

AGENDA

MEETING NO. 7

May 8, 2025

**P.O. BOX 820
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VISION

“A World of Opportunities
Within Our Region”

MISSION

“We Will Foster Social,
Environmental, and
Economic Opportunities
Within Our Diverse Region Through Effective
Leadership”

2022-2026 Strategic Plan

1. Relationships with First Nations
2. Advocacy with the Province
3. Housing Supply
4. Community and Economic Sustainability



REGIONAL DISTRICT OF BULKLEY-NECHAKO

AGENDA

Thursday, May 8, 2025

<u>PAGE NO.</u>	<u>CALL TO ORDER</u>	<u>ACTION</u>
	<u>First Nations Acknowledgement</u>	
	<u>AGENDA - May 8, 2025</u>	Approve
	<u>SUPPLEMENTARY AGENDA</u>	Receive
	<u>DELEGATION</u>	
	<u>BESWICK HILDEBRANDT LUND CHARTERED PROFESSIONAL ACCOUNTANTS - Via Zoom</u> Taylor Turkington, CPA RE: 2024 Financial Statements	
	<u>ADMINISTRATION REPORTS</u>	<u>ACTION</u>
4-46	John Illes, Chief Financial Officer - 2024 Financial Statements and Audit Report	Recommendation
47-58	John Illes, Chief Financial Officer - Release of Reserves for Lakes District Airport	Recommendation
	<u>SUPPLEMENTARY AGENDA</u>	
	<u>NEW BUSINESS</u>	
	<u>ADJOURNMENT</u>	



Regional District of Bulkley-Nechako Board of Directors

To: Chair and Board
From: John Illes, CFO
Date: May 8, 2025
Subject: **2024 Financial Statements and Audit Report**

RECOMMENDATION: **(all/directors/majority)**

That the Board accept and authorize the Chair and the Chief Financial Officer to sign the Financial Statements for the year ending December 31, 2024;

And That the Year End Audit Findings Report to the Board be received.

BACKGROUND

The draft Financial Statements are attached and our auditor, Taylor Turkington, CPA, will make a presentation to the Board covering the changes to the financial statements since last year and discuss any audit findings.

The annual financial statements along with additional reporting must be sent to the Province by May 15th each year.

The Financial Statements and the Statement of Financial Information (SOFI) report must be sent to the Province by June 30th every year. This year the financial staff plan to bring this report forward at the May 22nd (or possibly the June 5th) Board meeting. The meeting containing this presentation on annual financial reporting must have a notice of the meeting published in accordance with section 94 of the community charter.

The 2023 Financial Statements have been restated to include the “donation” of the Cluculz Lake Sewer System to the Regional District. The legal transfer happened near the end of 2023 and Environmental Services started to actively manage this system in the beginning of 2024.

ATTACHMENTS:

Draft Financial Statements for 2024
Year End Audit Findings Report for 2024



Regional District of Bulkley-Nechako Board of Directors

To: Chair and Board
From: John Illes, CFO
Date: May 8, 2025
Subject: Release of Reserves for Lakes District Airport

RECOMMENDATION: (all/directors/majority)

That the Board authorize the payment of \$250,000 from reserves to the Lakes District Airport Society and further that this release be included in the next budget amendment.

BACKGROUND

The Lakes District Airport Service is a shared service of the Village of Burns Lake, Electoral Area "B" and Electoral Area "E". The airport is owned by the Village of Burns Lake but is operated and maintained by the Lakes District Airport Society.

The Society has sent the Regional District a formal request to release \$250,000 from the service's capital reserves for two capital projects to be undertaken in 2025. The first and most urgent is a crack sealing project to maintain current service levels. The second is an automated refueling system to better support visiting air traffic.

The current balance in the reserve fund for this service is \$417,000 of which \$150,000 was donated to the Regional District from the Society.

While capital projects for airports are normally eligible for community works funding, there is not an asset management plan currently complete for the Lakes District Airport to indicate where priority funds should be allocated. Prior to finalizing the budget amendment other sources of funding will be explored.

