Regional District of Bulkley-Nechako

2025 Annual Report

Annual Report Land Acknowledgement

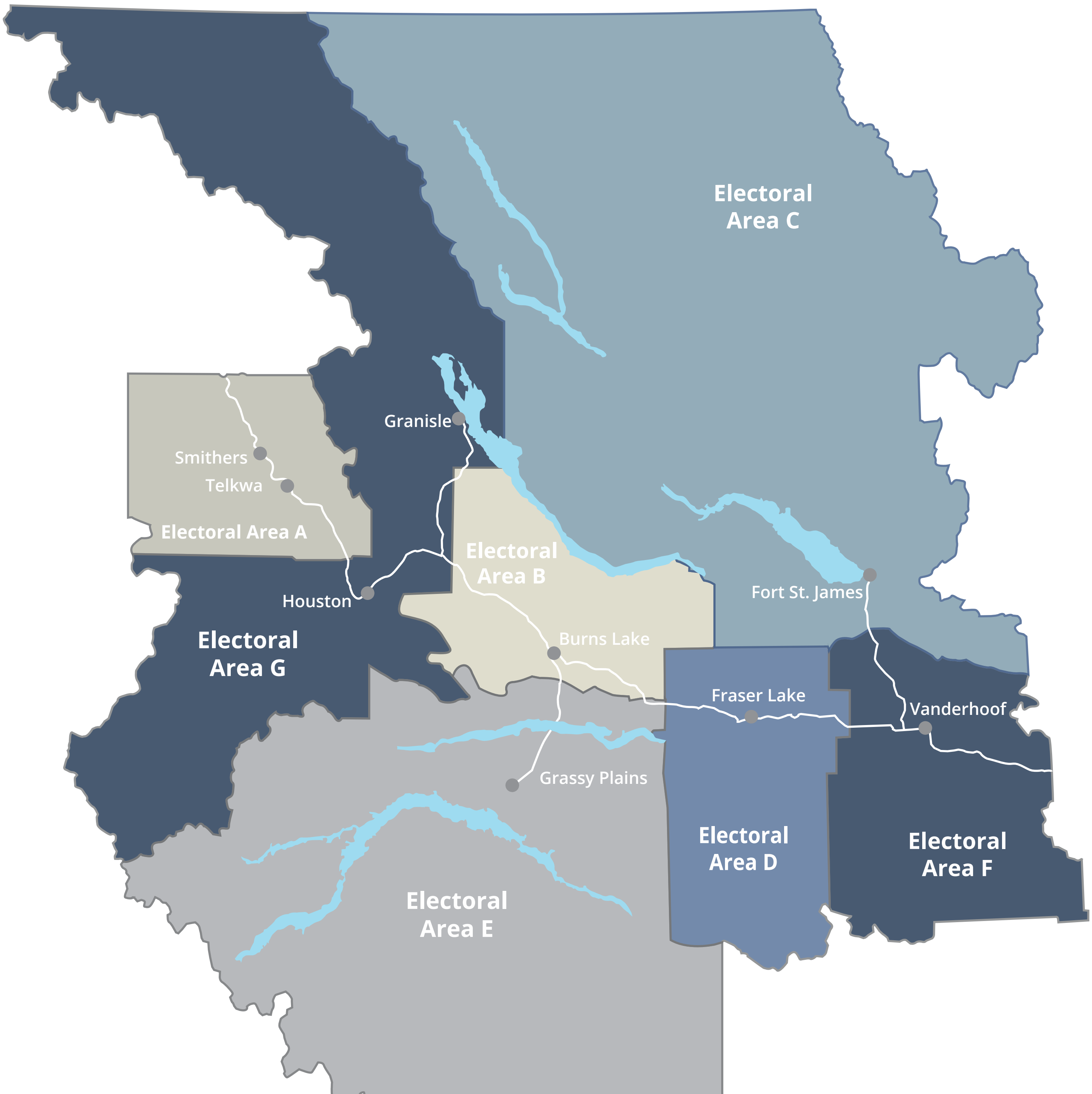
The Regional District of Bulkley-Nechako Board and staff would like to open this report by acknowledging that we deliver our local government services on the traditional territories of First Nations across the vast Bulkley-Nechako region. This region covers an area over 70,000 square kilometers, spanning the territories of the Dakelh, Nedut'en, Tse'khene, and Witsuwit'en speaking peoples. We respect the distinct cultures of the Indigenous Peoples in the Bulkley-Nechako and honour their long-standing relationship with these lands and waters since time immemorial.

We are further committed to building strong and enduring relationships with the 14 First Nations governments within the boundaries of the Regional District of Bulkley-Nechako.

Listed in Alphabetical Order They Are:

- Binche Whut'en
- Cheslatta Carrier Nation
- Lake Babine Nation
- Nadleh Whuten
- Nak'azdli Whut'en
- Nee Tahi Buhn
- Saik'uz First Nation
- Skin Tyee Nation
- Stellat'en First Nation
- Takla Nation
- Tl'azt'en Nation
- Ts'il Kaz Koh
- Wet'suwet'en First Nation
- Yekooche First Nation

The Regional District of Bulkley-Nechako



Message from the Board Chair

2025 was a year of strong consistency for the region. Many of the projects underway are a continuation of the great work put in motion early in this term of office. With experience under our belts, the RDBN Board and staff were able to advance or complete projects that will have long-term impacts for residents. One of the key factors to advancing much of this work is the Northwest BC Resource Benefits Alliance. This five-year agreement, signed in 2024, ensures that the 21 participating local governments have resources to develop, maintain, and increase the life expectancy of the infrastructure required to deliver services to our residents. The RDBN continues to advocate with our partners for the extension of this critical investment.

Many of the projects underway require years of planning and support before they become visible, and this is especially true for broadband projects. Residents have seen (and will see even more in the coming year or two) new fibre connections coming to homes and rural communities. This infrastructure work has been a priority of the Board for at least half a decade, and it is rewarding to see years of advocacy and planning turn into live connections.

This is also true of the strong planning and relationships that are the foundation for effective emergency management. The RDBN remains grateful for all of our partners across the region, especially municipal and Indigenous governments, who collaborate, train, and plan with us to ensure we are prepared to respond to whatever the seasons bring our way. There are also steps that residents can take to increase your family and property's resilience. Be sure to check our website for information about the FireSmart program and the Public Alerting System so that you get accurate information as soon as possible.

As we look to the year ahead, we will see local government elections in October 2026. As the last opportunity to address the current Board before the end of next year, I want to extend my sincere thanks to the 2025 Board of Directors for the leadership and direction they have provided. As I mentioned, a state of consistent good work is a wonderful place to be, and the Board and Staff can be proud that we have set-up the incoming Board to hit the ground running. The RDBN is a special place, and our residents are the reason for all the work we do.

