



REGIONAL DISTRICT
of Fraser-Fort George

2024
Consolidated
Financial
Statements



Front Cover photo of Overlander Falls in Valemount, BC.

New Turn Out Gear



New Valemount Volunteer Fire Department – Wildland Fire Fighting SPU Trailer





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REPORT FROM THE GENERAL MANAGER OF FINANCIAL SERVICES

April 4, 2025

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, 2024, 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.

2024 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, Public Safety, Development Services, Environmental Services and Financial Services. The following is an overview of the focus and accomplishments of these business units.

CORPORATE SERVICES

Corporate Services manages the administrative activities of the Regional Board, provides support to other departments, and conducts local elections and assent voting processes. 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 the Office of the CAO, Communications and Culture, Human Resources and Information Technology Services.

In 2024, key highlights for Corporate Services include:

- Developed and implemented the Regional Board’s 2024 to 2028 Strategic Priorities.
- Facilitated a by-election in November 2024 for the Bear Lake Local Community Commission.
- Arranged schedule for 2025 negotiations on the Regional District of Fraser-Fort George and CUPE Local No. 1699 Collective Agreement.



- Advanced First Nation reconciliation efforts through the Community to Community and Government to Government program with Lheidli T'enneh First Nation and City of Prince George and signed a new Memorandum of Understanding with West Moberly First Nations.
- Utilized the corporate website as one of several mediums used to proactively and strategically engage with and inform residents about Regional District services.
- Advanced implementation of the corporate electronic document and records management system and undertook training within the Department.
- Launched an online platform ('RDFFG Board Portal') to distribute and provide secure access for Regional Board Members to their meeting materials and other records.
- Provided full cycle recruitment, selection, and onboarding for thirty-nine positions to support the Regional District's operations.
- Developed a revised Human Resources work plan to support the implementation of the Board's new Strategic Priorities.
- Progressed organizational strength through training on Respectful Workplace and Human Rights, to support positive employee relations across the organization.
- Enhanced employee engagement through supporting initiatives such as employee wellness, length of service recognition, and employee appreciation events.
- Provided support services for the document management system, including permitting solutions, for the organization that will support the new records management initiative.
- Provided support services of on-line public portal and related internal software, including permitting solutions, for the organization that will support the new records management initiative.
- Provided support services of the network, GIS and applications suites to support RDFFG Operations including Public Safety Services and Emergency Management Services.
- Supported 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.
- Onboarding the Village of Burns Lake and the Village of Masset with support of Information Technology (IT) and Geographic Information Systems (GIS) systems.
- Completed GIS upgrade from desktop and outdated systems to include more secure on-line services and more responsive software to support data sharing and distribution both internally and externally.

COMMUNITY SERVICES

Community Services Administration

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 emergency preparedness services, as well as the administration of the Community and Recreation Grant-in-Aid programs.



In 2024, Community Services Administration's focus was on:

- providing core services while experiencing capacity challenges;
- managing internal grant applications, competitive bidding and associated project management and reporting requirements;
- assisting with external grant applications and opportunities;
- providing liaison and administrative support to the Fraser-Fort George Endowment Funds Grants Committee;
- continued evaluation of Reid Lake Community Hall service;
- continued work with the non-profit managing the Dome Creek Recreation Facility to determine best practice and sustainable upgrades;
- worked with the non-profit managing the Nukko Lake Community Hall to upgrade the roof, the sewer system and preparation for replacement of the water treatment system;
- Evaluation of facility assessments for community halls to plan for future upgrades; and
- ongoing improvements to the Bear Lake and Tete Jaune Community Cemetery.

Recreation Centres

The Canoe Valley Recreation Centre (CVRC) Service and Robson Valley Recreation Centre (RVRC) Service provide for the operation of the Canoe Valley Recreation Centre, located in Valemount, and the Robson Valley Recreation Centre and Robson Valley Community Centre (RVCC), located in McBride. The CVRC serves the area population of approximately 1,600 residents, and the RVRC serves the area population of approximately 1,700 residents.

In 2024, Recreation Centres focused on:

- Undertake a public engagement process to better understand resident needs for the Robson Valley Recreation Centre;
- Establish a Community Consultation Committee for the Canoe Valley Recreation Centre;
- Continue to evaluate asset management needs for both Robson Valley and Canoe Valley Recreation Centres; and
- Continue to provide administrative support to the Robson Valley and Canoe Valley Recreation Centres.

Emergency Preparedness

The Emergency Preparedness Service provides the operational capability of the Emergency Management Program, established to fulfill the Regional District's 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 that outlines the authority and responsibility to act in emergencies and communicate the policies and procedures to be followed. The program components are mitigation, preparedness, response, and recovery.

In 2024, Emergency Preparedness Administration focused on:

- Tender and award the development of Community Wildfire Resiliency Plans for all 7 Electoral areas;



- Response to regional emergencies through both the Emergency Operations Centre and Emergency Social Services;
- Service agreements with both District of Mackenzie and Village of McBride for use of public alerting system;
- On-going education and awareness on regulation updates to the Emergency and Disaster Management Act;
- Development and implementation of the Indigenous Engagement Plan; and
- Tender, award and start construction of the Dore River Mitigation Project.

Grants

Each year, the Regional District provides community grants to organizations in its electoral areas that will benefit residents. In 2024, \$732,501 was provided through 117 Community Grant-in-Aid requests, and \$37,483 through 17 Recreation Grant-in-Aid requests to various organizations within the Regional District.

