



Regional District of Bulkley-Nechako

2024

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
- Stelat'en First Nation
- Takla Nation
- Tl'azt'en Nation
- Ts'il Kaz Koh (formerly Burns Lake Band)
- Wet'suwet'en First Nation
- Yekooche First Nation



The Regional District of Bulkley-Nechako

Message from the Board Chair

Progress comes in waves, and we are happy to report that 2024 came with a series of major breakthroughs. We are halfway through our current term, and the Board of the RDBN has continued to push for positive change in our region with some excellent results. While we still face a number of major challenges, I believe that we are positioned to thrive in the years to come.

The first major breakthrough we experienced was the signing of the Northwest BC Resource Benefits Alliance. This program provides funding for regional districts and municipalities throughout the region to improve and maintain infrastructure and keep our community services running reliably. The funding uses Provincial tax dollars collected from industry in our region to fund projects in the communities that those industries affect. The RDBN will benefit greatly from this funding, which will help us maintain waste management services and other regional infrastructure that we support.

Another exceptional milestone was the renewal of the Nechako River Watershed Memorandum of Understanding. This agreement is between Nadleh Whut'en, Saik'uz First Nation, Stelat'en First Nation, Cheslatta Carrier Nation, the District of Vanderhoof, and the Regional District of Bulkley-Nechako and represents years of dialogue around the protection of the Nechako River. The combined voices of our leaders will help to create change in how the river is used and protected, and will aim to revitalize it back to its past health and vibrancy.

We have also continued to advocate to all levels of government regarding the continued drought conditions and fire activity in the Region. The ongoing water shortages and difficult fire seasons have challenged our region for many years, and our work with the Provincial and Federal Government aims to find solutions that will mitigate risk, and ensure more stable agriculture production.



As always, I want to thank the Board for their dedication and their willingness to work together to ensure that our region continues to grow and thrive. I also want to thank staff for their hard work and creativity. Our regional district is very highly regarded throughout the province for our leading edge work in emergency management and collaborative regional practices. We have a lot to be proud of and a lot to strive for, and I look forward to another year of opportunity and positive change.



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 Brienens - Mayor, District of Houston
- Chris Newell - Director, Area G (Houston/Granisle Rural)

Middle Row:

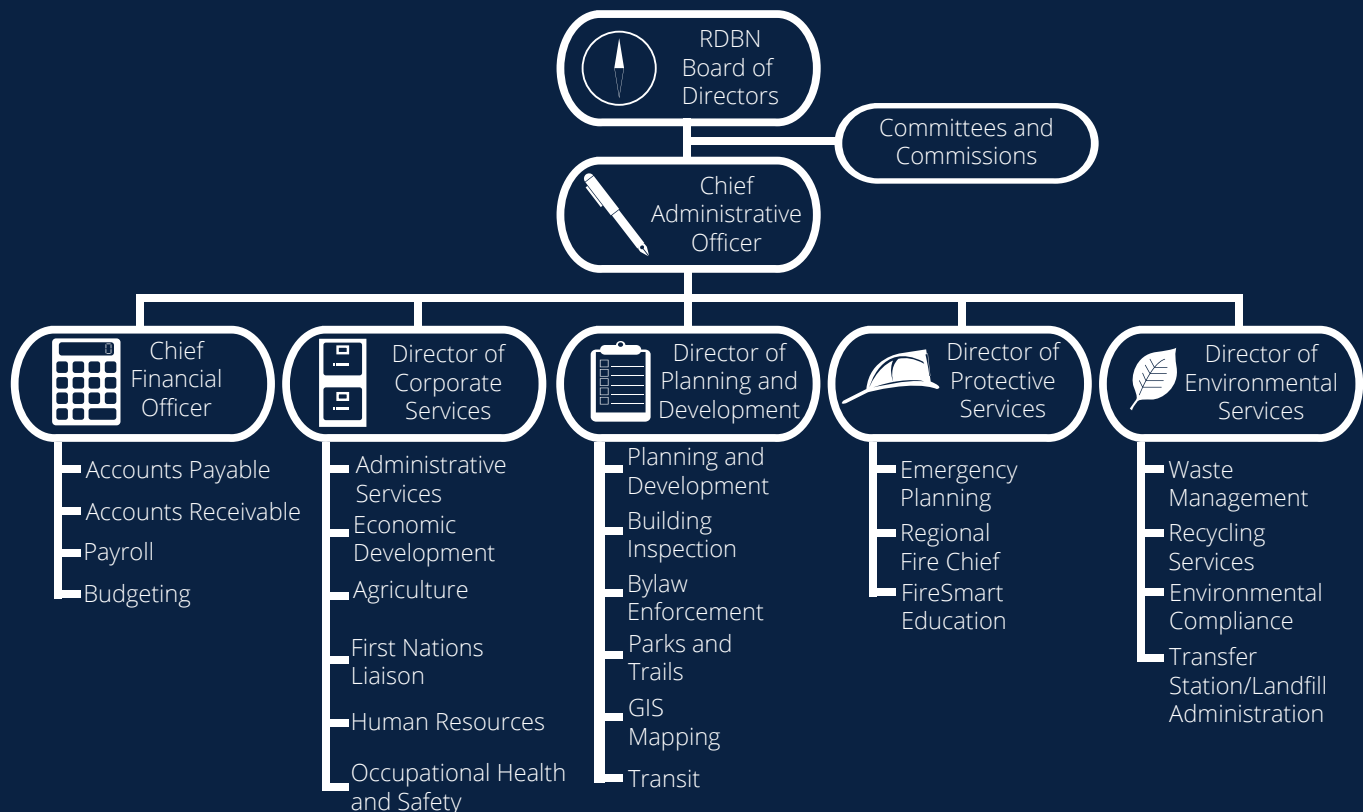
- Linda McGuire - Mayor, Village of Granisle
- Judy Greenaway - Director, Area C (Fort St. James Rural)
- Michael Riis-Christianson - Director, Area B (Burns Lake Rural)
- Shirley Moon - Director, Area F (Vanderhoof Rural)
- Leroy Dekens - Mayor, Village of Telkwa
- Sarrah Storey - Mayor, Village of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

Front Row:

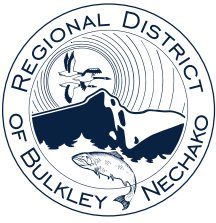
- Gladys Atrill - Mayor, Town of Smithers
- Martin Elphee - Mayor, District of Fort St. James
- Stoney Stoltenberg - Director, Area A (Smithers/Telkwa Rural)



RDBN Organizational Chart



Which Government Oversees 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



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

Canada

Federal Government

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



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



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.



1. 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.

2. 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.



3. 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.

4. 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.