The Society is currently behind in their agreement to submit financial information to the Regional District. The last available statements are for the year ending 2022 and are included as an attachment.

ATTACHMENTS:

Lakes District Airport updated budget
Lakes District Airport Society Financial Statements 2022

**REGIONAL DISTRICT OF BULKLEY NECHAKO
LAKES DISTRICT AIRPORT**

8101

Five Year Financial Plan:

BYLAW 1751 LIMITATION \$190,000

IMPROVEMENTS ONLY

VILLAGE OF BURNS LAKE, ALL OF B, ALL OF E

REVENUE:

	2022 Actual	2023 Actual	2024 Budget	2024 Actual	2025 Budget	2026 Budget	2027 Budget	2028 Budget	2029 Budget
400002 Requisition	79,311	71,565	52,055	52,055	71,244	63,241	63,241	63,241	63,241
420001 Withdrawal from Capital Reserve					250,000				
442101 Grants									
446001 Grants in Lieu of Taxes	2,517	688	688	264	264	264	264	264	264
446002 Grant in lieu of Alcan Taxes	30,734	27,345	27,345	19,966	22,770	22,770	22,770	22,770	22,770
499999 Prior Year's Surplus	36,010	82,945	170,000	170,000		0	0	0	0
TOTAL REVENUE.....	148,573	182,543	250,088	242,285	344,278	86,275	86,275	86,275	86,275

EXPENDITURE:

612220 Monthly Grant to LD Airport Society	34,375	0	165,000	163,500	330,000	80,000	80,000	80,000	80,000
784001 Principal Payments on 5 year loan (2017-2021)									
783001 Interest Payments									
781001 Contribution to Capital Reserve	25,000	10,000	75,000	75,000					
651010 Administration Service Charge	1,753	2,543	2,588	2,588	1,275	1,275	1,275	1,275	1,275
607002 Accounting Fees	4,500		7,500	9,200	5,000	5,000	5,000	5,000	5,000
799999 Prior year's deficit					8,003				
TOTAL EXPENDITURE.....	65,628	12,543	250,088	250,288	344,278	86,275	86,275	86,275	86,275

Revenues minus Expenditures

	82,945	170,000	-	(8,003)	-	-	-	-	-
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LAKES DISTRICT AIRPORT SOCIETY

Financial Statements

December 31, 2022

(unaudited)

August 1, 2024

Independent Practitioner's Review Engagement Report

To the Board of Directors of Lakes District Airport Society

Report on the financial statements

We have reviewed the accompanying financial statements of Lakes District Airport Society that comprise the statement of financial position as at December 31, 2022 and the statements of operations and changes in net assets and cash flows for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Lakes District Airport Society as at December 31, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, Canadian Accounting Standards for Not-for-Profit Organizations have been applied on a basis consistent with that of the preceding year.

Beswick Hildebrandt Lund

Chartered Professional Accountants

Prince George, British Columbia

LAKES DISTRICT AIRPORT SOCIETY
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
For the year ended December 31, 2022

(unaudited)

	<u>Operating Fund</u>	<u>Equipment Fund</u>	<u>2022 Total</u>	<u>2021 Total (Note 10) (Restated)</u>
REVENUE				
Grants	\$ 129,950	\$ -	\$ 129,950	\$ 219,535
Fuel sales	169,099	-	169,099	234,829
Rental	21,867	-	21,867	27,463
Interest	384	-	384	3,079
Donations	-	-	-	-
	<u>321,300</u>	<u>-</u>	<u>321,300</u>	<u>484,906</u>
EXPENSES				
Cost of goods sold	148,990	-	148,990	173,177
Donations	-	-	-	150,000
Repairs and maintenance	49,954	-	49,954	58,153
Subcontractor	41,019	-	41,019	34,028
Insurance, licenses and dues	9,691	-	9,691	9,932
BC hydro	7,799	-	7,799	9,571
Office and miscellaneous	9,798	-	9,798	7,634
Telecommunications	5,382	-	5,382	5,502
Bank charges and interest	6,040	-	6,040	3,736
Advertising	-	-	-	26
Amortization of tangible capital assets	-	90,711	90,711	99,431
	<u>278,673</u>	<u>90,711</u>	<u>369,384</u>	<u>551,190</u>
EXCESS REVENUE (EXPENSES) FOR THE YEAR	42,627	(90,711)	(48,084)	(66,284)
NET ASSETS AT BEGINNING OF THE YEAR	<u>341,469</u>	<u>1,615,470</u>	<u>1,956,939</u>	<u>2,023,223</u>
NET ASSETS AT END OF THE YEAR	<u>\$ 384,096</u>	<u>\$ 1,524,759</u>	<u>\$ 1,908,855</u>	<u>\$ 1,956,939</u>

