



REGIONAL DISTRICT
of Fraser-Fort George

REGIONAL DISTRICT OF FRASER-FORT GEORGE

**2023 CONSOLIDATED
FINANCIAL STATEMENTS**

Front cover picture overlooking river near Valemount, BC.



Ferndale-Tabor Volunteer Fire Department New Fire Truck



Salmon Valley Volunteer Fire Department New Rescue Truck



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REPORT FROM THE GENERAL MANAGER OF FINANCIAL SERVICES

April 8, 2024

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, 2023, 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.

2023 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 is responsible for managing the administrative business of the Regional Board, providing support to other departments, and conducting local elections. Other services include reception, managing the Regional District’s corporate records, responding to Freedom of Information requests, managing policies and procedures, processing contracts, providing support on legal and insurance matters, and administering the organization’s Privacy Management Program. There are other business units within Corporate Services including Human Resources and Communications/External Relations.

In 2023, Corporate Services managed a number of processes on behalf of the Regional District.

Key highlights include:

- Provided support for Chief Administrative Officer recruitment and selection process.
- Continued implementation of the 2019 – 2023 Strategic Priorities.
- Advanced reconciliation efforts including the Staff-to-Staff Forum with Lheidli T’enneh, City of Prince George.
- Launched a new website to promote the Regional District with strategic and proactive communications.



- Continued the publication of the Regional Report; a quarterly external newsletter highlighting recent initiatives and projects underway within the RD.
- Continued development and implementation of a fully integrated records management system including the purchase of a electronic records management system software platform.
- Established a terms of reference for an Accessibility Advisory Committee in accordance with the Accessible British Columbia Act.
- On-going development and support of document management system, including permitting solutions, for the organization that will support the new records management initiative.
- On-going development and support of public online portal to support land development permitting applications and approval processes.
- Continue support for the District of Mackenzie, the Regional District of Bulkley-Nechako, North Coast Regional District, District of Fort St. James, Village of Fraser Lake, Town of Smithers, District of Houston, and Village of Vanderhoof's Information Technology (IT) and Geographic Information Systems (GIS) systems.
- Continued maintenance and distribution of GIS web services to support data sharing and distribution both internally and externally.

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 2023, Community Services Administration's focus was on:

- providing core services while experiencing capacity challenges;
- assisting with grant applications, competitive bidding and associated project management and reporting requirements;
- providing liaison and administrative support to the Fraser-Fort George Endowment Funds Grants Committee
- navigating the first year of the Miworth Community Facilities taxable service including onboarding of the Community Consultation Committee;
- 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 development of a rates and regulation bylaw;
- supporting Emergency Management administration and the Dore River Mitigation Project Planning;
- providing administrative support to the Robson Valley facilities;
- negotiation of a new lease agreement for the Bear Lake Ambulance Station; and



- ongoing improvements to the Tete Jaune Community Cemetery

Grants

Each year, the Regional District provides community grants to organizations in its electoral areas that will benefit residents. In 2023, \$690,765 was provided through 101 Community Grant-in-Aid requests, and \$103,731 through 24 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 2023, the focus of the Canoe Valley and Robson Valley Recreation Centres and Robson Valley Community Centre was on filling vacant staff positions and identifying and planning for capital building improvement projects. Some equipment replacement occurred, and new programs were offered on a trial basis to see if there was community uptake. New rental uses of the facility were explored.

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 as well as a centralized primary fire dispatch facility located in the Fire Operations Communications Centre (FOCC) and a back-up fire dispatch facility located at the Regional District's Public Safety Operations Building.

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 2023, 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 RDFFG 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 new one-year contract with E-Comm for Call Answer services, as well as new five-year contracts with partner regional districts;
- computer aided dispatch and records management system maintenance and design, and planning for new systems infrastructure;
- onboarding a new 9-1-1 Radio Technician position; and
- project planning and implementation planning for the transition to NG9-1-1

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 2023, Fire Department Coordination's focus was on:

- taking delivery of a new Frontline Engine for Ferndale/Tabor VFD and a used Rescue Truck for Salmon Valley VFD;
- coordinating the build out with the vendors for new Frontline Engines for Beverly and Buckhorn VFDs;
- applying for grant opportunities providing an additional \$390,000 of support to the volunteer fire and rescue departments for the purchase of equipment and training, as well as \$35,000 to support the development of the Valemount & District Live Fire Training Facility;
- 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 2023 budgeted projects; and
- supporting business and service continuity planning for VFDs.

Emergency Preparedness Service

The Emergency Preparedness Service provides the operational capability of the Emergency Management Program which has been established to fulfill Regional District requirements under the *Emergency and Disaster Management 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 thirty-six staff members available to work in the Emergency Operations Centre and provide evacuee support services.

In 2023, the Emergency Management Program focused upon:

- multiple activations of the Emergency Operations Centre (EOC) to provide emergency response to wildfires throughout the Regional District from May through October including joint responses with neighbouring regional districts, municipalities and Indigenous Governments;
- hiring a second full time Emergency Services Coordinator to provide capacity in anticipation of additional responsibilities expected with new *Emergency and Disaster Management Act*;
- offering Fire Smart information and providing education visits on private properties;
- purchase and installation of EOC equipment funded by the Community Emergency Preparedness Fund to further support EOC operational readiness in the Public Safety Operations Building;
- ongoing development of the EOC's Activation Guide, Immediate Response Plans and support annexes;
- provision of assistance to the City of Prince George Level 2 and 3 Emergency Support Services (ESS) for wildfire evacuee support;
- provision of information and resources for community wildfire preparedness by attending and presenting FireSmart information sessions at locations throughout the Regional District including Norman Lake, McBride, Valemout, PG Home Show, Art Knapps, Northwood, BCNE and at two Rotary events;
- role specific EOC training for new EOC members and refresher training for existing EOC staff/members;
- participating in webinars and engagement sessions to provide feedback on the new *Emergency and Disaster Management Act* and supporting regulations;
- promoting and encouraging FireSmart by participating in local media interviews and extensive use of social media;
- delivery of ESS to families whose primary residences were impacted by fire; and
- navigating the necessary requirements of the Dore River Erosion Mitigation Project and grant requirements.