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 2024, Public Safety Administration's focus was on:

- public education and outreach to regional partners regarding NG9-1-1;
- large tower maintenance and inspections of the radio communications system and sites;
- providing expertise to radio contractors working on the field radio systems in Partner Regional Districts;
- providing expertise to Prince George Fire Rescue and RDIFFG volunteer fire services on radio specifications, requirements, and programming;
- ensuring the continued operation of the Fire/Rescue agencies' field radio system and the dispatch radio console at the FOCC;



- negotiation of a new one-year contract with E-Comm for Call Answer services, and an extension of the current reciprocal fire dispatch back-up agreement with North Island 9-1-1;
- computer aided dispatch and records management system maintenance;
- procurement of a new computer aided dispatch system;
- completion of the implementation strategy and partner engagement for the repatriation of the 9-1-1 call-answer service resulting, in a “go forward” decision of the Board, and
- continued project planning and implementation planning and testing 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 2024, Fire Department Coordination's focus was on:

- taking delivery of a new Frontline Engine for Buckhorn VFD;
- coordinating the build out with the vendors for new Frontline Engine for Beverly Fire/Rescue;
- exploring feasibility of a fire hall expansion for Pilot Mountain VFD;
- coordination of purchase and install of an alternate water supply for McBride District VFD;
- 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;
- providing detailed oversight and support to Bear Lake VFD;
- continued development of the Valemount & District VFD fire training site;
- coordination of regional training opportunities;
- coordination of RDFFG structural firefighting resources to support the provincial wildfire response;
- development and modification of delivery of public safety programs;
- assisting Fire/Rescue agencies with 2024 budgeted projects; and
- supporting business and service continuity planning for VFDs.

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 2024, 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);
- Provide referral responses to provincial ministries, such as: Forests, Water, Land and Resource Stewardship and Ministry of Transportation and Transit for various proposed land use and development;
- Receive and provide the Agriculture Standing Committee presentations related to the Regional Agricultural Strategy;
- Pursue grant funding for the establishment of an Agriculture Coordinator;
- Updates to Zoning Bylaw No. 2892 to align with provincial housing legislation;
- Updates to Housing Needs Report to align with provincial housing legislation;
- Tender, award and start contract to review and update the Salmon River-Lakes Official Community Plan Bylaw No. 1587;
- Partner with the University of Northern British Columbia (UNBC) for the 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;
- Receive direction from Regional District Board related to the Subdivision Servicing Bylaw;
- Continue with improvements of a HUB software system to facilitate development application processes;
- Continue the Collaborative Disaster Risk and Reduction and Climate Adaptation project with Indigenous Government and member municipality partners regarding steep slopes and steep creeks;
- Pursue Collaborative Disaster Risk and Reduction and Climate Adaptation Participation grant funding with Indigenous Government and member municipality partners regarding drought, extreme heat and policy review;
- Continued dialogue with various utility operators regarding development in the Regional District.

Economic Diversification

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



In 2024, the focus of Economic Diversification was on:

- Continued partnership with the Villages of Valemount and McBride regarding the Robson Valley Region program with the Regional District responsible for the overall delivery of the program;
- Continued partnership with the City of Prince George for marketing industrial lands within the Regional District's Electoral Areas;
- Delivery of the Regional District's Business Façade Improvement Grant Program;
- Finish 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 2024, the focus of Building Inspection was on:

- Streamline 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 132 permits being issued in its electoral areas with 46 of them being for new dwellings. Total permit values in 2024 were \$47,958,000, with \$24,078,000 of that value for new dwellings. Total Building permit fee for 2024 were \$287,505;
- Continue partnership with the Villages of McBride and Village of 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';
- Continue development of a HUB software system to facilitate property management and start the building permit online application processes;
- Ensure compliance with the new 2024 BC Building Code; and
- Assist other Regional District services with building and construction projects and inquiries.

Bylaw Enforcement (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.

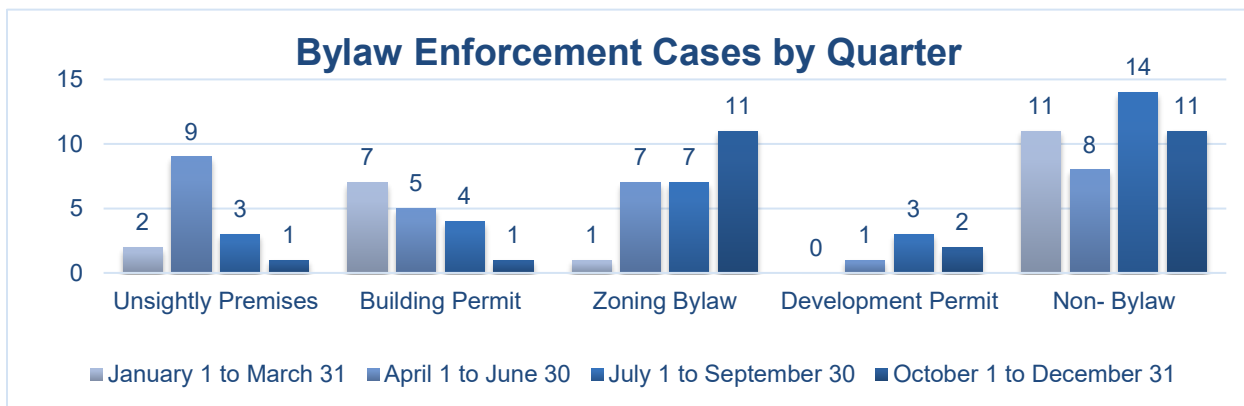
The Regional District provides regulatory compliance within the Electoral Areas through this service. Authority for this service is provided through the Unsightly Premises Regulatory Service Conversion Bylaw No. 3186, 2020 and the *Local Government Act*.

In 2024, the focus of Untidy and Unsightly Premises was on:

- Investigation of complaints brought forward in accordance with the Regional District's Bylaw Enforcement Policy DS-18-20. Investigations throughout the Regional District resulted in a total of 108 incidents being reported and case files being created.
- Achieve 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;
- Continue development of a HUB software system to facilitate investigation processes; and
- Develop procedures to focus on the safety of the Bylaw Enforcement Officer.

2024 Year end Statistical Reporting for Untidy and Unsightly Premises:

- There were a total of 108 bylaw enforcement case reports (reports) generated. 89 of these reports have been completed and of the 108 total reports, 78 were related to Regional District Bylaws which represents 72.22% of the total generated case reports. A total of 10 Bylaw Enforcement Notices have been issued under the authority of *the Local Government Bylaw Notice Enforcement Act* and the Bylaw Notice Enforcement Bylaw



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, two select demolition and construction only landfill sites and one municipal solid waste landfill.

