2,284</u>	<u>7,475</u>	<u>55,792</u>	<u>605,529</u>
Use of Funds											
Transfers, schedule E, operating	-	(37,811)	-	-	-	-	-	-	-	-	(37,811)
Transfers, schedule E, capital	-	-	-	-	-	-	-	-	-	-	-
	<u>-</u>	<u>(37,811)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,811)</u>
Balance, end of year	\$ <u>38,379</u>	<u>225,241</u>	<u>120,795</u>	<u>1,976</u>	<u>29,880</u>	<u>45,864</u>	<u>40,032</u>	<u>2,284</u>	<u>7,475</u>	<u>55,792</u>	<u>567,718</u>
Balance represented by:											
Due from GOF	\$ <u>38,379</u>	<u>225,241</u>	<u>120,795</u>	<u>1,976</u>	<u>29,880</u>	<u>45,864</u>	<u>40,032</u>	<u>2,284</u>	<u>7,475</u>	<u>55,792</u>	<u>567,718</u>

**VILLAGE OF TELKWA**  
**Statement of Changes in Capital Reserve Funds**  
**For the Year Ended December 31, 2022**

**SCHEDULE G (CON'T)**

	Total	Public Works	Dike Main	Covid Restart	Gravel Quarry	NW Planning	Elections	General Sewer	War Memorial	Total 2022	Total 2021
Reserve Funds, Beginning of Year	\$ 481,503	4,777	57,567	498,638	8,820	2,658,526	3,956	241,944	1,042	3,956,773	4,572,902
Source of Funds											
Conditional transfers - provincial government	-	-	-	-	-	-	-	-	-	-	-
Interest earned	9,325	193	1,132	5,469	147	75,466	66	4,041	16	95,855	38,639
Transfers - operating, schedule E	114,701	6,775	10,218	-	-	-	-	-	-	131,694	175,948
- capital	-	-	-	-	-	-	-	-	-	-	-
	<u>124,026</u>	<u>6,968</u>	<u>11,350</u>	<u>5,469</u>	<u>147</u>	<u>75,466</u>	<u>66</u>	<u>4,041</u>	<u>16</u>	<u>227,549</u>	<u>214,587</u>
	<u>605,529</u>	<u>11,745</u>	<u>68,917</u>	<u>504,107</u>	<u>8,967</u>	<u>2,733,992</u>	<u>4,022</u>	<u>245,985</u>	<u>1,058</u>	<u>4,184,322</u>	<u>4,787,489</u>
Use of Funds											
Transfers, schedule E, operating	(37,811)	-	-	(171,128)	-	-	-	-	-	(208,939)	(72,153)
Transfers, schedule E, capital	-	-	-	-	-	(189,367)	-	-	-	(189,367)	(758,563)
	<u>(37,811)</u>	<u>-</u>	<u>-</u>	<u>(171,128)</u>	<u>-</u>	<u>(189,367)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(398,306)</u>	<u>(830,716)</u>
Balance, end of year	\$ <u>567,718</u>	<u>11,745</u>	<u>68,917</u>	<u>332,979</u>	<u>8,967</u>	<u>2,544,625</u>	<u>4,022</u>	<u>245,985</u>	<u>1,058</u>	<u>3,786,016</u>	<u>3,956,773</u>
Balance represented by:											
Due from GOF	\$ <u>567,718</u>	<u>11,745</u>	<u>68,917</u>	<u>332,979</u>	<u>8,967</u>	<u>2,544,625</u>	<u>4,022</u>	<u>245,985</u>	<u>1,058</u>	<u>3,786,016</u>	<u>3,956,773</u>
Covered by MFA Investments										\$ 805,865	791,685
Covered by High Interest Savings and GIC										2,980,151	3,165,088
Cash										-	-
										<u>\$ 3,786,016</u>	<u>3,956,773</u>

**VILLAGE OF TELKWA****SCHEDULE H****Schedule of Northern Capital and Planning Reserve****For the year ended December 31, 2022**

	<u>2022</u>	<u>2021</u>
Revenue		
Return on investments	\$ 75,466	28,312
Expenditures		
BBQ grounds bleacher replacement	2,463	-
Coalmine Road watermain upgrade design	16,230	-
Coalmine Southwest watermain upgrade	16,578	-
Garbage truck repairs	9,566	-
Highway 16 watermain design	27,743	-
Flood mitigation	71,444	-
Municipal hall renovation	21,743	-
Sewer main project Howson Ave	3,252	
Sewer treatment plant - work in progress	-	306,554
Ultraviolet disinfection system	-	31,094
Water tower	-	314,405
Water treatment plan expansion feasibility stud	20,348	-
	<u>189,367</u>	<u>652,053</u>
Net change for the year	(113,901)	(623,741)
Balance, beginning of year	<u>2,658,526</u>	<u>3,282,267</u>
Balance, end of year	<u>\$ 2,544,625</u>	<u>2,658,526</u>

**VILLAGE OF TELKWA**  
**Schedule of Covid Restart Reserve**  
**For the year ended December 31, 2022**

**SCHEDULE I**

	<u>2022</u>	<u>2021</u>
Revenue		
Return on investments	\$ 5,469	4,451
Expenditures		
Covid 19 operating expenditures	105,110	62,206
Active Transportation	13,966	-
Business liaison project	16,052	-
Emergency services shared cost and EOC grant	8,000	-
Fire department operations	28,000	-
	<u>171,128</u>	<u>62,206</u>
Net change for the year	(165,659)	(57,755)
Balance, beginning of year	<u>498,638</u>	<u>556,393</u>
Balance, end of year	<u>\$ 332,979</u>	<u>498,638</u>