DEVELOPMENT SERVICES

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 2023, the focus of Land Use Planning was on:

- intake and processing of land use applications (including applications for: Agricultural Land Reserve, Zoning Bylaw, Official Community Plan, Temporary Use Permit, Development Variance Permit and Development Permit);
- 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;
- receive and provide the Agriculture Standing Committee presentations related to the Regional Agricultural Strategy;
- updates to Zoning Bylaw No. 2892 to align requirements for minimum floor area of a residence with the BC Building Code;
- revise and update Regional District policy for the processing of Agricultural Land Reserve applications to include public engagement;
- Develop an implementation plan for the review and update of Regional District Official Community Plans;
- execute a Request for Proposal for the review and update to Salmon River-Lakes Official Community Plan Bylaw No. 1587;
- undertake initial evaluation of provincial legislative amendments related to short-term rentals, housing and development financial tools;
- partner with the University of Northern British Columbia (UNBC) for the design and delivery of a course focused on obtaining young adult feedback for the review and update to Salmon River-Lakes Official Community Plan Bylaw No. 1587;
- implementation of a HUB software system to facilitate development application processes;
- Initialization of the Collaborative Disaster Risk and Reduction and Climate Adaptation project with Indigenous Government and member municipality partners;
- Participation in provincial flood plain mapping review and update;
- continued dialogue with various utility operators regarding development in the Regional District; and
- continued partnership with the Prince George Air Improvement Roundtable and Monitoring Working Group.

Economic Diversification

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

In 2023, 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;
- revise and update the www.investrvr.ca website;
- 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's Business Façade Improvement Grant Program;
- continued partnership with Cleanfarms BC on a pilot project to recycle agriculture plastics; and
- support the Caledonia Nordic Ski Club with hosting the 2024 Para Biathlon World Championships and 2024 Nordic World Cup Finals in Prince George, March 2024.

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 2023, the focus of Building Inspection was on:

- streamlining the building permit process for the homeowner and contractor to include all associated permits into one for ease of tracking. This amalgamation results in fewer permits showing in the monthly statistics but the total value of permits includes all permits;
- inspections throughout the Regional District with a total of 155 permits being issued in its electoral areas with 44 of them being for new dwellings. Total permit values in 2023 were \$34,605,520, with \$21,923,000 of that value for new dwellings. Total Building permit fee for 2023 were \$223,581;
- 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 property management and start the building permit online application processes;
- Updating information for the new www.rdffg.ca website
- assisting other Regional District services with building and construction projects and inquiries; and
- amending Building Bylaw No. 3239 to make minor administrative changes and include the prescriptive path to the BC Energy Step Code – Step 3.



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 2023, 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 116 incidents being reported and case files being created.
- Achieving regulatory compliance in a timely fashion through persuasive intervention with minimal requirement for legal action where necessary;
- Develop relationships and collaboration of investigations with other enforcement agencies to gain compliance;
- Updating information for the new www.rdffg.ca website
- continued development of a HUB software system to facilitate development application processes; and
- develop procedures to focus on the safety of the Bylaw Enforcement Officer.

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 demolition and construction only landfill sites and one municipal solid waste landfill.

In 2023, the focus of Solid Waste Management was on:

- continuation of the landfill gas instrumentation and process upgrades at the Foothills Boulevard Regional Landfill;
- moving the Landfill Gas Utilization project forward with Fortis BC;



- 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;
- commencement of the Cell Two development project at the Foothills Boulevard Regional Landfill;
- borrow pit development at the Legrand Demolition and Construction Waste Landfill;
- continuation of the Valemount Regional Landfill Final Closure Project;
- site development works and borrow-pit redevelopment at the Mackenzie Regional Landfill;
- undertook a review and update of the Design Operation and Closure Plan for 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;
- continuation of yard & garden waste diversion, exceeding \$100,000 in Norgrow compost sales;
- Purchasing and installation of nine (9) new TS 400 Transtor Refuse containers; one (1) for the Summit Lake Regional Transfer Station; two (2) for the Bear Lake Transfer Station; three (3) for the Shelley Regional Transfer station; one (1) for the Willow River Regional Transfer station and two (2) for the Chief Lake Regional Transfer station;
- Completed 90% of the perimeter fencing upgrades required at the Foothills Boulevard Regional Landfill;
- Refuse bin pads at Vanway Regional Transfer Station, six (6) were completed by the Fall 2023;
- Continued partnership with Cleanfarms BC 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:

- 2022 Annual Reports for all three landfill facilities;
- 2022 Annual Groundwater Monitoring Reports for five closed and active landfill facilities;
- 2022 Greenhouse Gas Emission Reduction Report for Foothills Boulevard Regional Landfill; and
- 2022 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:

- Installation of new parks infrastructure made from recycled plastics began in all Regional Parks; and
- Replacement of two walking trail bridges at George Hicke Regional Park.

2023 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 2023 included:

- operating spray irrigation systems at three of the five community sewer systems;
- performing routine sampling and monitoring of the two-community water systems;
- continuation of an operations plan review for all Regional District Wastewater Systems; and
- developing a plan to address aging infrastructure at the Azu drinking water system.

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 31st of each year.

Management is responsible for the preparation, monitoring and management of their operating and capital budgets. There were ninety-two operating budgets prepared in 2023 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, 2023, the Regional District held approximately 262 unique reserve funds. In 2023, \$11,266,147 was contributed from Operating Funds to Reserve Funds and \$4,115,259 was earned in interest. During the year, \$4,040,790 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: 155 George Street parking lot construction, purchase of Transtor Bins for Environmental Services and replacement of a new bridge at the George Hicks Park. At December 31, 2023, the total in the Reserve Funds is \$81,381,584.

- 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 \$91,373,432 in debenture debt at December 31, 2023, the Municipalities (City of Prince George and the Village of Valemount) are responsible for the retirement of \$87,216,126.

- 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 31st, 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"

Chris Calder, CPA, CA
Chief Administrative Officer



BOARD OF DIRECTORS AS OF DECEMBER 31, 2023

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 patents 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	Chris Calder
(Financial Officer)	
General Manager of Legislative and Corporate Services (Corporate Officer)	Maureen Connelly



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
Nukko Lake Community Hall
Miworth Community Facilities
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
Heritage Conservation

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"

Chris Calder, CPA, CA
Chief Administrative Officer



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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, 2023
- 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 remeasurement gains and losses
- 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, 2023 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.