In 2024, 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 including logging, clearing, grinding and grubbing the overburden for where Cell 2 is anticipated to be constructed;
- 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;
- 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;
- Attended the Northern BC Home & Garden Show to promote Norgrow compost.
- continuation of yard & garden waste diversion, exceeding \$100,000 in Norgrow compost sales;
- Introduction of new Recycle BC Residential Recycling program with three new principal Depots established and running by Sept 15th of 2024. Quinn St, Valemount and Mackenzie all saw the return of residential recycling.
- Continued partnership with Clean Farms in a pilot project for Agricultural Plastics Recycling at the McBride Regional Transfer Station.
- Partnered with several EPR agencies to conduct the annual Recycling Round-up event in McBride and a Round-up event alongside Junk in the Trunk in Prince George.

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

- 2023 Annual Reports for all three landfill facilities;
- 2023 Annual Groundwater Monitoring Reports for five closed and active landfill facilities;
- 2023 Greenhouse Gas Emission Reduction Report for Foothills Boulevard Regional Landfill; and
- 2023 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 in all Regional Parks; and
- Replacement of a pit privy at Koeneman Regional Park.

2024 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 2024 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
- Asset management planning and review of the facility condition assessment report for the community sanitary sewer and drinking water systems.
- Major capital project at Azu community drinking water system- watermain replacement and pumphouse electrical updates.

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 2024 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, 2024, the Regional District held approximately 268 unique reserve funds. In 2024, \$6,697,122 was contributed from Operating Funds to Reserve Funds and \$5,049,041 was earned in interest. During the year, \$3,924,543 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: Azu community water system infrastructure, facility enhancements at rural transfer stations, Buckhorn Fire Department frontline engine, well field expansion at FBRL, and Volunteer Fire Department facility upgrades. At December 31, 2024, the total in the Reserve Funds is \$89,203,206.

- 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 \$89,970,241 in debenture debt at December 31, 2024, the Municipalities (City of Prince George and the Village of Valemount) are responsible for the retirement of \$86,081,762.

- 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,

"Sarah White"

Sarah White, CPA, CGA
General Manager of Financial Services



BOARD OF DIRECTORS AS OF DECEMBER 31, 2024

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
General Manager of Legislative and Corporate Services (Corporate Officer)	Maureen Connelly
General Manager of Financial Services (Financial Officer)	Sarah White



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.

"Sarah White"

Sarah White, CPA, CGA
General Manager of Financial Services



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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, 2024
- 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, 2024 and its consolidated results of operations, change in net consolidated financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Regional District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Regional District or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



*Regional District of Fraser-Fort George
December 31, 2024*

- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants
Prince George, Canada

April 17, 2025



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Consolidated Statement of Financial Position

As at December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash and cash equivalents (Note 4)	\$ 22,362,092	\$ 16,787,919
Portfolio investments (Note 5)	73,461,359	72,765,572
Accounts receivable (Note 6)	4,243,731	3,597,249
Deposits - Municipal Finance Authority (Note 7)	75,034	72,509
Loan receivable (Note 8)	513,490	-
Debt recoverable - member municipalities (Note 9)	86,081,762	87,216,126
Total financial assets	186,737,468	180,439,375
LIABILITIES		
Accounts payable and accrued liabilities (Note 10)	5,435,622	4,644,188
Asset retirement obligation - landfill (Note 11)	42,287,774	42,407,611
Asset retirement obligation - asbestos (Note 11)	1,790,693	1,614,264
Deferred revenue (Note 12)	1,276,025	370,697
Reserve - Municipal Finance Authority (Note 7)	75,034	72,509
Debt, net of sinking funds (Note 13)	90,130,773	91,599,109
Total liabilities	140,995,921	140,708,378
NET FINANCIAL ASSETS	45,741,547	39,730,997
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	63,259,599	61,911,132
Prepaid expenses	536,935	489,899
Total non-financial assets	63,796,534	62,401,031
ACCUMULATED SURPLUS	109,538,081	102,132,028
Accumulated surplus consists of:		
Accumulated surplus (Note 14)	109,604,279	103,751,932
Accumulated remeasurement losses	(66,198)	(1,619,904)
ACCUMULATED SURPLUS	\$ 109,538,081	\$102,132,028
Commitments (Note 19)		
Contractual obligations (Note 20)		
Contractual rights (Note 21)		

"Sarah White"

Sarah White, CPA, CGA, General Manager of Financial Services

"Lara Beckett"

Lara Beckett, Chair

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

Consolidated Statement of Operations and Accumulated Surplus

<i>For the year ended December 31, 2024</i>	2024 Budget (Note 16)	2024	2023
REVENUES			
Requisition and parcel taxes	\$ 22,770,990	\$ 22,770,990	\$ 21,624,139
Municipal debt recovery	8,842,167	9,000,952	9,204,491
Sale of services, utilities and rentals	10,307,687	9,934,895	10,317,797
Government transfers (Note 15)	3,172,973	3,007,990	7,673,843
Grants-in-lieu	1,495,000	1,624,051	1,554,162
Permit fees	212,800	289,653	257,394
Return on investments	-	3,911,362	3,303,337
Gain on disposal of tangible capital assets	-	13,969	14,300
Other revenue	244,945	735,930	719,847
Total revenues	47,046,562	51,289,792	54,669,310
EXPENSES			
General government services	8,602,428	7,644,272	7,824,411
Protective services	4,681,665	6,176,883	4,984,229
Transportation services	82,541	72,958	78,994
Environmental health services	10,796,666	10,378,735	10,551,913
Public health and welfare services	5,658,599	5,405,215	5,161,724
Environmental development services	1,939,021	1,621,061	929,549
Fiscal services	8,842,167	9,000,952	9,204,491
Recreation and cultural services	5,147,723	5,137,369	4,852,414
Total expenses	45,750,810	45,437,445	43,587,725
ANNUAL SURPLUS	1,295,752	5,852,347	11,081,585
ACCUMULATED SURPLUS, BEGINNING OF YEAR	103,751,932	103,751,932	92,670,347
ACCUMULATED SURPLUS, END OF YEAR	\$ 105,047,684	\$ 109,604,279	\$ 103,751,932