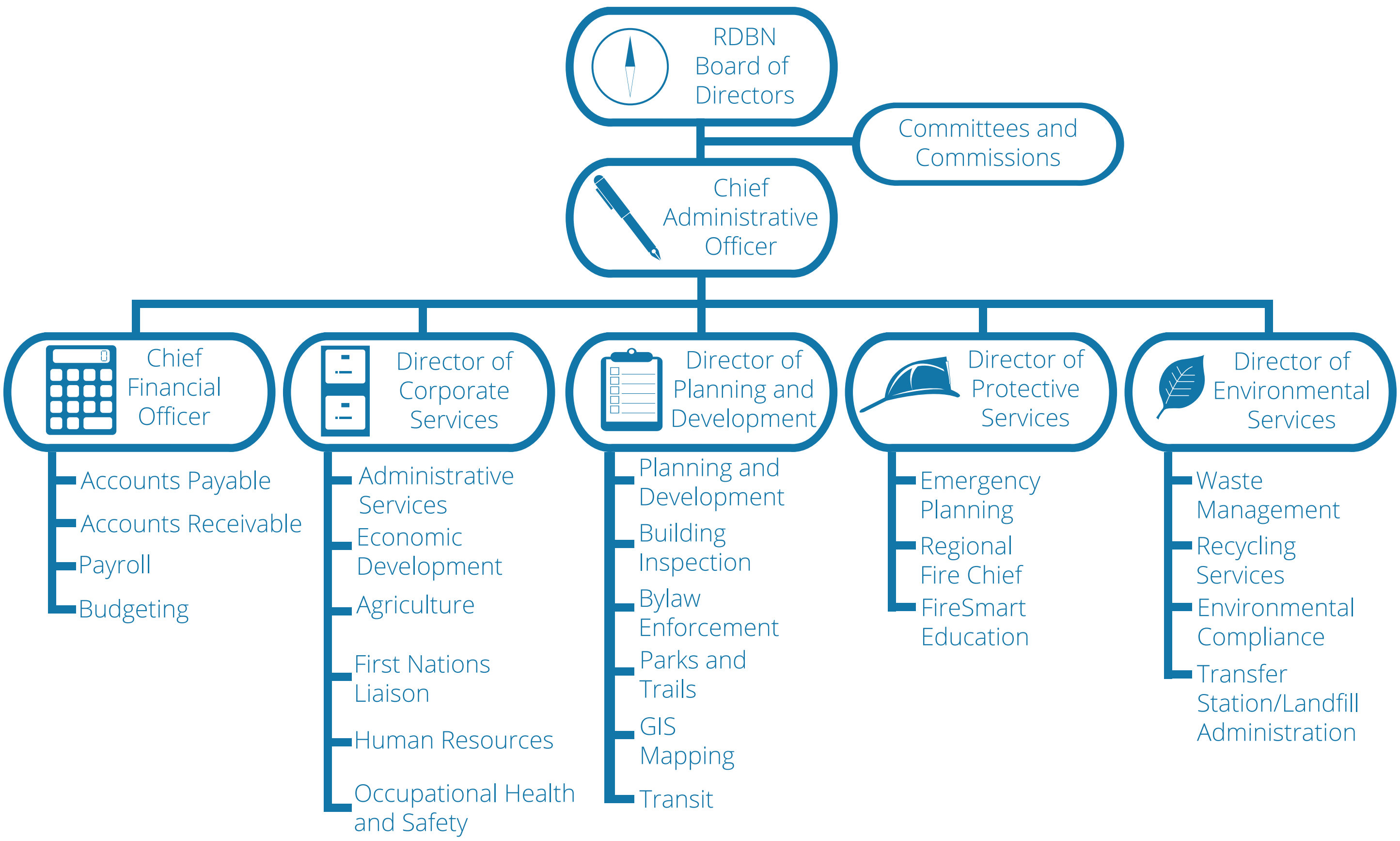
RDBN BOARD 2022-2026

Back Row:
- *Constable Nit*
- Kevin Moutray - Mayor, District of Vanderhoof
- Mark Parker - Director, Area D (Fraser Lake Rural)
- Henry Wiebe - Mayor, Village of Burns Lake
- *Judge Jackson*
- Clint Lambert - Director, Area E (Francois/Ootsa Rural)
- Shane Brienen - Mayor, District of Houston
- Chris Newell - Director, Area G (Houston/Granisle Rural)

Middle Row:
- Linda McGuire - Mayor, Village of Granisle
- Judy Greenaway - Director, Area C (Fort St. James Rural)
- Michael Riis-Christianson - Director, Area B (Burns Lake Rural)
- Shirley Moon - Director, Area F (Vanderhoof Rural)
- Leroy Dekens - Mayor, Village of Telkwa
- Sarrah Storey - Mayor, Village of Fraser Lake

Front Row:
- Gladys Atrill - Mayor, Town of Smithers
- Martin Elphee - Mayor, District of Fort St. James
- Stoney Stoltenberg - Director, Area A (Smithers/Telkwa Rural)

RDBN Organizational Chart



Northwest BC Resource Benefits Alliance

Formed in 2014, the RBA is a regional association of 21 local governments, including three regional districts (North Coast, Bulkley-Nechako, Kitimat-Stikine), and its 18 member municipalities, including the Regional District of Bulkley-Nechako and its membership municipalities. Since 2015, the RBA has worked closely with the BC government to address the unique challenges facing the Northwest. This includes securing the revenue needed to build essential community infrastructure that supports responsible resource development, as well as the social infrastructure that makes the Northwest a region where industries, businesses, workers, and their families can truly thrive.

NORTHWEST BRITISH COLUMBIA
RESOURCE BENEFITS ALLIANCE

Which Government Provides What Service?

Regional District

Solid waste management • Residential service (outside municipal boundaries) • Regional parks and recreation • Rural area planning and development • Emergency services • 911 operation • Grant services • Economic development • Regional environmental services • Building Inspection

Municipal Government

Municipal road maintenance • Snow removal • Water supply • Waste water management • Municipal parks • Municipal cemetery • Recreation facilities • Fire rescue • Business licenses • Municipal property tax

Provincial Government

Schools • Provincial parks • Rural Road Maintenance • Crown land • Health care • WorkSafe • ICBC/Driver Licensing • Provincial courts • Highway maintenance • Provincial income/property/sales tax • Water Licensing

Federal Government

Income tax • Employment insurance • Child benefit tax • Military • National parks • Immigration • Criminal law • Foreign relations • Fisheries and oceans

2023 - 2026 RDBN Board Strategic Priorities

Goals Set for the new RDBN Board term - In spring of 2023, the RDBN Board held a planning session to determine the Regional District's strategic priorities for the current term, which runs until fall of 2026. These priorities will help guide decision making and work plans, as well as help focus efforts to lobby the province and other levels of government. The priorities are broken into four sections and focus on relationship building with First Nations Governments, advocacy to the province, addressing housing supply shortages and creating economic sustainability within the region.

Relationships with First Nations

Goal - To enhance relationships with First Nations in the region and explore opportunities to collaborate and work in partnership for the benefit of our communities.

Why is it important? - As a Board, we embrace the principles of Truth and Reconciliation. Conversations and dialogue will help to build awareness, understanding and trust and enable us to work together on important issues and achieve better outcomes for our communities.

OBJECTIVES:

1.1 Extend invitations for informal meetings/meals with each First Nations government in the region.

1.2 Share and discuss respective strategic goals and objectives to identify opportunities for cooperation and collaboration on areas of mutual interest.

1.3 Investigate and identify opportunities for the RDBN to provide specific services to First Nations Communities.

Advocacy with the Province

Goal - To advocate and build relationships with provincial ministries to ensure the needs of the region are represented, impacts on our communities from their decisions and policies are understood, and adequate resources are made available to support new and increasing expectations of local government.

Why is it important? - The needs and aspirations of our region are often misunderstood or overlooked and we are increasingly faced with the costs of responding to new requirements and regulations imposed by the provincial government. It is important that we communicate our issues effectively and ensure that an appropriate share of resource revenues flow back to the region.

OBJECTIVES

2.1 Support efforts to secure an agreement under the Resource Benefits Alliance by engaging with our communities and consistently messaging our expectations to the Province.

2.2 Identify and prioritize topics and issues for provincial advocacy and advance our interests by developing strategic and consistent messaging, and offering solutions that are aligned with mutual goals.

2.3 Extend invitations to ministers or senior ministry staff to visit our region so they can observe and discuss our issues and interests in-person.

Housing Supply

Goal - To ensure there is an adequate supply and variety of housing options for our citizens.

Why is it important?

There is currently a lack of housing options in the region which impacts availability and affordability and our ability to attract and retain residents.

OBJECTIVES

3.1 Provide support to the non-profit sector in their pursuit of affordable housing projects and initiatives.

3.2 Advocate with the Province for appropriate rules and regulations to reduce impediments to housing development and better-reflect the needs of northern residents.

3.3 Investigate opportunities for the regional district to plan for and/or support the development of workforce housing.

Community and Economic Sustainability

Goal - To identify and pursue opportunities to support and diversify our economy.

Why is it important?

A strong economy is essential to grow the region, maintain our quality of life, retain our workforce and ensure our communities are healthy and resilient.

OBJECTIVES

4.1 Convene a tourism summit to better-understand the needs of the tourism sector and explore

how the regional district can support and advance tourism in the region.

4.2 Revisit, prioritize and advance recommendations of the RDBN Food and Agriculture Plan and the work of the Agriculture Coordinator.

4.3 Continue advocacy efforts with the Federal and Provincial governments, First Nations communities and industry for high-speed internet service and explore innovative solutions for high-speed internet service in partnership with the Connectivity Committee and other partners.

Chair Parker and Directors Atrill and Greenaway receive the RDBN's honourable mention for the UBCM Community Excellence Award. The award was given for Phase 1 of the Cycle 16 Trail which will soon connect Smithers and Telkwa with one continuous biking/walking trail.

ADMINISTRATION

Advocacy to the Province

The RDBN board and staff worked to advocate with the provincial government on a number of key issues affecting residents of our region in 2025.

- Discussions were held regarding gaps in rural connectivity and cellular service with an aim to improve access to high speed internet, as well as to address areas of reduced cell service along the Highway 16 Corridor.
- The board also prioritized discussions about emergency room closures and physician shortages. These conversations were aimed at attracting new physicians and nurses to the region, as well as reducing the administrative barriers that have lead to emergency room closures and long wait times for medical appointments. There was also advocacy to discuss funding challenges within northern hospital districts, which help to provide funding for the physical infrastructure of hospitals, including buildings, diagnostic equipment, and other equipment and supplies.
- Agricultural concerns regarding drought and water supply were discussed, and an Agricultural Water Assessment and Community Irrigation Study was initiated as a pilot project in Electoral Area F (Vanderhoof Rural).
- The RDBN also took part in discussions about wind power projects in the region and the need for proper planning and consideration for the impacts of these projects on adjacent communities.
- The Board also prioritized advocacy regarding the Emergency and Disaster Management Act, asking for clear regulations and long term funding support for local governments, as well as additional support for rural and northern communities that may not have the capacity to meet the requirements of the act.

Connecting Consumers and Producers Promo Video Series

Last year saw the launch of a new promotional program through the RDBN Economic Development team. The initiative centered around promoting the Connecting Consumers and Producers database and local food producers at the same time. The team created a video series which highlight seven local businesses who produce food and other products within the RDBN. The videos were available to the business owners for their own promotion, and were distributed through the RDBN social media channels, generating a substantial response through views, shares, and reposts. The businesses involved in the program gave rave reviews and several more videos are already slated for filming in 2026.

