



Statement of Financial Information

December 31, 2023

Village of Telkwa

1415 Hankin Avenue, Box 220

Telkwa, BC V0J 2N0

Website: www.telkwa.ca

Village of Telkwa
Statement of Financial Information
December 31, 2023
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APPROVAL OF STATEMENT OF FINANCIAL INFORMATION

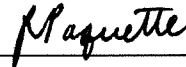
Prepared pursuant to Financial Information Regulation, Schedule 1, subsection 9(2)

The undersigned represent the Village of Telkwa and approve the 2023 Statement of Financial Information, produced under the requirements of the *Financial Information Act (FIA)*.

The 2023 Statement of Financial Information includes the Audited Consolidated Financial Statements, approved by Council at the May 14, 2024 Regular Council Meeting, and Additional Schedules prepared under *Financial Information Regulation, Schedule 1, subsections 5 through 7*, approved by Council at the June 25, 2024 Regular Council meeting.



Leroy Dekens
Mayor



Rowena Atienza-Paquette
Director of Finance

MANAGEMENT REPORT

Prepared pursuant to Financial Information Regulation, Schedule 1, subsection 9(3)

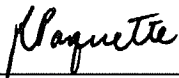
The Consolidated Financial Statements of the Village of Telkwa have been prepared by management in accordance with generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible 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 also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Mayor and Council of the Village of Telkwa is responsible for ensuring that management fulfils its responsibilities for financial reporting and maintaining internal controls and exercises this responsibility through Council. The Council reviews internal financial reports on a bi-annual basis and external Audited Financial Statements yearly.

The external auditors, Edmison Mehr, Chartered Accountants, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination includes a review and evaluation of the Village'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 financial management of the Village of Telkwa and meet when required.

On behalf of the Village of Telkwa



Director of Finance

May 14, 2024

EDMISON MEHR
CHARTERED PROFESSIONAL ACCOUNTANTS

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Smithers, B.C. V0J 2N0
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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, 2023, 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, 2023, 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

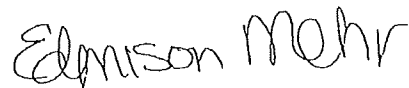
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not 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.

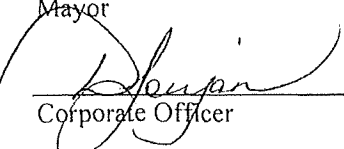
Smithers, BC
May 14, 2024


Edmison Mehr

VILLAGE OF TELKWA**Consolidated Statement of Financial Position****December 31, 2023**

	<u>2023</u>	<u>2022</u>
FINANCIAL ASSETS		
Cash and Cash Equivalents, note 2	\$ 66,955	574,311
Investments, note 2	6,962,489	5,775,954
Taxes Receivable, note 3	98,951	105,838
Accounts Receivable, note 4	310,117	595,696
Due from Federal Government - GST	75,745	50,109
Investment in Wetzin'Kwa Management Services Ltd., note 14	1	1
	<u>7,514,258</u>	<u>7,101,909</u>
LIABILITIES		
Accounts Payable and Accrued Liabilities, note 5	494,045	317,247
Deferred Revenue, note 6	318,804	694,469
Restricted revenue, note 16	107,822	101,768
MFA Short Term Borrowing, note 7	34,577	45,894
MFA Short Term Borrowing - fire truck , note 8	148,610	181,384
	<u>1,103,858</u>	<u>1,340,762</u>
Contingent Liabilities, note 12		
NET FINANCIAL ASSETS	<u>6,410,400</u>	<u>5,761,147</u>
NON FINANCIAL ASSETS		
Inventory, note 9	2,032	6,800
Prepaid expenses	18,110	40,995
Tangible Capital Assets (Schedule A), note 10	21,627,667	19,777,446
	<u>21,647,809</u>	<u>19,825,241</u>
ACCUMULATED SURPLUS, note 11	<u>\$ 28,058,209</u>	<u>25,586,388</u>



Mayor

Corporate Officer

VILLAGE OF TELKWA

Consolidated Statement of Operations and Accumulated Surplus For the Year Ended December 31, 2023

	2023 <u>Actual</u>	2023 <u>Budget</u>	2022 <u>Actual</u>
REVENUE			
Taxation (Schedule C)	\$ 1,108,402	1,101,028	994,425
Service charges/user fees (Schedule C)	921,930	851,343	830,317
Unconditional transfers - Province of BC	444,000	466,137	583,000
Conditional transfers - Federal Government	699,154	696,807	178,193
Conditional transfers - Provincial Government	1,456,364	1,177,256	1,224,137
Conditional transfers - Regional District	156,994	185,685	186,358
Grants - other	16,940	35,379	33,983
Other income	130,365	360,000	9,100
Investment interest	377,044	15,000	95,855
Weitzin'Kwa Community Forest grant	60,000	60,000	50,000
Community Building Fund agreement, note 13	588,267	116,284	59,106
	<u>5,959,460</u>	<u>5,064,919</u>	<u>4,244,474</u>
EXPENDITURES			
General Government Services	965,935	1,110,953	846,611
Protective Services	333,283	306,490	296,420
Transportation Services	559,622	439,190	526,673
Environmental Health	230,374	125,053	213,008
Development	102,395	177,450	115,807
Recreation and Cultural Services	173,077	151,877	180,693
Utility Services (Water, Sewer)	910,300	529,368	831,203
Loss on disposal of assets	212,653	-	-
	<u>3,487,639</u>	<u>2,840,381</u>	<u>3,010,415</u>
ANNUAL SURPLUS	<u>2,471,821</u>	<u>2,224,538</u>	<u>1,234,059</u>
Accumulated Surplus Balances, beginning of year	<u>25,586,388</u>	<u>25,586,388</u>	<u>24,352,329</u>
Accumulated Surplus Balances, end of year	<u>\$ 28,058,209</u>	<u>27,810,926</u>	<u>25,586,388</u>