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, 2024</i>	2024 Budget (Note 16)	2024	2023
Annual surplus	\$ 1,295,752	\$ 5,852,347	\$ 11,081,585
Acquisition of tangible capital assets	(12,691,475)	(1,910,134)	(4,121,153)
Increase in capital projects in progress	-	(2,519,616)	(86,051)
Proceeds on disposal of tangible capital assets	-	23,041	15,300
Amortization of tangible capital assets	-	3,023,696	3,553,825
Gain on disposal of tangible capital assets	-	(13,969)	(14,300)
Acquisition of prepaid expenses	-	(536,935)	(489,899)
Use of prepaid expenses	-	489,899	361,646
Change in estimate of asset retirement obligation	-	48,515	-
Net remeasurement gains	-	1,553,706	812,248
	(12,691,475)	158,203	31,616
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	(11,395,723)	6,010,550	11,113,201
NET FINANCIAL ASSETS, BEGINNING OF YEAR	39,730,997	39,730,997	28,617,796
NET FINANCIAL ASSETS, END OF YEAR	<u>\$ 28,335,274</u>	<u>\$ 45,741,547</u>	<u>\$ 39,730,997</u>

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

Consolidated Statement of Remeasurement Gains and Losses

For the Year Ended December 31, 2024

	2024	2023
Accumulated remeasurement losses, beginning of year	\$ (1,619,904)	\$ (2,432,152)
Change in unrealized loss on portfolio investments	<u>1,553,706</u>	<u>812,248</u>
ACCUMULATED REMEASUREMENT LOSSES, END OF YEAR	<u><u>\$ (66,198)</u></u>	<u><u>\$ (1,619,904)</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

For the year ended December 31, 2024

	<u>2024</u>	<u>2023</u>
OPERATING TRANSACTIONS		
Annual surplus	\$ 5,852,347	\$ 11,081,585
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	3,023,696	3,553,825
Gain on disposal of tangible capital assets	(13,969)	(14,300)
Decrease in accumulated remeasurement loss	1,553,706	812,248
Accretion expense	105,107	106,591
Non-cash charges to operations (net change):		
(Increase) decrease in accounts receivable	(646,482)	381,058
Increase in loan receivable	(513,490)	-
Increase in prepaid expenses	(47,036)	(128,253)
Decrease (increase) in accounts payable and accrued liabilities	791,434	(35,158)
Increase in deferred revenue	905,328	227,303
Net change in cash from operating transactions	<u>11,010,641</u>	<u>15,984,899</u>
CAPITAL TRANSACTIONS		
Acquisition of tangible capital assets	(1,910,134)	(4,121,153)
Increase in capital projects in progress	(2,519,616)	(86,051)
Proceeds from disposal of tangible capital assets	23,041	15,300
Net change in cash from capital transactions	<u>(4,406,709)</u>	<u>(4,191,904)</u>
INVESTING TRANSACTIONS		
Increase in portfolio investments	(695,787)	(9,747,073)
Net change in cash from investing transactions	<u>(695,787)</u>	<u>(9,747,073)</u>
FINANCING TRANSACTIONS		
Repayment of long-term debt	(333,972)	(284,793)
Capital lease addition	-	195,113
Net change in cash from financing transactions	<u>(333,972)</u>	<u>(89,680)</u>
NET CASH AND CASH EQUIVALENTS INCREASE	5,574,173	1,956,242
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	16,787,919	14,831,677
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 22,362,092</u>	<u>\$ 16,787,919</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, 2024

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, 2024

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 as 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 monthly 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, 2024

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, 2024

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 Note 2.i. Assumptions used in the calculation are reviewed annually.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

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 18.

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, 2024

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, portfolio investments, accounts receivable and loan receivable. 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, 2024, the amount of allowance for doubtful debts was nil (2023 - nil). The Regional District historically has not had difficulty collecting receivables.

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 an increase in market interest rates during 2024, resulting in an increase in investment income and an increase in market prices, resulting in a significant 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, 2024

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 valuation of asset retirement obligations, determination of accrued sick benefits and vacation liability, collectibility of accounts receivable, useful life of tangible capital assets and provisions for commitments, contractual obligations, contractual rights and contingent assets. Actual results could differ from estimates. Adjustments, if any, will be reflected in the Consolidated Statement of Operations and Accumulated Surplus in the period of settlement.

3. CHANGE IN ACCOUNTING POLICIES

a. PS 3400 Revenue

On January 1, 2024, the Regional District adopted Canadian public sector accounting standard PS 3400 Revenue. The standard was adopted prospectively from the date of adoption.

This standard differentiates between revenue arising from transactions that include performance obligations and those transactions that do not have performance obligations. Performance obligations are enforceable promises to provide specific goods or services to a specific payer for consideration. Revenue from transactions with performance obligations is recognized as the Regional District satisfies the performance obligations.

In accordance with the provisions of this new standard, the Regional District was not materially impacted.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

4. CASH AND CASH EQUIVALENTS

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

	2024	2023
Operating	\$ 3,580,365	\$ 4,652,833
CIBC Savings	1,118,369	1,067,239
CIBC High Interest Savings Account	11,661,911	11,067,847
National Bank High Interest Savings Account	6,001,447	-
Total cash and cash equivalents	\$ 22,362,092	\$ 16,787,919

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 funds along with term deposits of varying maturity held with Schedule I financial institutions and credit unions. MFA Government Focused Ultra-Short Bond Fund, Short-Term Bond Fund, Mortgage Fund and Diversified Multi Asset Class ("DMAC") 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).