Emphasis of Matter – Comparative Information

We draw attention to Note 3 to the financial statements which explains that certain comparative information presented for the year ended December 31, 2022 has been restated.

Note 3 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

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.



Chartered Professional Accountants
Prince George, Canada

April 30, 2024



REGIONAL DISTRICT of Fraser-Fort George

Consolidated Statement of Financial Position

<i>As at December 31, 2023</i>	2023	2022 Restated (Note 3)
FINANCIAL ASSETS		
Cash and cash equivalents (Note 4)	\$ 16,787,919	\$ 14,831,677
Portfolio investments (Note 5)	72,765,572	63,018,499
Accounts receivable (Note 6)	3,597,249	3,978,307
Deposits - Municipal Finance Authority (Note 7)	72,509	70,323
Debt recoverable - member municipalities (Note 8)	87,216,126	93,951,831
Total financial assets	180,439,375	175,850,637
LIABILITIES		
Accounts payable and accrued liabilities (Note 9)	4,644,188	4,679,346
Asset Retirement Obligation - Landfill (Note 10)	42,407,611	42,304,929
Asset Retirement Obligation - Asbestos (Note 10)	1,614,264	1,610,354
Deferred revenue (Note 11)	370,697	143,394
Reserve - Municipal Finance Authority (Note 7)	72,509	70,323
Debt, net of sinking funds (Note 12)	91,599,109	98,424,494
Total liabilities	140,708,378	147,232,840
NET FINANCIAL ASSETS	39,730,997	28,617,797
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	61,911,132	61,258,752
Prepaid expenses	489,899	361,646
Total non-financial assets	62,401,031	61,620,398
ACCUMULATED SURPLUS	102,132,028	90,238,195
Accumulated surplus consists of:		
Accumulated surplus (Note 13)	103,751,932	92,670,347
Accumulated remeasurement losses	(1,619,904)	(2,432,152)
ACCUMULATED SURPLUS	\$ 102,132,028	\$ 90,238,195
Commitments (Note 18)		
Contractual obligations (Note 19)		
Contractual rights (Note 20)		

"Chris Calder"

Chris Calder, CPA, CA, Chief Administrative Officer

"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, 2023</i>	2023 Budget (Note 15)	2023	2022 Restated (Note 3)
REVENUES			
Requisition and parcel taxes	\$ 21,624,139	\$ 21,624,139	\$ 20,749,950
Municipal debt recovery	9,204,491	9,204,491	7,370,043
Sale of services, utilities and rentals	9,016,142	10,317,797	9,981,233
Government transfers - operating (Note 14)	1,389,461	7,673,843	1,459,500
Grants-in-lieu	1,405,000	1,554,162	1,486,597
Permit fees	209,600	257,394	314,674
Return on investments	-	3,303,337	1,838,080
Gain on disposal of tangible capital assets	-	14,300	16,492
Other revenue	444,282	719,847	1,045,784
Total revenues	<u>43,293,115</u>	<u>54,669,310</u>	<u>44,262,353</u>
EXPENSES			
General government services	8,210,398	7,824,411	7,857,097
Protective services	4,040,994	4,984,229	4,042,255
Transportation services	77,327	78,994	77,987
Environmental health services	10,434,904	10,551,913	9,623,533
Public health and welfare services	5,190,835	5,161,724	4,400,511
Environmental development services	1,254,190	929,549	984,679
Fiscal services	9,204,491	9,204,491	7,370,043
Recreation and cultural services	5,204,156	4,852,414	4,563,105
Total expenses	<u>43,617,295</u>	<u>43,587,725</u>	<u>38,919,210</u>
ANNUAL (DEFICIT) SURPLUS	<u>(324,180)</u>	<u>11,081,585</u>	<u>5,343,143</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	92,670,347	92,670,347	91,210,095
Adjustment on adoption of the asset retirement obligation standard (Note 3)	<u>-</u>	<u>-</u>	<u>(3,882,891)</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR, as restated	92,670,347	92,670,347	87,327,204
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 92,346,167</u>	<u>\$ 103,751,932</u>	<u>\$ 92,670,347</u>

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, 2023</i>	2023 Budget (Note 15)	2023	2022 Restated (Note 3)
Annual (deficit) surplus	\$ (324,180)	\$ 11,081,585	\$ 5,343,143
Acquisition of tangible capital assets	(14,007,039)	(4,121,153)	(8,525,304)
Decrease (increase) in capital projects in progress	-	(86,051)	3,676,318
Proceeds on disposal of tangible capital assets	-	15,300	27,100
Amortization of tangible capital assets	-	3,553,825	3,214,156
Gain on disposal of tangible capital assets	-	(14,300)	(16,492)
Acquisition of prepaid expenses	-	(489,899)	(361,645)
Use of prepaid expenses	-	361,646	539,403
Net remeasurement gains and losses	-	812,248	(1,720,618)
	(14,007,039)	31,616	(3,167,082)
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	(14,331,219)	11,113,200	2,176,061
NET FINANCIAL ASSETS, BEGINNING OF YEAR	28,617,796	28,617,796	39,606,560
Adjustment on adoption of the asset retirement obligation standard (Note 3)	-	-	(13,164,825)
NET FINANCIAL ASSETS, BEGINNING OF YEAR, as restated	28,617,796	28,617,796	26,441,735
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 14,286,577</u>	<u>\$ 39,730,997</u>	<u>\$ 28,617,796</u>

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

Consolidated Statement of Remeasurement Gains and Losses

<i>For the Year Ended December 31, 2023</i>	2023	2022 Restated (Note 3)
Accumulated remeasurement losses, beginning of year	\$ (2,432,152)	\$ (711,534)
Change in unrealized loss on portfolio investments	<u>812,248</u>	<u>(1,720,618)</u>
ACCUMULATED REMEASUREMENT LOSSES, END OF YEAR	<u><u>\$ (1,619,904)</u></u>	<u><u>\$ (2,432,152)</u></u>