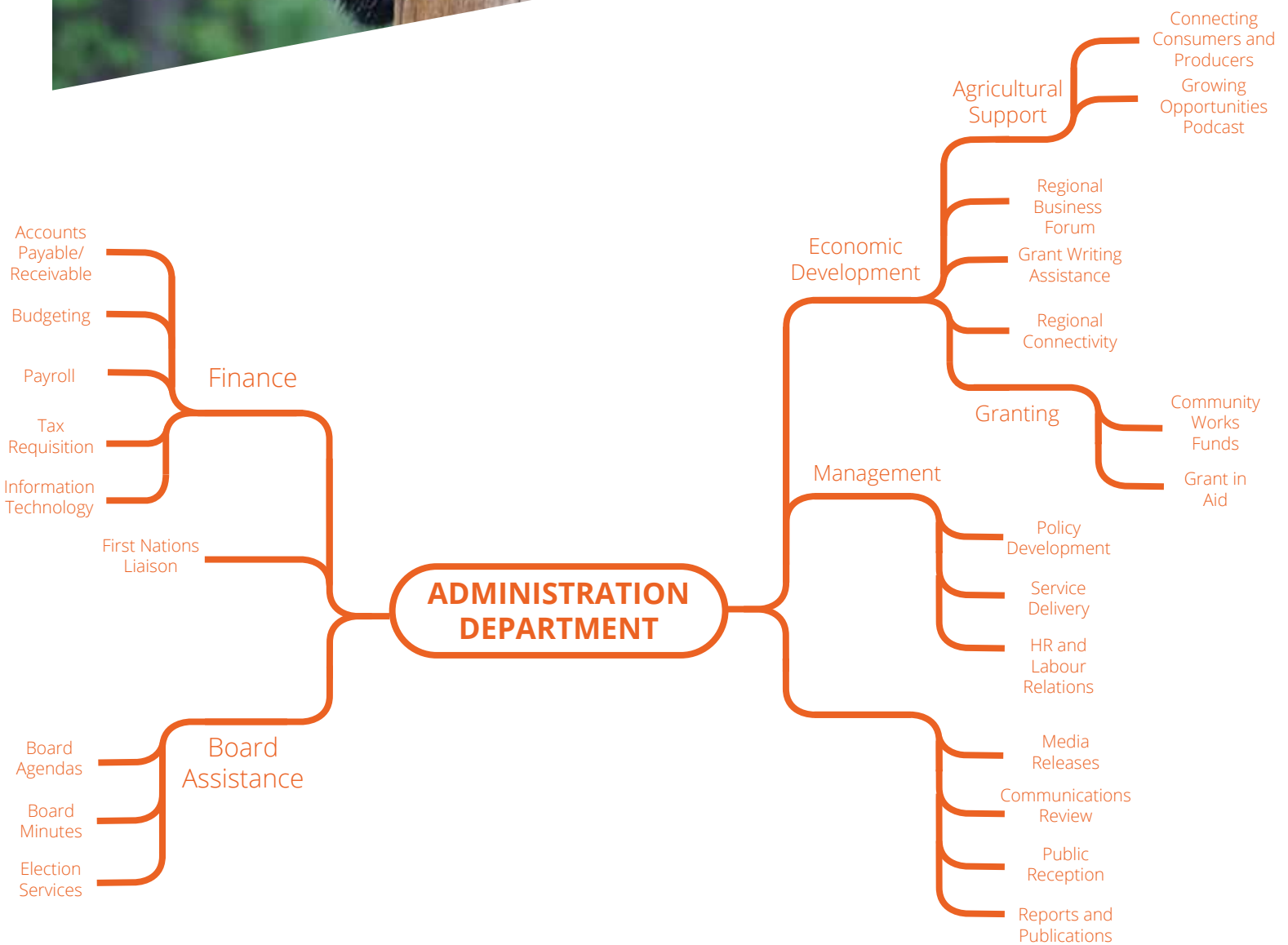
OBJECTIVES

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.



ADMINISTRATION

In 2024, the Administration Department of the RDBN worked to finalize the details of the Nechako River Watershed Memorandum of Understanding. This agreement with Cheslatta Carrier Nation, Nadleh Whut'en, Saik'uz First Nation, Stelat'en First Nation, The District of Vanderhoof, and the Regional District of Bulkley-Nechako will help unite and focus the efforts of these governments in advocating for the protection of the river, stabilizing the water flow, and rehabilitating the salmon stocks that have been depleted for many years. The agreement represents an accomplishment in inter-government collaboration and has been celebrated as a meaningful step in indigenous reconciliation.

This year also saw the Province of BC dedicate \$250 million toward The Northwest BC Resource Benefits Alliance (RBA). The RBA was formed in 2014 and is a regional association consisting of 21 local governments. The RBA has worked for years to engage the BC government to discuss the region's challenges in raising the revenues required to build the necessary community infrastructure to support resource development and the social infrastructure.