	Fair Value Hierarchy	Maturity	Interest Rate	2024	2023
Term Deposit - Beem Credit Union	Level 1	January 2024	1.50%	\$ -	\$ 2,107,189
Term Deposit - Beem Credit Union	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
Term Deposit - Canadian Western Bank	Level 1	September 2024	5.82%	-	2,000,000

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

5. PORTFOLIO INVESTMENTS (CONTINUED)

	Fair Value Hierarchy	Maturity	Interest Rate	2024	2023
Term Deposit - Coast Capital Savings	Level 1	September 2024	1.50%	-	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
Term Deposit - Beem Credit Union	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 - Beem Credit Union	Level 1	January 2025	5.30%	2,193,013	-
Term Deposit - Coast Capital Savings	Level 1	August 2025	6.25%	1,738,381	1,738,381
Term Deposit - Canadian Western Bank	Level 1	September 2025	5.95%	1,665,725	1,665,725
Term Deposit - Beem Credit Union	Level 1	October 2025	4.15%	2,895,079	-
Term Deposit - Beem Credit Union	Level 1	January 2026	5.50%	2,170,967	-
Term Deposit - Coast Capital Savings	Level 1	March 2026	4.60%	1,045,721	-
Term Deposit - Coast Capital Savings	Level 1	August 2026	6.15%	1,539,253	1,539,253
Term Deposit - Coast Capital Savings	Level 1	October 2026	4.20%	2,201,045	-
Term Deposit - Coast Capital Savings	Level 1	October 2026	4.50%	1,663,443	-
Term Deposit - Coast Capital Savings	Level 1	June 2027	5.30%	1,083,798	-
Term Deposit - Canadian Western Bank	Level 1	September 2027	4.14%	2,117,056	-
Term Deposit - Coast Capital Savings	Level 1	October 2027	4.30%	2,453,705	-
Term Deposit - Coast Capital Savings	Level 1	May 2028	5.25%	1,630,021	-
Cash on Deposit - Coast Capital Savings	Level 1			2,939	100
MFA Money Market Fund	Level 1			5,137,793	8,427,164
MFA Government Focused Ultra-Short Bond Fund	Level 2			11,995,969	11,388,437
MFA Short-Term Bond Fund	Level 2			17,999,224	17,092,522
MFA Mortgage Fund	Level 3			7,846,313	7,393,192
MFA DMAC Fund	Level 3			6,081,914	5,177,691
Total portfolio investments				\$ 73,461,359	\$ 72,765,572

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

5. PORTFOLIO INVESTMENTS (CONTINUED)

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

	<u>2024</u>
Balance, beginning of year	\$ 12,570,883
Unrealized gains	1,357,344
Balance, end of year	<u>\$ 13,928,227</u>

6. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

	<u>2024</u>	<u>2023</u>
Federal government	\$ 194,990	\$ 179,826
Province of British Columbia	732,505	450,594
Local governments	1,573,143	1,230,387
Accrued interest	847,219	651,552
Trade	895,874	1,084,890
Total accounts receivable	<u>\$ 4,243,731</u>	<u>\$ 3,597,249</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.

	<u>2024</u>	<u>2023</u>
Regional District		
Cash deposits	<u>\$ 75,034</u>	<u>\$ 72,509</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

8. LOAN RECEIVABLE

During the year, the Fraser-Fort George Museum Society (the "Society") borrowed \$500,000 from the Regional District to allow the Society to repay and refinance its debt on terms and conditions that are more conducive to the continued provision of museum services. The term of the loan is five years at an interest rate of 4% with quarterly payments beginning in 2025. The balance, including accrued interest, at December 31, 2024 was \$513,490 (2023 - nil).

The Regional District has agreed to provide the Society with annual operating grants of \$916,542 for each of the calendar years 2025 to 2027 under an agreement entered into in 2022 and may withhold any of the loan receivable from any amount payable to the Society under the annual operating grant agreement.

9. 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.

	2024	2023
City of Prince George	\$ 85,780,591	\$ 86,846,790
Village of Valemount	301,171	369,336
Total debt recoverable from member municipalities	\$ 86,081,762	\$ 87,216,126

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable is comprised of the following:

	2024	2023
Trade payables	\$ 2,412,058	\$ 1,510,277
Accrued liabilities	1,034,884	931,432
Accrued wages and benefits	1,717,163	2,083,116
Holdbacks payable	185,698	37,568
Taxes payable	42,914	38,890
Accrued debt interest	42,905	42,905
Total accounts payable and accrued liabilities	\$ 5,435,622	\$ 4,644,188

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

11. 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 and has recognized a liability for the closure of operational sites and post-closure care. The Regional District has estimated the costs 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. As at December 31, 2024, these costs have been discounted to the present value using a real discount rate of 0.24% per annum (2023 - 0.24%).

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. The Regional District has recognized an obligation relating to the removal and post-removal care of the asbestos in these buildings. As at December 31, 2024, these costs have been discounted to the present value using a real discount rate of 0.24% per annum (2023 - 0.24%).

Changes in estimate of asset retirement obligations result in a corresponding change to the land improvements and buildings capital assets. Changes to the asset retirement obligation during the year are as follows:

	<u>Landfill closure</u>	<u>Asbestos removal</u>	<u>Total at Dec 31, 2024</u>
Opening balance, Dec 31, 2023	\$ 42,407,611	\$ 1,614,264	\$ 44,021,875
Accretion expense	102,278	2,829	105,107
Change in estimate	(222,115)	173,600	(48,515)
Closing balance, Dec 31 2024	<u>\$ 42,287,774</u>	<u>\$ 1,790,693</u>	<u>\$ 44,078,467</u>
	<u>Landfill closure</u>	<u>Asbestos removal</u>	<u>Total at Dec 31, 2023</u>
Opening balance, Dec 31, 2022	\$ 42,304,929	\$ 1,610,355	\$ 43,915,284
Accretion expense	102,682	3,909	106,591
Closing balance, Dec 31, 2023	<u>\$ 42,407,611</u>	<u>\$ 1,614,264</u>	<u>\$ 44,021,875</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

12. DEFERRED REVENUE

Deferred revenue is comprised of the following:

	<u>2024</u>	<u>2023</u>
Province of British Columbia	\$ 1,138,985	\$ 246,947
Sewer parcel taxes	1,750	3,500
Refundable deposits	135,290	120,250
Total deferred revenue	<u>\$ 1,276,025</u>	<u>\$ 370,697</u>

