



REGIONAL DISTRICT  
of Fraser-Fort George

REGIONAL DISTRICT OF FRASER-FORT GEORGE

**2022 CONSOLIDATED  
FINANCIAL STATEMENTS**

*Front cover picture is overlooking the District of Mackenzie by Darrin Rigo*



*Wilkins Park Boat Launch*



*Shell-Glen Rescue Truck*

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## **REPORT FROM THE GENERAL MANAGER OF FINANCIAL SERVICES**

April 6, 2023

TO: Chairperson Lara Beckett and the Directors of the Regional District of Fraser-Fort George

The financial report and Consolidated Financial Statements for the Regional District of Fraser-Fort George (“Regional District”) for the year ended December 31, 2022, are submitted pursuant to the requirements of the *Local Government Act*.

The enclosed information includes the Consolidated Financial Statements of the Regional District along with supplementary information in schedule format. The Consolidated Financial Statements have been prepared in accordance with the Public Sector Accounting Board recommendations for financial statement presentation. The objective of the Consolidated Financial Statements is to fairly present the consolidated financial position of the Regional District. The firm of KPMG LLP is responsible to report to the Regional District Board with the results of their audit. Their Independent Auditors’ Report, with an unqualified opinion, is included in these Consolidated Financial Statements.

### **2022 HIGHLIGHTS**

The Regional District delivers ninety-two (92) services ranging from small local services such as a series of street lights in a rural area to large and complex region wide services such as Solid Waste Management and 9-1-1 Emergency Management. These services are delivered through a number of business units within the Regional District: Corporate Services, Community Services (includes Public Safety), Development Services, Environmental Services and Financial Services. The following is an overview of the focus and accomplishments of these business units.

### **CORPORATE SERVICES**

Corporate Services manages the Regional District’s records, manages and responds to Freedom of Information requests, corporate records, policies and procedures, contracts, provides support for the Regional District Board operations and directors, manages the Regional District’s staff resources, communications and external relations and processes a large variety of requests for information and assistance from staff and the general public.

In 2022, Corporate Services managed a number of processes on behalf of the Regional District, including:

- further development of a Records Management Program;
- continued management of FOI requests and related FOI matters and considerations;
- continued the journey on being active in defining reconciliation with our First Nation partners including participation in recognizing the atrocities of the residential school system;
- continuation of the Regional Report; a quarterly external newsletter highlighting recent initiatives and projects underway within the Regional District;
- oversight and legislative support in the preparation of bylaws;
- oversight in policy, procedure and contract development;

- oversight and support in contract management;
- oversight and support in legal and insurance matters;
- ongoing support for Community Consultation Committees;
- management of 2022 General Local Election;
- continued implementation of the Regional District's Communications Plan;
- implementation of a rural broadband study to facilitate improvements in rural internet connectivity;
- provided leadership in adjusting corporate wide business practices to allow for continued delivery of services during the COVID-19 pandemic;
- oversight on implementation of the Regional District's Corporate Climate Change Action Plan;
- oversight on implementation of the Regional District's Asset Management Strategy;
- oversight of the Cultural Endowment Fund Grant program;
- updated the Regional Cultural Plan for 2023-2027 focused on supporting cultural organizations in the region;
- continued implementation of the Northern Routes cultural marketing program to promote museums, galleries and heritage sites within the region;
- implementation of public education and community engagement strategies for a number of Regional District programs and services;
- continued work in partnership with the Villages of McBride and Valemount to implement strategies from the Robson-Canoe Valley Economic Opportunities Plan;
- being a resource to administrative colleagues in the Regional District's smaller member municipalities in sharing our knowledge and best practices in the operation and delivery of local government services; and
- implementation of an Information Technology Strategy and Business Plan to work with departments to harness information technology to improve service delivery.

## **COMMUNITY SERVICES**

Community Services Administration assists community groups in the development and ongoing service delivery for the long-term sustainability of their community, through the provision of community and public safety services, as well as the administration of the Community and Recreation Grant-in-Aid programs.

In 2022, Community Services Administration's focus was on:

- Public Health Order Compliance support for Robson Valley and Canoe Valley Recreation and Community Centres and community groups who operate Regional District facilities;
- completion and opening of the Tete Jaune Community Cemetery;
- assisting with grant applications, competitive bidding and associated project management and reporting requirements;

- completion of the Miworth Community Facilities feasibility study that resulted in a new taxable service;
- continued evaluation of Reid Lake Community Hall service;
- evaluation and development of the Robson Valley facilities rental contract, rate sheet, and risk mitigation forms in preparation for rates and regulation bylaw;
- supporting Emergency Management administration and the Dore River Mitigation Project Planning; and
- administrative support for Robson Valley facilities including the Robson Valley Recreation Centre and Canoe Valley Recreation Centre chiller projects and Investing in Canada Infrastructure Program – Rural and Northern Communities Program (ICIP-RNC) grant management and claim submission.

### *Grants*

Each year, the Regional District provides community grants to organizations in its electoral areas that will benefit residents. In 2022, \$894,869 was provided through 100 Community Grant-in-Aid requests, and \$58,838 through 16 Recreation Grant-in-Aid requests to various organizations within the Regional District.

### *Recreation Service*

The Canoe Valley Recreation Centre, Robson Valley Recreation Centre, and Robson Valley Community Centre are all operated and maintained in a safe and efficient manner to provide Electoral Area H with a wide range of year-round activities and opportunities to benefit residents and visitors.

In 2022, the focus of the Canoe Valley and Robson Valley Recreation Centres and Robson Valley Community Centre was on bringing the facilities safely back to pre-COVID-19 standard operation levels. The work on the chiller replacements was fully completed for both recreation centre facilities and work began to improve the acoustics in the Community Centre. Planning for capital and asset management upgrades is occurring.



## **PUBLIC SAFETY**

### *9-1-1 Emergency Response*

The 9-1-1 Emergency Response Service provides for emergency 9-1-1 call taking services, transfer of emergency calls to the appropriate downstream agency, and coordinated fire dispatch and communications services of eighty Fire/Rescue agencies. The 9-1-1 Emergency Response service budget supports the administration and operation of the primary 9-1-1 call answer function and the centralized Fire/Rescue dispatch communication system. The 9-1-1 Service further supports the operation, maintenance, and development of a Fire/Rescue radio dispatch and communications system for Fire/Rescue services in the Regional District and a centralized fire dispatch facility located in the Fire Operations Communications Centre (FOCC).

9-1-1 services are provided to over 210,000 residents within the Regional District of Fraser-Fort George, Cariboo Regional District, Regional District of Kitimat-Stikine, Regional District of Bulkley-Nechako and a portion of the Regional District of Central Kootenay.

In 2022, Public Safety Administration's focus was on:

- continued development of the Public Safety Operations Quality Assurance Coordinator position;
- large tower maintenance of the radio communications system and sites;
- providing expertise to radio contractors working on the field radio systems in Partner Regional Districts;
- providing expertise to Prince George Fire Rescue and RDIFFG volunteer fire services on radio specifications, requirements, and programming;
- ensuring the continued operation of the Fire/Rescue agencies' field radio system and the dispatch radio console at the FOCC;
- negotiation of a one-year extension to the E-Comm Call Answer contract, as well as one-year extensions with partner regional districts;
- computer aided dispatch and records management system maintenance and design planning for new systems infrastructure;
- execution of planned procurement and construction activities in support of the 9-1-1 Infrastructure Upgrade Implementation (IUI) Strategy; and
- onboarding 20 new agencies from the Regional District of Central Kootenay to the Fire/Rescue dispatch communication system.

#### *Fire Department Coordination Service*

The Fire Department Coordination Service oversees the Regional District's fire and rescue services to help ensure high service levels; that the standards are implemented, followed, and maintained; and that required training and certification is readily available and affordable.

In 2022, Fire Department Coordination's focus was on:

- taking delivery of a new Rescue Vehicle and Frontline Water Tender for Shell-Glen VFD, and a Frontline Water Tender for Pilot Mountain VFD;
- competitive bid process for a Frontline Engine for Beverly and Buckhorn VFDs;
- applying for grant opportunities providing an additional \$390,000 of support to the volunteer fire and rescue departments;
- coordination of regional training opportunities;
- coordination of providing resources to support the provincial wildfire response;
- development and modification of delivery of public safety programs;
- assisting Fire/Rescue agencies with 2022 budgeted projects; and

- implementation and development of the Public Safety Leader position.

### *Emergency Preparedness Service*

The Emergency Preparedness Service provides the operational capability of the Emergency Management Program which has been established to fulfill the requirements of the Regional District under the *Emergency Program Act*.

The Emergency Management Program encompasses the strategic and operational development of the components of the emergency management plans. The components of the program are mitigation, planning, preparedness, response and recovery. The emergency plans outline the authority and responsibility to act in emergencies and communicate the policies and procedures to be followed.

Currently, there are approximately twenty-seven staff members available to work in the Emergency Operations Centre and provide evacuee support services.

In 2022, the Emergency Management Program's focus was on:

- completion of FireSmart activities funded by the Community Resiliency Investment Program including:
  - hiring a term position of a Fire and Public Safety Educator; and
  - offering FireSmart education visits and information on private properties, attending community events and extensive advertising campaigns.
- completion of activities funded by the Community Emergency Preparedness Fund to complete outfitting the Emergency Operations Centre (EOC) in the new Public Safety Operations Building;
- ongoing development of the EOC's Activation Guide, Immediate Response Plans and support annexes;
- successfully onboarding the City of Prince George to the Regional District's emergency notification system (Connect Rocket);
- entering into an agreement with the City of Prince George for the provision of Level 2 and 3 Emergency Support Services (ESS) support;
- provision of information and resources for community wildfire preparedness information sessions in communities including Norman Lake, Dunster, Hixon, McBride, Tete Jaune and Valemout;
- development of annual plan for participation at community events and marketing campaign during emergency awareness weeks;
- completion of outfitting EOC trailer for potential deployment; and
- partnering with City of Prince George in outfitting the ESS trailer for shared use of rapid deployment readiness; and delivery of ESS to families whose primary residences were impacted by fire

### *Land Use Planning*

The Regional District's Land Use Planning Service is a region wide service fulfilling the obligations of land use planning under Part 14 of the *Local Government Act*. Planning is an integral part of Development Services which also includes civic addressing, building inspection and bylaw compliance. Development Services works closely with the Economic Development Service, Community Services, Information Technology Service (Geographic Information System) and outside agencies, such as the Northern Health Authority; the Ministries of Transportation and Infrastructure, Municipal Affairs, Environment and Climate Change Strategy, Forests, Water, Land and Resource Stewardship and the Provincial Agricultural Land Commission in order to provide efficient public service.