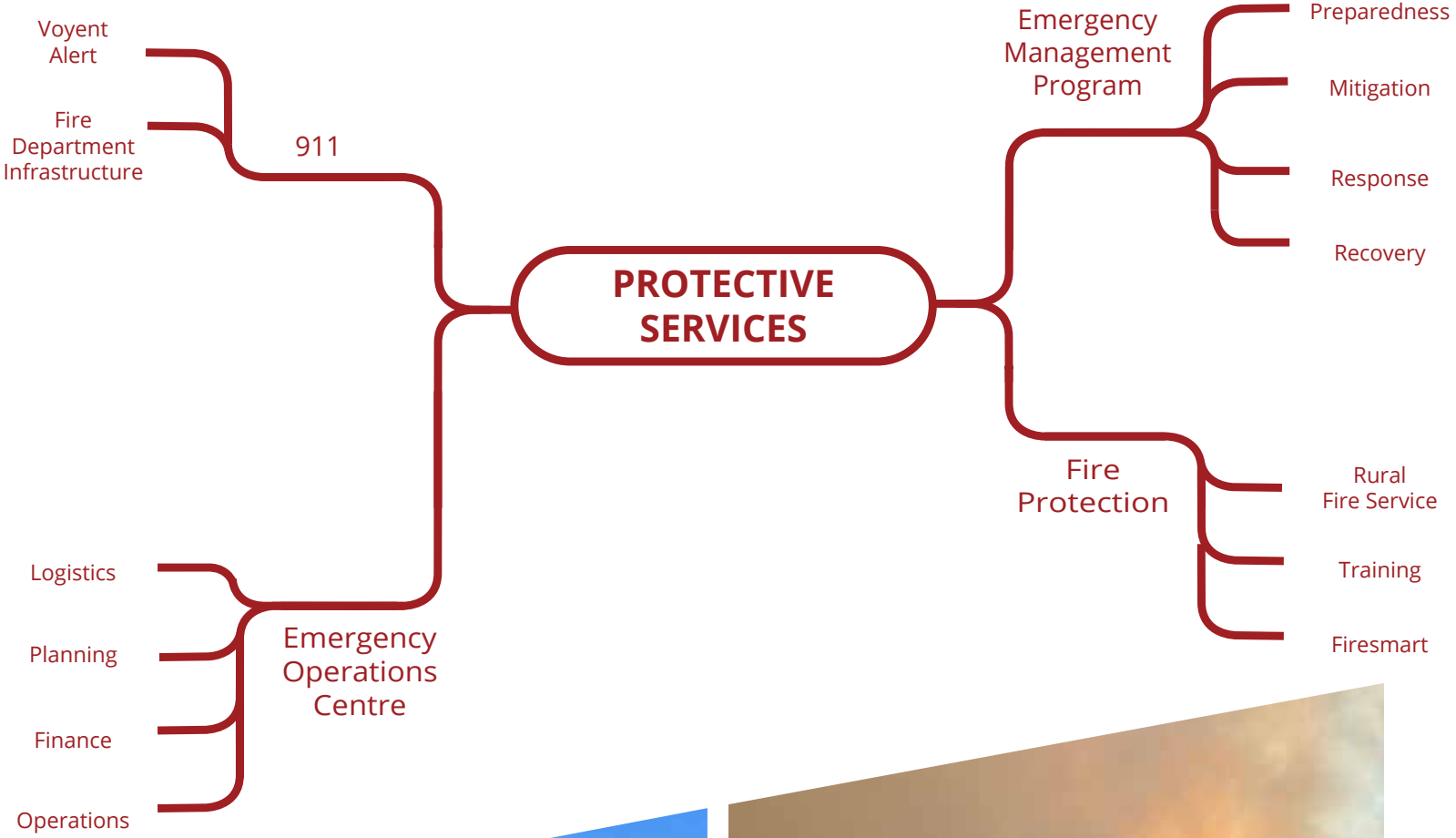
In 2024, the Alliance was successful in securing a 5-year agreement (The Northwest BC Regional Funding Agreement) that allows us to invest in critical infrastructure and services.

Currently, the Regional District of Bulkley-Nechako receives \$2.8 million annually in a 5-year agreement (2024 - 2029) that was negotiated with the Province. Without this funding, many communities would not be able to accomplish or provide the many projects and services so vitally needed in our communities. In 2024 the funds were used to assist the RDBN in funding the improvements to the Vanderhoof tip floor, the expansion to the Clearview Landfill, and other important infrastructure projects.

Staff were also successful in assisting many community groups with grant applications for a variety of projects. The RDBN provides free grant writing assistance to not-for-profit groups from around the region. In 2024, even though funding streams were tight, many applications were successful and helped to secure funding for recreation, community building, events, infrastructure, and many other projects.



From left to right: Chief Corrina Leween, Chief Priscilla Mueller, Chair Mark Parker, Chief Beverly Ketlo, Chief Robert Michell, Mayor Kevin Moutray





PROTECTIVE SERVICES

Emergency management, especially as it relates to wildfire, has become a very complex undertaking in our region. The RDBN has undertaken a number of strategic projects to help keep our residents safe and to mitigate the risk of wildfires and other disasters.

The RDBN worked hard in 2024 to promote and implement the Firesmart program, which provides a list of safety measures that will help make homes in the region more resistant to wildfire. The program also provides matching funding for certain upgrades, such as tree removal, fire resistant roofing, non-combustible siding, and many other projects. The program has been very successful in ensuring that homes will be easier to defend should fire reach a residential area in our region. A total of 122 Home Partners Assessments were completed this year, with 32 rebates amounting to \$24,576.

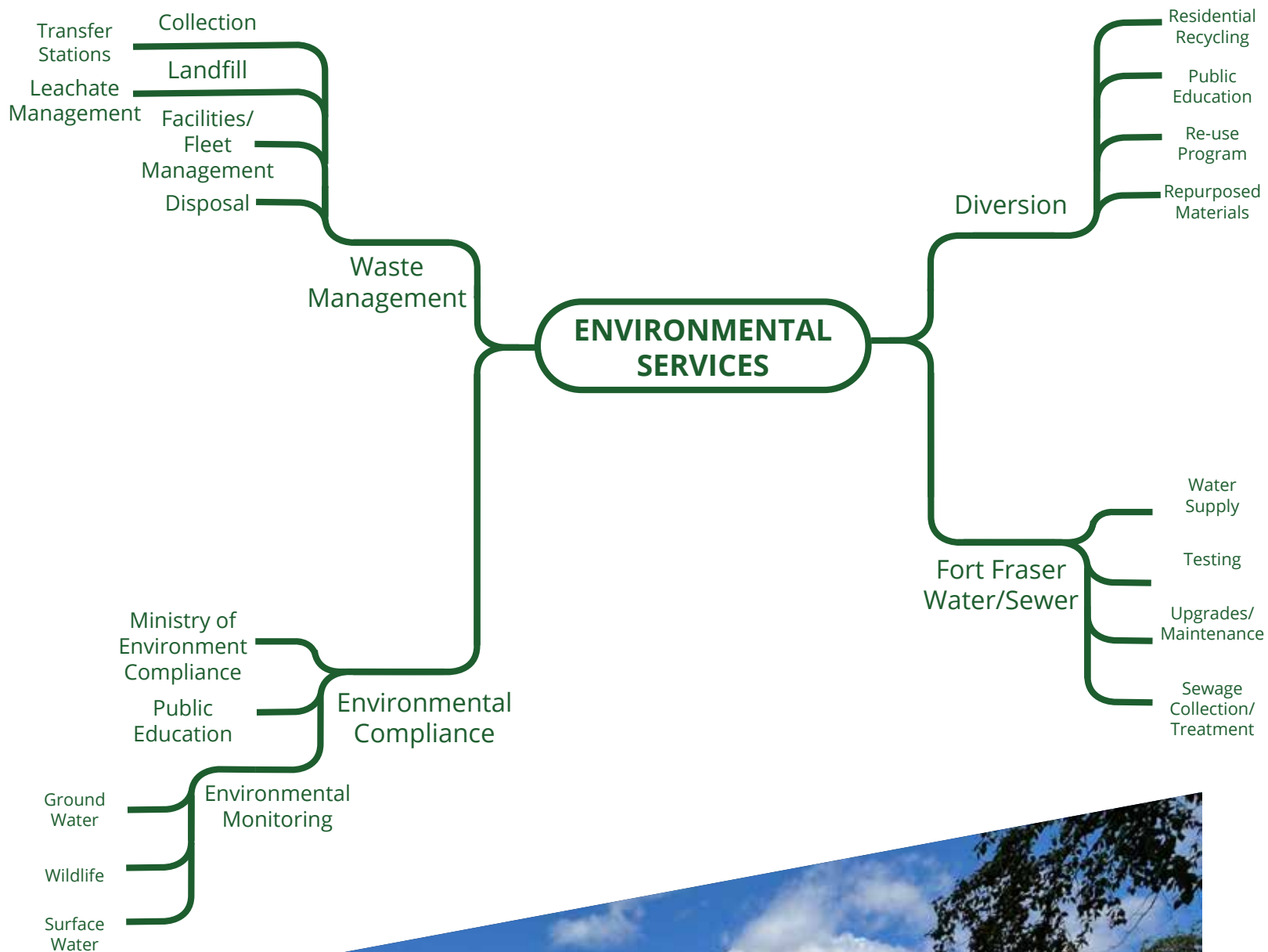
Rural Fire Response in Topley and Round Lake received important upgrades in 2024. Both areas had underground water tanks installed, which will allow their fire tenders to refill more efficiently in the event of a fire response that requires more than one truck full of water. This will help improve response and better protect the rural regions from fire.