13. DEBT, NET OF SINKING FUNDS

<u>Loan Authorization Bylaw/ Resolution No.</u>	<u>Issue No.</u>	<u>Purpose/Service</u>	<u>Maturing</u>	<u>Interest Rate</u>	<u>2024</u>	<u>2023</u>
MFA Loan Debt						
2293	101	Heritage Conservation	2027	3.39%	\$ 277,520	\$ 374,980
2095	104	West Lake Sewer	2033	4.30%	119,114	130,040
2558	116	Shelley Riverbank Erosion	2036	1.47%	37,635	40,237
2307	118	Adams Road Sewer	2037	3.39%	216,739	230,686
2309	118	Tallus Road Sewer	2037	3.39%	51,652	54,976
2971	141	Robson Valley Learning & Exploration	2042	2.80%	353,343	368,410
2971	146	Robson Valley Learning & Exploration	2043	3.20%	74,645	77,560
3134	157	9-1-1 Emergency Services	2042	3.36%	2,757,831	2,880,417
Various	Various	Debt issued for member municipalities	2024 to 2044	0.32% to 4.77%	86,081,762	87,216,126
Subtotal					<u>\$ 89,970,241</u>	<u>\$ 91,373,432</u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

13. DEBT, NET OF SINKING FUNDS (CONTINUED)

Loan Authorization Bylaw/Resolution No.	Issue No.	Purpose/Service	Maturing	Interest Rate	2024	2023
MFA Equipment Financing						
775/20	N/A	Hixon Fire Protection	2025	4.25%	\$ 21,689	\$ 38,286
Capital Lease						
N/A	N/A	Landfill Equipment	2025	7.99%	\$ 138,843	\$ 187,391
Total Debt, Net of Sinking Funds					\$ 90,130,773	\$ 91,599,109

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 (Note 9). 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
2025	\$ 215,022	\$ 5,418,603	\$ 5,633,625
2026	215,022	4,872,307	5,087,329
2027	215,022	4,642,927	4,857,949
2028	152,732	4,435,292	4,588,024
2029	152,732	4,413,278	4,566,010
Thereafter	2,937,950	62,299,354	65,237,304
Total	\$ 3,888,480	\$ 86,081,761	\$ 89,970,241

b. Interest paid on long-term debt

During the year, gross interest paid or payable on long-term debt was \$3,999,001 (2023 - \$3,905,949). Of this, \$3,762,647 (2023 - \$3,673,117) was recovered from member municipalities and \$236,354 (2023 - \$232,833) was charged to Regional District operations.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

14. ACCUMULATED SURPLUS

	2024	2023
Surplus within Regional District services	\$ 5,258,376	\$ 8,860,530
Provision for landfill closure and post-closure	(42,287,774)	(42,407,611)
Provision for asbestos remediation	(1,790,693)	(1,614,264)
Subtotal - Operating fund deficit	(38,820,091)	(35,161,345)
Landfill closure and post-closure reserve (Schedule 1)	37,087,107	34,461,773
Reserve funds less landfill closure reserve (Schedule 1)	52,116,099	46,919,813
Equity in tangible capital assets	59,221,164	57,531,691
Total accumulated surplus	\$ 109,604,279	\$ 103,751,932

15. GOVERNMENT TRANSFERS

Government transfers are comprised of the following:

	2024	2023
Province of British Columbia	\$ 2,774,510	\$ 7,261,999
Regional and local governments	10,000	10,000
Rail tax mitigation	129,740	129,740
Other	93,740	272,104
Total government transfers	\$ 3,007,990	\$ 7,673,843

16. BUDGET INFORMATION

The budget data presented in these consolidated financial statements is based upon the 2024 Financial Plan Bylaw No. 3346, 2024, approved by the Board of Directors on March 21, 2024. The legislative requirements for the Financial Plan are that the cash inflows for the period must equal cash outflows.

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

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

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

16. BUDGET INFORMATION (CONTINUED)

The legislation does not require the funding of non-cash items such as amortization or liability provisions to provide for future cash requirements, thus there is no legislative requirement to include these items in the Financial Plan. However, these items are recognized as expenses in the Consolidated Statement of Operations and Accumulated Surplus.

Amortization was not contemplated on the development of the approved 2024 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	12,691,475
Principal payments on long-term debt	215,036
Transfer to reserves	6,197,485
Long-term debt proceeds	(500,000)
Transfer from reserves	(11,188,553)
Transfer from operating surplus	(6,824,981)
Internal expenditures	705,290
Budgeted Annual Surplus on Consolidated Statement of Operations and Accumulated Surplus	\$ 1,295,752

17. 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, 2024 – 5.45%) and is secured by the current borrowing resolution. This facility remained unused at year end.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

18. 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 2024 revenues and expenses can be found in Schedule 3, with 2023 comparative information in Schedule 4.

General Government Services

General government is comprised of board and electoral area governance, general administration which includes legislative services, finance, human resources, 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, 2024

18. 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.

19. 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, 2024, the plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 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 next valuation will be as at December 31, 2024, with results available in 2025.

The Regional District paid \$669,313 (2023 - \$639,937) for employer contributions to the plan in 2024.

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, 2024

19. 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, 2024, the Regional District had committed \$1,196,534 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 \$3,564,733 (2023 - \$3,419,340), of which \$3,415,158 (2023 - \$3,269,765) 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, 2024

20. 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, 2024, future contractual obligations are estimated as follows:

2025	\$ 10,016,945
2026	8,345,819
2027	6,646,763
2028	1,882,217
2029	<u>1,450,978</u>
Total	<u><u>\$ 28,342,722</u></u>

21. 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, 2024, future contractual rights are estimated as follows:

2025	\$ 3,322,812
2026	3,015,511
2027	2,698,092
2028	2,681,204
2029	<u>794,531</u>
Total	<u><u>\$ 12,512,150</u></u>

22. 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 \$306,800 (2023 - \$295,000). These transactions are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.