In 2022, the focus of Land Use Planning was on:

- intake of approximately one hundred and five (105) land use applications (including applications for: Agricultural Land Reserve, Zoning Bylaw, Official Community Plan, Temporary Use Permit, Development Variance Permit and Development Permit). This is up from the approximately ninety-five (95) land use applications received in 2021;
- providing referral responses to provincial ministries, such as: Forests, Water, Land and Resource Stewardship and Ministry of Transportation and Infrastructure for various proposed land use and development;
- development of a Regional Agricultural Strategy;
- introduction of a new Development Applications Procedure Bylaw;
- continued development of a HUB software system to facilitate development application processes;
- continued dialogue with various utility operators regarding development in the Regional District; and
- continued partnership with the Prince George Air Improvement Roundtable.

### *Economic Diversification*

Development Services works with Regional District member municipalities in the development and delivery of economic development programs and initiatives.

In 2022, the focus of Economic Diversification was on:

- continued partnership with the Villages of Valemount and McBride regarding the Robson Valley Region program with the Regional District responsible for the overall delivery of the program;
- continued partnership with the City of Prince George for marketing industrial lands within the Regional District's Electoral Areas;
- development and delivery of the Regional District first Business Façade Improvement Grant Program;

- continued partnership with BC Agriculture and Food Climate Action and Bulkley-Nechako Regional District for the delivery of projects identified in the Bulkley-Nechako and Fraser-Fort George BC Agriculture and Climate Change Regional Adaptation Strategies; and
- continued partnership with Cleanfarms BC on a pilot project to recycle agriculture plastics.

### *Building Inspection*

The Regional District regulates the construction, alteration, repair or demolition of buildings and structures for the health, safety and protection of persons and property in accordance with the BC Building Code, the *Building Act*, *Local Government Act* and through the Regional District Building Bylaw.

In 2022, the focus of Building Inspection was on:

- inspections throughout the Regional District with a total of 263 permits being issued in its electoral areas with 66 of them being for new dwellings. Total permit values in 2022 were \$44,579,600, with \$34,043,00 of that value for new dwellings;
- continuing the partnership with the Villages of McBride and Valemount to maintain office hours at each location for the Robson Valley/Canoe Valley Building Inspector, allowing for a cohesive approach and consistency to building inspections in Electoral Area 'H';
- a temporary partnership with the District of Mackenzie to assist with Building Inspection services during a vacancy;
- continued development of a HUB software system to facilitate development application processes;
- assisting other Regional District services with building and construction projects and inquiries;
- implementing the new Building Bylaw No. 3239 which replaced the previous version from 1999; and
- implementing a process for the BC Energy Step Code – Step 1 requirements to building permit process as adopted in the Building Bylaw. This makes the Regional District the first local government north of Kamloops to adopt the BC Energy Step Code into their Building Bylaw.

### *Untidy and Unsightly Premises*

Regulation compliance is a complaint driven program. Upon receipt of a complaint, it is investigated and typically compliance is achieved voluntarily through direct contact with the property owner/occupant. If compliance cannot be achieved through education and persuasion, a Bylaw Notice ticket or Compliance Order can be issued by the Bylaw Enforcement Officer or for more serious situations, the matter comes before the Board for authorization to either

resolve the issue through direct enforcement provisions (remedial action or Court proceedings), at cost to the owner.

In addition to unsightly premises, Bylaw Enforcement also assists in achieving compliance with land use planning regulations, building inspection and other Regional District regulations.

The Regional District provides regulatory compliance within the Electoral Areas through this service. Authority for this service is provided through the Unsightly Premises Regulatory Service Conversion Bylaw No. 3186, 2020 and the *Local Government Act*.

In 2022, the focus of Untidy and Unsightly Premises was on:

- investigation of complaints brought forward in accordance with the Regional Districts Bylaw Enforcement Policy DS-18-20. Investigations throughout the Regional District resulted in a total of 114 incidents being reported which resulted in 60 case files being created.
- Achieving regulatory compliance in a timely fashion through persuasive intervention with minimal requirement for legal action where necessary;
- revising the Bylaw Notice Enforcement Bylaw No. 3201 and the Regional District's bylaw enforcement policy DS-18-20 to capture the enforcement of buildings/structures as well as some administrative revisions;
- Recruitment of a Bylaw Enforcement Officer to fill a vacancy;
- continued development of a HUB software system to facilitate development application processes; and
- performing a safety risk assessment for the Bylaw Enforcement Officer position

## **ENVIRONMENTAL SERVICES**

### *Solid Waste Management*

Solid Waste Management is a region wide service and includes residual waste management and waste diversion following the 2015 Regional Solid Waste Management Plan and 2016 Waste Diversion Implementation Plan. This service encompasses operation and maintenance of 18 transfer stations, one recycling facility, 2 select landfill sites and one municipal solid waste landfill.

In 2022, the focus of Solid Waste Management was on:

- continuation of remediation earthworks at the Foothills Boulevard Regional Landfill facilitating the use of additional air space;
- continuation of the landfill gas instrumentation and systems upgrades at the Foothills Boulevard Regional Landfill;
- resurfacing and regrading of the roads and ditch works at the Foothills Boulevard Regional Landfill;
- continuation of the intermediate cover program at the Foothills Boulevard Regional Landfill;

- reshaping and sloping works at the Legrand Demolition and Construction Waste Landfill;
- site development works and borrow-pit redevelopment at the Mackenzie Regional Landfill;
- ground water monitoring well drilling and redevelopment at the Foothills Boulevard Regional Landfill and the Legrand Demolition and Construction Waste Landfill;
- continuation of permitted leachate discharge from the Foothills facility to the wastewater treatment facility at the City of Prince George;
- implementation of Phase 1 and 2 of the Demolition, Land clearing, Construction waste diversion program;
- continuation of yard & garden waste diversion with exceeding \$85,000 in Norgrow compost sales;
- Purchasing and installation of four (4) TS 400 Transtor Refuse containers; two (2) for McBride Regional Transfer Stations and two (2) for the Valemount Regional Transfer Station;
- Perimeter fencing upgrades and sectional relocations done at the Foothills Regional Landfill;
- Refuse bin pads at Vanway Regional Transfer Station, three (3) of six (6) were completed in the fall of 2022; and
- Continued partnership with Clean Farms in a pilot project for Agricultural Plastics Recycling.

Ongoing operation and maintenance tasks at all transfer station and active landfill facilities were conducted and the following reporting requirements met:

- 2021 Annual Reports for all three landfill facilities;
- 2021 Annual Groundwater Monitoring Reports for five closed and active landfill facilities;
- 2021 Greenhouse Gas Emission Reduction Report for Foothills Boulevard Regional Landfill; and
- 2021 Landfill Gas Generation Assessment.

The programs and policies introduced by the Regional District through its Regional Solid Waste Management Plan have resulted in considerable success towards waste diversion.

### *Regional Parks*

The Regional District operates and maintains 11 regional parks located throughout the Regional District encompassing a total of 330 hectares of land. In addition to routine maintenance work, several improvement projects were undertaken at a variety of parks including:

- Purchase of new parks infrastructure made from recycled plastics for installation in all Regional Parks; and
- repair of the boat launch at Wilkins Regional Park.

2022 saw a steady number in visitation at all parks.

### *Utilities*

The Regional District operates two small community water systems and five community sewer systems. The Regional District operates these systems in accordance with provincial regulatory requirements to meet public health, safety and environmental protection objectives.

The main roles of the Regional District at these sites for 2022 included:

- operating spray irrigation systems at three of the five community sewer systems;
- performing routine sampling and monitoring of the two-community water systems;
- beginning of an operations plan review for all Regional District Wastewater Systems; and
- conducting emergency repair works at the Azu drinking water system under winter conditions.

Ongoing operation and maintenance tasks at all utilities were conducted year-round.

## **FINANCIAL SERVICES**

### **FINANCIAL MANAGEMENT AND CONTROL**

The Regional District's Board adopts five-year financial plans for each Service. These five-year financial plans provide the budget for the current year, the financial plan for the next four years, and incorporate both operating and capital components. The budget process commences in the fall and the five-year financial plan bylaw must be adopted by March 31<sup>st</sup> of each year.

Management is responsible for the preparation, monitoring and management of their operating and capital budgets. There were ninety-one operating budgets prepared in 2022 for the various Services offered by the Regional District.

Financial Services is responsible for compiling the budgets and preparing the five-year financial plan for presentation to the Board. This Service is also responsible for analyzing the budget and making recommendations to the Chief Administrative Officer.

Financial Services has established an accounting system and internal controls to provide reasonable assurance for the safekeeping of assets and the reliability of the financial records. The financial management system allows all Services ready access to current financial and budget information. Authorized users have on-line access to a wide variety of financial information that is pertinent to their duties, such as payroll information, accounts payable, accounts receivable and general account and budget detail.

### **SIGNIFICANT ACTIVITIES**

- 1) Reserve Funds: Each year the Regional District budgets for annual contributions to be made into the reserve funds. This allows the Regional District to internally finance, for specific purposes, such as the purchase of capital equipment and landfill closure and post-closure costs. These funds are accounted for separately for each Service and the monies are invested until such time as they are required.

At December 31, 2022, the Regional District held approximately 234 unique reserve funds. In 2022, \$5,817,880 was contributed from Operating Funds

to Reserve Funds and \$63,171 was earned in interest. During the year, \$4,546,005 in total was transferred from reserves to fund various projects within Regional District Services. Reserve funds were used to purchase vehicles and equipment as well as provide funding for a number of projects. Some of these projects include: reconstruction of the Cummings Road Transfer Station, Chiller Replacement at the Robson Valley Recreation Center, purchase of Transtor Bins for Environmental Services and, purchase of picnic tables and outhouses for a number of regional parks. At December 31, 2022, the total in the Reserve Funds is \$70,040,969.

- 2) Debt: The Regional District borrows on behalf of the municipalities within its boundaries and for its own use. Debentures are issued to the Municipal Finance Authority of British Columbia for these funds. Although the Regional District is ultimately responsible for the retirement of the debenture debt, the municipalities are responsible for repayment to the Regional District of their share of this liability.

Each year, principal payments are made from the Operating Funds to repay the Regional District's portion of the debenture debt. Of the \$98,424,494 in debenture debt at December 31, 2022, the Municipalities (City of Prince George and the Village of Valemount) are responsible for the retirement of \$93,951,832.