VILLAGE OF TELKWA**Consolidated Statement of Cash Flows****December 31, 2023**

	<u>2023</u>	<u>2022</u>
Cash provided by (used for):		
OPERATIONS		
Annual Surplus	\$ 2,471,821	1,234,059
Non Cash Items included in annual surplus		
Amortization	717,655	693,601
Changes in Non-Cash Operating Items		
(Increase) in taxes receivable	6,887	(1,296)
(Increase) decrease in accounts receivable	285,579	(90,846)
Decrease (increase) in due from Federal Government - GST	(25,636)	28,200
(Decrease) increase in accounts payable	176,800	(19,231)
(Decrease) increase in deferred revenue	(375,665)	(197,316)
(Decrease) increase in restricted revenue	6,054	101,768
Decrease (increase) in inventory	4,768	1,200
Decrease (ncrease) in prepaid expenses	22,885	(13,720)
	<u>3,291,148</u>	<u>1,736,419</u>
CAPITAL		
Acquisition of tangible capital assets	(3,075,777)	(1,990,895)
Disposal of tangible capital assets	212,653	-
Transfer from WIP	295,245	-
	<u>(2,567,879)</u>	<u>(1,990,895)</u>
INVESTING		
	<u>-</u>	<u>-</u>
FINANCING		
Proceeds from MFA equipment loan	-	202,000
MFA equipment loans principle repayments	(44,090)	(32,892)
	<u>(44,090)</u>	<u>169,108</u>
Decrease in Cash and Investments	679,179	(85,368)
Cash and Investments, Beginning of Year	<u>6,350,265</u>	<u>6,435,633</u>
Cash and Investments, End of Year	<u>\$ 7,029,444</u>	<u>6,350,265</u>
Cash and Investments is composed of:		
Cash and cash equivalents	\$ 66,955	574,311
Investments	6,962,489	5,775,954
	<u>\$ 7,029,444</u>	<u>6,350,265</u>
Additional Information		
Debt Interest Payments	<u>\$ 10,843</u>	<u>4,918</u>

VILLAGE OF TELKWA**Consolidated Statement of Changes in Net Financial Assets****For the Year Ended December 31, 2023**

	<u>2023</u>	<u>2023</u>	<u>2022</u>
	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
Annual Income (Deficit)	\$ 2,471,821	2,224,538	1,234,059
Acquisition of tangible capital assets	(3,075,377)	(4,786,474)	(1,990,895)
Amortization of tangible capital assets	717,655	550,000	693,601
Transfer from WIP	295,245		
(Gain) loss on disposal of tangible capital assets	212,653	-	-
Proceeds on sale of tangible capital assets	54,909	-	-
	<u>676,906</u>	<u>(2,011,936)</u>	<u>(63,235)</u>
Net change in prepaid expenses	(22,885)	-	(13,720)
Net change in inventory of supplies	(4,768)	-	1,200
	<u>(27,653)</u>	<u>-</u>	<u>(12,520)</u>
Change in Net Financial Assets (Net Debt)	649,253	(2,011,936)	(75,755)
Net Financial Assets, beginning of year	<u>5,761,147</u>	<u>5,761,147</u>	<u>5,836,902</u>
Net Financial Assets, end of year	\$ <u>6,410,400</u>	<u>3,749,211</u>	<u>5,761,147</u>

VILLAGE OF TELKWA

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

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, 2023

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:

Major Asset Category	Useful Life Range
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, 2023

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, 2023

I. SIGNIFICANT ACCOUNTING POLICIES . . . (CON'T):

(m) Budget Presentation:

Budget amounts are from the Village's Five Year Financial Plan for the years 2023 - 2027, adopted by Council in May 2023 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, 2023

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, 2023, the Municipality has unrestricted cash of \$66,955 (December 31, 2022 - \$374,311) and unrestricted investments of \$3,001,720 (December 31, 2022 - \$1,888,170) to settle current liabilities of \$920,671 (December 31, 2022 - \$1,238,994). The Municipality would cover any possible shortfall with receivables and investments.

(q) Restricted revenue

Revenues or receipts that are restricted by legislation or that contract stipulations that create a liability are deferred and reported as restricted revenues. When qualifying expenses are incurred and/or stipulations are met, restricted revenues are recognized as revenues in the period in which this occurs

VILLAGE OF TELKWA**Notes to Consolidated Financial Statements****For the Year Ended December 31, 2023****1. SIGNIFICANT ACCOUNTING POLICIES . . . (CONT):****(r) 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>2023</u>	<u>2022</u>
Unrestricted cash	\$ 66,955	574,311
Restricted cash, Schedule G	-	-
	<u>66,955</u>	<u>574,311</u>
Investments		
Money Market Fund within the Municipal Finance Authority		
Pooled Investment program 102,768 units @ \$10/unit (2022- 80,586)	1,027,678	805,865
BVCU term deposit, interest 3.0% (2022 -1.25%), matures Jun 1-1/2-1	1,559	1,540
BVCU term deposit, interest 3.25% (2022 -2.0%), matures Aug 8/2-1	1,582	1,551
Cannacord - Sunshine Cash GIC 4.25% matures November 23, 2023		
Book value \$2,083,095, accrued interest \$9,217	-	2,092,312
Cannacord - Prospera Cash GIC 5.7% matures August 8, 202-1		
Book value \$1,500,000, accrued interest \$33,575	1,533,576	-
CIBC High interest savings 5.55% at December 31, 2023 variable	4,290,272	2,772,918
DCC investments	107,822	101,768
	<u>6,962,489</u>	<u>5,775,954</u>
Composed of:		
Restricted investments backing reserves	3,960,769	3,786,016
Unrestricted investments	3,001,720	1,989,938
	<u>6,962,489</u>	<u>5,775,954</u>
Total cash and investments	<u>\$ 7,029,444</u>	<u>6,350,265</u>

3. TAXES RECEIVABLE

	<u>2023</u>	<u>2022</u>
Property taxes receivable - current	\$ 58,329	87,407
Property taxes receivable - arrears	40,622	18,431
Property taxes receivable - delinquent	-	-
	<u>98,951</u>	<u>105,838</u>