See notes to the financial statements.

LAKES DISTRICT AIRPORT SOCIETY
STATEMENT OF FINANCIAL POSITION

December 31, 2022

(unaudited)

ASSETS

	Operating Fund	Equipment Fund	2022 Total	2021 Total (Note 10) (Restated)
CURRENT ASSETS				
Cash	\$ 306,363	\$ -	\$ 306,363	\$ 351,443
Accounts receivable (Note 3)	86,584	-	86,584	41,884
Inventory	49,734	-	49,734	15,169
Prepaid expenses	4,164	-	4,164	4,635
	446,845	-	446,845	413,131
TANGIBLE CAPITAL ASSETS (Note 8)	-	1,524,759	1,524,759	1,615,470
	\$ 446,845	\$ 1,524,759	\$ 1,971,604	\$ 2,028,601

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES				
Accounts payable and accrued liabilities (Note 4)	\$ 17,749	\$ -	\$ 17,749	\$ 28,711
Deferred revenue (Note 5)	45,000	-	45,000	42,950
	62,749	-	62,749	71,661
NET ASSETS				
Operating Fund - Unrestricted	384,096	-	384,096	341,470
Capital Fund	-	1,524,759	1,524,759	1,615,470
	384,096	1,524,759	1,908,855	1,956,940
	\$ 446,845	\$ 1,524,759	\$ 1,971,604	\$ 2,028,601

Approved by the Board:

_____ Director

_____ Director

LAKES DISTRICT AIRPORT SOCIETY
STATEMENT OF CASH FLOWS
For the year ended December 31, 2022
(unaudited)

	2022	2021
		(Note 10)
		(Restated)
OPERATING ACTIVITIES		
Excess expenses for the year	\$ (48,084)	\$ (66,284)
Item not affecting cash:		
Amortization of tangible capital assets	90,711	99,431
	42,627	33,147
Change in non-cash working capital items:		
Accounts receivable	(44,701)	2,875
Inventory	(34,565)	11,639
Prepaid expenses	471	(720)
Deferred revenue	2,050	42,950
Accounts payable and accrued liabilities	(10,962)	12,342
Cash provided from operations	(45,080)	102,233
INCREASE IN CASH DURING THE YEAR	(45,080)	102,233
CASH AND EQUIVALENTS AT BEGINNING OF THE YEAR	351,443	249,210
CASH AND EQUIVALENTS AT END OF THE YEAR	\$ 306,363	\$ 351,443

See notes to the financial statements.

LAKES DISTRICT AIRPORT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(unaudited)

1. NATURE OF ACTIVITIES

The Lakes District Airport Society (the "Society") is a not-for-profit organization incorporated under the Society Act of the Province of British Columbia. It was incorporated on July 20, 1998 to provide airport services for Burns Lake and the surrounding areas.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following accounting policies:

Cash

Cash includes cash on hand, cash on deposit net of cheques issued and outstanding at the reporting date, and short-term deposits with maturity dates of less than 3 months.

Revenue recognition

The Society uses the deferral method of accounting for contributions whereby restricted contributions are recognized as revenue of the appropriate fund in the years in which the related expenses are incurred. Restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses occur.

Fund Accounting

The Operating fund accounts for the Society's revenue and expenditures related to operations and administration activities.

The Equipment fund accounts for the acquisitions, disposal, and amortization of tangible capital assets.