- 3) The Audit: The Regional District is required by the Section 169 of the *Community Charter* to appoint an external auditor. The auditor is required to give an opinion as to whether the Consolidated Financial Statements present fairly, in all material respects, the consolidated financial position of the Regional District as at December 31<sup>st</sup>, including the consolidated results of operations, consolidated changes in net financial assets, consolidated remeasurement gains and losses and the consolidated cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

The independent auditor's role is to examine the consolidated financial statements, procedures, documentation, systems and other matters in order to form an opinion on the Regional District's Consolidated Financial Statements. The Consolidated Financial Statements are prepared by, and are the responsibility of, the management of the Regional District.

Respectfully submitted,

***"Chris Calder"***

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Chris Calder, CPA, CA  
General Manager of Financial Services

**BOARD OF DIRECTORS AS OF DECEMBER 31, 2022**

Chairperson..... Lara Beckett

Vice Chairperson..... Art Kaehn

***Municipal Directors***

City of Prince George ..... Simon Yu (Mayor)

..... Cori Ramsay

..... Kyle Sampson

..... Brian Skakun

District of Mackenzie ..... Joan Atkinson (Mayor)

Village of McBride ..... Gene Runtz (Mayor)

Village of Valemount..... Owen Torgerson (Mayor)

***Electoral Area Directors***

Area A – Salmon River – Lakes..... Victor Mobley

Area C – Chilako River – Nechako ..... Lara Beckett

Area D – Tabor Lake – Stone Creek..... Bill Empey

Area E – Woodpecker – Hixon ..... Art Kaehn

Area F – Willow River – Upper Fraser ..... Kevin Dunphy

Area G – Crooked River – Parsnip ..... Jerrilyn Kirk

Area H – Robson Valley – Canoe..... Dannielle Alan

Letters patent were issued in 1967 to create the Regional District of Fraser-Fort George. The Regional District has powers and authority as set out in the *Local Government Act*. The governing board of the Regional District is composed of fourteen directors: four selected by the City of Prince George from amongst its council, one selected by each of the councils of the District of Mackenzie, Village of McBride and Village of Valemount, and seven directors elected from within each of the seven electoral areas which cover the unincorporated portions of the Regional District.



***BOARD CHAIRPERSON SINCE INCORPORATION***

Paul Klotz .....	1967
George McAndrew.....	1968 - 1970
Levi Johnson .....	1971 - 1973
Len Proppe.....	1974 - 1977
Harold Mann.....	1978 - 1979
Art Stauble .....	1980 - 1981
George McKnight .....	1982
Art Stauble .....	1983 - 1986
Monica Becott.....	1987 - 1988
Colin Kinsley.....	1989 - 1992
Bob Headrick.....	1993 - 2000
Colin Kinsley.....	2001 - 2006
Art Kaehn .....	2007 – 2022
Lara Beckett.....	2023 - Present

***REGIONAL DISTRICT OFFICERS***

Chief Administrative Officer .....	Jim Martin
General Manager of Legislative and Corporate Services (Corporate Officer) .....	Karla Jensen
General Manager of Financial Services (Financial Officer) .....	Chris Calder



***REGIONAL DISTRICT FUNCTIONS***

***GENERAL GOVERNMENT SERVICES***

Administration  
Bear Lake Community Commission  
Regional District Board  
Community Services  
Electoral Area Administration  
Community Grants-in-Aid  
Regional Grants-in-Aid

***PROTECTIVE SERVICES***

Bear Lake Fire Protection  
Beverly Fire Protection  
Buckhorn Fire Protection  
Emergency Preparedness Service  
Ferndale/Tabor Fire Protection  
Fire Department Coordination  
Hixon Fire Protection  
Inspection Services  
McBride District Fire Protection  
Ness Lake Fire Protection  
Pilot Mountain Fire Protection  
Pineview Fire Protection  
Red Rock/Stoner Fire Protection  
Salmon Valley Fire Protection  
Shell-Glen Fire/Rescue Protection  
Unightly and Untidy Premises  
Valemount and District Fire Protection

***TRANSPORTATION SERVICES***

Bear Lake Street Lighting  
Buckhorn Street Lighting  
Hixon Street Lighting  
McLeod Lake Street Lighting  
Pineview Street Lighting  
Red Rock Street Lighting  
Shelley Street Lighting  
Syms Road Street Lighting  
Willow River Street Lighting

***ENVIRONMENTAL HEALTH SERVICES***

Adams Road Community Sewer System  
Azu Water System  
Bear Lake Water System  
Bendixon Community Sewer System  
Blackburn Water System  
Buckhorn Community Sewer System  
Rural Transfer Station Service  
Sewage Service – Holding Tanks  
Shelly Riverbank Erosion Protection  
Solid Waste Management  
Special Events Regulation  
Tabor Lake Sewer System  
Tallus Road Community Sewer System  
Waste Reduction  
West Lake Community Sewer System

***PUBLIC HEALTH AND WELFARE SERVICES***

9-1-1 Emergency Response  
Area D Rescue Service  
Bear Lake Ambulance Station  
Bear Lake Cemetery  
Chilako/Nechako Rescue Service  
Tete Jaune Cemetery  
Valemount and District Rescue Service

***ENVIRONMENTAL DEVELOPMENT SERVICES***

Economic Development Commission  
House Numbering  
Noise Control  
Regional Land Use Planning

***FISCAL SERVICES***

Debt Charges – Member Municipalities



*RECREATION AND CULTURAL SERVICES*

Area H Arenas  
Bear Lake Recreation Facility  
Canoe Valley Recreation Centre  
Dome Creek Recreation Facility  
East Line Community Facilities  
Heritage Conservation  
Nukko Lake Community Hall  
Prince George/Mackenzie Libraries  
Recreation Programs  
Regional Parks  
Reid Lake Community Hall  
Robson Valley/Canoe Libraries  
Robson Valley Exploration and Learning  
Robson Valley Recreation Centre  
Robson Valley TV Rebroadcasting  
Sinclair Mills Community Hall  
Tete Jaune Community Hall  
Valemount and District TV Rebroadcasting

*OTHER SERVICES*

Dome Creek Telephone  
Feasibility Studies



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## **MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying consolidated financial statements of the Regional District of Fraser-Fort George (the "Regional District") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 2 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

Management meets with the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

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

***"Chris Calder"***

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Chris Calder, CPA, CA  
*General Manager of Financial Services*



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Canada  
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## INDEPENDENT AUDITOR'S REPORT

To the Chairperson and Directors of the Regional District of Fraser-Fort George

### **Opinion**

We have audited the consolidated financial statements of Regional District of Fraser-Fort George (the "Regional District"), which comprise:

- the consolidated statement of financial position as at December 31, 2022
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Regional District as at December 31, 2022 and its consolidated results of operations, change in net consolidated financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### **Basis for Opinion**

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**" section of our auditor's report.

We are independent of the Regional District in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



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

Management is responsible for the preparation and fair presentation of the 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 the 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 Regional District'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 Regional District or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Regional District's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional District'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 Regional District'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 consolidated 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 Regional District to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

Chartered Professional Accountants

Prince George, Canada

April 20, 2023

**Consolidated Statement of Financial Position**

*As at December 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 14,831,677	\$ 18,492,740
Portfolio investments (Note 4)	63,018,499	59,401,715
Accounts receivable (Note 5)	3,978,307	3,662,205
Deposits - Municipal Finance Authority (Note 6)	70,323	42,736
Debt recoverable - member municipalities	<u>93,951,831</u>	<u>65,292,420</u>
<b>Total financial assets</b>	<b>175,850,637</b>	<b>146,891,816</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 8)	4,679,346	5,562,809
Provision for landfill closure and post-closure (Note 9)	30,847,534	30,644,127
Deferred revenue (Note 10)	143,394	1,076,625
Reserve - Municipal Finance Authority (Note 6)	70,323	42,736
Debt, net of sinking funds (Note 11)	<u>98,424,494</u>	<u>69,958,959</u>
<b>Total liabilities</b>	<b>134,165,091</b>	<b>107,285,256</b>
<b>NET FINANCIAL ASSETS</b>	<b>41,685,546</b>	<b>39,606,560</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 2)	52,638,353	50,352,598
Prepaid expenses	<u>361,644</u>	<u>539,403</u>
<b>Total non-financial assets</b>	<b>52,999,997</b>	<b>50,892,001</b>
<b>ACCUMULATED SURPLUS</b>	<b>94,685,543</b>	<b>90,498,561</b>
<b>Accumulated surplus consists of:</b>		
Accumulated surplus (Note 12)	97,117,695	91,210,095
Accumulated remeasurement losses	<u>(2,432,152)</u>	<u>(711,534)</u>
<b>ACCUMULATED SURPLUS</b>	<b>\$ 94,685,543</b>	<b>\$ 90,498,561</b>
Commitments (Note 17)		
Contractual obligations (Note 18)		
Contractual rights (Note 19)		

***"Chris Calder"***

Chris Calder, CPA, CA, General Manager of Financial Services

***"Lara Beckett"***

Lara Beckett, Chair

The accompanying notes and schedules are an integral part of these consolidated financial statements.

**Consolidated Statement of Operations and Accumulated Surplus**

<i>For the year ended December 31, 2022</i>	<b>2022 Budget (Note 14)</b>	<b>2022</b>	<b>2021</b>
<b>REVENUES</b>			
Requisition and parcel taxes	\$ 20,749,950	\$ 20,749,950	\$ 20,214,456
Municipal debt recovery	6,771,566	7,370,043	10,879,942
Sale of services, utilities and rentals	8,798,815	9,981,233	9,005,422
Government transfers (Note 13)	1,454,908	1,459,500	3,104,495
Grants-in-lieu	1,290,000	1,486,597	1,446,691
Permit fees	179,200	314,674	243,760
Return on investments	-	1,838,080	968,781
Gain on disposal of tangible capital assets	-	16,492	7,056
Other revenue	45,926	1,045,784	665,670
<b>Total revenues</b>	<b>39,290,365</b>	<b>44,262,353</b>	<b>46,536,273</b>
<b>EXPENSES</b>			
General government services	8,052,256	7,857,097	6,207,000
Protective services	3,828,213	4,042,255	4,398,456
Transportation services	82,316	77,987	78,817
Environmental health services	10,189,383	9,101,527	11,511,223
Public health and welfare services	4,264,846	4,380,242	3,860,247
Environmental development services	1,418,255	984,679	917,907
Fiscal services	6,771,566	7,370,043	10,879,942
Recreation and cultural services	4,964,171	4,540,923	4,293,221
<b>Total expenses</b>	<b>39,571,006</b>	<b>38,354,753</b>	<b>42,146,813</b>
<b>ANNUAL (DEFICIT) SURPLUS</b>	<b>(280,641)</b>	<b>5,907,600</b>	<b>4,389,460</b>
<b>ACCUMULATED SURPLUS, BEGINNING OF YEAR</b>	<b>91,210,095</b>	<b>91,210,095</b>	<b>86,820,635</b>
<b>ACCUMULATED SURPLUS, END OF YEAR</b>	<b><u>\$ 90,929,454</u></b>	<b><u>\$ 97,117,695</u></b>	<b><u>\$ 91,210,095</u></b>

The accompanying notes and schedules are an integral part of these consolidated financial statements.