Relationship with Indigenous Communities and the Nechako River Watershed Memorandum of Understanding

The RDBN Board made building relationships with Indigenous communities a priority for the 2022 - 2026 term. In 2025, the RDBN Board and staff met with Indigenous leadership, attended community events, and collaborated on shared issues. The RDBN worked with First Nations groups throughout the region to strengthen planning, emergency management initiatives, and advocacy to provincial and federal ministries. One major project that resulted from these collaborations was the ongoing work on the Nechako River Memorandum of Understanding, which seeks to restore the health of the river by increasing cold water flow and allowing for more productive spawning for salmon and other key species. Among the priorities in the MOU are water management, major developments in the watershed, and the need for coordination between governments to reflect regional and First Nations priorities.

ADMINISTRATION DEPARTMENT

Finance
Accounts Payable/Receivable
Budgeting
Payroll
Tax Requisition
Information Technology

Agricultural Support
Connecting Consumers and Producers
Growing Opportunities Podcast

Economic Development
Regional Business Forum
Regional Connectivity
Communications Review
Grant Writing Assistance

Granting
Community Works Funds
Grant in Aid

Board Assistance
Board Agendas
Election Services
Board Minutes

First Nations Liaison

Management
Reports and Publications
Media Releases
Policy Development
HR and Labour Relations
Service Delivery
Public Reception

PROTECTIVE SERVICES

Emergency Management Program

The RDBN Emergency Management program focus on four pillars of Emergency Management and partners with local municipalities, First Nations, and community groups to help create a prepared and resilient region. In 2025 the program responded to ice jams, tornadoes, wildfires, and structure fires. The Emergency Operations Centre was active for17 days and the Emergency Support Service responded to 13 calls for rural residents in the region and 2 teams deployed out of the region to support neighbouring jurisdictions.

Long Term Funding Allocation

The RDBN has allocated funding through the Resource Benefits Alliance to provide $30,000 per year in capital costs for rural fire departments. This funding will better supply departments with critical equipment for fire and road rescue response. The funding is committed for three years and will help ensure the sustainability of the volunteer departments.

Firesmart Assessments

The RDBN had another successful year in helping to prepare homes for wildfire season through the Firesmart program. This program provides residents with up to $5,000 to improve their home's resiliency against fire. The team completed 113 home assessments and gave out 49 rebates totaling $121,771.30. Enrollment is still available for 2026. Find more information by call 800-320-3339 or visiting www.rdbn.bc.ca.

Preparedness

Mitigation

Emergency Management Program

Voyent Alert

Recovery

Fire Department Infrastructure

911

Response

PROTECTIVE SERVICES

Fire Protection

Training

Emergency Operations Centre

Logistics

Firesmart

Rural Fire Service

Operations

Planning

Finance

New Fire Tenders

The RDBN put two new water tenders into commission in 2025, one located in Cluculz Lake and one at the Southside Volunteer Fire Department. These tenders can carry a large capacity of water and help the departments respond quickly to fires in the region. The new trucks each received in a push-in ceremony, and put into use as soon as possible. The new equipment will improve fire responses and increase the sustainability of their respective fire departments. Funding was achieved through the Canada Community Building Fund and the Northern BC Resource Benefits Alliance.

Voyent Alert and Firesmart Promotion

In 2025, staff of the RDBN created an extensive promotional campaign to boost subscribership for the Bulkley-Nechako Voyent Alert system and the Firesmart program. These initiatives featured newspaper, social media, and theatre ads designed to highlight the importance of these programs in promoting emergency awareness and fire safety. The campaign saw significant success, reaching thousands of viewers and resulting in a sharp increase in users of the Voyent app. These efforts will continue into 2026 as the RDBN aims to increase the number of users across the region and ensure more people are notified directly about evacuation alerts and orders.

ENVIRONMENTAL SERVICES

Equipment Upgrades

Through the use of a portion of the funds received from the Northwest BC Resource Benefits Alliance, the Environmental Services department purchased a new dozer, excavator, dump truck, and skid steers. This equipment will assist the department in safely and efficiently operating the landfills and transfer stations.

Leachate Treatment Systems

The RDBN continued its work on landfill expansion at both the Clearview and Knockholt landfills. The Knockholt site was connected to power and the leachate aeration was activated. The Clearview expansion continued progress through engineering, planning, and site prep. Both of these leachate treatment systems are integral in ensuring that water that leaves the landfill site is clean and safe. Both projects are underway as a means of expanding the usable area of the landfills to accommodate regional waste for the coming years.

Strengthened Environmental Compliance

This year, the Environmental Services department undertook several projects to strengthen the organization's environmental compliance and long-term plans for all sites. Design, operation, and closure plans were completed for the Clearview and Knocholt landfills. The required operational certificates were amended to help reflect current operational capacity and treatment capabilities. Additionally, active monitoring was completed at all sites both closed and active. Updated closure plans were initiated for the thirteen decommissioned landfills in the region that will ensure that proper protection is in place and that ongoing compliance is met.

ENVIRONMENTAL SERVICES

Waste Management

Facilities/ Fleet Management
Disposal
Landfill
Leachate Management
Transfer Stations
Collection

Diversion

Residential Recycling
Repurposed Materials
Re-use Program
Public Education

Environmental Compliance

Wildlife
Ground Water
Surface Water
Ministry of Environment Compliance
Environmental Monitoring
Public Education

Fort Fraser Water/Sewer

Water Supply
Testing
Sewage Collection/ Treatment
Upgrades/ Maintenance

Household Hazardous Waste Recycling

The Household Hazardous Waste program was refined and expanded in 2025, with major steps being taken to ensure the proper treatment of a variety of hazardous items. Extensive signage, procedure development, and staff training were implemented to allow for the safe collection of hazardous materials across the RDBN's facilities. This program helps to divert hazardous materials from landfills, ensuring that they are safely moved to proper disposal, processing, and reuse facilities. Public education programs have also helped to protect the workers and users of the landfill and transfer station sites.

PLANNING DEPARTMENT

Regional Housing Projects

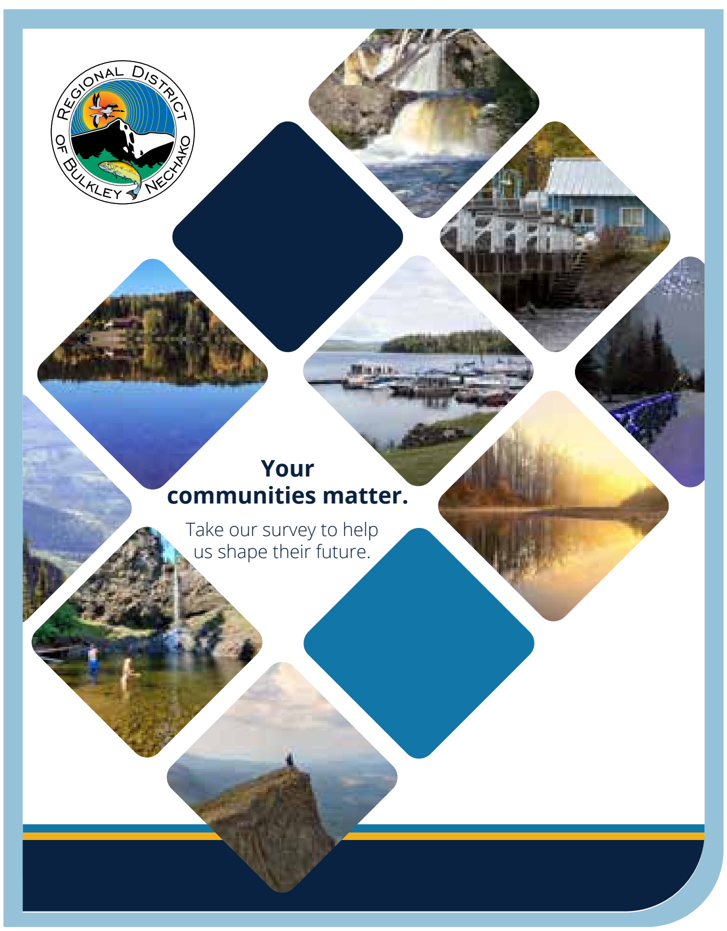
The Planning Department has assisted several housing societies and municipalities across the region develop shovel ready housing projects through the Regional Housing Initiative. These projects were established in preparation for the Province of BCs funding programs. Staff provided technical assistance for site identification, development approvals, and site due diligence. Staff also helped initiate Official Community Plan updates for the Village of Burns Lake and the District of Houston, and the Village of Granisle which will help ensure compliance with provincial regulation and formalize housing decisions moving forward.

Parks and Trails Master Plan for Electoral Area C and G

The Planning Department prepared draft Parks and Trails Master Plans for Electoral Area C (Fort St James Rural) and G (Houston/Granisle Rural). These plans build on the great work already being done by local outdoor recreation providers and help the determine where to focus its efforts to deliver new and improved parks and trails services in these areas over the next 10 years.