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



**REGIONAL DISTRICT
of Fraser-Fort George**

Consolidated Statement of Cash Flows

<i>For the year ended December 31, 2023</i>	2023	2022 Restated (Note 3)
OPERATING TRANSACTIONS		
Annual surplus	\$ 11,081,585	\$ 5,343,143
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	3,553,825	3,214,156
Gain on disposal of tangible capital assets	(14,300)	(16,492)
Decrease (increase) in accumulated remeasurement loss	812,248	(1,720,618)
Accretion expense	106,591	106,332
Non-cash charges to operations (net change):		
Decrease (increase) in accounts receivable	381,058	(316,102)
Decrease (increase) in prepaid expenses	(128,253)	177,757
Decrease in accounts payable and accrued liabilities	(35,158)	(883,462)
(Decrease) increase in deferred revenue	<u>227,303</u>	<u>(933,231)</u>
Net change in cash from operating transactions	<u>15,984,899</u>	<u>4,971,483</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(4,121,153)	(8,525,304)
Decrease (increase) in capital projects in progress	(86,051)	3,676,318
Proceeds from disposal of tangible capital assets	<u>15,300</u>	<u>27,100</u>
Net change in cash from capital transactions	<u>(4,191,904)</u>	<u>(4,821,886)</u>
INVESTING TRANSACTIONS		
Increase in portfolio investments	<u>(9,747,073)</u>	<u>(3,616,783)</u>
Net change in cash from investing transactions	<u>(9,747,073)</u>	<u>(3,616,783)</u>
FINANCING TRANSACTIONS		
Long-term debt proceeds	-	3,000,000
Repayment of long-term debt	(284,793)	(3,193,877)
Capital lease addition	<u>195,113</u>	<u>-</u>
Net change in cash from financing transactions	<u>(89,680)</u>	<u>(193,877)</u>
NET CASH AND CASH EQUIVALENTS INCREASE (DECREASE)	1,956,242	(3,661,063)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>14,831,677</u>	<u>18,492,740</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 16,787,919</u>	<u>\$ 14,831,677</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, 2023

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, 2023

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 reserves based on the average reserve balances throughout the year.

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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. Financial instruments (CONTINUED)

- 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, 2023

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

Amortization is charged in a rational and systematic manner over the asset's useful life. 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. Asset retirement obligation

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability is initially recorded at fair value, which is an amount that is the best estimate of the expenditure required to retire a tangible capital asset determined using present value methodology, and the resulting costs are capitalized as part of the carrying amount of the related tangible capital asset.

The liability is subsequently reviewed at each financial reporting date and adjusted for the passage of time and for any revisions to the timing, amount required to settle the obligation or the discount rate. The changes in the liability for the passage of time are recorded as accretion expense in the Statement of Operations and Accumulated Surplus and all other changes are adjusted to the tangible capital asset. This cost is amortized over the useful life of the tangible capital asset. If the related tangible capital asset is unrecognized or no longer in productive use, the asset retirement costs are expensed. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies outlined in 2 (i). Assumptions used in the calculation are reviewed annually.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

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 17.

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, 2023

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, 2023, the amount of allowance for doubtful debts was nil (2022 - \$1,416). 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 5 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 2023, resulting in a significant increase in investment income and an increase in market prices, resulting in a decrease 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, 2023

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.

In addition, the change in accounting policy PS 3280 Asset Retirement Obligation has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

Actual results could differ from these estimates.

3. CHANGE IN ACCOUNTING POLICIES

a. PS 3280 Asset retirement obligation

On January 1, 2023, the Regional District adopted Public Accounting Standard PS 3280 Asset Retirement Obligation. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing Section PS 3270 – Solid Waste Landfill Closure and Post-Closure Liability. The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method, the real discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

The Regional District removed the landfill liability that had been recognized to date and recognized an asset retirement obligation upon adoption of PS 3280 on January 1, 2022, using the modified retrospective method. The liability represents the required closure and post-closure care for the landfill sites owned by the Regional District. The landfill services were established in 1994, and the liability was measured as of the date the Regional District assumed operation of the sites. As of the date of adoption of the standard, the relevant real discount rate is 0.24% per annum.

On January 1, 2022, the Regional District recognized an additional asset retirement obligation relating to several buildings owned by the Regional District that contain asbestos. The buildings were originally acquired over a variety of years ranging from 1983 to 2001, and the liability was measured as of the date of acquisition of the buildings, when the liability was assumed. The buildings had an expected useful life of 40 years, and the estimate has not been changed since purchase.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

3. CHANGE IN ACCOUNTING POLICIES (CONTINUED)

a. PS 3280 Asset retirement obligation (CONTINUED)

In accordance with the provisions of this new standard, the Regional District reflected the following adjustments at January 1, 2022:

	2022 Restatement		
	Originally Presented	Restatement	Restated
Statement of Financial Position:			
Provision for Landfill closure and post-closure	\$ 30,847,534	\$ (30,847,534)	\$ -
Asset Retirement Obligation - Landfill	-	42,304,929	42,304,929
Asset Retirement Obligation - Asbestos	-	1,610,355	1,610,355
Tangible Capital Assets:			
Cost	82,197,895	40,912,662	123,110,557
Accumulated Amortization	29,559,540	32,292,260	61,851,800
	<u>52,638,355</u>	<u>8,620,402</u>	<u>61,258,757</u>
Accumulated Surplus (Deficit)	97,117,695	(4,447,348)	92,670,347
Statement of Operations and Accumulated Surplus			
Environmental Health services	9,101,527	522,006	9,623,533
Public Health and Welfare services	4,380,242	20,269	4,400,511
Recreation and Cultural services	4,540,923	22,182	4,563,105
Annual Surplus (Deficit)	5,907,600	(564,457)	5,343,143
Accumulated Surplus, beginning of year	91,210,095	(3,882,891)	87,327,204
Accumulated Surplus, end of year	<u>\$ 97,117,695</u>	<u>\$ (4,447,348)</u>	<u>\$ 92,670,347</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

4. 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.

	2023	2022
Operating	\$ 4,652,833	\$ 2,701,535
CIBC Savings	1,067,239	1,018,666
CIBC High Interest Savings Account	11,067,847	11,111,476
Total cash and cash equivalents	\$ 16,787,919	\$ 14,831,677

5. 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, mortgage pooled investment and Diversified Multi Asset Class (DMAC) 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, Mortgage Fund and Diversified Multi Asset Class 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.

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).