***Consolidated Statement of Changes in Net Financial Assets***

<i>For the year ended December 31, 2022</i>	<b>2022 Budget (Note 14)</b>	<b>2022</b>	<b>2021</b>
<b>Annual (deficit) surplus</b>	\$ (280,641)	\$ 5,907,600	\$ 4,389,460
Acquisition of tangible capital assets	(16,009,514)	(8,525,304)	(8,918,552)
Decrease (increase) in capital projects in progress	-	3,676,318	(207,938)
Proceeds on disposal of tangible capital assets	-	27,100	9,056
Amortization of tangible capital assets	-	2,552,624	2,092,163
Gain on disposal of tangible capital assets	-	(16,492)	(7,056)
Acquisition of prepaid expenses	-	(361,645)	(539,403)
Use of prepaid expenses	-	539,403	463,444
Net remeasurement gains and losses	-	(1,720,618)	(527,072)
	(16,009,514)	(3,828,614)	(7,635,358)
<b>(DECREASE) INCREASE IN NET FINANCIAL ASSETS</b>	(16,290,155)	2,078,986	(3,245,898)
<b>NET FINANCIAL ASSETS, BEGINNING OF YEAR</b>	39,606,560	39,606,560	42,852,458
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<u>\$ 23,316,405</u>	<u>\$ 41,685,546</u>	<u>\$ 39,606,560</u>

The accompanying notes and schedules are an integral part of these consolidated financial statements.

***Consolidated Statement of Remeasurement Gains and Losses***

<b><i>For the Year Ended December 31, 2022</i></b>	<b>2022</b>	<b>2021</b>
Accumulated remeasurement losses, beginning of year	\$ (711,534)	\$ (184,462)
Remeasurement losses realized and reclassified to the Consolidated Statement of Operations and Accumulated Surplus	-	334,785
Change in unrealized loss on portfolio investments	<u>(1,720,618)</u>	<u>(861,857)</u>
<b>ACCUMULATED REMEASUREMENT LOSSES, END OF YEAR</b>	<b><u>\$ (2,432,152)</u></b>	<b><u>\$ (711,534)</u></b>

The accompanying notes and schedules are an integral part of these consolidated financial statements.

**Consolidated Statement of Cash Flows**

*For the year ended December 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>OPERATING TRANSACTIONS</b>		
Annual surplus	\$ 5,907,600	\$ 4,389,459
<b>Non-cash items included in annual surplus:</b>		
Amortization of tangible capital assets	2,552,624	2,092,163
Gain on disposal of tangible capital assets	(16,492)	(7,056)
Increase in provision for landfill closure and post-closure	203,407	3,545,516
Increase in accumulated remeasurement loss	(1,720,618)	(527,072)
<b>Non-cash charges to operations (net change):</b>		
Increase in accounts receivable	(316,102)	(807,284)
Decrease (increase) in prepaid expenses	177,757	(75,959)
(Decrease) increase in accounts payable and accrued liabilities	(883,462)	577,154
(Decrease) increase in deferred revenue	(933,231)	977,816
<b>Net change in cash from operating transactions</b>	<u>4,971,483</u>	<u>10,164,737</u>
<b>CAPITAL TRANSACTIONS</b>		
Acquisition of tangible capital assets	(8,525,304)	(8,918,552)
Decrease (increase) in capital projects in progress	3,676,318	(207,938)
Proceeds from disposal of tangible capital assets	27,100	9,056
<b>Net change in cash from capital transactions</b>	<u>(4,821,886)</u>	<u>(9,117,434)</u>
<b>INVESTING TRANSACTIONS</b>		
Increase in portfolio investments	<u>(3,616,783)</u>	<u>(181,538)</u>
<b>Net change in cash from investing transactions</b>	<u>(3,616,783)</u>	<u>(181,538)</u>
<b>FINANCING TRANSACTIONS</b>		
Long-term debt proceeds	3,000,000	1,970,000
Repayment of long-term debt	(3,193,877)	(336,235)
<b>Net change in cash from financing transactions</b>	<u>(193,877)</u>	<u>1,633,765</u>
<b>NET CASH AND CASH EQUIVALENTS INCREASE (DECREASE)</b>	(3,661,063)	2,499,530
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>18,492,740</u>	<u>15,993,210</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 14,831,677</u>	<u>\$ 18,492,740</u>

The accompanying notes and schedules are an integral part of these consolidated financial statements.

## ***Notes to the Consolidated Financial Statements***

For the year ended December 31, 2022

### **GENERAL**

The notes to the Consolidated Financial Statements are an integral part of the Consolidated Financial Statements. They explain the significant accounting and reporting policies, and the principles that form the basis for these Consolidated Financial Statements. The notes also provide important supplementary information and explanations, which cannot be conveniently integrated into the Consolidated Financial Statements.

#### **1. DESCRIPTION OF BUSINESS**

The Regional District of Fraser – Fort George (the "Regional District") was incorporated by Letters Patent of the Province of British Columbia on March 8, 1967. The Regional District's principal activities are the provision of regional, sub-regional and local government services to the residents of the four municipalities and seven electoral areas within its boundaries.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

##### **a. Basis of presentation**

The Consolidated Financial Statements of the Regional District are prepared by management in accordance with Canadian generally accepted accounting principles for local governments established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. The Consolidated Financial Statements reflect the combined results and activities of the Regional District's Operating, Capital, and Reserve Funds. The purpose of these funds is as below:

- i) Operating Funds – These funds include the General, Water, and Sewer operations of the Regional District. Operating funds are used to record the costs associated with providing Regional District services.
- ii) Capital Funds – These funds include the General, Water, and Sewer Capital Funds. These funds track the acquisition costs of various tangible capital assets and the funding of these assets including related long-term debt.
- iii) Reserve Funds – Under the *Local Government Act* of British Columbia, the Board of Directors of the Regional District may, by bylaw, establish Reserve Funds for specific purposes. Money in a Reserve Fund and interest thereon must be used only for the purpose for which the fund was established. If the amount in a Reserve Fund is greater than required, the Board of Directors may, by bylaw, transfer all or part of the balance to another Reserve Fund.



***Notes to the Consolidated Financial Statements***

For the year ended December 31, 2022

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**b. Basis of accounting**

The Regional District follows the accrual method of accounting for revenue and expenses. Revenues are normally recognized in the period when they are earned, can be measured and there is reasonable assurance that they will be collected. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

**c. Revenue recognition**

Each municipality and electoral area within the Regional District is requisitioned for their portion of each service in which they participate. These funds are then levied by the municipalities and the Province for electoral areas to individual taxpayers and are to be remitted to the Regional District by August 1 of each year. Requisition and parcel tax revenues are recognized in the year in which they are levied.

Operating grants are recognized as earned. Capital grants are recognized as revenues in the year in which the related expenditures are incurred. Sale of services and user fee revenues are recognized when the service or product is provided by the Regional District.

Government transfers are recognized as revenues in the period in which events giving rise to the transfer occur in accordance with PS 3410 Government Transfers. PS 3410 Government Transfers requires recognition when a transfer is authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Grants in lieu of taxes are recorded on an accrual basis when it is possible to reasonably estimate the amounts receivable.

**d. Return on investments**

Return on investments is recognized as revenue in the period the investment income is earned. A portion of the return on investments is allocated to all the functions based on the average function balances throughout the year.



***Notes to the Consolidated Financial Statements***

For the year ended December 31, 2022

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**e. Financial instruments**

Financial instruments are classified into two categories: fair value or cost.

- i) Fair value category: portfolio investments quoted in an active market are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Consolidated Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Consolidated Statement of Operations and Accumulated Surplus and related balances reversed from the Consolidated Statement of Remeasurement Gains and Losses.
- ii) Cost category: portfolio investments not quoted in an active market, financial assets and liabilities are recorded at cost or amortized cost. Gains and losses are recognized in the Consolidated Statement of Operations and Accumulated Surplus when the financial asset is derecognized due to disposal or impairment. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of financial assets are included in the cost of the related instrument.

Financial assets are assessed for impairment on an annual basis. If there is an indicator of impairment, the Regional District determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Regional District expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

**f. Deferred revenue**

Deferred revenue represents amounts received from outside funding sources in anticipation of specific future project expenditures. These amounts are recognized as revenues in the period that the related expenditures are incurred and eligibility criteria are met.

**g. Cash and cash equivalents**

Cash and cash equivalents include cash and short term investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

**h. Debt**

Debt is recorded net of related sinking fund balances.

***Notes to the Consolidated Financial Statements***

For the year ended December 31, 2022

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**i. Tangible capital assets**

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

Land improvements	20 - 100 years
Buildings	20 - 50 years
Equipment	5 - 35 years
Engineering structures	50 years
Historical artifacts	not amortized
Sewer systems	50 years
Water systems	50 years

Half a year of amortization is charged in the year of acquisition and half a year in the year of disposal. Capital projects in progress are not amortized until the tangible capital asset is available for productive use. Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

**j. Equity in tangible capital assets**

Equity in tangible capital assets reflects the accumulated historical cost of tangible capital assets for which there is no outstanding debt, less accumulated amortization.

**k. Provision for landfill closure and post-closure**

The liability for closure of operational landfill sites and post-closure care has been recognized based on estimated future expenses, estimated inflation and the site's estimated remaining capacity at the end of the year. The change in this liability during the year is recorded as a charge to operations in the Consolidated Statement of Operations and Accumulated Surplus. These estimates are reviewed and adjusted annually.

## ***Notes to the Consolidated Financial Statements***

For the year ended December 31, 2022

### **2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **i. Employee future benefits**

The Regional District and its employees make contributions to the Municipal Pension Plan. These contributions are expensed as incurred.