Development Procedures Bylaw Update

RDBN staff updated the Development Procedures Bylaw. This process involved a comprehensive review of the existing bylaw to ensure it is aligned with new provincial legislation, improve clarity, and improve process efficiency.



Houston/Topley/Granisle Rural Official Community Plan Review

In 2025, the Planning Department undertook a review of the Houston/Topley/Granisle Rural Official Community Plan. An extensive public engagement campaigns was undertaken which included surveys, open houses, and a working group of community members. This input was critical to inform the direction of the plan. The OCP provides guidance for the use and development and established the communitie's vision for the future of the area. The formal public hearing for the plan is anticipated this summer.

Parks and Trails Infrastructure

Significant progress was made on several regional parks and trails projects this year. An outhouse was constructed and several site safety improvements were made at the Trout Creek Park - further amenities are planned in coming years. Restoration efforts are also underway at the Quick Telegraph Cabin, which is a historical site that showcases the living quarters of early telegraph workers in the region. A day use picnic area was established at Hospital Point Park. Preparatory work was also completed on the Round Lake waterfront upgrades. These projects are part of an ongoing initiative to create and rejuvenate natural spaces within the region for the benefit of residents and visitors alike.

PLANNING DEPARTMENT

Support to Societies

Parks and Trails

RDBN Parks

Development Approval

Land Use Planning

ALR Applications

Official Community Plans

GIS Mapping

Civic Addressing

Bylaw Enforcement

Route 2 Burns Lake to Prince George

Transit

Route 1 Burns Lake to Smithers

Electoral Areas

Building Inspection

Municipalities

2025 Building Permit Data

A	44	10,661,730
B	20	2,331,561
C	4	237,980
D	8	1,313,267
E	0	0
F	20	4,548,033
G	2	195,000
Burns Lake	19	13,131,384
Fort St. James	16	4,334,400
Fraser Lake	7	290,774
Granisle	5	2,046,500
Houston	16	28,067,800
Telkwa	17	2,563,862
2025 RDBN Totals	**178**	**69,722,291**
Vanderhoof	54	28,922,931
Smithers	67	11,616,891
Total	**299**	**110,262,113**

10 Year Historical Rural Area Permit Data

Year	Number of New Permits	Construction Values	Permit Fees
2025	98	$19,287,571	$113,940
2024	93	$18,380,729	$101,711
2023	108	$20,198,978	$106,744
2022	138	$29,653,559	$168,763
2021	147	$30,238,356	$163,668
2020	137	$17,784,976	$93,473
2019	128	$17,665,394	$97,935
2018	100	$14,036,541	$79,758
2017	102	$13,699,822	$84,353
2016	91	$6,983,200	$42,515
2015	101	$8,555,444	$47,927


Regional District of Bulkley Nechako
Attached are the
2025 Audited Financial
Statements

REGIONAL DISTRICT OF BULKLEY-NECHAKO

FINANCIAL STATEMENTS

December 31, 2025

REGIONAL DISTRICT OF BULKLEY-NECHAKO

FINANCIAL STATEMENTS

December 31, 2025

INDEX

Management's Responsibility for the Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of 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.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are 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 financial statements.

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Board. The Board reviews internal financial statements on a quarterly basis and external audited financial statements yearly. The Board also discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, Beswick Hildebrandt Lund Chartered Professional Accountants, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Regional District of Bulkley-Nechako and meet when required. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of Regional District of Bulkley-Nechako

John Illes
Chief Financial Officer

Mark Parker
Board Chair

beswick hildebrandt lund

CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Regional District of Bulkley-Nechako,

Opinion

We have audited the financial statements of Regional District of Bulkley-Nechako (the "Organization"), which comprise the statement of financial position as at December 31, 2025, and the statements of remeasurement gains and losses, operations, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian Public Sector Accounting Standard.

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 Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, 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.

In preparing the financial statements, management is responsible for assessing the Organization’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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Partners
Allison Beswick CPA, CA
Norm Hildebrandt CPA, CA
Robin Lund CPA, CGA
Dane Soares CPA
Taylor Turkington CPA

Beswick Hildebrandt Lund CPA
556 North Nechako Road, Suite 10,
Prince George BC, Canada V2K 1A1
T: +1 250 564 2515, F: +1 250 562 8722

beswick hildebrandt lund

CHARTERED PROFESSIONAL ACCOUNTANTS

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 these 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 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

beswick hildebrandt lund
CHARTERED PROFESSIONAL ACCOUNTANTS

Beswick Hildebrandt Lund

Chartered Professional Accountants

Prince George, British Columbia

April 30, 2026

REGIONAL DISTRICT OF BULKLEY-NECHAKO

STATEMENT OF FINANCIAL POSITION

December 31, 2025

	2025	2024
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	**$ 39,441,821**	$ 29,970,488
Accounts receivable	**659,233**	907,101
Grants receivable	**229,780**	544,636
Investments (Note 3)	**89**	89
Debt Reserve Fund - Municipal Finance Authority (Note 4)	**153,836**	149,363
Debentures recoverable from municipalities (Note 5)	**5,636,334**	6,180,499
	46,121,093	37,752,176
LIABILITIES		
Accounts payable and accrued liabilities (Note 6 and 10)	**2,160,779**	1,940,394
Deferred revenue (Note 7)	**17,366,920**	11,812,845
Asset retirement obligations (Note 12)	**11,190,751**	10,778,639
Debt Reserve Fund - Municipal Finance Authority (Note 4)	**153,836**	149,363
Debentures issued for municipalities (Note 5)	**5,636,334**	6,180,499
Debentures issued for the Regional District (Note 9)	**283,087**	305,001
	36,791,707	31,166,741
NET FINANCIAL ASSETS	**9,329,386**	6,585,435
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 3)	**33,275,715**	31,144,328
Prepaid expenses	**216,986**	381,798
	33,492,701	31,526,126
ACCUMULATED SURPLUS	**$ 42,822,087**	$ 38,111,561
Accumulated surplus is comprised of (Note 13):		
Accumulated operating surplus	**$ 42,842,488**	$ 38,107,203
Accumulated remeasurement gains(losses)	**(20,401)**	4,358
	$ 42,822,087	$ 38,111,561

CONTINGENCIES (Note 10)

Approved by the Board:

____________________ Chairperson

____________________ Chief Financial Officer

See notes to the consolidated financial statements.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

STATEMENT OF REMEASUREMENT GAINS AND LOSSES

December 31, 2025

	2025	2024
ACCUMULATED REMEASUREMENT GAINS (LOSSES) AT BEGINNING OF YEAR	**$ 4,358**	$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	**(24,759)**	4,358
Amounts reclassified to the statement of operations:		
Portfolio investments	**-**	-
Net remeasurement gains (losses) for the year	**(24,759)**	4,358
ACCUMULATED REMEASUREMENT GAINS (LOSSES) AT END OF YEAR	**$ (20,401)**	$ 4,358

See notes to the financial statements

REGIONAL DISTRICT OF BULKLEY-NECHAKO

STATEMENT OF OPERATIONS

For the year ended December 31, 2025

	2025		2024
	Budget (Note 14)	Actual	Actual
REVENUE (Schedule 4)			
Property tax requisition			
Electoral area	$ 10,556,631	**$ 10,552,882**	$ 9,948,802
Municipal	4,749,246	**4,749,382**	4,485,262
	15,305,877	**15,302,264**	14,434,064
Grants-in-lieu of taxes	1,271,354	**1,447,214**	1,342,810
Federal grants - conditional	1,933,000	**2,398,818**	685,957
Fees and permits	1,476,698	**3,257,487**	2,163,622
Municipal debt payments	739,800	**688,019**	713,991
Provincial grants - northern capital	941,000	**636,786**	423,654
Provincial grants - NWRS	3,010,000	**1,639,684**	759,016
Provincial grants - unconditional	490,000	**236,642**	233,011
Other grants - conditional	768,061	**453,364**	600,902
Emergency expenditure recoveries	250,000	**45,110**	113,116
Interest	-	**664,916**	659,459
Municipal cost sharing	243,819	**248,945**	654,175
Sundry	310,274	**154,086**	543,989
Administration recoveries	16,621	**27,444**	24,562
Donations	-	**56,333**	11,250
Debt sinking fund actuarial earnings	9,417	**7,449**	10,086
Community forest	-	**-**	89,600
	26,765,921	**27,264,561**	23,463,264
EXPENSES (Schedule 1) (Schedule 4)			
Environmental services	7,151,260	**7,255,774**	6,678,036
Government - general, rural and local commission	6,095,508	**5,307,416**	4,127,477
Recreation and culture	4,381,398	**4,005,102**	3,794,808
Fire protection and emergency response	3,095,598	**3,042,210**	2,945,813
Building inspection, building numbering, planning and development services	1,340,701	**1,303,491**	1,314,325
Economic development	530,835	**185,700**	456,493
Municipal debt payments	739,800	**688,019**	713,991
Street lighting and transportation	367,944	**518,226**	467,148
Sewer and water	198,222	**223,338**	193,871
	23,901,266	**22,529,276**	20,691,962
ANNUAL SURPLUS	2,864,655	**4,735,285**	2,771,302
ACCUMULATED SURPLUS - BEGINNING OF YEAR	38,107,203	**38,107,203**	35,335,901
ACCUMULATED SURPLUS - END OF YEAR (Note 13)	$ 40,971,858	**$ 42,842,488**	$ 38,107,203