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

5. PORTFOLIO INVESTMENTS (CONTINUED)

	Fair Value Hierarchy	Maturity	Interest Rate	2023	2022
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
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
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
Term Deposit - Canadian Western Bank	Level 1	September 2023	4.55%	-	2,025,000
Term Deposit - Coast Capital Savings	Level 1	September 2023	1.55%	-	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	2,107,189
Term Deposit - Interior Savings	Level 1	January 2024	4.80%	2,092,045	-
Term Deposit - Coast Capital Savings	Level 1	May 2024	5.85%	1,539,702	-
Term Deposit - Coast Capital Savings	Level 1	June 2024	4.10%	1,000,000	1,000,000
Term Deposit - Canadian Western Bank	Level 1	September 2024	5.82%	2,000,000	-
Term Deposit - Coast Capital Savings	Level 1	September 2024	1.50%	1,000,000	1,000,000
Term Deposit - Coast Capital Savings	Level 1	October 2024	6.70%	2,299,234	-
Term Deposit - Coast Capital Savings	Level 1	October 2024	5.30%	1,500,000	1,500,000
Term Deposit - Interior Savings	Level 1	October 2024	5.55%	2,742,456	-
Term Deposit - Coast Capital Savings	Level 1	October 2024	6.70%	2,062,481	-
Term Deposit - Coast Capital Savings	Level 1	August 2025	6.25%	1,738,381	-
Term Deposit - Canadian Western Bank	Level 1	August 2025	5.95%	1,665,725	-
Term Deposit - Coast Capital Savings	Level 1	August 2026	6.15%	1,539,253	-
Cash on Deposit - Coast Capital Savings	Level 1			100	581
MFA Money Market Fund	Level 1			8,427,164	3,160,241
MFA Government Focused Ultra-Short Bond Fund	Level 2			11,388,437	10,866,137
MFA Short-Term Bond Fund	Level 2			17,092,522	16,225,953
MFA Mortgage Fund	Level 3			7,393,192	6,918,170
MFA DMAC Fund	Level 3			5,177,691	-
Total portfolio investments				\$ 72,765,572	\$ 63,018,499

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

5. PORTFOLIO INVESTMENTS (CONTINUED)

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

	2023
Balance, beginning of year	\$ 6,918,170
Unrealized gains	652,713
Purchases	5,000,000
Balance, end of year	<u>\$ 12,570,883</u>

6. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

	2023	2022
Federal Government	\$ 179,826	\$ 177,248
Province of British Columbia	450,594	304,846
Local governments	1,230,387	1,499,404
Accrued interest	651,552	423,884
Trade	1,084,890	1,572,925
Total accounts receivable	<u>\$ 3,597,249</u>	<u>\$ 3,978,307</u>

7. 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.

	2023	2022
Regional District		
Cash deposits	<u>\$ 72,509</u>	<u>\$ 70,323</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

8. 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>2023</u>	<u>2022</u>
City of Prince George	\$ 86,846,790	\$ 93,516,951
Village of Valemount	369,336	434,880
Total debt recoverable from member municipalities	<u>\$ 87,216,126</u>	<u>\$ 93,951,831</u>

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable is comprised of the following:

	<u>2023</u>	<u>2022</u>
Trade payables	\$ 1,510,277	\$ 1,640,941
Accrued liabilities	931,432	873,992
Accrued wages and benefits	2,083,116	1,955,046
Holdbacks payable	37,568	131,213
Taxes payable	38,890	35,645
Accrued debt interest	42,905	42,509
Total accounts payable and accrued liabilities	<u>\$ 4,644,188</u>	<u>\$ 4,679,346</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

10. ASSET RETIREMENT OBLIGATION

The Regional District's Asset retirement obligation consists of several obligations as follows:

a. Landfill obligation

The Regional District owns and operates a number of landfill sites. The liability for the closure of operational sites and post-closure care has been recognized under PS 3280 – Asset retirement obligation adopted by the Regional District as of January 1, 2023 (see Note 3). The costs were based upon the presently known obligations that will exist at the estimated year of closure of the sites and for 30 years post this date. Post-closure care is estimated to be required for 30 years from the date of site closure. These costs were discounted to December 31, 2022 using a real discount rate of 0.24% per annum.

b. Asbestos obligation

The Regional District owns and operates several buildings that are likely to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS 3280 – Asset retirement obligation, the Regional District recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings as estimated at January 1, 2022. Estimated costs have been discounted to the present value using a real discount rate of 0.24% per annum.

The transition and recognition of asset retirement obligations involved an accompanying increase to the Buildings and Landfill capital assets and the restatement of prior year numbers (see Note 3). Changes to the asset retirement obligation are as follows

	Landfill closure	Asbestos removal	Total at December 31, 2023
Asset Retirement Obligation			
Opening balance, December 31, 2022	\$ 42,304,929	\$ 1,610,355	\$ 43,915,284
Accretion expense	102,682	3,909	106,591
Closing balance, December 31, 2023	\$ 42,407,611	\$ 1,614,264	\$ 44,021,875
	Landfill closure	Asbestos removal	Total at December 31, 2022
Asset Retirement Obligation			
Opening balance, December 31, 2021	\$ -	\$ -	\$ -
Adjustment on adoption of the asset retirement obligation standard	42,202,496	1,606,455	43,808,951
Opening balance, as restated	42,202,496	1,606,455	43,808,951
Accretion expense	102,433	3,899	106,332
Closing balance, December 31, 2022	\$ 42,304,929	\$ 1,610,354	\$ 43,915,283

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

11. DEFERRED REVENUE

Deferred revenue is comprised of the following:

	2023	2022
Province of British Columbia	\$ 246,947	\$ 52,494
Sewer parcel taxes	3,500	5,250
Refundable deposits	120,250	85,650
Total deferred revenue	\$ 370,697	\$ 143,394

12. DEBT, NET OF SINKING FUNDS

Loan Authorization Bylaw/ Resolution No.	Issue No.	Purpose/Service	Maturing	Interest Rate	2023	2022
MFA Loan Debt						
2293	101	Heritage Conservation	2027	3.39%	\$ 374,980	\$ 469,473
2095	104	West Lake Sewer	2033	2.90%	130,040	140,544
2558	116	Shelley Riverbank Erosion	2036	1.47%	40,237	42,748
2307	118	Adams Road Sewer	2037	3.39%	230,686	244,214
2309	118	Tallus Road Sewer	2037	3.39%	54,976	58,200
2971	141	Robson Valley Learning & Exploration	2042	2.80%	368,410	383,028
2971	146	Robson Valley Learning & Exploration	2043	3.20%	77,560	80,390
3134	157	9-1-1 Emergency Services	2042	3.36%	2,880,417	3,000,000
Various	Various	Debt issued for member municipalities	2023 to 2042	0.91% to 5.10%	87,216,126	93,951,832
Subtotal					\$ 91,373,432	\$ 98,370,429