Sick leave and other benefits are available to the Regional District's employees. The cost of these benefits are determined based on service and best estimates of retirement ages and wages. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

#### **m. Segmented information**

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The Regional District has provided definitions of the Regional District's segments as well as presented financial information in segmented format in Note 16.

#### **n. Contaminated sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all of the following criteria are met:

- i) an environmental standard exists;
- ii) contamination exceeds the environmental standard;
- iii) the Regional District is directly responsible or accepts responsibility;
- iv) future economic benefits will be given up; and
- v) a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

## ***Notes to the Consolidated Financial Statements***

For the year ended December 31, 2022

### **2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **o. Financial risks and concentration of risk**

The Regional District is potentially exposed to credit risk, market and interest rate risk, liquidity risk, and foreign exchange risk from the entity's financial instruments. Qualitative and quantitative analysis of the significant risks from the Regional District's financial instruments is provided below by type of risk.

##### **i) Credit risk**

Credit risk primarily arises from the Regional District's cash and cash equivalents, accounts receivable and portfolio investments. The risk exposure is limited to their carrying amounts at the date of the Consolidated Statement of Financial Position. Accounts receivable primarily consist of amounts receivable from government organizations, residents and other customers. To reduce the risk, the Regional District regularly reviews the collectability of its accounts receivable and if needed, will establish an allowance based on its best estimate of potentially uncollectible amounts. As at December 31, 2022, the amount of allowance for doubtful debts was \$1,416 (2021 - nil). The Regional District historically has not had difficulty collecting receivables, nor have counterparties defaulted on any payments.

##### **ii) Market and interest rate risk**

Market risk is the risk that changes in market prices and inputs, such as interest rates, will affect the Regional District's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk. The Regional District manages market risk by holding cash balances with top rated Canadian Schedule I financial institutions and local credit unions. The portfolio investments are managed following the investment policy which is approved by the Regional District's Board of Directors. The Regional District periodically reviews its investments and is satisfied that the portfolio investments are being managed in accordance with the investment policy. Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Regional District's portfolio investments are disclosed in Note 4 and changes in the fair value of portfolio investments have parallel changes in unrealized gains or losses until realized on disposal. There was a significant increase in market interest rates during 2022, resulting in a significant increase in investment income and a decrease in market prices, resulting in a significant increase in accumulated remeasurement losses on the Statement of Remeasurement Gains and Losses.

##### **iii) Liquidity risk**

Liquidity risk is the risk that the Regional District will not be able to meet its financial obligations as they become due. The Regional District manages liquidity risk by continually monitoring actual and forecasted cash flows from operations, anticipated investing, and financial activities to ensure that its financial obligations are met.

##### **iv) Foreign exchange risk**

The Regional District has not entered into any agreements or purchased any foreign currency hedging arrangements to hedge possible currency risks, as management believes that the foreign exchange risk derived from currency conversions is not significant.

**Notes to the Consolidated Financial Statements**

For the year ended December 31, 2022

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**p. Use of estimates**

The preparation of the Consolidated Financial Statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenditure during the reporting period. Significant areas requiring the use of management estimates relate to the provision for landfill closure and post closure costs, determination of accrued sick benefits and vacation liability, collectibility of accounts receivable, useful life of tangible capital assets and provisions for commitments, contractual obligations, contractual rights and contingent assets. Actual results could differ from estimates. Adjustments, if any, will be reflected in the Consolidated Statement of Operations and Accumulated Surplus in the period of settlement.

**3. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents is comprised of operating and savings account balances plus amounts held with CIBC in a pooled high interest savings account.

	<b>2022</b>	<b>2021</b>
Operating	\$ 2,701,535	\$ 3,061,934
CIBC Savings	1,018,666	1,002,455
CIBC High Interest Savings Account	11,111,476	14,428,350
<b>Total cash and cash equivalents</b>	<b>\$ 14,831,677</b>	<b>\$ 18,492,739</b>

**4. PORTFOLIO INVESTMENTS**

Portfolio investments are comprised of investments held with the Municipal Finance Authority ("MFA") in money market, government focused ultra-short bond, short-term bond and mortgage pooled investment funds along with term deposits of varying maturity held with Schedule I financial institutions and a local credit union. MFA Government Focused Ultra-Short Bond Fund (formerly MFA Intermediate Fund), Short-Term Bond Fund and Mortgage Fund investments are quoted in an active market and therefore are recorded at fair market value. Term deposits are recorded at cost and interest is accrued as earned.

The portfolio investments measured at fair value held within each investment are classified according to a hierarchy which includes three levels, reflecting the reliability of the inputs involved in the fair value determination.

## **Notes to the Consolidated Financial Statements**

For the year ended December 31, 2022

### **4. PORTFOLIO INVESTMENTS (CONTINUED)**

The different levels are defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<b>Fair Value Hierarchy</b>	<b>Maturity</b>	<b>Interest Rate</b>	<b>2022</b>	<b>2021</b>
Term Deposit - Interior Savings	Level 1	January 2022	2.70%	\$ -	\$ 2,000,000
Term Deposit - Interior Savings	Level 1	January 2022	0.80%	-	2,050,831
Term Deposit - Coast Capital Savings	Level 1	May 2022	2.55%	-	2,000,000
Term Deposit - Coast Capital Savings	Level 1	May 2022	1.15%	-	2,051,000
Term Deposit - Coast Capital Savings	Level 1	August 2022	1.15%	-	1,635,362
Term Deposit - Interior Savings	Level 1	September 2022	1.30%	-	1,000,000
Term Deposit - Canadian Western Bank	Level 1	September 2022	1.25%	-	2,000,000
Term Deposit - Interior Savings	Level 1	September 2022	1.05%	-	1,585,045
Term Deposit - Coast Capital Savings	Level 1	September 2022	1.20%	-	2,608,768
Term Deposit - Coast Capital Savings	Level 1	September 2022	1.20%	-	1,032,000
Term Deposit - Interior Savings	Level 1	January 2023	1.20%	2,067,238	-
Term Deposit - Coast Capital Savings	Level 1	May 2023	1.30%	1,500,000	1,500,000
Term Deposit - Coast Capital Savings	Level 1	June 2023	3.70%	3,179,761	-
Term Deposit - Coast Capital Savings	Level 1	August 2023	1.30%	1,500,000	1,500,000
Term Deposit - Coast Capital Savings	Level 1	August 2023	5.05%	1,654,813	-
Term Deposit - Canadian Western Bank	Level 1	September 2023	1.60%	1,500,000	1,500,000
Term Deposit - Canadian Western Bank	Level 1	September 2023	4.55%	2,025,000	-
Term Deposit - Coast Capital Savings	Level 1	October 2023	1.55%	2,000,000	2,000,000
Term Deposit - Coast Capital Savings	Level 1	October 2023	5.20%	2,185,584	-
Term Deposit - Interior Savings	Level 1	October 2023	4.35%	2,627,832	-
Term Deposit - Interior Savings	Level 1	January 2024	1.50%	2,107,189	-
Term Deposit - Coast Capital Savings	Level 1	June 2024	4.10%	1,000,000	-
Term Deposit - Coast Capital Savings	Level 1	September 2024	1.50%	1,000,000	1,000,000

**Notes to the Consolidated Financial Statements**

For the year ended December 31, 2022

**4. PORTFOLIO INVESTMENTS (CONTINUED)**

	Fair Value Hierarchy	Maturity	Interest Rate	2022	2021
Term Deposit - Coast Capital Savings	Level 1	October 2024	5.30%	1,500,000	-
Cash on Deposit - Coast Capital Savings	Level 1			581	-
MFA Money Market Fund	Level 1			3,160,241	2,063,291
MFA Government Focused Ultra-Short Bond Fund	Level 2			10,866,137	9,875,996
MFA Short-Term Bond Fund	Level 2			16,225,953	16,787,839
MFA Mortgage Fund	Level 3			6,918,170	5,211,583
<b>Total portfolio investments</b>				<b>\$ 63,018,499</b>	<b>\$ 59,401,715</b>

The following table reconciles the changes in fair value of the financial instruments classified as Level 3 during the year.

	2022
<b>Balance, beginning of year</b>	\$ 5,211,583
Unrealized losses	(43,413)
Purchases	1,750,000
<b>Balance, end of year</b>	<b>\$ 6,918,170</b>

**5. ACCOUNTS RECEIVABLE**

Accounts receivable is comprised of the following:

	2022	2021
Federal Government	\$ 177,248	\$ 605,722
Province of British Columbia	304,846	1,237,599
Local governments	1,499,404	1,084,164
Accrued interest	423,884	303,977
Trade	1,572,925	430,743
<b>Total accounts receivable</b>	<b>\$ 3,978,307</b>	<b>\$ 3,662,205</b>

**Notes to the Consolidated Financial Statements**

For the year ended December 31, 2022

**6. MUNICIPAL FINANCE AUTHORITY - DEPOSITS AND RESERVES**

The MFA provides long term capital financing for Regional Districts and their Member Municipalities. As protection against loan default, the MFA is required to establish a debt reserve fund into which Regional Districts and Member Municipalities contribute amounts set out in each respective loan agreement. Cash deposits (including investment earnings) are an obligation of the MFA to the Regional District. Demand notes are contingent on the MFA calling the outstanding notes in the event of a loan default. Cash deposits of Member Municipalities are not recorded in these consolidated financial statements.

	<u>2022</u>	<u>2021</u>
<b>Regional District</b>		
Cash deposits	\$ 70,323	\$ 42,736

**7. DEBT RECOVERABLE**

The debt, net of sinking funds liability in the Consolidated Statement of Financial Position reflects the total debenture debt offset by the principal payments made to date. The Regional District's portion of the debenture debt will be retired by future contributions from the general operating fund, funded through tax requisitions. The debenture debt liability on behalf of the member municipalities is offset by a corresponding receivable from the municipalities.

	<u>2022</u>	<u>2021</u>
City of Prince George	\$ 93,516,951	\$ 64,794,517
Village of Valemount	434,880	497,903
<b>Total debt recoverable from member municipalities</b>	<u>\$ 93,951,831</u>	<u>\$ 65,292,420</u>

**8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable is comprised of the following:

	<u>2022</u>	<u>2021</u>
Trade payables	\$ 1,640,941	\$ 2,727,568
Accrued liabilities	873,992	744,746
Accrued wages and benefits	1,955,046	1,938,544
Holdbacks payable	131,213	94,812
Taxes payable	35,645	40,365
Accrued debt interest	42,509	16,774
<b>Total accounts payable and accrued liabilities</b>	<u>\$ 4,679,346</u>	<u>\$ 5,562,809</u>



## ***Notes to the Consolidated Financial Statements***

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

### **9. PROVISION FOR LANDFILL CLOSURE AND POST-CLOSURE**

The Regional District is responsible for the closure and post-closure care of landfill sites at Foothills, Mackenzie and 13 closed rural landfill sites. British Columbia environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance.