VILLAGE OF TELKWA

Notes to Consolidated Financial Statements For the Year Ended December 31, 2023

4. ACCOUNTS RECEIVABLE

	<u>2023</u>	<u>2022</u>
Trade and accrued receivables	\$ 308,138	593,045
Home owner grant receivable	1,979	2,651
	<u>\$ 310,117</u>	<u>595,696</u>

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2023</u>	<u>2022</u>
Trade payables and accrued liabilities	\$ 167,805	81,377
Holdbacks payable	83,276	53,583
Payroll payable and accrued payroll benefits	185,071	174,941
Deposit - aldemere deficiencies	50,000	-
Deposits - rentals	4,896	3,754
Deposit - facility rentals	1,200	2,000
Due to other governments	1,797	1,592
	<u>494,045</u>	<u>317,247</u>
Due to statutory trusts	-	-
	<u>\$ 494,045</u>	<u>317,247</u>

6. DEFERRED REVENUE

	<u>2023</u>	<u>2022</u>
BC Alliance for Healthy Living Society (trail)	\$ -	3,628
Community Works Grant (formerly gas tax) (Note 13)	150,653	608,679
Emergency Program Coordinator	226	-
Fire Smart Community	22,985	-
LGCAP Capital funding	100,000	50,000
LGCAP Operating funding	1,082	-
Regional District Bulkley Nechako Business Forum	-	8,200
Round Lake 2024 fees	1,356	2,712
Small Town Love	10,000	-
Wetzinkwa Fire Department Equipment grant	10,000	2,674
Prepaid property taxes	-	18,576
911 Next Gen	22,500	-
	<u>\$ 318,804</u>	<u>694,469</u>

7. MFA SCBA SHORT TERM BORROWING

	<u>2023</u>	<u>2022</u>
MFA equipment loan, repayable in payments of \$1,121 per month including floating interest at 4.51% (approx prime - 1.81% prime 5.88% Dec 31, 2022, due May 31, 2026 and secured by equipment with NBV \$102,326 (SCBA fire equipment)	\$ 34,577	45,894

Repayment schedule	Principle	Interest	Total
2024	12,013	1,435	13,447
2025	12,623	824	13,447
2026	9,941	201	10,142
2027			
	<u>\$ 34,577</u>	<u>\$ 2,460</u>	<u>\$ 37,036</u>

VILLAGE OF TELKWA

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

8. MFA SHORT TERM BORROWING - FIRE DEPARTMENT TRUCK

	<u>2023</u>	<u>2022</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)	\$ 148,610	181,384

Repayment schedule	Principle	Interest	Total
2024	33,568	7,919	41,487
2025	36,920	4,567	41,487
2026	38,720	2,767	41,487
2027	37,402	598	38,000
2028			
	<u>\$ 146,610</u>	<u>\$ 15,851</u>	<u>\$ 162,461</u>

9. INVENTORY

	<u>2023</u>	<u>2022</u>
Garbage bins	\$ 2,032	6,800

10. TANGIBLE CAPITAL ASSETS (Schedule A)

	<u>2023</u>	<u>2022</u>
Land	\$ 259,687	259,687
Buildings	1,372,693	1,415,012
Machinery and equipment, vehicles	574,528	575,256
Office equipment and computers	10,182	11,107
Engineered structures	2,878,062	2,520,270
Utilities	14,087,060	14,418,883
Operations - Work in progress	519,872	447,158
Utilities - Work in progress	1,925,583	130,073
	<u>\$ 21,627,667</u>	<u>19,777,446</u>

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

11. ACCUMULATED SURPLUS

	<u>2023</u>	<u>2022</u>
Operating Funds (Schedule E)	\$ 2,650,957	2,248,204
Capital Funds		
Capital Reserves (Schedule E)	3,960,769	3,786,016
Equity in tangible capital assets (Schedule F)	21,446,480	19,552,168
	<u>\$ 28,058,209</u>	<u>25,586,388</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, 2023

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.

(d) Asset Retirement Obligation

From discussions with management, they were not aware of any asset retirement obligations at December 31, 2023.

VILLAGE OF TELKWA

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

12. CONTINGENT LIABILITIES CONTINUED:

(e) 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, 2023, the plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 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 \$70,353 for employer contributions to the Plan in fiscal 2023 (2022 - \$63,056), while employees contributed \$65,063 for employee contributions to the Plan in fiscal 2023 (2022 - \$58,212).

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.

(f) 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, 2023

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>2023</u>	<u>2022</u>
Balance carried forward	\$ 608,679	541,502
Funding received	121,782	116,284
Interest earned	8,461	9,998
	<u>130,243</u>	<u>126,282</u>
Gas Tax Spent:		
Bleachers	(30,000)	-
Morris Reservoir work in progress	-	(27,598)
Paving	(58,267)	-
Roads	-	-
Structural flood mitigation	-	(31,507)
Watermain	(500,000)	-
	<u>(588,267)</u>	<u>(59,105)</u>
Balance in deferred revenue	\$ <u>150,655</u>	<u>608,679</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, 2023

15. TRUST FUNDS

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

	Cemetery Trust	Tax Sale	Total 2023	Total 2022
Trust Funds				
beginning of year	\$ 70,584	-	70,584	67,862
Source of Funds				
Cemetery Plots	5,289	-	5,289	1,512
Interest	4,514	-	4,514	1,210
Balance, end of year	\$ <u>80,387</u>	<u>-</u>	<u>80,387</u>	<u>70,584</u>
Balance Represented by				
Due from general	\$ -	-	-	-
MFA Deposits	80,387	-	80,387	70,584
	<u>\$ 80,387</u>	<u>-</u>	<u>80,387</u>	<u>70,584</u>

16 RESTRICTED REVENUE

	<u>2023</u>	<u>2022</u>
Park revenue	25,381	23,956
DCC	82,441	77,812
	<u>107,822</u>	<u>101,768</u>

VILLAGE OF TELKWA

Notes to Consolidated Financial Statements

For the Year Ended December 31, 2023

17. 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.