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

12. DEBT, NET OF SINKING FUNDS (CONTINUED)

Loan Authorization Bylaw/Resolution No.	Issue No.	Purpose/Service	Maturing	Interest Rate	2023	2022
MFA Equipment Financing						
775/20	N/A	Hixon Fire Protection	2025	4.51%	\$ 38,286	\$ 54,065
Subtotal					\$ 38,286	\$ 54,065
Capital Lease						
N/A	N/A	Landfill Equipment	2025	7.99%	\$ 187,391	\$ -
Subtotal					187,391	-
Total Debt, Net of Sinking Funds					\$ 91,599,109	\$ 98,424,494

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 8 – 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
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
2028	152,732	4,365,778	4,518,510
Thereafter	3,144,486	63,237,193	66,381,679
Total	\$ 4,157,306	\$ 87,216,126	\$ 91,373,432

b. Interest paid on long-term debt

During the year, gross interest paid or payable on long-term debt was \$3,865,493 (2022 - \$3,259,777). Of this, \$3,673,117 (2022 - \$3,083,456) was recovered from member municipalities and \$192,376 (2022 - \$176,321) was charged to Regional District operations.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

13. ACCUMULATED SURPLUS

	2023	2022 Restated (Note 3)
Surplus within Regional District services	\$ 8,860,530	\$ 9,782,254
Provision for landfill closure and post closure	(42,407,611)	(42,304,929)
Provision for asbestos remediation	(1,614,264)	(1,610,355)
Subtotal - Operating fund deficit	(35,161,345)	(34,133,030)
Landfill closure and post-closure reserve (Schedule 1)	34,461,773	31,045,805
Reserve funds less landfill closure reserve (Schedule 1)	46,919,813	38,995,164
Equity in tangible capital assets	57,531,691	56,762,408
Total accumulated surplus	\$ 103,751,932	\$ 92,670,347

14. GOVERNMENT TRANSFERS

Government transfers are comprised of the following:

	2023	2022
Government of Canada	\$ -	\$ 118,434
Province of British Columbia	7,261,999	1,099,651
Regional and local governments	10,000	70,000
Rail tax mitigation	129,740	129,740
Other	272,104	41,675
Total government transfers	\$ 7,673,843	\$ 1,459,500

15. BUDGET INFORMATION

The budget data presented in these consolidated financial statements is based upon the 2023 Financial Plan Bylaw No. 3295, 2023, approved by the Board of Directors on March 23, 2023. 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.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

15. BUDGET INFORMATION (CONTINUED)

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.

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 2023 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.

	Budget Amount
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	14,007,039
Principal payments on long-term debt	252,294
Transfer to reserves	5,203,671
Long-term debt proceeds	(2,216,622)
Transfer from reserves	(12,682,879)
Transfer from operating surplus	(5,619,084)
Internal expenditures	731,401
Budgeted Annual Deficit on Consolidated Statement of Operations and Accumulated Surplus	\$ (324,180)

16. 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, 2023 – 7.20%) 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, 2023

17. 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 2023 revenues and expenses can be found in Schedule 4, with 2022 comparative information in Schedule 5.

General Government Services

General government is comprised of board and electoral area governance, general administration which includes legislative services, finance, human resources, sustainable practices 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, 2023

17. 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.

18. 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, 2023, the plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 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 \$639,937 (2022 - \$573,125) for employer contributions to the plan in fiscal 2023.

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, 2023

18. 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, 2023, the Regional District had committed \$1,753,824 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 \$3,419,340 (2022 - \$3,593,072), of which \$3,269,765 (2022 - \$3,458,625) is held by the Regional District for the member municipalities (see note 7). 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, 2023

19. 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, 2023, future contractual obligations are estimated as follows:

2024	\$ 9,263,456
2025	6,771,709
2026	5,604,273
2027	4,632,843
2028	<u>62,808</u>
Total	<u><u>\$26,335,089</u></u>

20. 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, 2023, future contractual rights are estimated as follows:

2024	\$ 1,433,271
2025	1,238,532
2026	1,116,733
2027	879,318
2028	<u>862,431</u>
Total	<u><u>\$ 5,530,285</u></u>

21. 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 \$295,000 (2022 - \$287,805). These transactions are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Schedule 1 - Reserve Funds

	2023	2022
General Capital and Other Reserves		
Equipment replacement reserve	\$ 3,974,975	\$ 3,606,329
Truck replacement reserve	6,172,985	6,062,884
Office accommodation	1,194,729	1,495,034
Landfill closure and post-closure (Note 13)	34,461,773	31,045,805
Park development	976,394	875,519
Feasibility study	169,399	145,307
Budget revenue stabilization	933,785	882,834
Park land acquisition	110,519	109,713
Region wide fire protection	32,942	49,493
Cultural endowment	1,549,291	1,477,062
Exploration Place building	138,216	92,822
Northern Capital and Planning Grant (Schedule 6)	4,631,220	4,445,998
Growing Communities Fund (Schedule 7)	3,576,991	-
Total general capital and other reserves	57,923,219	50,288,800
Water Capital		
Bear Lake Water - equipment	356,605	337,021
Azu Water - equipment	169,724	155,678
Total water capital reserves	526,329	492,699
Sewer Capital		
Tabor Lake Sewer - equipment	46,095	36,475
Buckhorn Sewer - equipment	55,174	39,963
Bendixon Sewer - equipment	22,159	17,162
West Lake Sewer - equipment	93,247	83,401
Adams Rd Sewer - equipment	177,957	164,404
Tallus Rd Sewer - equipment	86,201	69,181
Total sewer capital reserves	480,833	410,586
Operating		
Canada Community-Building Fund (formerly Community Works Fund)	3,685,989	3,895,030
General operating	18,048,090	14,349,998
Water operating	222,564	177,823
Sewer operating	494,562	426,033
Total operating reserves	22,451,205	18,848,884
Total reserve funds	\$ 81,381,586	\$ 70,040,969