In 2019, the Mackenzie Regional Landfill ("Mackenzie") was transitioned from a full service landfill to receiving only demolition, land clearing and construction ("DLC") refuse with the construction of a transfer station on the same site that opened in December 2019 to accept non DLC waste. The Mackenzie Regional Landfill continues to operate in a limited capacity, thereby extending the estimated remaining useful life of this site. The remaining capacity and the effect of the change to a transfer station model on Mackenzie's accrued closure liability will be assessed in greater detail in a future period.

At the Foothills Boulevard Regional Landfill ("Foothills"), the closure and post closure costs outlined are for Cell 1 of the landfill. Cell 2 is planned to be built towards the end of the useful life of Cell 1 to maintain uninterrupted site continuity. Cell 2 is estimated to have a capacity of 3 million cubic metres and no costs have been incurred in relation to Cell 2 as of December 31, 2022. Therefore, all provisions as of December 31, 2022 relate to the closure and post closure of Cell 1 only. Once expenses are incurred for Cell 2 and there is a viable estimate for closure costs, this estimate will be added to the provision for landfill closure and post closure.

The estimated total liability provision is based on the sum of discounted future cash out-flows for closure and post-closure activities for 30 years after closure using a discount rate of 3.25% (2021 - 2.0%) and a projected annual inflation rate of 3.0% (2021 - 2.0%) for a net discount rate of 0.25% (2021 - 0.0%). The accrued liability portion is based on the cumulative capacity used at year end compared to the estimated total landfill capacity. The total capacity of Cell 1 at the Foothills site is estimated at 4 million cubic metres. The estimated remaining capacity of Cell 1 is 0.696 (2021 – 0.817) million cubic metres. Based on current projections, Cell 1 at Foothills is expected to reach capacity in approximately the year 2029.

During 2021, a Generic Closure Plan for Rural Landfill Sites was developed that provided a risk-based assessment of the Regional District's rural landfill sites and the estimated closure and post-closure costs to meet updated regulatory requirements. With all 13 rural landfill sites ceasing the acceptance of municipal solid waste between 1997 and 2008, all 13 rural landfill sites are closed and incurred original closure costs at the reported date of their closure. Estimates of further closure costs have been prepared for each site, along with post closure costs that encompass annual inspection, maintenance and a comprehensive monitoring report. Without formal guidance from the British Columbia Ministry of Environment and Climate Change Strategy at December 31, 2022, post closure costs are assumed to be required for 30 years following the reported date of closure of each rural site, leaving post closure periods that vary from 2023 to 2038. In total, the estimated liability provision for rural landfill sites is \$2,489,514 at December 31, 2022.

**Notes to the Consolidated Financial Statements**

For the year ended December 31, 2022

**9. PROVISION FOR LANDFILL CLOSURE AND POST-CLOSURE (CONTINUED)**

<b>Foothills Regional Landfill</b>	<b>2022</b>	<b>2021</b>
Estimated closure costs	\$ 26,947,627	\$ 27,329,666
Estimated post-closure costs	4,340,530	4,650,000
<b>Total discounted closure and post-closure costs for Foothills</b>	<b>\$ 31,288,157</b>	<b>\$ 31,979,666</b>
Estimated capacity used at Foothills at December 31	85.0 %	82.6 %
Accrued liability for Foothills Regional Landfill	\$ 26,608,020	\$ 26,417,627
Accrued liability for Mackenzie Regional Landfill	1,750,000	1,700,000
Accrued liability for Rural Landfills (non-operational)	2,489,514	2,526,500
<b>Total provision for landfill closure and post-closure</b>	<b>\$ 30,847,534</b>	<b>\$ 30,644,127</b>

The recorded liability of \$30,847,534 (2021 - \$30,644,127) represents the portion of the estimated total future costs recognized as at December 31, 2022. Landfill expenses are included in environmental health services expense on the Consolidated Statement of Operations and Accumulated Surplus.

The Regional District has established Landfill Closure Reserve Funds that are restricted for the purposes of funding future landfill closure and post-closure costs for Foothills, Mackenzie and Rural Landfill sites (closed). For Foothills and Mackenzie, the balance of this funding as at December 31, 2022, is \$26,517,852 (2021 - \$24,858,629), resulting in a current funding shortfall of \$1,840,168 (2021 - \$3,258,998). For Rural Landfill sites, the balance of this funding as at December 31, 2022 is \$4,527,953, resulting in a current funding surplus of \$2,038,439.

**10. DEFERRED REVENUE**

Deferred revenue is comprised of the following:

	<b>2022</b>	<b>2021</b>
Province of British Columbia	\$ 52,494	\$ 1,009,889
Local governments	-	52,500
Sewer parcel taxes	5,250	7,000
Refundable deposits	85,650	7,236
<b>Total deferred revenue</b>	<b>\$ 143,394</b>	<b>\$ 1,076,625</b>

**Notes to the Consolidated Financial Statements**

For the year ended December 31, 2022

**11. DEBT, NET OF SINKING FUNDS**

<b>Loan Authorization Bylaw/ Resolution No.</b>	<b>Issue No.</b>	<b>Purpose/Service</b>	<b>Maturing</b>	<b>Interest Rate</b>	<b>2022</b>	<b>2021</b>
<b>MFA Loan Debt</b>						
2249	101	Valemount & District Rescue	2022	2.25%	\$ -	\$ 15,013
2293	101	Heritage Conservation	2027	3.39%	469,473	551,930
2095	104	West Lake Sewer	2033	2.90%	140,544	150,645
2558	116	Shelley Riverbank Erosion	2036	1.47%	42,748	45,176
2307	118	Adams Road Sewer	2037	3.39%	244,214	255,666
2309	118	Tallus Road Sewer	2037	3.39%	58,200	60,929
2971	141	Robson Valley Learning & Exploration	2042	2.80%	383,028	397,226
2971	146	Robson Valley Learning & Exploration	2043	3.20%	80,390	83,138
3134	157	9-1-1 Emergency Services	2042	3.36%	3,000,000	-
Various	Various	Debt issued for member municipalities	2023 to 2042	0.91% to 5.10%	93,951,832	65,292,420
<b>Subtotal</b>					<b>\$ 98,370,429</b>	<b>\$ 66,852,143</b>
<b>Loan Authorization Bylaw/ Resolution No.</b>	<b>Issue No.</b>	<b>Purpose/Service</b>	<b>Maturing</b>	<b>Interest Rate</b>	<b>2022</b>	<b>2021</b>
<b>MFA Short Term Financing</b>						
3134	N/A	9-1-1 Emergency Services	2025	0.97%	\$ -	\$ 2,970,000
<b>Subtotal</b>					<b>\$ -</b>	<b>\$ 2,970,000</b>
<b>MFA Equipment Financing</b>						
1012/17	N/A	Pineview VFD	2022	0.97%	\$ -	\$ 29,589
1010/17	N/A	Ness Lake VFD	2022	0.97%	-	36,334
775/20	N/A	Hixon Fire Protection	2025	4.51%	54,065	70,893
<b>Subtotal</b>					<b>54,065</b>	<b>136,816</b>
<b>Total Debt, Net of Sinking Funds</b>					<b>\$ 98,424,494</b>	<b>\$ 69,958,959</b>

**Notes to the Consolidated Financial Statements**

For the year ended December 31, 2022

**11. DEBT, NET OF SINKING FUNDS (CONTINUED)**

**a. Principal repayments**

Future principal payments due as a result of borrowing on behalf of member municipalities will be recovered by requisition from the municipalities (see note 7 – debt recoverable - member municipalities). Principal payments required over the next 5 years and thereafter on the remaining long-term debt obligations are as follows:

Year	Regional District	Member Municipalities	Total Principal Payments
2023	\$ 215,022	\$ 5,531,374	\$ 5,746,396
2024	215,022	5,238,305	5,453,327
2025	215,022	5,232,274	5,447,296
2026	215,022	4,685,978	4,901,000
2027	215,022	4,456,598	4,671,620
Thereafter	3,343,487	68,807,303	72,150,790
<b>Total</b>	<b>\$ 4,418,597</b>	<b>\$ 93,951,832</b>	<b>\$ 98,370,429</b>

**b. Interest paid on long-term debt**

During the year, gross interest paid or payable on long-term debt was \$3,259,777 (2021 - \$4,700,283). Of this, \$3,083,456 (2021 - \$4,604,937) was recovered from member municipalities and \$176,321 (2021 - \$95,346) was charged to Regional District operations.

## **Notes to the Consolidated Financial Statements**

For the year ended December 31, 2022

### **12. ACCUMULATED SURPLUS**

	<b>2022</b>	<b>2021</b>
Surplus within Regional District services	\$ 9,782,254	\$ 7,506,333
Provision for landfill closure and post closure (Note 9)	<u>(30,847,534)</u>	<u>(30,644,127)</u>
<b>Subtotal - Operating fund deficit</b>	<b>(21,065,280)</b>	<b>(23,137,794)</b>
Reserve funds (Schedule 1)	70,040,969	68,705,927
Equity in tangible capital assets	<u>48,142,006</u>	<u>45,641,962</u>
<b>Total accumulated surplus</b>	<b><u>\$ 97,117,695</u></b>	<b><u>\$ 91,210,095</u></b>

### **13. GOVERNMENT TRANSFERS**

Government transfers are comprised of the following:

	<b>2022</b>	<b>2021</b>
Government of Canada	\$ 118,434	\$ 484,916
Province of British Columbia	1,099,651	2,413,275
Regional and local governments	70,000	10,000
Rail tax mitigation	129,740	129,740
Other	<u>41,675</u>	<u>66,565</u>
<b>Total government transfers</b>	<b><u>\$ 1,459,500</u></b>	<b><u>\$ 3,104,496</u></b>

### **14. BUDGET INFORMATION**

The budget data presented in these consolidated financial statements is based upon the 2022 Financial Plan Bylaw No. 3252, 2022, approved by the Board of Directors on March 17, 2022. The legislative requirements for the Financial Plan are that the cash inflows for the period must equal cash outflows.