Notes to the Consolidated Financial Statements

For the year ended December 31, 2024

23. COMPARATIVE INFORMATION

Certain 2023 comparative information has been reclassified to conform with the financial statement presentation adopted for the current year. The changes had no impact on prior year annual surplus.



REGIONAL DISTRICT of Fraser-Fort George

Schedule 1 - Reserve Funds

	<u>2024</u>	<u>2023</u>
General Capital and Other Reserves		
Equipment replacement reserve	\$ 4,361,025	\$ 3,974,975
Truck replacement reserve	7,060,592	6,172,985
Office accommodation	1,269,336	1,194,729
Landfill closure and post-closure (Note 14)	37,087,107	34,461,773
Park development	1,037,366	976,394
Feasibility study	179,977	169,399
Budget revenue stabilization	982,860	933,785
Park land acquisition	117,420	110,519
Region wide fire protection	34,999	32,942
Cultural endowment	1,605,449	1,549,291
Exploration Place building	182,018	138,216
Northern Capital and Planning Grant (Schedule 5)	4,884,476	4,631,220
Growing Communities Fund (Schedule 6)	3,465,194	3,576,991
Total general capital and other reserves	<u>62,267,819</u>	<u>57,923,219</u>
Water Capital		
Bear Lake Water - equipment	378,874	356,605
Azu Water - equipment	207,788	169,724
Total water capital reserves	<u>586,662</u>	<u>526,329</u>
Sewer Capital		
Tabor Lake Sewer - equipment	61,523	46,095
Buckhorn Sewer - equipment	78,619	55,174
Bendixon Sewer - equipment	33,711	22,159
West Lake Sewer - equipment	104,070	93,247
Adams Rd Sewer - equipment	189,070	177,957
Tallus Rd Sewer - equipment	91,584	86,201
Total sewer capital reserves	<u>558,577</u>	<u>480,833</u>
Operating		
Canada Community-Building Fund (formerly Community Works Fund)	3,494,117	3,685,989
General operating	21,426,785	18,048,090
Water operating	260,413	222,564
Sewer operating	608,833	494,562
Total operating reserves	<u>25,790,148</u>	<u>22,451,205</u>
Total reserve funds	<u>\$ 89,203,206</u>	<u>\$ 81,381,586</u>



**REGIONAL DISTRICT
of Fraser-Fort George**

Schedule 2 - 2024 Tangible Capital Assets

	Land and Improvements	Buildings	Equipment	Engineering Structures	Historical Artifacts	Sewer Systems	Water Systems	Capital in progress	Total 2024
Cost									
Balance, beginning 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
Add: Additions	139,736	438,265	1,065,617	-	-	-	266,516	2,585,960	4,496,094
Less: Disposals	-	-	(35,090)	-	-	-	-	(66,344)	(101,434)
Change in estimate of asset retirement obligation	(222,115)	173,600	-	-	-	-	-	-	(48,515)
Balance, end of year	53,113,897	32,143,348	30,296,574	5,036,946	231,596	5,861,424	2,206,445	2,695,036	131,585,266
Accumulated amortization									
Balance, beginning of year	32,416,990	14,406,195	13,838,472	1,736,356	-	2,021,868	908,108	-	65,327,989
Add: Amortization	712,155	798,854	1,353,797	57,292	-	79,576	22,022	-	3,023,696
Less: Disposals	-	-	(26,018)	-	-	-	-	-	(26,018)
Balance, end of year	(33,129,145)	(15,205,049)	(15,166,251)	(1,793,648)	-	(2,101,444)	(930,130)	-	(68,325,667)
Net book value	19,984,752	16,938,299	15,130,323	3,243,298	231,596	3,759,980	1,276,315	2,695,036	63,259,599
2023 Net book value, beginning 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
2023 Net book value, end of year	\$ 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



**REGIONAL DISTRICT
of Fraser-Fort George**

Schedule 3 - 2024 Segmented Information

December 31, 2024	General government services	Protective services	Transportation services	Environmental health services	Public health and welfare services	Environmental development services	Fiscal services	Recreation and cultural services	2024 Total	2024 Budget
Revenues										
Requisition and parcel taxes	\$ 4,948,995	\$ 4,410,238	\$ 80,983	\$ 4,290,422	\$ 3,809,197	\$ 663,650	\$ -	\$ 4,567,505	\$ 22,770,990	\$ 22,770,990
Municipal debt recovery	-	-	-	-	-	-	9,000,952	-	9,000,952	8,842,167
Sale of services, utilities and rentals	417,100	581,548	-	7,228,205	1,598,578	-	-	109,464	9,934,895	10,307,687
Government transfers + grants in lieu	3,357,816	1,310,367	4,335	-	-	(163,567)	-	123,090	4,632,041	4,667,973
Other revenue	4,394,199	433,472	1,504	79,467	30,882	6,581	-	4,809	4,950,914	457,745
Total revenues	13,118,110	6,735,625	86,822	11,598,094	5,438,657	506,664	9,000,952	4,804,868	51,289,792	47,046,562
Expenses										
Salaries and wages	3,923,105	1,050,648	-	2,862,306	954,018	644,229	-	1,309,007	10,743,313	12,331,153
Debt charges - Regional District	-	1,629	-	30,957	123,998	-	-	81,399	237,983	189,930
Debt charges - Municipal	-	-	-	-	-	-	9,000,952	-	9,000,952	8,842,167
Amortization	186,348	663,791	-	1,135,363	637,062	-	-	401,132	3,023,696	-
Other expenses	3,534,819	4,460,815	72,958	6,350,109	3,690,137	976,832	-	3,345,831	22,431,501	24,387,560
Total expenses	7,644,272	6,176,883	72,958	10,378,735	5,405,215	1,621,061	9,000,952	5,137,369	45,437,445	45,750,810
Annual surplus (deficit)	\$ 5,473,838	\$ 558,742	\$ 13,864	\$ 1,219,359	\$ 33,442	\$ (1,114,397)	\$ -	\$ (332,501)	\$ 5,852,347	\$ 1,295,752



**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	267,688	733,661	-	1,404,297	705,518	-	-	442,661	3,553,825	-
Other expenses	3,663,655	3,193,120	78,994	6,413,424	3,571,380	336,938	-	3,087,986	20,345,497	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)

Schedule 5 - Northern Capital and Planning Grant

In March 2019, the Regional District was the recipient of a \$4,182,000 grant under the Northern Capital and Planning Grant (NCPG) program from the Province of BC and received a second allocation of \$1,304,000 in March 2020. Both allocations of grant money were allocated by the Regional Board to uniquely identified capital and planning reserves prior to December 31, 2020. The table below outlines the outstanding NCPG funds in reserve at December 31, 2023, adds interest earned on reserve funds in 2024 and deducts the expenditures of approved funds in 2024 to reach the NCPG reserve fund balances at December 31, 2024.