	2023 <u>Budget</u>	2023 <u>Actual</u>	2022 <u>Actual</u>
Consolidated Accumulated Surplus - Statement of Operations	\$ 2,224,538	2,471,821	1,234,059
Adjustments to non-cash items:			
Amortization expense	550,000	717,655	693,601
Adjustments for cash items, not recognized as revenues Or expenses in the Statement of Operations:			
Tangible Capital Asset costs	(4,786,474)	(3,075,777)	(1,990,895)
Proceeds from borrowing	-	-	202,000
Debt principle repayments	(58,500)	(44,090)	(32,892)
Net transfers from reserves	1,917,222	(1,322,112)	(398,306)
Net transfer to reserves	(1,411,853)	115,433	131,694
Net transfer to capital funds	-	1,159,000	352,011
Net transfers (from) to operating surplus	<u>2,076,351</u>	<u>(21,930)</u>	<u>(191,272)</u>
Balanced Financial Plan/Operations	\$ <u>511,284</u>	<u>-</u>	<u>-</u>

18. FUTURE ACCOUNTING CHANGES

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.

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, 2023

	Land	Buildings	Machinery & Equipment	Engineered Structures	Utilities	Office Equipment	Work in Progress	2023 Total	2022 Total
TANGIBLE CAPITAL ASSETS - COST									
Opening 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
Add: Additions	-	12,500	319,029	447,677	92,048	-	2,204,523	3,075,777	1,990,895
Add: Donated Assets	-	-	-	-	-	-	-	-	-
Less: Disposals	-	-	346,540	-	-	-	-	346,540	-
Less: Asset Reallocations	-	-	-	-	-	-	295,248	295,248	-
Add: Work in progress	-	-	-	-	-	-	-	-	-
Closing Balance	259,687	2,089,968	1,825,687	5,877,827	22,177,880	159,118	2,486,506	34,876,673	32,442,684
ACCUMULATED AMORTIZATION									
Opening Balance	-	662,456	1,277,942	2,909,880	7,666,949	148,011	-	12,665,238	11,971,637
Add: Amortization	-	42,322	107,103	106,383	460,920	926	-	717,654	693,601
Add: Amortization Reallocation	-	-	-	-	-	-	-	-	-
Less: Disposal	-	-	133,886	-	-	-	-	133,886	-
Closing Balance	-	704,778	1,251,159	3,016,263	8,127,869	148,937	-	13,249,006	12,665,238
Net Book Value for year ended									
December 31, 2023	\$ 259,687	1,385,190	574,528	2,861,564	14,050,011	10,181	2,486,506	21,627,667	
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	

VILLAGE OF TELKWA
Statement of Operations by Segment
For the Year Ended December 31, 2023

	General Government	Protective Services	Solid Waste Management/ Recycling	Transportation & Transit	Recreation & Culture	Development	Utilities (water/sewer/ storm)	Capital Funds	Capital Reserve Funds	2023 Total Operations	2022 Total Operations
REVENUE											
Taxation, Sch. C	\$ 914,987	156,896	-	24,999	-	-	11,520	-	-	1,108,402	994,425
Service Charges/User Fees, Sch. C	94,401	46,957	109,291	18,629	16,007	37,356	599,289	-	-	921,930	830,317
Government Transfers/Grants	403,483	192,574	5,479	-	-	57,492	27,743	2,734,948	-	3,421,719	2,314,777
Other income Sch. C	130,365	-	-	-	-	-	-	-	-	130,365	9,100
Interest	118,115	-	-	-	-	-	-	-	238,929	377,044	95,855
Total operating revenue	1,661,351	396,427	114,770	43,628	16,007	94,848	638,532	2,734,948	238,929	5,959,460	4,244,474
EXPENDITURES											
Advertising and Promotion	15,539	-	-	-	-	-	-	-	-	15,539	7,991
Amortization	16,181	61,079	18,832	117,975	39,271	3,397	460,920	-	-	717,655	693,601
Bad debts	-	-	-	-	-	-	-	-	-	-	806
Covid 19 Safe Restart	11,679	-	-	-	-	-	-	-	-	11,679	55,110
Election	3,000	-	-	-	-	-	-	-	-	3,000	13,398
Professional and Contracted Services	62,745	23,069	40,983	49,501	-	54,900	-	-	-	233,198	208,632
Council Remuneration/Travel	56,300	-	-	-	-	-	-	-	-	56,300	74,557
Grants to Organizations/Fees Waivers	24,500	-	-	-	-	-	-	-	-	24,500	24,909
Insurance, dues and subscriptions	37,066	18,600	2,979	14,146	9,259	-	10,112	-	-	92,162	73,604
Materials and Supplies	85,626	77,610	50,031	92,924	40,493	-	22,137	-	-	368,821	357,742
Miscellaneous and special projects	76,967	19,306	8,952	13,056	-	44,098	114,836	-	-	277,215	221,737
Travel, Training, Memberships	59,951	9,962	-	275	-	-	1,773	-	-	71,961	52,213
Utilities (Telephone, Hydro and Gas)	20,600	30,562	18,122	60,089	7,102	-	86,879	-	-	223,354	123,357
Wages and Employee Benefits	495,712	80,251	90,475	211,656	76,952	-	206,076	-	-	1,161,122	1,097,078
Interest	69	10,844	-	-	-	-	-	17,567	-	28,480	5,680
Loss on disposal of assets	-	-	-	-	-	-	-	202,653	-	202,653	-
Total operating expenditures	\$ 965,935	333,283	230,374	559,622	173,077	102,395	902,733	220,220	-	3,487,639	3,010,415
REVENUE OVER EXPENDITURES/ (EXPENDITURES OVER REVENUE)	\$ 695,416	63,144	(115,604)	(515,994)	(157,070)	(7,547)	(264,181)	2,514,728	258,929	2,471,821	1,234,059

VILLAGE OF TELKWASchedule of Taxation, Service Charges and User Fees
For the year ended December 31, 2023SCHEDULE C