Cash inflows and outflows include such items as: debt proceeds, transfer to and from reserves and surplus, grant funding previously recorded as revenue, debt principal repayment and asset purchases and sale proceeds. These items are not recognized as revenues and expenses in the Consolidated Statement of Operations and Accumulated Surplus as they do not meet the public sector accounting standard requirements. PSAB requires that budget figures be presented on the same basis of accounting as actual figures.

In addition, the financial plan anticipated use of surpluses accumulated in previous years to balance against current year expenditures in excess of current year revenues. These prior year surpluses do not appear on the current year Consolidated Statement of Operations and Accumulated Surplus.

***Notes to the Consolidated Financial Statements***

For the year ended December 31, 2022

**14. BUDGET INFORMATION (CONTINUED)**

The legislation does not require the funding of non-cash items such as amortization or liability provisions 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 Consolidated Statement of Operations and Accumulated Surplus.

Amortization was not contemplated on the development of the approved 2022 Financial Plan and as such, has not been included. The chart below illustrates how the legislative requirement for a balanced Financial Plan has been met.

	<b>Budget Amount</b>
Financial Plan Bylaw, surplus for the year	\$ -
Adjust for budgeted cash items not included in Consolidated Statement of Operations and Accumulated Surplus:	
Acquisition of tangible capital assets	16,009,514
Principal payments on long-term debt	303,765
Transfer to reserves	4,326,013
Long-term debt proceeds	(5,886,352)
Transfer from reserves	(11,355,498)
Transfer from operating surplus	(4,345,439)
Internal expenditures	667,356
<b>Budgeted Annual Deficit on Consolidated Statement of Operations and Accumulated Surplus</b>	<b>\$ (280,641)</b>

**15. CREDIT FACILITY**

The Regional District of Fraser-Fort George has available an authorized operating line of credit to a maximum of \$1,000,000. This facility bears interest at prime rate (December 31, 2022 – 6.45%) and is secured by the current borrowing resolution. This facility remained unused at year end.



## ***Notes to the Consolidated Financial Statements***

For the year ended December 31, 2022

### **16. SEGMENTED INFORMATION**

The Regional District of Fraser-Fort George is a diversified local government providing a wide range of services to approximately 100,000 residents, including parks, recreation centres, community halls, fire protection, water and sewer services. As a requirement of the *Local Government Act*, separate financial records must be kept for each service providing detailed allocation of assets and liabilities, revenues and expenses, information concerning reserve funds and other pertinent financial details. For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment and also amounts that are allocated on a reasonable basis.

Segmentation has been determined on a functional basis with consideration to service delivery and department accountabilities. The following is a description of the types of services included in each of the main service segments of the Regional District's consolidated financial statements. A detailed summary of the 2022 revenues and expenses can be found in Schedule 3, with 2021 comparative information in Schedule 4.

#### **General Government Services**

General government is comprised of board and electoral area governance, general administration which includes legislative services, finance, human resources and information technology systems, community services and grants in aid.

#### **Protective Services**

Protective services include volunteer fire departments, emergency programs, building inspection and various bylaw compliance services.

#### **Transportation Services**

Transportation services include street lighting.

#### **Environmental Health Services**

Environmental health services is responsible for regional solid waste management through collection, disposal services, waste reduction and education programs. Water and sewer systems are also included in this service.

#### **Public Health and Welfare Services**

Public health and welfare services includes 9-1-1 emergency response, cemetery service and road rescue.

#### **Environmental Development Services**

Environmental development services includes regional land use planning, economic development, noise control and house numbering.



***Notes to the Consolidated Financial Statements***

For the year ended December 31, 2022

**16. SEGMENTED INFORMATION (CONTINUED)**

**Recreation and Cultural Services**

Recreation and cultural services include recreation facilities and programs, regional parks, community halls, TV rebroadcasting and contributions towards cultural facilities and libraries.

**Fiscal Services**

Fiscal services provides for debenture interest and principal repayment on debt incurred by the member municipalities.

**17. COMMITMENTS**

**a. Pension Liability**

The Regional District and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2022, the plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 contributors from local governments.

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The Regional District paid \$573,125 (2021 - \$598,694) for employer contributions to the plan in fiscal 2022.

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

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

***Notes to the Consolidated Financial Statements***

For the year ended December 31, 2022

**17. COMMITMENTS (CONTINUED)**

**b. Reciprocal insurance exchange agreement**

The Regional District 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 Agreement, the Regional District is assessed a premium and a specific deductible for its claims, based on population. The obligation of the Regional District 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 Regional District irrevocably and unconditionally undertakes and agrees to indemnify and save harmless the other subscribers against liability losses and costs which the other subscribers may suffer.

**c. Litigation**

The Regional District is involved from time to time in litigation, which arises in the normal course of operations. Liabilities arising from any litigation are recognized in the consolidated financial statements when the outcome becomes reasonably determinable. In management's judgement, there is no material negative exposure at this time from existing litigations.

**d. Canada Community-Building Fund (Formerly Community Works Fund)**

The Regional District receives funding from the Canada Community-Building Fund through the Union of British Columbia Municipalities ("UBCM"). As of December 31, 2022, the Regional District had committed \$883,863 of funds from the Community Works Fund reserve to facilitate qualifying capital projects within the Regional District.

**e. MFA demand notes**

The MFA holds demand notes related to the Regional District's debentures in the amount of \$3,593,072 (2021 - \$2,624,401), of which \$3,458,625 (2021 - \$2,559,683) is held by the Regional District for the member municipalities (see note 6). The demand notes are not recorded in the consolidated financial statements as they will only be called upon if the MFA does not have sufficient funds to meet its payment obligations.

**Notes to the Consolidated Financial Statements**

For the year ended December 31, 2022

**18. CONTRACTUAL OBLIGATIONS**

The Regional District has entered into various agreements and contracts for the provision of services and payment of grants that extend beyond the current year. Based on the agreements and contracts in place at December 31, 2022, future contractual obligations are estimated as follows:

2023	\$11,459,969
2024	5,844,310
2025	5,338,282
2026	4,238,072
2027	4,246,500
<b>Total</b>	<u><u>\$31,127,133</u></u>

**19. CONTRACTUAL RIGHTS**

The Regional District has entered into various agreements and contracts to provide services to third parties or receive grant funding for approved projects that extend beyond the current year. Based on the agreements and contracts in place at December 31, 2022, future contractual rights are estimated as follows:

2023	\$ 2,661,170
2024	391,180
2025	304,856
2026	204,045
2027	-
<b>Total</b>	<u><u>\$ 3,561,251</u></u>

**20. RELATED PARTY TRANSACTIONS**

The Fraser-Fort George Regional Hospital District ("Hospital District") is related to the Regional District since the same individuals are members of the Board of Directors of both organizations. As legislated by the *Hospital District Act*, the officers and employees of the Regional District are the corresponding officers and employees of the Hospital District. Each of the Regional District and Hospital District are separate legal entities as defined by separate Letters Patent and authorized by separate legislation. During the year, the Hospital District purchased administrative support services from the Regional District at a cost of \$287,805 (2021 - \$280,785). These transactions are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.



***Notes to the Consolidated Financial Statements***

For the year ended December 31, 2022

**21. COMPARATIVE INFORMATION**

Certain 2021 comparative information has been reclassified to conform with the financial statement presentation adopted for the current year. The changes had no impact on prior year annual surplus.



# REGIONAL DISTRICT of Fraser-Fort George

## Schedule 1 - Reserve Funds

	2022	2021
<b>General Capital and Other Reserves</b>		
Equipment replacement reserve	\$ 3,606,329	\$ 3,816,614
Truck replacement reserve	6,062,884	5,588,162
Office accommodation	1,495,034	1,518,787
Landfill closure and post-closure	31,045,805	28,880,594
Park development	875,519	824,164
Feasibility study	145,307	153,826
Budget revenue stabilization	882,834	882,539
Park land acquisition	109,713	88,317
Region wide fire protection	49,493	49,443
Cultural endowment	1,477,062	1,479,782
Exploration Place building	92,822	121,088
Northern Capital and Planning Grant (Schedule 5)	4,445,998	4,828,145
<b>Total general capital and other reserves</b>	<b>50,288,800</b>	<b>48,231,461</b>
<b>Water Capital</b>		
Bear Lake Water - equipment	337,021	336,686
Azu Water - equipment	155,678	152,180
<b>Total water capital reserves</b>	<b>492,699</b>	<b>488,866</b>
<b>Sewer Capital</b>		
Tabor Lake Sewer - equipment	36,475	36,439
Buckhorn Sewer - equipment	39,963	29,894
Bendixon Sewer - equipment	17,162	15,139
West Lake Sewer - equipment	83,401	79,808
Adams Rd Sewer - equipment	164,404	164,240
Tallus Rd Sewer - equipment	69,181	69,112
<b>Total sewer capital reserves</b>	<b>410,586</b>	<b>394,632</b>
<b>Operating</b>		
Canada Community-Building Fund (formerly Community Works Fund)	3,895,030	5,453,470
General operating	14,349,998	13,561,039
Water operating	177,823	173,635
Sewer operating	426,033	402,824
<b>Total operating reserves</b>	<b>18,848,884</b>	<b>19,590,968</b>
<b>Total reserve funds</b>	<b>\$ 70,040,969</b>	<b>\$ 68,705,927</b>



**Schedule 2 - 2022 Tangible Capital Assets**

	Land and Improvements	Buildings	Equipment	Engineering Structures	Historical Artifacts	Sewer Systems	Water Systems	Capital in progress	Total 2022
<b>Cost</b>									
Balance, beginning of year	\$ 9,893,322	\$ 30,115,901	\$ 20,581,953	\$ 5,036,946	\$ 231,596	\$ 5,859,036	\$ 1,939,929	\$ 3,765,687	\$ 77,424,370
Add: Additions	3,057,683	237,437	5,562,056	-	-	2,388	-	-	8,859,564
Less: Deposit refund	-	(334,260)	-	-	-	-	-	-	(334,260)
Less: Disposals	-	-	(75,463)	-	-	-	-	(3,676,318)	(3,751,781)
<b>Balance, end of year</b>	<b>12,951,005</b>	<b>30,019,078</b>	<b>26,068,546</b>	<b>5,036,946</b>	<b>231,596</b>	<b>5,861,424</b>	<b>1,939,929</b>	<b>89,369</b>	<b>82,197,893</b>
<b>Accumulated amortization</b>									
Balance, beginning of year	300,457	11,441,477	11,248,718	1,522,754	-	1,728,521	829,845	-	27,071,772
Add: Amortization	223,085	813,755	1,222,792	106,801	-	146,642	39,548	-	2,552,623
Less: Disposals	-	-	(64,855)	-	-	-	-	-	(64,855)
<b>Balance, end of year</b>	<b>(523,542)</b>	<b>(12,255,232)</b>	<b>(12,406,655)</b>	<b>(1,629,555)</b>	<b>-</b>	<b>(1,875,163)</b>	<b>(869,393)</b>	<b>-</b>	<b>(29,559,540)</b>
<b>Net book value</b>	<b>12,427,463</b>	<b>17,763,846</b>	<b>13,661,891</b>	<b>3,407,391</b>	<b>231,596</b>	<b>3,986,261</b>	<b>1,070,536</b>	<b>89,369</b>	<b>52,638,353</b>
<b>2021 net book value, beginning of year</b>									
	8,537,508	14,435,298	7,862,531	3,620,993	231,596	3,924,964	1,149,632	3,557,749	43,320,271
<b>2021 net book value, end of year</b>	<b>\$ 9,592,865</b>	<b>\$ 18,674,424</b>	<b>\$ 9,333,235</b>	<b>\$ 3,514,192</b>	<b>\$ 231,596</b>	<b>\$ 4,130,515</b>	<b>\$ 1,110,084</b>	<b>\$ 3,765,687</b>	<b>\$ 50,352,598</b>