See notes to the consolidated financial statements.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended December 31, 2025

	2025 Budget (Note 14)	2025 Actual	2024 Actual
ANNUAL SURPLUS	$ 2,864,655	**$ 4,735,285**	$ 2,771,302
Acquisition of tangible capital assets	(5,996,000)	**(4,231,848)**	(2,922,019)
(Gain) loss on sale of tangible capital assets	-	**39,869**	(19,903)
Proceeds on sale of tangible capital assets	-	**16,000**	65,048
Amortization of tangible capital assets	-	**2,044,592**	1,988,380
	(3,131,345)	**2,603,898**	1,882,808
Net use of (addition to) prepaid expenses	-	**164,812**	(301,718)
Net remeasurement gains and losses	-	**(24,759)**	4,358
CHANGE IN NET FINANCIAL ASSETS	(3,131,345)	**2,743,951**	1,585,448
NET FINANCIAL ASSETS AT BEGINNING OF THE YEAR	6,585,435	**6,585,435**	4,999,987
NET FINANCIAL ASSETS AT END OF THE YEAR	$ 3,454,090	**$ 9,329,386**	$ 6,585,435

See notes to the consolidated financial statements.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	2025	2024
OPERATING ACTIVITIES		
Annual surplus	**$ 4,735,285**	$ 2,771,302
Add: Non-cash items		
Debt sinking fund actuarial earnings	**(7,449)**	(10,086)
Change in unrealized value of financial instruments	**(24,759)**	4,358
Amortization of tangible capital assets	**2,044,592**	1,988,380
Loss (gain) on sale of tangible capital assets	**39,869**	(19,903)
	6,787,538	4,734,051
Changes in non-cash working capital:		
Accounts receivable	**247,868**	(189,109)
Grants receivable	**314,856**	(16,054)
Accounts payable and accrued liabilities	**220,385**	112,582
Deferred revenue	**5,554,075**	2,986,207
Asset retirement obligations	**412,112**	396,010
Prepaid expenses	**164,812**	(301,718)
	13,701,646	7,721,969
FINANCING ACTIVITIES		
Debt repayments	**(14,465)**	(11,112)
	(14,465)	(11,112)
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	**(4,231,848)**	(2,922,019)
Proceeds on disposal of tangible capital assets	**16,000**	65,048
	(4,215,848)	(2,856,971)
INCREASE DURING THE YEAR	**9,471,333**	4,853,886
CASH AT BEGINNING OF THE YEAR	**29,970,488**	25,116,602
CASH AT END OF THE YEAR	**$ 39,441,821**	$ 29,970,488

See notes to the consolidated financial statements.

The Regional District of Bulkley-Nechako ("the Regional District") was incorporated as a Regional District on February 1, 1966 under the Municipal Act (replaced by the Local Government Act) of British Columbia. The Regional District provides a political and administrative framework for region-wide, inter-municipal and sub-regional services and acts as the local government for electoral areas.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS).

Funds and reserves

Certain amounts, as approved by the Board of Directors, through a bylaw, are set aside in accumulated surplus for future operating and capital purposes. Transfers to/from funds and reserves are an adjustment to the respective fund when approved.

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development improvement or betterment of the asset. Costs include overhead directly attributable to construction and development but exclude interest costs directly attributable to the acquisition or construction of the asset.

Contributed tangible capital assets are recorded into revenues at their fair market value on the date of donation, except in circumstances where there are stipulations on their use or where fair value cannot be reasonably determined, in which case they are recognized at a nominal value.

The cost, less residual value, or the tangible capital assets, excluding land, is amortized on a straight-line basis over the estimated useful life of the asset.

Buildings	40-50 years
Water and waste systems	50 years
Heavy vehicles	10-20 years
Passenger vehicles	6-10 years
Other equipment	5-20 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Regional District's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

Assets under construction are not amortized until the asset is available for productive use.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

Revenue recognition

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis.

Tax revenue from local government requisitions are recognized in the year levied, provided that the effective date of tax has passed and the related bylaws have been approved by the Board of Directors.

Government transfers are recognized as revenues when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Contributions from other sources are deferred when restrictions are placed on their use by the contributor and are recognized as revenue when used for the specific purpose. Restricted contributions that must be maintained in perpetuity are recorded as revenue when received or receivable and are presented as non-financial assets in the statement of financial position.

Grants received from the Federal Gas Tax Agreement and Northern Capital Planning Grant Agreement are each contributed to a designated reserve and recorded as revenue in the year amounts are expended on qualifying projects.

Revenue related to fees or services received in advance of the fee being earned or the service is performed is deferred and recognized when the fee is earned or service performed.

Asset Retirement Obligations

An asset retirement obligation is a legal obligation associated with the retirement of a tangible capital asset that the Regional District will be required to settle. The Regional District recognizes asset retirement obligations when 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.

Asset retirement obligations are initially measured at the best estimate of the amount required to retire a tangible capital asset at the financial statement date. The estimate of a liability includes costs directly attributable to asset retirement activities.

Asset retirement obligations are recorded as liabilities with a corresponding increase to the carrying amount of the related tangible capital asset. Subsequently, the asset retirement costs are allocated to expenses over the useful life of the tangible capital asset. The obligation is adjusted to reflect period-to-period changes in the liability resulting from the passage of time and for revisions to either the timing or the amount of the original estimate of the undiscounted cash flows or the discount rate.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

Measurement uncertainty

The preparation of the financial statements in accordance with Canadian PSAS 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 financial statements, and the reported amount of revenues and expenses during the year. These estimates and assumptions are based on management's judgement and the best information available at the time of preparation and may differ significantly from actual results. Estimates are reviewed periodically or as new information becomes available, by management, and as adjustments become necessary, they are reported in earnings in the period in which they become known. Significant estimates include the determination of the useful life of tangible capital assets, valuation of the landfill closure and post-closure obligation, and provisions for contingencies.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Financial instruments

Measurement of financial instruments
The Regional District initially measures its financial assets and financial liabilities at fair value. The Regional District subsequently measures all its financial assets and financial liabilities at cost.

Financial assets measured at cost include cash and cash equivalents, accounts receivable, cash deposits included in the debt reserve fund – Municipal Finance Authority, investments, and debentures recoverable from municipalities.

Financial liabilities measured at cost include accounts payable and accrued liabilities, debentures issued for municipalities, debentures issued for the Regional District, and financial liabilities included in the debt reserve fund –Municipal Finance Authority.

Impairment
Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of 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 Regional District recognizes its transaction costs in net income in the period incurred. However, the carrying amount of the financial instruments that will not be subsequently measured at fair value is reflected in the transaction costs that are directly attributable to their origination, issuance or assumption.

1. SIGNIFICANT ACCOUNTING POLICIES, continued

Investments

Investments are reported at cost or amortized cost, less any write-downs associated with a loss in value that is other than a temporary decline.

Standards applicable for fiscal years beginning on or after April 1, 2026

PS 1202 Financial Statement Presentation replaces and builds upon PS 1201 Financial Statement Presentation. The key changes are a significantly restructured Statement of Financial Position, a new Statement of Net Financial Assets (Net Financial Liabilities), removal of the existing Statement of Change in Net Financial Assets, a new Statement of Changes in Net Assets (Net Liabilities), a restructured Statement of Cash Flows, and new budget requirements.

2. CASH AND CASH EQUIVALENTS

	2025	2024
Bank accounts	**$ 4,616,290**	$ 6,335,303
Petty cash	**50**	50
Guaranteed investment certificates	**34,825,481**	23,635,135
	$ 39,441,821	$ 29,970,488

Cash and cash equivalents consist of unrestricted cash and fixed income guaranteed investment certificates, which have a maturity of one year or less, and are carried at market value which approximates cost. For the year ended December 31, 2025, the guaranteed investment certificate interest rates ranged between 3.6% to 5.45% (2024 – ranged between 3.9% to 6.15%).

3. INVESTMENTS

The Regional District has a 9% interest in the Chinook Comfor Limited Partnership and Chinook Comfor Ltd.

4. DEBT RESERVE FUND – MUNICIPAL FINANCE AUTHORITY

The Regional District issues debt instruments through the Municipal Finance Authority of British Columbia (“MFA”), and as a condition of borrowing, one percent of the debenture proceeds is withheld as a debt reserve fund. The Regional District also executes demand notes in connection with each debenture whereby the Regional District could be required to pay certain amounts to MFA in excess of the debt borrowed. The demand notes are contingent in nature, and it is unlikely that they will be called; therefore, a liability has not been reported in the financial statements (see note 10).

The Regional District reports the debt reserve fund balances for both debts issued on its behalf, and on behalf of member municipalities, as a financial asset. Because all debt reserve fund refunds received on behalf of Municipal borrowing are repayable to those Municipalities, the Municipal portion of the Debt Reserve Fund balances are also reported as a financial liability.