Service Name	NCPG Reserve at Dec 31, 2023	2024 Interest Earned	2024 Approved Expenditures	NCPG Reserve at Dec 31, 2024
Administration	\$ 365,897	\$ 22,849	\$ 16,712	\$ 372,034
Community Services	43,516	2,717	-	46,233
Sustainability Practices	532,702	33,265	-	565,967
Bear Lake Fire Protection	48,990	3,059	-	52,049
Buckhorn Fire Protection	48,990	3,059	-	52,049
Pineview Fire Protection	48,990	3,059	-	52,049
Valemount & District Fire Protection	48,990	3,059	-	52,049
Beverly Fire Protection	48,990	3,059	-	52,049
Hixon Fire Protection	48,990	3,059	-	52,049
Salmon Valley Fire Protection	48,990	3,059	-	52,049
Ness Lake Fire Protection	48,990	3,059	-	52,049
Red Rock/Stoner Fire Protection	48,990	3,059	-	52,049
Shell-Glen Fire/Rescue Protection	48,990	3,059	-	52,049
Pilot Mountain Fire Protection	48,990	3,059	-	52,049
Beverly Fire Protection	48,990	3,059	-	52,049
Ferndale/Tabor Fire Protection	48,990	3,059	-	52,049
Sewage Service - Holding Tanks	117,614	7,344	-	124,958
Solid Waste Management	361,308	22,562	-	383,870
Bear Lake Water System	84,751	5,292	-	90,043
Azu Water System	84,751	5,292	-	90,043
Tabor Lake Community Sewer Service	136,440	8,521	-	144,961
Buckhorn Community Sewer System	10,682	668	-	11,350
Bendixon Road Community Sewer System	54,325	3,392	5,387	52,330
West Lake Community Sewer System	54,325	3,392	5,700	52,017
Adams Road Community Sewer	54,325	3,392	8,047	49,670
9-1-1 Emergency Response Service	125,738	7,852	-	133,590
Bear Lake Cemetery - Board of Trustees	10,949	683	-	11,632
Tete Jaune Cemetery - Board of Trustees	10,949	683	-	11,632
Regional Parks	494,556	30,883	-	525,439
Robson Valley Recreation Centre	217,363	13,574	-	230,937
Nukko Lake Community Hall	38,041	2,280	-	40,321
Sinclair Mills Community Hall	38,041	2,376	-	40,417
Bear Lake Recreation Facilities	38,041	2,376	-	40,417
Canoe Valley Recreation Centre	482,841	30,152	-	512,993
Reid Lake Community Hall	48,072	3,002	-	51,074
Tete Jaune Community Hall	38,041	2,376	-	40,417
Dome Creek Recreation Facility	38,041	2,376	-	40,417
East Line Community Facilities Service	38,041	2,376	-	40,417
Robson Valley Exploration and Learning	38,041	2,376	-	40,417
Heritage Conservation	435,158	27,174	-	462,332
NCPG 2020	1,799	112	-	1,911
Total NCPG Reserve	\$ 4,631,220	\$ 289,104	\$ 35,846	\$ 4,884,476

Schedule 6 - 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 in reserve as of December 31, 2023, adds interest earned on reserve funds in 2024 and deducts the expenditures of approved funds in 2024 to reach the GCF reserve fund balances at December 31, 2024.

As of 2024, there were no funds allocated to housing needs reports or proactive zoning requirements.

Service Name	GCF Reserve at Dec 31, 2023	2024 Interest Earned	2024 Approved Expenditures	GCF Reserve at Dec 31, 2024
Community Services	\$ 514,233	\$ 32,112	\$ -	\$ 546,345
Office Building	565,657	35,323	124,295	476,685
9-1-1 Emergency Response Service	894,766	54,674	57,746	891,694
Emergency Preparedness	202,593	11,713	15,945	198,361
Robson Valley Recreation Centre	257,118	11,841	95,219	173,740
Canoe Valley Recreation Centre	257,118	16,055	-	273,173
Bear Lake Water System	44,224	2,762	-	46,986
Azu Water System	44,224	2,762	-	46,986
Bear Lake Fire Protection	51,423	3,212	-	54,635
Buckhorn Fire Protection	51,423	3,212	-	54,635
Pineview Fire Protection	51,423	3,212	-	54,635
Valemount & District Fire Protection	51,423	3,212	-	54,635
Beverly Fire Protection	51,423	3,212	-	54,635
McBride & District Fire Protection	179,982	9,918	34,296	155,604
Ferndale/Tabor Fire Protection	51,423	3,212	-	54,635
Hixon Fire Protection	51,423	3,212	-	54,635
Salmon Valley Fire Protection	51,423	3,212	-	54,635
Ness Lake Fire Protection	51,423	3,212	-	54,635
Red Rock/Stoner Fire Protection	51,423	3,212	-	54,635
Shell-Glen Fire/Rescue Protection	51,423	3,212	-	54,635
Pilot Mountain Fire Protection	51,423	3,212	-	54,635
Total GCF Reserve	\$ 3,576,991	\$ 215,704	\$ 327,501	\$ 3,465,194

Introduction of new Recycle BC Residential Recycling program

Quinn St



Valemount

Mackenzie





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