**REGIONAL DISTRICT  
of Fraser-Fort George**

**Schedule 3 - 2022 Segmented Information**

December 31, 2022	General government services	Protective services	Transportation services	Environmental health services	Public health and welfare services	Environmental development services	Fiscal services	Recreation and cultural services	2022 Total	2022 Budget
<b>Revenues</b>										
Requisition and parcel taxes	\$ 4,505,599	\$ 3,901,447	\$ 79,338	\$ 4,124,444	\$ 3,296,647	\$ 610,500	\$ -	\$ 4,231,975	\$ 20,749,950	\$ 20,749,950
Municipal debt recovery	-	-	-	-	-	-	7,370,043	-	7,370,043	6,771,566
Sale of services, utilities and rentals	283,350	151,103	-	7,857,212	1,601,043	-	-	88,525	9,981,233	8,798,815
Government transfers + grants in lieu	2,438,013	78,782	3,974	-	-	194,817	-	230,511	2,946,097	2,929,108
Other revenue	2,229,041	432,324	1,280	137,798	368,554	37,369	-	8,664	3,215,030	40,926
<b>Total revenues</b>	<b>9,456,003</b>	<b>4,563,656</b>	<b>84,592</b>	<b>12,119,454</b>	<b>5,266,244</b>	<b>842,686</b>	<b>7,370,043</b>	<b>4,559,675</b>	<b>44,262,353</b>	<b>39,290,365</b>
<b>Expenses</b>										
Salaries and wages	3,434,575	740,154	-	2,247,010	808,612	592,992	-	1,142,971	8,966,314	10,455,953
Debt charges - Regional District	-	2,014	-	27,062	88,599	-	-	69,217	186,892	238,702
Debt charges - Municipal	-	-	-	-	-	-	7,370,043	-	7,370,043	6,771,566
Amortization	244,550	739,779	-	636,504	556,845	-	-	374,946	2,552,624	-
Other expenses	4,177,972	2,560,308	77,987	6,190,951	2,926,186	391,687	-	2,953,789	19,278,880	22,104,785
<b>Total expenses</b>	<b>7,857,097</b>	<b>4,042,255</b>	<b>77,987</b>	<b>9,101,527</b>	<b>4,380,242</b>	<b>984,679</b>	<b>7,370,043</b>	<b>4,540,923</b>	<b>38,354,753</b>	<b>39,571,006</b>
<b>Annual surplus (deficit)</b>	<b>\$ 1,598,906</b>	<b>\$ 521,401</b>	<b>\$ 6,605</b>	<b>\$ 3,017,927</b>	<b>\$ 886,002</b>	<b>\$ (141,993)</b>	<b>\$ -</b>	<b>\$ 18,752</b>	<b>\$ 5,907,600</b>	<b>\$ (280,641)</b>



**REGIONAL DISTRICT  
of Fraser-Fort George**

**Schedule 4 - 2021 Segmented Information**

December 31, 2021	General government services	Protective services	Transportation services	Environmental health services	Public health and welfare services	Environmental development services	Fiscal services	Recreation and cultural services	2021 Total	2021 Budget
<b>Revenues</b>										
Requisition and parcel taxes	\$ 4,403,414	\$ 3,764,628	\$ 77,130	\$ 4,062,020	\$ 3,100,053	\$ 591,980	\$ -	\$ 4,215,231	\$ 20,214,456	\$ 20,214,456
Municipal debt recovery	-	-	-	-	-	-	10,879,942	-	10,879,942	10,672,005
Sale of services, utilities and rentals	304,103	798,045	-	6,601,711	1,258,523	-	-	43,040	9,005,422	8,194,100
Government transfers + grants in lieu	3,310,933	298,140	3,920	6,000	-	362,200	-	569,993	4,551,186	2,920,262
Other revenue	1,294,174	413,960	1,115	121,322	8,413	40,386	-	5,897	1,885,267	631,362
<b>Total revenues</b>	<b>9,312,624</b>	<b>5,274,773</b>	<b>82,165</b>	<b>10,791,053</b>	<b>4,366,989</b>	<b>994,566</b>	<b>10,879,942</b>	<b>4,834,161</b>	<b>46,536,273</b>	<b>42,632,185</b>
<b>Expenses</b>										
Salaries and wages	3,296,364	797,239	-	2,277,477	780,187	582,134	-	1,144,623	8,878,024	9,945,653
Debt charges - Regional District	-	2,383	-	27,969	22,368	-	-	60,504	113,224	179,485
Debt charges - Municipal	-	-	-	-	-	-	10,879,942	-	10,879,942	10,672,005
Amortization	223,337	697,791	-	515,294	331,710	-	-	324,031	2,092,163	-
Other expenses	2,687,299	2,901,043	78,817	8,690,483	2,725,982	335,773	-	2,764,063	20,183,460	20,859,958
<b>Total expenses</b>	<b>6,207,000</b>	<b>4,398,456</b>	<b>78,817</b>	<b>11,511,223</b>	<b>3,860,247</b>	<b>917,907</b>	<b>10,879,942</b>	<b>4,293,221</b>	<b>42,146,813</b>	<b>40,327,728</b>
<b>Annual surplus</b>	<b>\$ 3,105,624</b>	<b>\$ 876,317</b>	<b>\$ 3,348</b>	<b>\$ (720,170)</b>	<b>\$ 506,742</b>	<b>\$ 76,659</b>	<b>\$ -</b>	<b>\$ 540,940</b>	<b>\$ 4,389,460</b>	<b>\$ 975,084</b>

**Schedule 5 - Northern Capital and Planning Grant**

In March 2019, the Regional District was the recipient of a \$4,182,000 grant under the Northern Capital and Planning Grant (NCPG) program from the Province of BC and received a second allocation of \$1,304,000 in March 2020. Both allocations of grant money were allocated by the Regional Board to uniquely identified capital and planning reserves prior to December 31, 2020. The table below outlines the outstanding NCPG funds in reserve at December 31, 2021, deducts the expenditures of approved funds in 2022 and adds interest earned on reserve funds in 2022 to reach the NCPG reserve fund balances at December 31, 2022.

<b>Service Name</b>	<b>NCPG Reserve at Dec 31, 2021</b>	<b>2022 Approved Expenditures</b>	<b>2022 Interest Earned</b>	<b>NCPG Reserve at Dec 31, 2022</b>
Administration	\$ 345,459	\$ -	\$ 344	\$ 345,803
Community Services	41,085	-	41	41,126
Sustainability Practices	501,351	-	750	502,101
Bear Lake Fire Protection	46,254	-	46	46,300
Buckhorn Fire Protection	46,254	-	46	46,300
Pineview Fire Protection	46,254	-	46	46,300
Valemount & District Fire Protection	46,254	-	46	46,300
Beaverly Fire Protection	46,254	-	46	46,300
Hixon Fire Protection	46,254	-	46	46,300
Salmon Valley Fire Protection	46,254	-	46	46,300
Ness Lake Fire Protection	46,254	-	46	46,300
Red Rock/Stoner Fire Protection	46,254	-	46	46,300
Shell-Glen Fire/Rescue Protection	46,254	-	46	46,300
Pilot Mountain Fire Protection	46,254	-	46	46,300
Beaverly Fire Protection	46,254	-	46	46,300
Ferndale/Tabor Fire Protection	46,254	-	46	46,300
Sewage Service - Holding Tanks	153,740	-	153	153,893
Solid Waste Management	341,126	-	340	341,466
Bear Lake Water System	80,016	-	80	80,097
Azu Water System	80,016	-	80	80,097
Tabor Lake Community Sewer Service	128,819	-	128	128,947
Buckhorn Community Sewer System	37,776	-	38	37,815
Bendixon Road Community Sewer System	51,289	-	52	51,342
West Lake Community Sewer System	51,289	-	51	51,342
Adams Road Community Sewer	51,289	-	51	51,342
9-1-1 Emergency Response Service	118,714	-	118	118,832
Bear Lake Cemetery - Board of Trustees	10,337	-	10	10,347
Tete Jaune Cemetery - Board of Trustees	10,337	-	10	10,347
Regional Parks	517,414	50,000	(18)	467,396
Robson Valley Recreation Centre	524,559	318,329	(804)	205,426
Nukko Lake Community Hall	35,916	-	36	35,952
Sinclair Mills Community Hall	35,916	-	36	35,952
Bear Lake Recreation Facilities	35,916	-	36	35,952
Canoe Valley Recreation Centre	472,874	16,874	326	456,325
Reid Lake Community Hall	45,387	-	45	45,432
Tete Jaune Community Hall	35,916	-	36	35,952
Dome Creek Recreation Facility	35,916	-	36	35,952
East Line Community Facilities Service	35,916	-	36	35,952
Robson Valley Exploration and Learning	35,916	-	36	35,952
Heritage Conservation	410,851	-	410	411,260
NCPG 2020	1,698	-	2	1,700
<b>Total NCPG Reserve</b>	<b>\$ 4,828,145</b>	<b>\$ 385,203</b>	<b>\$ 3,056</b>	<b>\$ 4,445,998</b>



*Vanway Transfer  
Station New Bin Pad*



*Valemount Transtor  
Bin Replacement*



*McBride Transtor  
Bin Replacement*



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**REGIONAL DISTRICT**  
**of Fraser-Fort George**

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