**REGIONAL DISTRICT
of Fraser-Fort George**

Schedule 2 - 2023 Tangible Capital Assets

	Land and Improvements	Buildings	Equipment	Engineering Structures	Historical Artifacts	Sewer Systems	Water Systems	Capital in Progress	Total 2023
Cost									
Balance, beginning of year	\$ 52,383,907	\$ 31,498,835	\$ 26,068,546	\$ 5,036,946	\$ 231,596	\$ 5,861,424	\$ 1,939,929	\$ 89,369	\$123,110,552
Add: Additions	812,369	32,648	3,276,137	-	-	-	-	86,051	4,207,205
Less: Disposals	-	-	(78,636)	-	-	-	-	-	(78,636)
ARO - Current Year	-	-	-	-	-	-	-	-	-
Balance, end of year	53,196,276	31,531,483	29,266,047	5,036,946	231,596	5,861,424	1,939,929	175,420	127,239,121
Accumulated amortization									
Balance, beginning of year	31,511,033	13,560,001	12,406,655	1,629,555	-	1,875,163	869,393	-	61,851,800
Add: Amortization	905,957	846,194	1,509,453	106,801	-	146,705	38,715	-	3,553,825
Less: Disposals	-	-	(77,636)	-	-	-	-	-	(77,636)
Balance, end of year	(32,416,990)	(14,406,195)	(13,838,472)	(1,736,356)	-	(2,021,868)	(908,108)	-	(65,327,989)
Net book value	20,779,286	17,125,288	15,427,575	3,300,590	231,596	3,839,556	1,031,821	175,420	61,911,132
2022 Net book value, beginning of year									
	18,661,256	18,887,965	9,333,235	3,514,192	231,596	4,130,515	1,110,084	3,765,687	59,634,530
2022 Net book value, end of year	\$ 20,872,874	\$ 17,938,834	\$ 13,661,891	\$ 3,407,391	\$ 231,596	\$ 3,986,261	\$ 1,070,536	\$ 89,369	\$ 61,258,752



**REGIONAL DISTRICT
of Fraser-Fort George**

Schedule 3 - 2022 Tangible Capital Assets - Restated

	Land and Improvements	Buildings	Equipment	Engineering Structures	Historical Artifacts	Sewer Systems	Water Systems	Capital in Progress	Total 2022
Cost									
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
Adjustment relating to recognition of Asset Retirement Obligation	39,432,902	1,479,757	-	-	-	-	-	-	40,912,659
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)
Balance, end of year	52,383,907	31,498,835	26,068,546	5,036,946	231,596	5,861,424	1,939,929	89,369	123,110,552
Accumulated amortization									
Balance, beginning of year	300,457	11,441,477	11,248,718	1,522,754	-	1,728,521	829,845	-	27,071,772
Adjustment relating to recognition of Asset Retirement Obligation	30,364,511	1,266,216	-	-	-	-	-	-	31,630,727
Add: Amortization	846,065	852,308	1,222,792	106,801	-	146,642	39,548	-	3,214,156
Less: Accumulated amortization on disposals	-	-	(64,855)	-	-	-	-	-	(64,855)
Balance, end of year	(31,511,033)	(13,560,001)	(12,406,655)	(1,629,555)	-	(1,875,163)	(869,393)	-	(61,851,800)
Net book value	\$ 20,872,874	\$ 17,938,834	\$ 13,661,891	\$ 3,407,391	\$ 231,596	\$ 3,986,261	\$ 1,070,536	\$ 89,369	\$ 61,258,752



**REGIONAL DISTRICT
of Fraser-Fort George**

Schedule 4 - 2023 Segmented Information

December 31, 2023	General government services	Protective services	Transportation services	Environmental health services	Public health and welfare services	Environmental development services	Fiscal services	Recreation and cultural services	2023 Total	2023 Budget
Revenues										
Requisition and parcel taxes	\$ 4,652,339	\$ 4,130,014	\$ 80,983	\$ 4,203,116	\$ 3,489,732	\$ 627,800	\$ -	\$ 4,440,155	\$ 21,624,139	\$ 21,624,139
Municipal debt recovery	-	-	-	-	-	-	9,204,491	-	9,204,491	9,204,491
Sale of services, utilities and rentals	344,600	795,947	-	7,451,343	1,613,845	-	-	112,062	10,317,797	9,016,142
Government transfers + grants in lieu	6,001,016	445,496	4,059	-	1,522,500	1,139,481	-	115,453	9,228,005	3,004,061
Other revenue	3,736,763	392,822	1,502	99,857	23,683	37,375	-	2,876	4,294,878	444,282
Total revenues	14,734,718	5,764,279	86,544	11,754,316	6,649,760	1,804,656	9,204,491	4,670,546	54,669,310	43,293,115
Expenses										
Salaries and wages	3,893,068	1,055,000	-	2,706,756	757,196	592,611	-	1,244,000	10,248,631	11,213,190
Debt charges - Regional District	-	2,448	-	27,436	127,630	-	-	77,767	235,281	221,481
Debt charges - Municipal	-	-	-	-	-	-	9,204,491	-	9,204,491	9,204,491
Amortization	929,219	733,661	-	781,317	757,526	-	-	422,436	3,624,159	-
Other expenses	3,002,124	3,193,120	78,994	7,036,404	3,519,372	336,938	-	3,108,211	20,275,163	22,978,133
Total expenses	7,824,411	4,984,229	78,994	10,551,913	5,161,724	929,549	9,204,491	4,852,414	43,587,725	43,617,295
Annual surplus (deficit)	\$ 6,910,307	\$ 780,050	\$ 7,550	\$ 1,202,403	\$ 1,488,036	\$ 875,107	\$ -	\$ (181,868)	\$ 11,081,585	\$ (324,180)



**REGIONAL DISTRICT
of Fraser-Fort George**

Schedule 5 - 2022 Segmented Information - Restated

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
Revenues										
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
Total revenues	9,456,003	4,563,656	84,592	12,119,454	5,266,244	842,686	7,370,043	4,559,675	44,262,353	39,290,365
Expenses										
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	-	1,259,485	575,171	-	-	395,171	3,214,156	-
Other expenses	4,177,972	2,560,308	77,987	6,089,976	2,928,129	391,687	-	2,955,746	19,181,805	22,104,785
Total expenses	7,857,097	4,042,255	77,987	9,623,533	4,400,511	984,679	7,370,043	4,563,105	38,919,210	40,327,728
Annual surplus	\$ 1,598,906	\$ 521,401	\$ 6,605	\$ 2,495,921	\$ 865,733	\$ (141,993)	\$ -	\$ (3,430)	\$ 5,343,143	\$ (280,641)

Schedule 6 - 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, 2022, deducts the expenditures of approved funds in 2023 and adds interest earned on reserve funds in 2023 to reach the NCPG reserve fund balances at December 31, 2023.