<u>Budget</u>		<u>2023</u>	<u>2022</u>
	Revenue		
	<u>Taxation</u>		
1,049,162	Taxation - Property	\$ 1,049,173	936,531
40,206	Grants in Lieu of taxes and utility tax	25,027	23,409
11,660	Water parcel tax	11,520	11,500
22,985	Interest and penalties on taxes	22,682	22,985
<u>1,124,013</u>		<u>1,108,402</u>	<u>994,425</u>
	Collections for other governments		
480,000	School tax levy	480,213	472,989
262,885	Regional District	262,834	263,627
122,600	Regional Hospital District	127,625	122,617
50	Municipal Finance Authority	51	47
8,875	BC Assessment Authority	9,113	8,872
67,540	Policing	77,403	67,537
<u>941,950</u>		<u>957,239</u>	<u>935,689</u>
	Transmission of Tax Levied		
<u>-941,950</u>	Other governments	<u>-957,239</u>	<u>-935,689</u>
<u>1,124,013</u>		<u>1,108,402</u>	<u>994,425</u>
	<u>Service charges/user fees</u>		
	Sales of Services		
73,572	Garbage collection and disposal	77,822	63,985
17,836	Franchise fee	19,653	17,836
9,100	Cemetery - burials	26,759	13,003
321,977	Water user fees, net of discounts	329,739	301,519
2,962	Water connections and internal	3,535	1,087
243,567	Sewer user fees, net of discounts	242,546	234,564
5,000	Sewer connections and internal	5,618	1,169
<u>674,014</u>		<u>705,672</u>	<u>633,163</u>
	Other Revenue from own sources		
1,450	Garbage bins	1,684	1,448
20,500	Heating revenue	17,851	18,640
45,000	Interest	-	42,515
27,125	Licenses and permits	32,152	17,185
21,816	Recycle program	29,785	29,709
50,000	Rentals	53,327	46,493
21,936	Other Income	211,824	50,264
<u>187,827</u>		<u>346,623</u>	<u>206,254</u>
<u>861,841</u>		<u>\$ 1,052,295</u>	<u>839,417</u>

VILLAGE OF TELKWA

Statement of Financial Position - by Fund

December 31, 2023

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 2023	Consolidated 2022
FINANCIAL ASSETS												
Cash and cash equivalents, note 2	\$ 66,955	-	-	66,955	-	-	-	-	-	-	66,955	574,311
Investments, note 2	6,962,489	-	-	6,962,489	-	-	-	-	-	-	6,962,489	5,775,954
Taxes Receivable, note 3	98,951	-	-	98,951	-	-	-	-	-	-	98,951	105,838
Accounts Receivable, note 4	310,117	-	-	310,117	-	-	-	-	-	-	310,117	595,696
Due from Federal Government - GST	75,745	-	-	75,745	-	-	-	-	-	-	75,745	50,109
Investment in Weizinkwa Management Services Ltd., Note 14	1	-	-	1	-	-	-	-	-	-	1	-
Due from Own Funds	(5,202,142)	256,872	982,501	(3,962,767)	2,000	-	-	2,000	3,960,769	-	-	-
	2,312,114	256,872	982,501	3,551,491	2,000	-	-	2,000	3,960,769	-	7,514,258	7,000,141
LIABILITIES												
Accounts Payable and Accrued Liabilities, note 5	494,045	-	-	494,045	-	-	-	-	-	-	494,045	317,247
Deferred Revenue, note 6	318,804	-	-	318,804	-	-	-	-	-	-	318,804	694,469
Restricted Revenue, note 16	107,822	-	-	107,822	-	-	-	-	-	-	107,822	101,768
M/A Short term borrowing, note 7	-	-	-	-	34,577	-	-	34,577	-	-	34,577	45,894
M/A Short term borrowing - fire truck, note 8	-	-	-	-	148,610	-	-	148,610	-	-	148,610	181,384
	920,671	-	-	920,671	183,187	-	-	183,187	-	-	1,103,838	1,238,994
NET FINANCIAL ASSETS	1,391,443	256,872	982,501	2,630,820	(181,187)	-	-	(181,187)	3,960,769	-	6,410,400	5,761,147
NON FINANCIAL ASSETS												
Inventory, note 9	2,032	-	-	2,032	-	-	-	-	-	-	2,032	6,800
Prepaid expenses	18,110	-	-	18,110	-	-	-	-	-	-	18,110	40,995
Tangible Capital Assets (Schedule A), note 10	-	-	-	-	5,611,023	11,096,249	4,920,394	21,627,667	-	-	21,627,667	19,777,446
	1,411,585	256,872	982,501	2,650,957	5,429,836	11,096,249	4,920,394	21,446,480	3,960,769	-	28,058,209	25,586,388
ACCUMULATED SURPLUS	\$											