Staff also continue to work with the Regional District of Fraser-Fort George to coordinate the purchase and installation of upgraded dispatch consoles in all fire halls across the region to support the increased functionality of NG911. NG911 is an improved system to 911 dispatch that allows for improved call routing, broader accessibility, and improved location accuracy. To date, new dispatch consoles have been installed in Smithers, Houston, Granisle, Burns Lake, Fort St. James, and Cluculz Lake.

A new communications tower was also installed at the Southside Fire Hall which replaced the older damaged tower. Testing has determined that the new tower is providing better coverage area, and clearer communications which will, in turn, help to improve responses.

Skid units were purchased for use by rural fire departments in responding to fires in less accessible areas. These tanks can be pulled by pickups and other vehicles and can reach remote areas. The skid units will help rural fire halls to respond more effectively to new fires before they begin to grow, even if they are in off road areas. The RDBN also purchased group lodging equipment to support up to 30 evacuees during emergencies. The cots and bedding will help support communities in housing evacuated residents.

This year also saw agreements to increase the fire protection area in Smithers and Telkwa. Additionally, there was a 40% growth in Voyent Alert subscriptions, which will provide residents with the most immediate and up-to date information on evacuation alerts and orders in their area.



Asbestos Safety Training August 1, 2024

Clearview Landfill Expansion



Vanderhoof Tip Floor Resurfacing



ENVIRONMENTAL SERVICES

This year saw a great deal of activity in the Environmental Services department as the RDBN continues to adapt to the changing consumer needs and regulatory requirements for recycling and waste disposal.

A major upgrade was completed at the Vanderhoof and Area F (Vanderhoof Rural) Transfer Station where the tip floor, which is the concrete floor where the public drop off waste, was completely resurfaced. This resurfacing will prevent the erosion of the floor and allow for safer, more efficient drop of an transport of waste at the site. The new floor was completed in October with minimal disruption to public service.

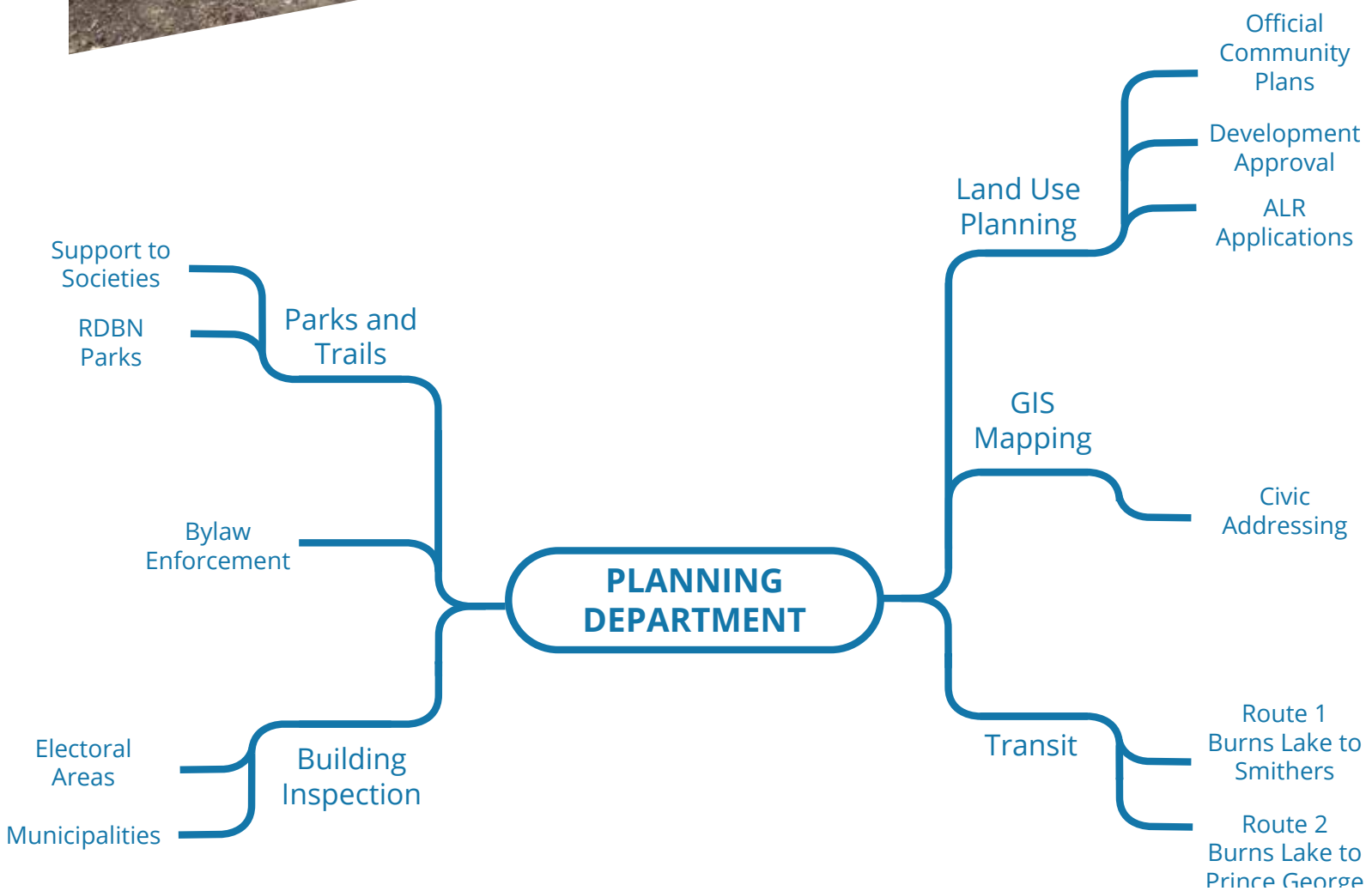
The RDBN also fully implemented asbestos screening at the Smithers/Telkwa and Area A (Smithers/Telkwa Rural) Transfer Station. Legislation now requires all waste that enters landfills or transfer stations in BC to be screened for potential asbestos materials. This screening process was piloted in at the STTS and was rolled out around the region in 2024. This will ensure the proper, safe disposal of asbestos to protect the

health of the public and workers. For information on asbestos disposal procedures, visit rdbn.bc.ca