Service Name	NCPG Reserve at Dec 31, 2022	2023 Approved Expenditures	2023 Interest Earned	NCPG Reserve at Dec 31, 2023
Administration	\$ 345,803	\$ -	\$ 20,094	\$ 365,897
Community Services	41,126	-	2,390	43,516
Sustainability Practices	502,101	-	30,601	532,702
Bear Lake Fire Protection	46,300	-	2,690	48,990
Buckhorn Fire Protection	46,300	-	2,690	48,990
Pineview Fire Protection	46,300	-	2,690	48,990
Valemount & District Fire Protection	46,300	-	2,690	48,990
Beaverly Fire Protection	46,300	-	2,690	48,990
Hixon Fire Protection	46,300	-	2,690	48,990
Salmon Valley Fire Protection	46,300	-	2,690	48,990
Ness Lake Fire Protection	46,300	-	2,690	48,990
Red Rock/Stoner Fire Protection	46,300	-	2,690	48,990
Shell-Glen Fire/Rescue Protection	46,300	-	2,690	48,990
Pilot Mountain Fire Protection	46,300	-	2,690	48,990
Beaverly Fire Protection	46,300	-	2,690	48,990
Ferndale/Tabor Fire Protection	46,300	-	2,690	48,990
Sewage Service - Holding Tanks	153,893	44,668	8,389	117,614
Solid Waste Management	341,466	-	19,842	361,308
Bear Lake Water System	80,096	-	4,654	84,751
Azu Water System	80,096	-	4,654	84,751
Tabor Lake Community Sewer Service	128,947	-	7,493	136,440
Buckhorn Community Sewer System	37,814	29,330	2,197	10,682
Bendixon Road Community Sewer System	51,341	-	2,983	54,325
West Lake Community Sewer System	51,341	-	2,983	54,325
Adams Road Community Sewer	51,341	-	2,983	54,325
9-1-1 Emergency Response Service	118,832	-	6,905	125,738
Bear Lake Cemetery - Board of Trustees	10,347	-	601	10,949
Tete Jaune Cemetery - Board of Trustees	10,347	-	601	10,949
Regional Parks	467,396	-	27,160	494,556
Robson Valley Recreation Centre	205,426	-	11,937	217,363
Nukko Lake Community Hall	35,952	-	2,089	38,041
Sinclair Mills Community Hall	35,952	-	2,089	38,041
Bear Lake Recreation Facilities	35,952	-	2,089	38,041
Canoe Valley Recreation Centre	456,325	-	26,516	482,841
Reid Lake Community Hall	45,432	-	2,640	48,072
Tete Jaune Community Hall	35,952	-	2,089	38,041
Dome Creek Recreation Facility	35,952	-	2,089	38,041
East Line Community Facilities Service	35,952	-	2,089	38,041
Robson Valley Exploration and Learning	35,952	-	2,089	38,041
Heritage Conservation	411,260	-	23,898	435,158
NCPG 2020	1,700	-	99	1,799
Total NCPG Reserve	\$ 4,445,998	\$ 73,998	\$ 259,220	\$ 4,631,220



REGIONAL DISTRICT of Fraser-Fort George

Schedule 7 - Growing Communities Fund

The Province of British Columbia distributed conditional Growing Communities Fund (GCF) grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia. The Regional District of Fraser-Fort George received \$3,531,000 of GCF funding in March 2023

This grant money was allocated by the Regional Board to uniquely identified project reserves prior to December 31, 2023. The table below outlines the outstanding Growing Communities funds received as of December 31, 2023, deducts the expenditures of approved funds in 2023 and adds interest earned on reserve funds in 2023 to reach the GCF reserve fund balances at December 31, 2023.

As of 2023, there were no funds allocated to housing needs reports or proactive zoning requirements.

Eligible costs expended in 2023 totaled \$54,056 and were related to the Dore River Mitigation Project costs under the new Emergency and Disaster Management Act.

Service Name	GCF Reserve at Dec 31, 2022	2023 Grants Received	2023 Interest Earned	2023 Approved Expenditures	GCF Reserve at Dec 31, 2023
Community Services	\$ -	\$ 500,000	\$ 14,233	\$ -	\$ 514,233
Office Building	-	550,000	15,657	-	565,657
9-1-1 Emergency Response Service	-	870,000	24,766	-	894,766
Emergency Preparedness	-	250,000	6,649	(54,056)	202,593
Robson Valley Recreation Centre	-	250,000	7,118	-	257,118
Canoe Valley Recreation Centre	-	250,000	7,118	-	257,118
Bear Lake Water System	-	43,000	1,224	-	44,224
Azu Water System	-	43,000	1,224	-	44,224
Bear Lake Fire Protection	-	50,000	1,423	-	51,423
Buckhorn Fire Protection	-	50,000	1,423	-	51,423
Pineview Fire Protection	-	50,000	1,423	-	51,423
Valemount & District Fire Protection	-	50,000	1,423	-	51,423
Beverly Fire Protection	-	50,000	1,423	-	51,423
McBride & District Fire Protection	-	175,000	4,982	-	179,982
Ferndale/Tabor Fire Protection	-	50,000	1,423	-	51,423
Hixon Fire Protection	-	50,000	1,423	-	51,423
Salmon Valley Fire Protection	-	50,000	1,423	-	51,423
Ness Lake Fire Protection	-	50,000	1,423	-	51,423
Red Rock/Stoner Fire Protection	-	50,000	1,423	-	51,423
Shell-Glen Fire/Rescue Protection	-	50,000	1,423	-	51,423
Pilot Mountain Fire Protection	-	50,000	1,423	-	51,423
Total GCF Reserve	\$ -	\$ 3,531,000	\$ 100,047	\$ (54,056)	\$ 3,576,991



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Bear Lake Transfer Station Bin Replacement



Chief Lake Transfer Station Bin Replacement



REGIONAL DISTRICT
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