VILLAGE OF TELKWA

Statement of Operations - by Fund

For the Year Ended December 31, 2023

SCHEDULE E

	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 2023	Consolidated 2022
REVENUE											
Taxation (Schedule C)	\$ 1,096,882	11,320	-	1,108,402	-	-	-	-	-	1,108,402	994,425
Service charges/user fees (Schedule C)	340,491	333,272	248,165	921,928	-	-	-	-	-	921,930	830,317
Unconditional transfers - Province of BC	444,000	-	-	444,000	-	-	-	-	-	444,000	583,000
Conditional transfers - Federal Government	2,347	-	-	2,347	46,807	650,000	-	696,807	-	699,154	178,193
Conditional transfers - Provincial Government	130,267	-	-	130,267	1,170,000	10,000	146,097	1,326,097	-	1,456,364	1,224,137
Conditional transfers - Regional District	132,839	-	-	132,839	24,155	-	-	24,155	-	156,994	186,358
Grants - other	16,940	-	-	16,940	-	-	-	-	-	16,940	33,983
Other income	3,000	27,743	-	30,743	99,622	-	-	99,622	-	130,365	9,100
Investment interest	154,612	-	-	154,612	-	-	-	-	222,432	377,044	95,855
Wetland/Kwa Community Forest Corporation grant	60,000	-	-	60,000	-	-	-	-	-	60,000	50,000
Community Building Fund agreement, note 13	-	-	-	-	88,267	500,000	-	588,267	-	588,267	59,106
	2,381,378	372,535	248,165	3,002,078	1,428,851	1,160,000	146,097	2,734,948	222,432	5,959,460	4,244,474
EXPENSES (Schedule B)											
General Government Services	949,754	-	-	949,754	16,180	-	-	16,180	-	965,934	846,611
Protective Services	272,204	-	-	272,204	61,079	-	-	61,079	-	333,283	296,420
Transportation Services	441,648	-	-	441,648	117,975	-	-	117,975	-	559,623	526,673
Environmental Health	211,542	-	-	211,542	18,832	-	-	18,832	-	230,374	213,008
Economic Development	98,998	-	-	98,998	3,397	-	-	3,397	-	102,395	115,807
Recreation and Cultural Services	133,806	-	-	133,806	39,271	-	-	39,271	-	173,077	180,693
Utility Services (Water, Sewer)	-	330,493	91,146	421,639	-	314,207	174,456	488,663	-	910,302	831,203
Loss on disposal of assets	-	-	-	-	212,653	-	-	212,653	-	212,653	-
	2,107,952	330,493	91,146	2,529,591	469,387	314,207	174,456	958,050	-	3,487,639	3,010,415
ANNUAL SURPLUS (DEFICIT)	273,426	42,042	157,019	472,487	959,464	845,793	(28,359)	1,776,898	222,432	2,471,821	1,234,059
INTERFUND TRANSFERS											
Transfer (to) from Capital Funds	(52,406)	-	(1,248)	(53,654)	52,406	-	1,248	-	-	-	-
Transfer (to) from Operating Funds	-	(17,431)	-	(17,431)	-	17,431	-	-	-	-	-
Transfer (to) from Reserve Funds, Schedule G	1,351	-	-	1,351	(585,245)	631,573	-	46,328	(47,679)	-	-
	(51,055)	(17,431)	(1,248)	(69,734)	(532,839)	649,004	1,248	117,413	(47,679)	-	-
Change in accumulated Surplus Balances	222,371	24,611	155,771	402,753	426,625	1,494,797	(27,111)	1,894,311	174,753	2,471,821	1,234,059
Accumulated Surplus Balances, beginning of year	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
Accumulated Surplus Balances, end of year	\$ 1,411,584	256,872	982,501	2,650,957	5,429,836	11,096,249	4,920,394	21,446,479	3,960,769	28,058,209	25,586,388

VILLAGE OF TELKWA**SCHEDULE F**
Statement of Changes in Equity in Tangible Capital Assets
For the Year Ended December 31, 2023

	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>2023</u>	Consolidated <u>2022</u>
REVENUE					
Conditional transfers - Federal Government \$	46.807	650.000	-	696.807	178.193
Conditional transfer - Provincial Government	1,170.000	10.000	146.097	1,326.097	1,154.185
Conditional transfers - Regional District	24.155	-	-	24.155	67.500
Grants - other	99.622	-	-	99.622	12.792
Community Building Fund agreement agreement	88.267	500.000	-	588.267	59.106
	<u>1,428.851</u>	<u>1,160.000</u>	<u>146.097</u>	<u>2,734.948</u>	<u>1,471.776</u>
EXPENSES					
Amortization	256.734	286.464	174.456	717.654	693.601
Loss on disposal of assets	212.653	-	-	212.653	
	<u>469.387</u>	<u>286.464</u>	<u>174.456</u>	<u>930.307</u>	<u>693.601</u>
ANNUAL SURPLUS (DEFICIT)	<u>959,464</u>	<u>873,536</u>	<u>(28,359)</u>	<u>1,804,641</u>	<u>778,175</u>
INTERFUND TRANSFERS					
Transfer (to) from Operating Funds	52.405	17,431	1,248	71,084	352,011
Transfer to Reserve Funds, schedule G	(585,245)	603,830	-	18,585	-
	<u>(532,840)</u>	<u>621,261</u>	<u>1,248</u>	<u>89,669</u>	<u>352,011</u>
Change in accumulated Surplus Balances	426.624	1,494.797	(27,111)	1,894,310	1,130,186
Accumulated Surplus Balances, beginning of year	5,003,211	9,601,452	4,947,505	19,552,168	18,421,982
Accumulated Surplus Balances, end of year	<u>\$ 5,429,835</u>	<u>11,096,249</u>	<u>4,920,394</u>	<u>21,446,480</u>	<u>19,552,168</u>

VILLAGE OF TELKWA

**Statement of Changes in Capital Reserve Funds
For the Year Ended December 31, 2023**

SCHEDULE G

	Fire Protection Equipment	Fire Dept Capital	Sewer Capital	District Heating	Fire Building	Footbridge	Emergency Services	Transit	Park Maintenance	General Water	Subtotal 2023
Reserve Funds, Beginning of Year	\$ 38,379	225,241	120,795	1,976	29,880	45,864	40,012	2,284	7,475	55,792	567,718
Source of Funds											
Interest earned	1,270	1,211	7,187	118	1,315	2,729	2,382	136	445	1,320	20,152
Transfers - operating, schedule E	15,000	71,405	-	-	4,723	-	-	-	-	-	93,128
- capital	-	-	-	-	-	-	-	-	-	-	-
	16,279	71,616	7,187	118	6,038	2,729	2,382	136	445	1,320	113,280
	54,658	299,887	127,982	2,094	35,918	48,593	42,414	2,420	7,920	59,112	680,998
Use of Funds											
Transfers, schedule E, operating	-	(52,774)	-	-	-	-	-	-	-	-	(52,774)
Transfers, schedule E, capital	(21,882)	(225,000)	-	-	(12,500)	-	-	-	-	-	(269,382)
	(21,882)	(277,774)	-	-	(12,500)	-	-	-	-	-	(322,156)
Balance, end of year	\$ 32,776	22,113	127,982	2,094	23,418	48,593	42,414	2,420	7,920	59,112	358,842
Balance represented by											
Due from GOF	\$ 32,776	22,113	127,982	2,094	23,418	48,593	42,414	2,420	7,920	59,112	358,842

VILLAGE OF TELKWA

**Statement of Changes in Capital Reserve Funds
For the Year Ended December 31, 2023**

SCHEDULE G (CONT)