Preparations for expansion also began at Clearview Landfill. This new expansion will accommodate an additional ten years of waste and will be completed in a way that ensures that the presence of the landfill provides as little disruption as possible to the surrounding environment. The expansion includes a disposal area lined with a moisture proof membrane that collects the leachate (rainwater that seeps through waste and becomes contaminated) and diverts it for redistribution and evaporation. The expansion is expected to be completed in 2026 and has been partially funded by the Community Works Fund, Northern Healthy Communities Fund and the Resource Benefits Alliance, along with a donation from LNG Canada.

Upgrades were also completed at the Fort Fraser Waste Water Treatment Facility. This facility services the residents of Fort Fraser and ensures reliable waste water treatment service and sufficient capacity. This system features ponds that use pressurized air and bacteria to clean the water before it is allowed to flow off site.

The Environmental Services Department also expanded recycling services across the region, providing additional recycling options and preventing further waste from entering the landfill. In 2025, full recycling programs are expected to be offered at all sites, ensuring that all residents can recycle eligible items and contribute to the sustainability of our region.



PLANNING AND DEVELOPMENT SERVICES

As development throughout the region continues to grow, and regulation surrounding community planning continues to evolve, the RDBN has worked to ensure that the process of building and developing is as efficient as possible while maintaining the best interests of our communities.

This year the Planning Department finalized the Rural Fort St James Official Community Plan review and the bylaw was adopted in November 2024. The review process started in late 2021, and was undertaken in conjunction with the District of Fort St James OCP review process. The draft plan was presented to the public at a well-attended open house on July 31, 2024, in Fort St James and on the project webpage. Some additional fine-tuning of the draft was done following feedback from the public and referral agencies. The formal approval process was completed in the fall of 2024.

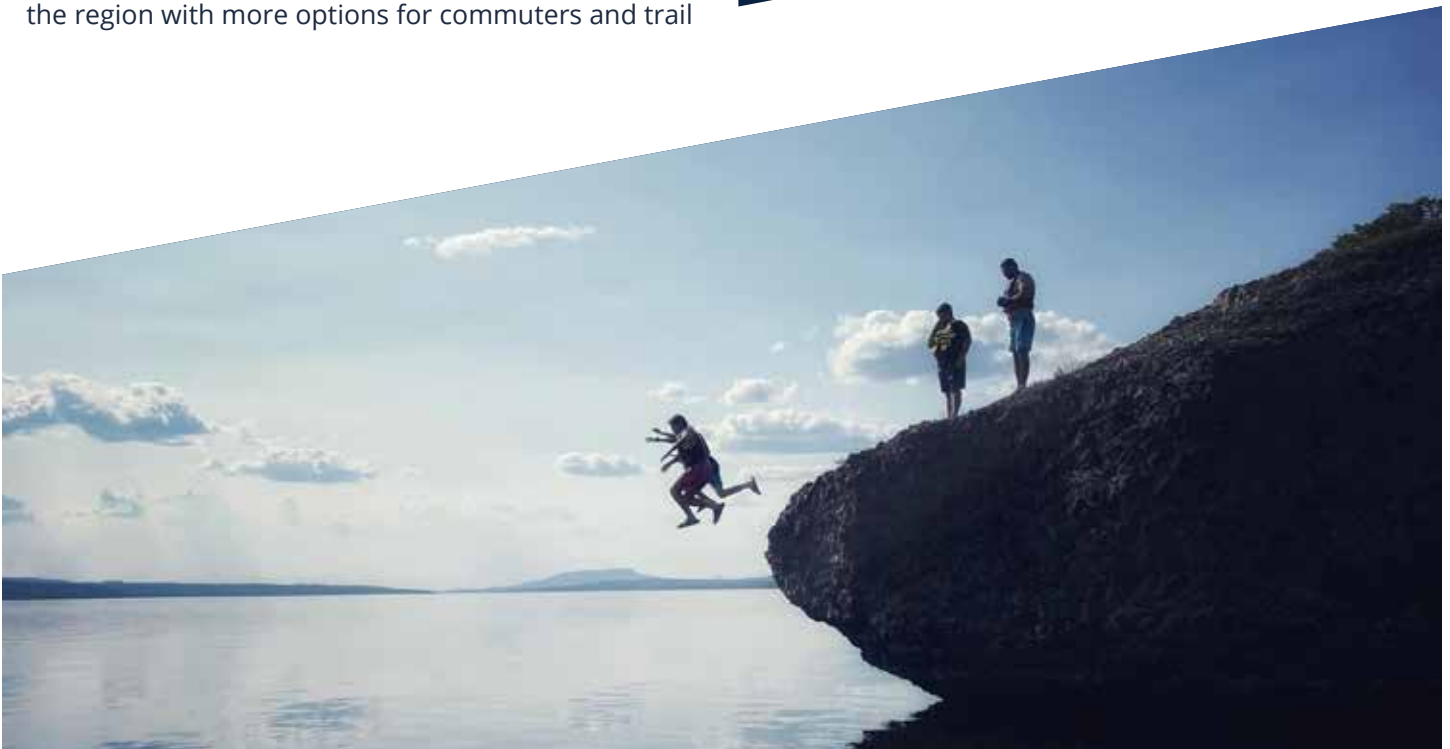
With phase one of the Cycle 16 Trail completed in 2023, staff worked with Cycle 16 on the remaining land acquisition and archaeological issues for Phases 2 and 3 of the Cycle 16 Trail. In June, the Province announced \$85 million in funding through the Active Transportation Capital Fund, and that the Cycle 16 trail will be completed by the Province as one of eleven selected active transportation projects on Ministry owned right of ways. The Ministry is moving forward with the planning of Phase 2 and 3 of the Cycle 16 trail. The Province has also pledged funding for the Highway 35 Multi-Use Trail between the Village of Burns Lake and the Francois Lake Ferry. These projects will enrich the region with more options for commuters and trail