Tangible Capital Assets

Tangible capital assets are recorded at cost. Amortization is provided on a declining basis over the assets' estimated useful lives, as follows:

Buildings	4%
Automotive	30%
General equipment	20%
Fuel tanks	5%
Paving	5%

Measurement Uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the

LAKES DISTRICT AIRPORT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES, continued

reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from management's best estimates as additional information becomes available in the future. Estimates include useful life of capital assets.

Financial Instruments

Measurement of financial instruments

The Society initially measures its financial assets and financial liabilities at fair value. The entity subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Impairment

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

Transaction costs

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

Contributed Material and Services

Contributions of materials and services by donors and volunteers are not recorded in these financial statements due to the difficulty of determining their fair market value.

3. ACCOUNTS RECEIVABLE

	<u>2022</u>	<u>2021</u>
Accounts receivable	\$ 86,584	\$ 41,884
GST receivable	-	-
	<u>\$ 86,584</u>	<u>\$ 41,884</u>

LAKES DISTRICT AIRPORT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(unaudited)

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2022</u>	<u>2021</u>
Accounts payable and accrued liabilities	\$ 12,496	\$ 21,704
GST payable	2,703	4,357
Fuel key deposits	2,550	2,650
	<u>\$ 17,749</u>	<u>\$ 28,711</u>

5. DEFERRED REVENUE

	<u>2022</u>	<u>2021</u>
BLCF Refuelling station	\$ 30,000	\$ -
NKDF Refuelling station	15,000	-
Ministry of Transportation - Covid Airport Relief	-	42,950
	<u>\$ 45,000</u>	<u>\$ 42,950</u>

6. FINANCIAL INSTRUMENTS

Risks and Concentrations

The Society is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Society's risk exposure as at December 31, 2022:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society's main credit risks relates to its accounts receivable. The Society rarely provides credit to its clients in the normal course of its operations and the majority of its receivables are from government agencies. Management considers credit risk to be minimal.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. Management considers liquidity risk to be minimal.

7. ECONOMIC DEPENDENCE

In 2022, \$129,950 (2021 - \$219,535) of the Society's total operating funds of \$321,300 (2021 - \$484,906) was comprised of government funding. The Society's ability to continue operations is dependent upon the continuation of such funding.

LAKES DISTRICT AIRPORT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(unaudited)

8. TANGIBLE CAPITAL ASSETS

	2022		2021	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value (Note 10) (Restated)
Buildings	\$ 413,447	\$ 62,288	\$ 351,159	\$ 365,791
Automobiles	32,939	25,032	7,907	11,297
General equipment	140,223	82,787	57,436	71,795
Fuel tanks	58,902	10,927	47,975	50,501
Paving	1,301,747	241,465	1,060,282	1,116,086
	<u>\$ 1,947,258</u>	<u>\$ 422,499</u>	<u>\$ 1,524,759</u>	<u>\$ 1,615,470</u>

9. REMUNERATION

Remuneration of directors

Remuneration paid to elected directors during the year ended December 31, 2022 was \$nil (2021-\$nil).

Remuneration of employees

No employees received compensation including benefits in excess of \$75,000 for the year ended December 31, 2022 (2021 – nil).

LAKES DISTRICT AIRPORT SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

(unaudited)

10. PRIOR PERIOD RESTATEMENT

During the year, it was determined that the Society had applied the tangible capital asset amortization rates incorrectly in the prior years. Expenses relating to amortization were incorrectly recorded. The Society has revised the 2021 comparative figures to correctly report the expense amounts, opening and closing net assets and capital asset balances to better align with the amortization policy.

	Previously Reported	Adjustment	Restated
Statement of Operations			
Revenue	484,906	-	484,906
Expenses	761,921	(210,731)	551,190
Net income	(277,015)	210,731	(66,284)
Net Assets			
Beginning of the year	1,611,627	411,596	2,023,223
End of the year	1,334,612	622,327	1,956,939
Statement of Financial Position			
Tangible Capital Assets	993,143	622,327	1,615,470
Net assets Capital fund	993,143	622,327	1,615,470