5. DEBT RECOVERABLE FROM MUNICIPALITIES

When a member Municipality within the Regional District wishes to issue debenture debt through the Municipal Finance Authority of British Columbia ("MFA"), the borrowing is done through the Regional District. The Regional District is therefore responsible for repayment of the debt to MFA. When payments (interest and sinking fund or principal) are made on this debt, the Regional District pays MFA and is in turn reimbursed by the Municipality.

The Regional District therefore reports the net outstanding debt borrowed on behalf of Municipalities as both a financial liability and a financial asset.

Service borrowing was incurred for:	Originally Borrowed Year	Originally Borrowed Amount	Year of Maturity	Current Rate of Interest	Net Debt Outstanding 2025	Net Debt Outstanding 2024
Vanderhoof Issue 145	2018	1,000,000	2038	3.15%	**714,836**	759,274
Smithers Issue 142	2017	3,000,000	2037	3.15%	**2,007,196**	2,144,508
Vanderhoof Issue 142	2017	2,000,000	2037	3.15%	**1,338,131**	1,429,672
Smithers Issue 127	2013	650,000	2034	4.52%	**354,862**	387,929
Fort St. James Issue 124	2013	304,879	2033	4.52%	**150,393**	166,446
Smithers Issue 124	2012	147,639	2033	4.52%	**72,828**	80,602
Fort St. James Issue 124	2013	121,952	2028	4.52%	**30,299**	39,724
Smithers Issue 116	2011	800,000	2026	1.47%	**68,546**	134,774
Houston Issue 99	2006	2,407,125	2032	1.53%	**807,734**	924,825
Granisle 149	2019	210,000	2029	2.24%	**91,509**	112,745
		$ 10,641,595			**$ 5,636,334**	$ 6,180,499

Scheduled debt repayments may be suspended in the event of excess sinking fund earnings within the MFA.

Principal paid during 2025 was $389,434 (2024 - $402,489). Interest paid during 2025 was $297,639 (2024 - $300,799).

The MFA performs a rate reset on long-term loans each 5-year period beginning after the first 10-year term; therefore, interest rates on long-term debt are subject to change.

Actuarial earnings received during 2025 were $154,731 (2024 - $161,443). Future principal payments, including sinking fund additions, on existing debt are as follows:

2026	$ 562,324
2027	510,152
2028	527,079
2029	533,761
2030	526,852
Thereafter	2,976,166
	$ 5,636,334

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Trade payables	**$ 886,578**	$ 880,278
Vacation accrual	**285,552**	279,803
Sick leave accrual (Note 10)	**592,985**	444,588
Retirement accrual (Note 10)	**395,664**	335,725
	$ 2,160,779	$ 1,940,394

7. DEFERRED REVENUE

	2025	2024
Government transfers - Northern Capital Planning Grant	**$ 1,089,402**	$ 1,673,993
Government transfers - Federal Gas Tax Reserve	**6,057,713**	7,281,574
Government transfers - NWRS	**9,486,204**	2,160,330
Government transfers - Climate Action	**310,191**	348,952
Government transfers - Provincial	**370,927**	233,378
Other	**52,483**	114,618
	$ 17,366,920	$ 11,812,845

Government transfers – Federal Gas Tax Reserve

Gas Tax funding is provided by the Government of Canada. The use of the funding is established by funding agreement between the Regional District and the Union of British Columbia Municipalities. Gas Tax funding may be used towards qualifying expenditures as specified in the funding agreement. The Regional District maintains the amounts in a statutory reserve.

	2025	2024
Opening balance	**$ 7,281,574**	$ 6,679,642
Add: Amounts received in the year	**923,045**	923,045
Interest earned	**251,911**	364,844
	1,174,956	1,287,889
Less: Amounts spent in the year	**(2,398,817)**	(685,957)
Closing balance	**$ 6,057,713**	$ 7,281,574

7. DEFERRED REVENUE, continued

Government transfers – Northern Capital Planning Grant

Northern Capital and Planning funding is provided by the Province of British Columbia. The Northern Capital and Planning funding may be used towards infrastructure and eligible projects include engineering, infrastructure planning, pipes, wells, treatment facilities, building, roads, machinery, equipment, vehicles, and other associated capital that are owned and controlled by the Regional District. This can also include the cost of land associated with developing the above capital investment.

	2025	2024
Opening balance	**$ 1,673,993**	$ 2,005,885
Add: Amounts received in the year	**-**	-
Interest earned	**52,195**	91,762
	52,195	91,762
Less: Amounts spent in the year	**(636,786)**	(423,654)
Closing balance	**$ 1,089,402**	$ 1,673,993

The Northern Capital Planning Grant is broken into the following reserves:

Reserve	Initial Allocation	Planning Expenses	Capital Expenses	Total Interest	December 31, 2025 Balance
General Administration	$ 1,019,248	$ 397,003	$ 268,315	$ 105,978	**$ 459,908**
Clucluz Lake Fire Service	623,068	31,008	603,148	11,088	**-**
Protective Services	1,375,000	186,927	1,283,140	95,067	**-**
Glacier Gulch Water Diversion	30,000	-	21,006	6,111	**15,105**
Round Lake Fires Service	10,000	-	11,154	1,154	**-**
Luck Bay Fire Service	60,000	-	62,357	2,357	**-**
Fort Fraser Fire	186,595	-	191,237	4,642	**-**
Economic Development	185,273	-	-	41,693	**226,966**
Regional Parks and Trails	1,055,345	58,164	705,151	95,393	**387,423**
Environmental Service	2,394,843		2,489,075	94,232	**-**
Fort Fraser Water and Sewer Utilities	425,628	-	447,234	21,606	**-**
	$ 7,365,000	$ 673,102	$ 6,081,817	$ 479,321	**$ 1,089,402**

8. CREDIT FACILITY

The Regional District has available on an authorized operating line of credit to a maximum of $400,000. This facility bears interest at prime rate of 4.45% (December 31, 2024 – 5.45%) and is secured by the current borrowing resolution. The facility remained unused at year end.

9. DEBENTURES ISSUED FOR THE REGIONAL DISTRICT

The Regional District issues debt instruments through the Municipal Finance Authority of British Columbia (“MFA”), pursuant to security issuing bylaws, under authority of the Community Charter, to finance certain capital expenditures. The debt is issued on a sinking fund basis, whereby MFA invests the Regional District's principal payments so that the payments plus investment income, will equal the original outstanding debt amount at the end of the repayment period. Actuarial earnings on debt represent the repayment and/or forgiveness of debt by the MFA using surplus investment income generated by the principal payments. Gross amount of debt and the repayment and actuarial earnings to retire the debt are as follows:

Service borrowing was incurred for:	Originally Borrowed Year	Originally Borrowed Amount	Year of Maturity	Current Rate of Interest	Repayment & Actuarial Earnings	2025 Principal Repayment	Net Debt Outstanding 2025	Net Debt Outstanding 2024
Round Lake Fire Protection	2017	$ 14,909	2037	3.15%	$ 4,379	$ 555	**$ 9,975**	$ 10,657
Luck Bay Fire Protection	2006	125,000	2026	1.53%	111,959	4,198	**8,843**	17,347
Topley Rural Fire Protection	2016	366,348	2041	2.10%	92,031	10,048	**264,269**	276,997
		$ 506,257			$ 208,369	$ 14,801	**$ 283,087**	$ 305,001

9. DEBENTURES ISSUED FOR THE REGIONAL DISTRICT, continued

Scheduled debt repayments may be suspended in the event of excess sinking fund earnings within the MFA.

Principal paid during 2025 was $14,801 (2024 - $14,801). Interest paid during 2025 was $10,075 (2024 - $10,075).

The MFA performs a rate reset on long-term loans each 5-year period beginning after the first 10-year term; therefore, interest rates on long-term debt are subject to change.

Actuarial earnings received during 2025 were $7,114 (2024 - $6,396). Future principal payments, including sinking fund additions, on existing debt are as follows:

2026	273,814
2027	724
2028	746
2029	768
2030	791
Thereafter	6,244
	$ 283,087

10. CONTINGENCIES

Municipal Finance Authority Demand Notes

The Regional District is contingently liable to the Municipal Finance Authority of British Columbia (“MFA”) in excess of the amounts borrowed under the terms of demand notes issued to MFA.

Member municipalities have signed offsetting demand notes to the Regional District for borrowing made on their behalf. The amounts are as follows:

	2025	2024
Demand Notes Outstanding:		
Borrowing on behalf of member municipalities	**$ 271,453**	$ 271,453
Borrowing for Regional District purposes	**9,331**	9,331
	$ 280,784	$ 280,784

10. CONTINGENCIES, continued

Employee Sick Leave

The Regional District is contingently liable to pay its employees' sick leave. The total maximum value of the accumulated sick time is $878,499 at December 31, 2025 (2024 - $792,026). As at year end an amount of $592,985 (2024 - $444,588) has been recognized as a liability, representing the estimated future usage of accumulated sick days.

Employee Retiring Allowance

The Regional District is contingently liable to pay employees one week's salary for every year of employment to a maximum of 13 weeks upon normal retirement from the Regional District. The total value of this retiring allowance is $596,855 at December 31, 2025 (2024 - $554,187). As at year end an amount of $395,664 (2024 - $335,725) has been accrued as an estimate of the liability.