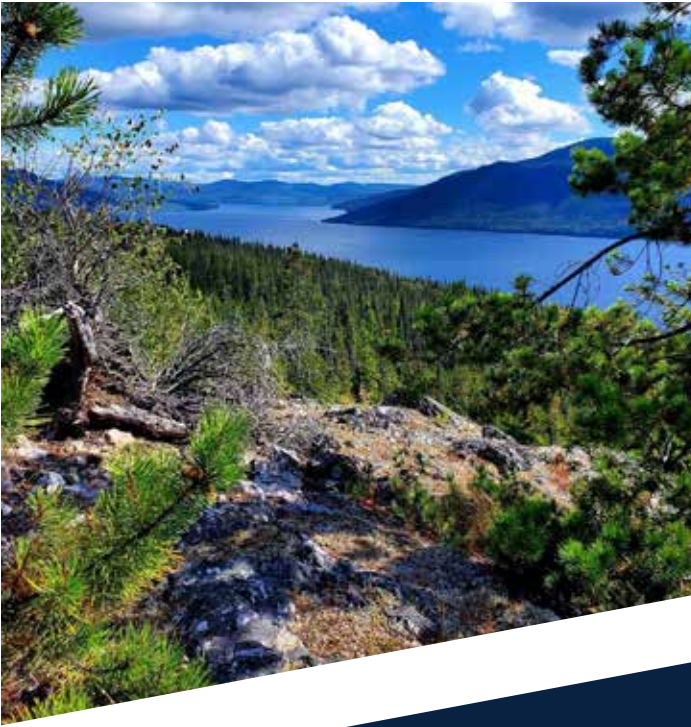
enthusiasts as well as reduced congestion and a greater focus on active transportation.

In 2024 a local contractor was hired to make improvements to the day use area above the beach at Hospital Point Park in Southbank. The project includes clearing the ground, removing trees, grading part of the access road, installing two fire rings and two picnic tables and grip strips on the Fitness Trail boardwalk. The work started in the fall of 2024 and will be completed in the spring of 2025.

During the spring of 2024, staff worked to implement the Recreation Contribution Service which will distribute grant funds to non-profit recreation service providers around the region. The grant program issued its first call for applications for funding in April and eighteen applications were received. In July, the Board approved the funding requests and during the following months staff entered into funding agreements with the successful applicants. This program will help ensure the sustainability of recreation programs that have previously relied on year-to-year granting through third party programs and will help maintain a vibrant recreation culture around the RDBN.

The Regional District's Trout Creek property, in rural Smithers, continues to be well used, especially during the fall fishing season. The need for an outhouse has been noted and the preferred location for the facility is on the river side of the property. The installation of the outhouse is expected in 2025.





2024 Building Permit Data

Area	Total Permits	Total Construction Value
A	39	\$6,931,905
B	22	\$2,630,506
C	8	\$1,911,858
D	4	\$717,500
E	N/A	N/A
F	19	\$3,354,960
G	1	\$2,834,000
Burns Lake	15	\$342,066
Fort St. James	12	\$3,789,400
Fraser Lake	2	\$3,003,393
Granisle	8	\$7,168,448
Houston	19	\$767,672
Telkwa	20	\$2,624,500
RDBN Issued Permit Totals	169	\$36,076,208
Vanderhoof	51	\$3,036,843
Smithers	66	\$18,325,195
Entire RDBN Totals	286	\$57,441,246

10 Year Historical Rural Area Permit Data

Year	Number of New Permits	Construction Values	Permit Fees
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
2014	115	\$12,102,760	\$71,235





**Attached are the
2024 Audited Financial
Statements**



REGIONAL DISTRICT OF BULKLEY-NECHAKO

FINANCIAL STATEMENTS

December 31, 2024

REGIONAL DISTRICT OF BULKLEY-NECHAKO

FINANCIAL STATEMENTS

December 31, 2024

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Management's Responsibility for the Financial Statements

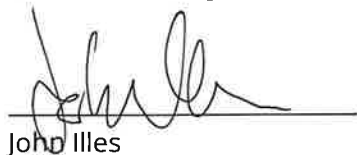
The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, 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

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 Entity), which comprise the statement of financial position as at December 31, 2024, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with 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 Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Partners

Allison Beswick CPA, CA
Norm Hildebrandt CPA, CA
Robin Lund CPA, CGA

Dane Soares CPA
Taylor Turkington CPA

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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 Entity'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 Entity'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 Entity 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.



CHARTERED PROFESSIONAL ACCOUNTANTS

Beswick Hildebrandt Lund

Chartered Professional Accountants

Prince George, British Columbia

May 8, 2025

REGIONAL DISTRICT OF BULKLEY-NECHAKO

STATEMENT OF FINANCIAL POSITION

December 31, 2024

	<u>2024</u>	<u>2023</u> <u>Restated</u> <u>(Note 19)</u>
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 29,970,488	\$ 25,116,602
Accounts receivable	907,101	717,992
Grants receivable	544,636	528,582
Investments (Note 3)	89	89
Debt Reserve Fund - Municipal Finance Authority (Note 4)	149,363	153,435
Debentures recoverable from municipalities (Note 5)	6,180,499	6,744,430
	<u>37,752,176</u>	<u>33,261,130</u>
LIABILITIES		
Accounts payable and accrued liabilities (Note 6 and 10)	1,940,394	1,827,812
Deferred revenue (Note 7)	11,812,845	8,826,638
Asset retirement obligations (Note 12)	10,778,639	10,382,629
Debt Reserve Fund - Municipal Finance Authority (Note 4)	149,363	153,435
Debentures issued for municipalities (Note 5)	6,180,499	6,744,430
Debentures issued for the Regional District (Note 9)	305,001	326,199
	<u>31,166,741</u>	<u>28,261,143</u>
NET FINANCIAL ASSETS	<u>6,585,435</u>	<u>4,999,987</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 3)	31,144,328	30,255,834
Prepaid expenses	381,798	80,080
	<u>31,526,126</u>	<u>30,335,914</u>
ACCUMULATED SURPLUS (Note 13)	<u>\$ 38,111,561</u>	<u>\$ 35,335,901</u>
Accumulated surplus is comprised of:		
Accumulated operating surplus	\$ 38,107,203	\$ 35,335,901
Accumulated remeasurement gains(losses)	4,358	-
	<u>\$ 38,111,561</u>	<u>\$ 35,335,901</u>