	Growing Communities (Statutory)	Public Works	Dike Main	Covid Restart	Gravel Quarry	Northern Capital Planning (Statutory)	Elections	General Sewer	War Memorial	Total 2023	Total 2022
Reserve Funds, Beginning of Year	\$ -	11,745	68,917	332,979	8,967	2,544,625	4,022	245,985	1,058	3,786,016	3,956,773
Source of Funds											
Conditional transfers - provincial government	-	-	-	-	-	-	-	-	-	-	-
Interest earned	68,961	1,847	4,101	16,004	534	95,715	418	14,637	63	222,432	95,855
Transfers - operating, schedule E	-	19,305	-	-	-	-	3,300	-	-	115,431	131,694
- capital	1,159,000	-	-	-	-	-	-	-	-	1,159,000	-
	1,227,961	21,152	4,101	16,004	534	95,715	3,418	14,637	63	1,496,865	227,549
	1,227,961	32,897	73,018	348,983	9,501	2,640,340	7,440	260,622	1,121	5,282,881	4,184,322
Use of Funds											
Transfers, schedule E, operating	-	-	-	(64,011)	-	-	-	-	-	(116,785)	(208,939)
Transfers, schedule E, capital	-	-	-	-	-	(935,945)	-	-	-	(1,205,327)	(189,369)
	-	-	-	(64,011)	-	(935,945)	-	-	-	(1,322,112)	(398,306)
Balance, end of year	1,227,961	32,897	73,018	284,972	9,501	1,704,395	7,440	260,622	1,121	3,960,769	3,786,016
Balance represented by											
Due from GOF	\$ 1,227,961	32,897	73,018	284,972	9,501	1,704,395	7,440	260,622	1,121	3,960,769	3,786,016
Covered by MFA Investments										\$ 1,027,678	805,865
Covered by High Interest Savings and GIC										2,933,091	2,980,151
Cash										-	-
										\$ 3,960,769	3,786,016

VILLAGE OF TELKWA**SCHEDULE H****Schedule of Northern Capital and Planning Reserve****For the year ended December 31, 2023**

	<u>2023</u>	<u>2022</u>
Revenue		
Return on investments	\$ 95,715	75,466
Expenditures		
Backhoe	210,000	
BBQ grounds bleacher replacement	-	2,463
Biomass	45,450	
Bleachers	15,602	
Coalmine Road watermain upgrade design	6,703	16,230
Coalmine Southwest watermain upgrade	74,617	16,578
Cycle 16 Design	24,927	
Garbage truck repairs	5,433	9,566
Highway 16 watermain design	-	27,743
Flood mitigation	2,960	71,444
Municipal hall renovation	-	21,743
Sewer main project Howson Ave	-	3,252
WIP Watermains	550,253	-
Water treatment plan expansion feasibility study	-	20,348
	<u>935,945</u>	<u>189,367</u>
Net change for the year	(840,230)	(113,901)
Balance, beginning of year	<u>2,544,625</u>	<u>2,658,526</u>
Balance, end of year	\$ <u><u>1,704,395</u></u>	<u><u>2,544,625</u></u>

VILLAGE OF TELKWA
Schedule of Covid Restart Reserve
For the year ended December 31, 2023

SCHEDULE I

	<u>2023</u>	<u>2022</u>
Revenue		
Return on investments	\$ 16,004	5,469
Expenditures		
Covid 19 operating expenditures	11,679	105,110
Active Transportation	-	13,966
Business liaison project	13,297	16,052
Emergency services shared cost and EOC grant	9,699	8,000
Fire department operations	2,860	28,000
Youth workers	26,476	
	<u>64,011</u>	<u>171,128</u>
Net change for the year	(48,007)	(165,659)
Balance, beginning of year	<u>332,979</u>	<u>498,638</u>
Balance, end of year	<u>\$ 284,972</u>	<u>332,979</u>

VILLAGE OF TELKWA**SCHEDULE J****Schedule of Growing Communities Reserve****For the year ended December 31, 2023**

	<u>2023</u>	<u>2022</u>
Revenue		
Conditional transfer from Province	\$ 1,159,000	-
Return on investments	68,961	-
	<u>1,227,961</u>	<u>-</u>
Expenditures		
Covid 19 operating expenditures	-	-
Active Transportation	-	-
Business liaison project	-	-
Emergency services shared cost and EOC grant	-	-
Fire department operations	-	-
Youth workers	-	-
	<u>-</u>	<u>-</u>
Net change for the year	1,227,961	-
Balance, beginning of year	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 1,227,961</u>	<u>-</u>

Village of Telkwa

Schedule of Guarantee and Indemnity Agreements

Prepared pursuant to *Financial Information Regulation* (FIR), Schedule 1 (1) (d)

For the Year Ended December 31, 2023

Section 5(1)

The Village of Telkwa has not given any guarantees or indemnities under the Guarantees and Indemnities regulation.

Village of Telkwa

Schedule of Remuneration and Expenses- Elected Officials

Prepared pursuant to *Financial Information Regulation (FIR)*, Schedule 1 (1) (e)

For the Year Ended December 31, 2023

Section 6 (2)(a)

	Position	Remuneration	Expenses	Total
Dekens, Leroy	Councillor/Mayor	\$17,187	\$14,747	\$31,934
Ewald, Stewart	Councillor	8,885	8,178	17,063
Frenette, Catherine	Councillor	8,885	1,292	10,177
Morgan, Annette	Councillor	11,458	0	11,458
Schat, Simon	Councillor	8,885	0	8,885
Total		\$55,300	\$24,217	\$79,517

This schedule has also been prepared in accordance with Section 168 of the *Community Charter*.

There were no contracts between the Village of Telkwa and members of Council to be reported under Section 107 of the *Community Charter* during fiscal year 2023.

Council members were covered under a group insurance policy, for injuries sustained while and in consequence of performing the usual and necessary duties as Mayor or Councillor of the Village of Telkwa, including traveling directly to or from any scheduled meetings of the Village of Telkwa. This policy is held with Industrial Alliance Insurance and Financial Services Inc, renewed annually every March 10th.