11. MUNICIPAL PENSION PLAN

The Regional District and its employees contribute to the Municipal Pension Plan (a jointly trusteed 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 273,000 active members and approximately 133,000 retired members. Active members include approximately 47,000 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, 2024, indicated a $2,675 million funding surplus for basic pension benefits on a going concern basis.

The Regional District paid $461,425 (2024 - $419,966) for employer contributions to the plan in fiscal 2025.

The next valuation will be as at December 31, 2027.

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.

12. ASSET RETIREMENT OBLIGATION

The Regional District owns and operates the following assets that have asset retirement obligations associated with them:

Landfill Obligation

The Ministry of Environment and Climate Change Strategy (MoECCS) Landfill Criteria for Municipal Solid Waste outlines regulations for the closure and care of both active and inactive landfill sites. These requirements encompass activities such as final covering and landscaping, leachate treatment and monitoring, groundwater and surface water monitoring, gas monitoring and recovery, and ongoing maintenance of various control and drainage systems. Estimated liabilities for closure and post-closure care are based on assumptions and information available to management, covering a period ranging from 100 – 200 years depending on the capacity of the landfill. Future events may alter these estimates, leading to adjustments in recognized liabilities as changes in estimates occur.

Estimated total expenses represent the sum of the discounted future cash flows for closure and post-closure monitoring activities using an assumed rate of 5.0% (2024 – 5.0%) for inflation and a discount factor of 5.0% (2024 – 5.0%) for most obligations except for a 3% discount factor for long term obligations for the three active landfills to reflect a better estimate for those obligations that may not be realized for an extensive period of time. The Regional District currently has 16 inactive and 3 active landfill sites. The Regional District uses the median return of its GIC investments for the discount factor and an estimate of the inflation rate based on an assessment of contract rates for construction activities that the Regional District undertakes in the current year. Both rates are trending downwards.

Asbestos Obligation

Asbestos and other designated hazardous materials represent a health hazard upon disturbance and as a result carry a legal obligation to remove them when a facility undergoes a significant renovation or demolition. The Regional District owns and operates a facility that is known to have asbestos and as a result recognized an obligation relating to the removal of the hazardous materials upon adoption of the PS 3280 Asset Retirement Obligations. An asset retirement obligation associated with asbestos within the facility owned by the Regional District that will need to be abated upon retirement.

12. ASSET RETIREMENT OBLIGATION, continued

Leasehold Obligation

Lease agreements often contain requirements for the lessee to return the leased property to its pre-lease condition. Since the end of lease work meets the criteria under PS 3280 an asset retirement obligation has been recognized. In The Regional District's case, this liability is associated with removing structures, bins and signage for sites leased as well as the removal of equipment.

Asset Retirement Obligations	Landfill Obligation	Asbestos Abatement	Leasehold Obligations	Balance
Opening	$ 8,579,150	$ 77,175	$ 2,122,314	**$ 10,778,639**
Accretion expense	302,138	3,859	106,115	**412,112**
Closing Balance	$ 8,881,288	$ 81,034	$ 2,228,429	**$ 11,190,751**

13. ALLOCATION OF ACCUMULATED SURPLUS

The accumulated surplus at the end of the year is comprised of the following Funds:

	2025	2024
Operating	**$ 27,372,643**	$ 25,317,085
Reserves	**15,469,845**	12,790,118
	$ 42,842,488	$ 38,107,203

14. BUDGET

In accordance with legislative requirements, the Financial Plan, adopted by the Board of Directors on March 27, 2025, was prepared on a modified accrual basis. These financial statements, in accordance with Canadian Public Sector Accounting Standards, were prepared on a full accrual basis. The following reconciles the approved Financial Plan to budgeted amounts reported in these Financial Statements.

		2025
Budgeted surplus per statement of financial activities		$ 2,864,655
Less:	Capital expenditures	(5,996,000)
	Internal allocations	(729,050)
	Debt principal payments	(24,219)
	Prior year net deficits	(86,742)
		(3,971,356)
Add:	Prior year net surplus	1,863,406
	Withdrawls from capital reserves	598,000
	Transfer from equity in tangible capital assets	1,509,950
		3,971,356
		$ -

15. FINANCIAL INSTRUMENTS

The Regional District's financial instruments are comprised of cash, temporary investments, accounts receivable, debt reserve funds – Municipal Finance Authority, debentures recoverable from municipalities, accounts payable and accrued liabilities, debentures issued for municipalities, and debentures issued for the Regional District.

Liquidity risk

Liquidity risk is the risk that the Regional District will encounter difficulty in meeting obligations associated with financial liabilities. The Regional District is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, debentures issued for municipalities and debentures issued for the Regional District. The Regional District manages this risk by holding a sufficient amount of funds in highly liquid investments and closely monitoring cash flows.

Credit risk

Credit risk is the risk that the Regional District will incur financial losses if a debtor fails to make payments when due. The Regional District is exposed to credit risk on its debenture recoverable from municipalities and accounts receivable. Risk in respect to the debentures recoverable from municipalities is managed primarily by the policies put in place by the Municipal Finance Authority

15. FINANCIAL INSTRUMENTS, continued

of British Columbia (“MFA”). The maximum exposure to credit risk in respect to accounts receivable is limited to the carrying amount of accounts receivable, which is managed by credit policies such as limiting the amount of credit extended and obtaining security deposits where appropriate.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Regional District is mainly exposed to interest rate risk.

Interest Rate Risk

Interest rate risk is the risk that the Regional District’s debt servicing costs and the value of certain investments will fluctuate due to changes in interest rates. In respect of debt servicing costs, the risk is minimal as all of the Regional District’s long-term debentures are fixed rate and is usually refinanced every five to ten years as that is when most underlying debentures issued by the MFA mature. Investments subject to interest rate risk include guaranteed investment certificates (Note 2). The amount of risk is minimal due to the short terms of the investments.

16. SEGMENT REPORTING

The Regional District provides services to its members, that have been grouped into related departmental functions or service areas for segment reporting purposes. The various segments are as follows:

Environmental Services

This segment administers services including solid and liquid waste management, recycling, invasive plant control and developing the Regional District’s Corporate Energy and Emissions Plan.

Government – general, rural and local commission

This segment administers services that relate to the legislative function as well as the administrative and financial management of the Regional District.

Recreation and culture

This segment administers services that relate to recreational and cultural activities and organizations within the Regional District.

Fire protection and emergency response

This segment administers services related to rural fire protection and rescue services, 9-1-1 services, emergency preparedness and support services, and health and safety planning.

16. SEGMENT REPORTING, continued

Building inspection, building numbering, planning and development services

This segment administers services related to long range and current community planning, geographical information services, building inspections, and bylaw enforcement.

Economic Development

This segment provides economic and community development services including assisting local community groups in accessing funding opportunities for community and economic initiatives.

Municipal Debt Payments

This segment is comprised of debenture debt payments to the Municipal Finance Authority on behalf of other Regional District members.

Street Lighting and Transportation

This segment is comprised of services for street lighting and transportation within the Regional District.

Sewer and Water

This segment is comprised of services for sewer and water treatment within the Regional District.

17. RELATED PARTY TRANSACTIONS

The Regional District of Bulkley-Nechako and the Regional Hospital District share the same management team but operate under the governance of a different board of directors.

During the year, the Regional District of Bulkley-Nechako provided administration and accounting services of $16,460 (2024 - $15,536) to the Regional Hospital District.

18. COMPARATIVE FIGURES

Certain prior year figures, presented for comparative purposes, have been reclassified to conform to the current year’s financial statement presentation.

19. GROWING COMMUNITY FUND

Growing Communities Fund is provided by the Province of British Columbia. The Growing Communities Fund grants support the delivery of infrastructure projects necessary to enable community growth. Grant funding is incremental to currently planned infrastructure and amenity projects and may include related project costs such as early-stage development work.