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, 2024

	<u>2024</u>	<u>2023</u>
ACCUMULATED REMEASUREMENT GAINS (LOSSES)		
AT BEGINNING OF YEAR	\$ -	\$ -
Unrealized gains (losses) attributable to:		
Portfolio investments	4,358	-
Amounts reclassified to the statement of operations:		
Portfolio investments	-	-
	<u>4,358</u>	<u>-</u>
Net remeasurement gains (losses) for the year	<u>4,358</u>	<u>-</u>
ACCUMULATED REMEASUREMENT GAINS (LOSSES)		
AT END OF YEAR	<u>\$ 4,358</u>	<u>\$ -</u>

See notes to the financial statements

REGIONAL DISTRICT OF BULKLEY-NECHAKO

STATEMENT OF OPERATIONS

For the year ended December 31, 2024

	2024		2023
	<u>Budget</u> (Note 14)	<u>Actual</u>	<u>Actual</u> Restated (Note 19)
REVENUE (Schedule 4)			
Property tax requisition			
Electoral area	\$ 9,948,789	\$ 9,948,802	\$ 8,378,819
Municipal	4,485,262	4,485,262	4,341,029
	<u>14,434,051</u>	<u>14,434,064</u>	12,719,848
Grants-in-lieu of taxes	1,299,869	1,342,810	1,284,108
Federal grants - conditional	715,000	685,957	1,129,343
Fees and permits	1,101,273	2,922,638	2,292,520
Municipal debt payments	749,800	713,991	661,385
Provincial grants - northern capital	459,156	423,654	706,359
Provincial grants - unconditional	185,000	233,011	195,000
Other grants - conditional	1,063,209	600,902	2,496,416
Emergency expenditure recoveries	316,000	113,116	578,273
Interest	-	663,817	498,090
Municipal cost sharing	237,415	654,175	256,231
Sundry	164,097	543,989	704,960
Administration recoveries	16,657	24,562	18,571
Donations	-	11,250	949,180
Debt sinking fund actuarial earnings	3,753	10,086	5,703
Community forest	50,000	89,600	149,300
	<u>20,795,280</u>	<u>23,467,622</u>	24,645,287
EXPENSES (Schedule 1) (Schedule 4)			
Environmental services	6,661,857	6,678,036	6,286,180
Government - general, rural and local commission	3,729,731	4,127,477	3,804,317
Recreation and culture	4,405,599	3,794,808	3,423,617
Fire protection and emergency response	3,494,968	2,945,813	3,229,101
Building inspection, building numbering, planning and development services	1,570,092	1,314,325	1,184,684
Economic development	775,983	456,493	438,990
Municipal debt payments	749,800	713,991	661,385
Street lighting and transportation	490,087	467,148	280,259
Sewer and water	232,512	193,871	168,923
	<u>22,110,629</u>	<u>20,691,962</u>	19,477,456
ANNUAL SURPLUS	(1,315,349)	2,775,660	5,167,831
ACCUMULATED SURPLUS - BEGINNING OF YEAR	<u>35,335,901</u>	<u>35,335,901</u>	30,168,070
ACCUMULATED SURPLUS - END OF YEAR (Note 13)	<u>\$ 34,020,552</u>	<u>\$ 38,111,561</u>	<u>\$ 35,335,901</u>

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, 2024

	2024		2023
	<u>Budget</u> (Note 14)	<u>Actual</u>	<u>Actual</u> Restated (Note 19)
ANNUAL SURPLUS	\$ (1,315,349)	\$ 2,775,660	\$ 5,167,831
Acquisition of tangible capital assets	(3,527,312)	(2,922,019)	(9,332,438)
(Gain) loss on sale of tangible capital assets	-	(19,903)	(3,451)
Proceeds on sale of tangible capital assets	-	65,048	40,000
Amortization of tangible capital assets	1,509,950	1,988,380	1,807,669
	(3,332,711)	1,887,166	(2,320,389)
Net use of (addition to) prepaid expenses	-	(301,718)	276,181
CHANGE IN NET FINANCIAL ASSETS	(3,332,711)	1,585,448	(2,044,208)
NET FINANCIAL ASSETS AT BEGINNING OF THE YEAR	4,999,987	4,999,987	7,044,195
NET FINANCIAL ASSETS AT END OF THE YEAR	<u>\$ 1,667,276</u>	<u>\$ 6,585,435</u>	<u>\$ 4,999,987</u>

See notes to the consolidated financial statements.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

STATEMENT OF CASH FLOWS

For the year ended December 31, 2024

	<u>2024</u>	<u>2023</u>
		Restated
		(Note 19)
OPERATING ACTIVITIES		
Annual surplus	\$ 2,775,660	\$ 5,167,831
Add: Non-cash items		
Debt sinking fund actuarial earnings	(10,086)	(5,703)
Amortization of tangible capital assets	1,988,380	1,807,669
Loss (gain) on sale of tangible capital assets	<u>(19,903)</u>	<u>(3,451)</u>
	4,734,051	6,966,346
Changes in non-cash working capital:		
Accounts receivable	(189,109)	(16,237)
Grants receivable	(16,054)	866,648
Accounts payable and accrued liabilities	112,582	(4,963,477)
Deferred revenue	2,986,207	(459,187)
Asset retirement obligations	396,010	10,382,629
Prepaid expenses	<u>(301,718)</u>	<u>276,181</u>
	<u>7,721,969</u>	<u>13,052,903</u>
FINANCING ACTIVITIES		
Debt repayments	<u>(11,112)</u>	<u>(14,800)</u>
	<u>(11,112)</u>	<u>(14,800)</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(2,922,019)	(9,332,438)
Proceeds on disposal of tangible capital assets	<u>65,048</u>	<u>40,000</u>
	<u>(2,856,971)</u>	<u>(9,292,438)</u>
INCREASE DURING THE YEAR	4,853,886	3,745,665
CASH AT BEGINNING OF THE YEAR	<u>25,116,602</u>	<u>21,370,937</u>
CASH AT END OF THE YEAR	<u><u>\$ 29,970,488</u></u>	<u><u>\$ 25,116,602</u></u>

See notes to the consolidated financial statements.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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).

No Statement of Remeasurement Gains and Losses has been included because the Regional District does not own assets that would result in unrealized gains or losses. The function of this statement is to reconcile the accumulated surplus between operating and remeasurement gains and losses.

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, of 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.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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.