Village of Telkwa
Schedule of Remuneration and Expenses- Employees
Prepared pursuant to *Financial Information Regulation (FIR)*, Schedule 1 (1) (e)
For the Year Ended December 31, 2023

Section 6 (2)(b)

Employees with Remuneration in excess of \$75,000

NAME	POSITION	REMUNERATION	EXPENSES	TOTAL
Atienza-Paquette, Rowena	Director of Finance	\$92,682	\$6,868	\$99,550
Bree, Addison	Utility II	87,942	179	88,121
Hartfeil, Lev	Director of Operations	101,854	4,937	106,791
Joujan, Debbie	Chief Administrative Officer	127,145	22,952	150,097
Materi, Kevin	Working Foreman	79,578	5,164	84,742
		489,201	40,100	529,301

Section 6 (2)(c)

Remuneration for employees under \$75,000	502,926	4,201	507,127
TOTALS	\$992,127	\$44,301	\$1,036,428

Remuneration includes any form of salary paid including overtime, sick time, statutory pay and vacation pay,

Expenses include travel, membership fees, tuition, registration fees and similar amounts paid to an employee, or to a third party on behalf of the employee.

Section 6 (2) (d)

Reconciliation of FIR Regulation schedules with Operational Statements:

Per FIR Schedules		
Employee Remuneration and Expenses	1,036,428	page 31
Elected Official Remuneration and Expenses	79,517	page 30
	<u>1,115,945</u>	
Per Operational Statements: Statement of Operations - by Segment		
Wages and Employee Benefits	1,161,122	page 20
Travel, Training, Memberships	71,961	page 20
	<u>1,233,083</u>	
Difference	<u>117,138</u>	

Reasons for the Difference:

- Operational Statement costs include expenses for benefits applicable to employees pursuant to employment agreements including medical, dental, insurance and similar plans.

- Operational statements are prepared on accrual accounting basis whereby the statements prepared under the FIR regulations are prepared based on actual payments made through the year.

Section 6 (6)

The Employer portion of the Employment Insurance and Canada Pension Plan is included in Schedule of Suppliers of Goods and Services (page 32) within the payment to the Receiver General.

Section 6 (7)

There were no severance agreements made between the Village of Telkwa and its non-unionized employees during the 2023 fiscal year.

Village of Telkwa
Schedule of Payments to Suppliers of Goods and Services
Prepared pursuant to *Financial Information Regulation (FIR)*, Schedule 1 (1) (f)
For the Year Ended December 31, 2023

Section 7 (1)(a)

Statement of Accounts Paid in Excess of \$25,000:

Vendor #	Supplier Name	Amount
12349	BABINE TRUCK & EQUIPMENT LTD	\$36,633
12353	BC HYDRO	121,004
13508	BC PENSION CORPORATION	70,353
14595	BEAR CREEK CONSTRUCTION LTD	630,729
13472	BRANDT TRACTOR LTD.	241,384
13693	BROGAN FIRE & SAFETY	34,364
14244	BULKLEY VALLEY INSURANCE SERVICES	42,744
14571	CANADA LIFE	44,022
14514	CIVIL NORTH CONSULTING LTD	54,044
13196	CLEARTECH INDUSTRIES INC.	28,151
14328	COLLABRIA	97,520
14431	CUTTING EDGE PROJECTS	41,880
14583	DRIVING FORCE	57,119
12483	EDMISON MEHR CHARTERED ACCOUNTANTS	25,941
14246	FORT GARRY FIRE TRUCKS LTD	256,045
12832	FOUR DIMENSION COMPUTER	41,920
13242	HERITAGE TECHNICAL SERVICES LTD.	63,000
12376	MIDWAY SERVICE	51,520
12840	MINISTRY OF FINANCE	164,991
13261	MUNICIPAL FINANCE AUTHORITY OF BC	54,985
14318	NORTHERN LITES TECHNOLOGY (2021) LTD.	71,583
12674	NORTHWEST REGIONAL HOSPITAL DISTRICT	127,636
14612	OWEN HUNTER	29,190
12385	PACIFIC NORTHERN GAS LTD	36,511
14569	PSD CITYWIDE INC.	64,225
12387	RECEIVER GENERAL FOR CANADA	67,531
12386	REGIONAL DISTRICT OF BULKLEY-NECHAKO	301,422
14468	TERUS CONSTRUCTION	77,980
13307	TOWN OF SMITHERS	33,919
12394	VIHAR CONSTRUCTION LTD	27,681
14303	WEST HORIZON CONTRACTING INC.	967,379
12731	WSP Canada Inc.	185,539
		<u>4,148,945</u>

Section 7 (1)(b)

Other payments - aggregate of payments under \$25,000	746,157
Total	<u><u>\$4,895,102</u></u>

Section 7 (1) (c)

Reasons for Difference with Operational Statements:

- Operational Statements are prepared on an accrual accounting basis whereby the statements prepared under the FIR regulations are prepared based on actual payments made through the year.
- Payments in the above noted Schedule include GST charged while the Operational Statements do not include GST paid since GST is fully recoverable by local governments.
- Annual Debt payments, 2023 Tax Requisitions paid to other Taxing Authorities and Investments paid (noted in the above Schedule) are not reflected as expenses in the Statement of Operations. Investments are reflected as Assets on the Financial Statements, Requisitions paid to other Taxing Authorities are removed upon consolidation and Annual Debt payments are reflected within the Equity in Capital Assets balances.

Village of Telkwa
Schedule of Payments to Suppliers of Goods and Services
Prepared pursuant to *Financial Information Regulation* (FIR), Schedule 1 (1) (f)
For the Year Ended December 31, 2023

Section 7 (2) (b)
Statement of Payments for purposes of Grants or Contributions:

Organization	Amount
Telkwa Museum Society	\$5,400
Telkwa Museum Information Centre	\$2,700
Telkwa Reading Centre (Library)	8,100
Telkwa Volunteer Fire Fighters' Association	16,839
	<u>\$33,039</u>