		2025	2024
Opening balance		**$ 1,055,161**	$ 1,791,927
Add:	Amounts received in the year	**-**	-
	Interest earned	**27,837**	54,986
		27,837	54,986
Less:	Amounts spent in the year		
	Environmental services	**-**	(776,838)
	Protective services	**(358,877)**	-
	Parks and trails	**(149,341)**	-
	Housing	**-**	(14,914)
		(508,218)	(791,752)
Closing balance		**$ 574,780**	$ 1,055,161

REGIONAL DISTRICT OF BULKLEY-NECHAKO

SCHEDULE OF EXPENSES BY OBJECT

For the year ended December 31, 2025

	2025 Budget (Note 14)	2025 Actual	2024 Actual
Staff remuneration and benefits	$ 7,856,732	**$ 7,449,315**	$ 6,945,787
Purchased services and supplies	6,592,358	**4,147,992**	3,771,310
Payments to societies	2,611,208	**2,717,775**	2,770,719
Municipal debt payments	740,270	**688,489**	713,991
Payments to municipalities	2,454,077	**3,313,620**	2,651,765
Directors' remuneration	799,803	**480,914**	504,036
Insurance and permits	335,174	**330,605**	304,900
Electoral area grants-in-aid	724,000	**665,466**	385,792
Staff travel and expenses	-	**105,883**	96,552
Directors' travel and expenses	176,263	**93,384**	98,811
Interest on debentures	9,606	**16,720**	16,472
Memberships and dues	33,601	**52,183**	39,923
Interest	5,000	**4,887**	3,286
Bad debts	3,500	**-**	856
Volunteer benefits	3,547	**5,339**	3,372
Accretion	-	**412,112**	396,010
Elections	7,000	**-**	-
Amortization	1,549,127	**2,044,592**	1,988,380
	$ 23,901,266	**$ 22,529,276**	$ 20,691,962

See notes to the consolidated financial statements.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

SCHEDULE OF CONTINUITY OF RESERVE FUNDS

For the year ended December 31, 2025

	2025	2024
BALANCE AT BEGINNING OF THE YEAR	**$ 24,254,967**	$ 21,451,331
Contribution to funds	**12,680,910**	4,070,963
Interest earned on funds	**1,244,547**	1,464,060
Withdrawals from funds	**(5,767,069)**	(2,731,387)
BALANCE AT END OF THE YEAR	**32,413,355**	24,254,967
Less reserves recorded as deferred revenue (Note 7):		
Climate Action	**310,191**	348,952
Federal Gas Tax	**6,057,713**	7,281,574
North West Revenue Sharing	**9,486,204**	2,160,330
Northern Capital Planning Grant	**1,089,402**	1,673,993
	16,943,510	11,464,849
	$ 15,469,845	$ 12,790,118
REPRESENTED BY THE FOLLOWING RESERVE FUNDS		
911 Capital	**$ 625,845**	$ 710,331
Administrative Equipment	**27,215**	44,777
Administration/Planning Vehicle	**209,366**	102,886
Building	**916,145**	683,400
Building Inspection Vehicle	**15,704**	58,100
Bulkley Valley Pool	**3,121,185**	2,751,660
Burns Lake TV Rebroadcasting	**61,760**	59,303
Bylaw Enforcement	**43,844**	32,285
Climate Action	**310,191**	348,952
Cluculz Sewer	**101,040**	97,022
Rural Election	**55,246**	43,234
Emergency Prep	**67,402**	64,721
Federal Gas Tax	**6,057,713**	7,281,574
Fort Fraser Sewer	**495,611**	475,899
Fort Fraser Rural Fire Protection	**64,854**	30,866
Fort Fraser Water	**488,044**	449,002
Landfill closure	**469,051**	450,395
Glacier Gulch Water Diversion	**14,997**	14,401
Growing Community	**574,780**	1,055,162
Insurance	**270,132**	257,866
Lakes District Airport	**258,725**	416,901
Landfill Capital	**-**	-
Legal	**263,424**	154,794
Luck Bay Rural Fire Protection	**66,774**	64,118
Northern Capital Planning Grant	**1,089,402**	1,673,993
North West Revenue Sharing	**9,486,204**	2,160,330
Operational	**6,954,345**	4,423,500
Planning Plotter	**-**	33,155
Round Lake Rural Fire Protection	**6,933**	6,658
Smithers Rural Fire Protection	**103,126**	118,814
Southside Rural Fire Protection Vehicle	**27,806**	26,700
Topley Fire Department	**51,948**	44,483
Telkwa Rural Fire Protection	**-**	9,698
Vanderhoof Pool	**114,543**	109,987
	32,413,355	24,254,967
Less reserves recorded as deferred revenue (Note 7):		
Climate Action	**310,191**	348,952
Federal Gas Tax	**6,057,713**	7,281,574
North West Revenue Sharing	**9,486,204**	2,160,330
Northern Capital Planning Grant	**1,089,402**	1,673,993
	16,943,510	11,464,849
	$ 15,469,845	$ 12,790,118

See notes to the consolidated financial statements.

Schedule 3

REGIONAL DISTRICT OF BULKLEY-NECHAKO
STATEMENT OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2025

					Engineered Structures					Retirement Obligations			
	Land	Building	Equipment / Vehicles	Works in Progress	Water	Sewer	Landfills	Transfer Stations	Regional Parks	Landfill Operations	All Others	2025 Total	2024 Total
COST													
Opening Balance	$ 791,108	$ 9,578,764	$ 12,660,615	$ -	$ 5,173,753	$ 1,788,856	$ 7,278,698	$ 6,470,086	$ 1,768,997	$ 4,285,671	$ 645,000	**$ 50,441,548**	$ 47,699,415
Add: Additions	-	183,309	3,503,312	-	20,143	115,469	217,777	188,502	3,336	-	-	**4,231,848**	2,922,019
Less: Disposals	-	-	(542,134)	-	-	-	-	-	(5,481)	-	-	**(547,615)**	(179,886)
Less: Write-downs	-	-	-	-	-	-	-	-	-	-	-	**-**	-
Closing Balance	791,108	9,762,073	15,621,793	-	5,193,896	1,904,325	7,496,475	6,658,588	1,766,852	4,285,671	645,000	**54,125,781**	50,441,548
ACCUMULATED AMORTIZATION													
Opening Balance	-	4,117,661	6,975,892	-	1,395,694	548,972	3,195,172	2,797,964	98,532	137,388	29,945	**19,297,220**	17,443,581
Add: Amortization	-	305,196	876,871	-	97,065	62,322	329,936	254,199	35,337	68,694	14,972	**2,044,592**	1,988,380
Less: Acc. Amortization on Disposals			(491,636)	-	-	-	-	-	(110)	-	-	**(491,746)**	(134,741)
Closing Balance	-	4,422,857	7,361,127	-	1,492,759	611,294	3,525,108	3,052,163	133,759	206,082	44,917	**20,850,066**	19,297,220
Net Book Value for year ended December 31, 2025	**$ 791,108**	**$ 5,339,216**	**$ 8,260,666**	**$ -**	**$ 3,701,137**	**$ 1,293,031**	**$ 3,971,367**	**$ 3,606,425**	**$ 1,633,093**	**$ 4,079,589**	**$ 600,083**	**$ 33,275,715**	
Net Book Value for year ended December 31, 2024	$ 791,108	$ 5,461,103	$ 5,684,723	$ -	$ 3,778,059	$ 1,239,884	$ 4,083,526	$ 3,672,122	$ 1,670,465	$ 4,148,283	$ 615,055		$ 31,144,328

See notes to the consolidated financial statements.

Schedule 4

REGIONAL DISTRICT OF BULKLEY-NECHAKO
SEGMENTED DISCLOSURE

For the year ended December 31, 2025

	Government - General, Rural and Local	Environmental Services	Recreation and Culture	Fire Protection and Emergency Response	Building Inspection and Planning	Municipal Debt Payments	Street Lighting and Transportation	Economic Development	Sewer and Water	2025	2024
REVENUE											
Taxation	$ 3,169,714	$ 4,416,512	$ 3,894,167	$ 2,272,227	$ 998,270	$ -	$ 183,632	$ 240,053	$ 127,689	**$ 15,302,264**	$ 14,434,064
Fees, rates and service charges	-	2,822,774	10,811	126,646	129,625	-	78,676	-	88,955	**3,257,487**	2,163,622
Government transfers	1,643,924	1,813,181	71,979	1,596,051	52,574	-	84,640	-	102,945	**5,365,294**	2,702,540
Investment income	662,587	-	-	2,329	-	-	-	-	-	**664,916**	659,459
Other	91,437	(19,196)	(1,874)	128,533	324,408	688,019	1,059	15,000	-	**1,227,386**	2,160,769
Grants-in-lieu of Taxes	385,861	479,908	265,214	146,115	86,163	-	27,656	56,297	-	**1,447,214**	1,342,810
	5,953,523	9,513,179	4,240,297	4,271,901	1,591,040	688,019	375,663	311,350	319,589	**27,264,561**	23,463,264
EXPENSES											
Staff Remuneration and Benfits	1,878,753	3,614,278	147,799	650,958	1,119,801	-	37,726	-	-	**7,449,315**	6,945,787
Purchased services and supplies	806,518	1,842,104	291,719	788,610	97,631	-	221,609	37,700	62,101	**4,147,992**	3,771,310
Insurance	56,477	128,350	54,720	50,166	34,046	-	6,846	-	-	**330,605**	304,900
Payments to Societies	371,460	44,600	1,907,208	144,507	-	-	250,000	-	-	**2,717,775**	2,770,719
Other	1,332,760	404,111	27,654	41,824	27,586	688,019	2,045	-	1,378	**2,525,377**	2,259,101
Payments to Municipalities	705,506	-	1,343,996	1,116,118	-	-	-	148,000	-	**3,313,620**	2,651,765
Amortization of capital assets	155,942	1,222,331	232,006	250,027	24,427	-	-	-	159,859	**2,044,592**	1,988,380
	5,307,416	7,255,774	4,005,102	3,042,210	1,303,491	688,019	518,226	185,700	223,338	**22,529,276**	20,691,962
NET REVENUE(EXPENSES)	$ 646,107	$ 2,257,405	$ 235,195	$ 1,229,691	$ 287,549	$ -	$ (142,563)	$ 125,650	$ 96,251	**$ 4,735,285**	$ 2,771,302

See notes to the financial statements.