2. CASH AND CASH EQUIVALENTS

	<u>2024</u>	<u>2023</u>
Bank accounts	\$ 6,335,303	\$ 6,148,431
Petty cash	50	250
Guaranteed investment certificates	<u>23,635,135</u>	<u>18,967,921</u>
	<u><u>\$ 29,970,488</u></u>	<u><u>\$ 25,116,602</u></u>

Cash and cash equivalents consist 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, 2024, the guaranteed investment certificate interest rates ranged between 3.9% to 6.15% (2023 – ranged between 1.30% 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.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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 of Maturity	Current Rate of Interest	Net Debt Outstanding	
	Year	Amount			2024	2023
Vanderhoof Issue 145	2018	1,000,000	2038	3.15%	759,274	802,417
Smithers Issue 142	2017	3,000,000	2037	3.15%	2,144,508	2,277,821
Vanderhoof Issue 142	2017	2,000,000	2037	3.15%	1,429,672	1,518,546
Smithers Issue 127	2013	650,000	2034	4.52%	387,929	418,997
Fort St. James Issue 124	2013	304,879	2033	4.52%	166,446	181,956
Smithers Issue 124	2012	147,639	2033	4.52%	80,602	88,113
Fort St. James Issue 124	2013	121,952	2028	4.52%	39,724	48,830
Smithers Issue 116	2011	800,000	2026	1.47%	134,774	198,763
Houston Issue 99	2006	2,407,125	2032	1.53%	924,825	1,037,414
Smithers Issue 81	2004	500,000	2024	2.85%	-	38,211
Smithers Issue 79	2003	500,000	2023	2.25%	-	-
Granisle 149	2019	210,000	2029	2.24%	112,745	133,362
		<u>\$ 11,641,595</u>			<u>\$ 6,180,499</u>	<u>\$ 6,744,430</u>

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

Principal paid during 2024 was \$402,489 (2023 - \$415,715). Interest paid during 2024 was \$300,799 (2023 - \$305,649).

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.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

5. DEBT RECOVERABLE FROM MUNICIPALITIES, continued

Actuarial earnings received during 2024 was \$161,443 (2023 - \$166,760). Future principal payments, including sinking fund additions, on existing debt are as follows:

2025	\$ 544,166
2026	562,324
2027	510,152
2028	527,079
2029	533,761
Thereafter	<u>3,503,017</u>
	<u>\$ 6,180,499</u>

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2024</u>	<u>2023</u>
Trade payables	\$ 880,278	\$ 915,404
Vacation accrual	279,803	259,060
Sick leave accrual (Note 10)	444,588	273,262
Retirement accrual (Note 10)	<u>335,725</u>	<u>380,086</u>
	<u>\$ 1,940,394</u>	<u>\$ 1,827,812</u>

7. DEFERRED REVENUE

	<u>2024</u>	<u>2023</u>
Government transfers - Northern Capital Planning Grant	\$ 1,673,993	\$ 2,005,885
Government transfers - Federal Gas Tax Reserve	7,281,574	6,679,642
Government transfers - NWRS	2,160,330	-
Government transfers - COVID Restart	-	-
Government transfers - Climate Action	348,952	-
Government transfers - Provincial	233,378	70,000
Other	<u>114,618</u>	<u>71,111</u>
	<u>\$ 11,812,845</u>	<u>\$ 8,826,638</u>

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

7. DEFERRED REVENUE, continued

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.

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 6,679,642	\$ 6,593,666
Add: Amounts received in the year	923,045	936,063
Interest earned	364,844	279,256
	<u>1,287,889</u>	<u>1,215,319</u>
Less: Amounts spent in the year	<u>(685,957)</u>	<u>(1,129,343)</u>
Closing balance	<u>\$ 7,281,574</u>	<u>\$ 6,679,642</u>

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.

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 2,005,885	\$ 2,611,985
Add: Amounts received in the year	-	-
Interest earned	91,762	100,259
	<u>91,762</u>	<u>100,259</u>
Less: Amounts spent in the year	<u>(423,654)</u>	<u>(706,359)</u>
Closing balance	<u>\$ 1,673,993</u>	<u>\$ 2,005,885</u>

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

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

7. DEFERRED REVENUE, continued

Reserve	Initial Allocation	Planning Expenses	Capital Expenses	Total Interest	December 31, 2024 Balance
General Administration	\$ 1,019,248	\$ 397,003	\$ 209,515	\$ 86,625	\$ 499,355
Clucluz Lake Fire Service	623,068	31,008	603,148	11,088	-
Protective Services	1,375,000	186,927	1,022,947	90,815	255,941
Glacier Gulch Water Diversion	30,000	-	-	5,288	35,288
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	-	-	32,660	217,933
Regional Parks and Trails	1,055,345	58,164	633,172	78,501	442,510
Environmental Service	2,394,843	-	2,264,268	92,391	222,966
Fort Fraser Water and Sewer Utilities	425,628	-	447,234	21,606	-
	<u>\$ 7,365,000</u>	<u>\$ 673,102</u>	<u>\$ 5,445,032</u>	<u>\$ 427,127</u>	<u>\$ 1,673,993</u>

Government transfers – COVID Restart Grant

COVID Restart 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. COVID Restart funding may be used towards qualifying expenditures as specified in the funding agreement.

	2024	2023
Opening balance	\$ -	\$ 8,924
Add: Amounts received in the year	-	-
Interest earned	-	-
	-	-
Less: Amounts spent in the year	-	(8,924)
Closing balance	\$ -	\$ -

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 5.45% (December 31, 2023 – 7.2%) and is secured by the current borrowing resolution. The facility remained unused at year end.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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 of Maturity	Current Rate of Interest	Repayment & Actuarial Earnings	2024 Principal Repayment	Net Debt Outstanding	
	Year	Amount					2024	2023
Round Lake Fire Protection	2017	\$ 14,909	2037	3.15%	\$ 3,697	\$ 555	\$ 10,657	\$ 11,320
Luck Bay Fire Protection	2006	125,000	2026	1.53%	103,455	4,198	17,347	25,524
Topley Rural Fire Protection	2016	366,348	2041	2.10%	79,303	10,048	276,997	289,355
		<u>\$ 506,257</u>			<u>\$ 186,455</u>	<u>\$ 14,801</u>	<u>\$ 305,001</u>	<u>\$ 326,199</u>

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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 2024 was \$14,801 (2023 - \$14,801). Interest paid during 2024 was \$10,075 (2023 - \$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 2024 was \$6,396 (2023 - \$5,703). Future principal payments, including sinking fund additions, on existing debt are as follows:

2025	21,915
2026	22,657
2027	14,228
2028	14,655
2029	15,094
Thereafter	<u>216,452</u>
	<u>\$ 305,001</u>

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:

	<u>2024</u>	<u>2023</u>
Demand Notes Outstanding:		
Borrowing on behalf of member municipalities	\$ 271,453	\$ 286,163
Borrowing for Regional District purposes	<u>9,331</u>	<u>9,332</u>
	<u>\$ 280,784</u>	<u>\$ 295,495</u>

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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 \$792,026 at December 31, 2024 (2023 - \$587,555). As at year end an amount of \$444,588 (2023 - \$273,262) 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 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 \$554,187 at December 31, 2024 (2023 - \$551,989). As at year end an amount of \$335,725 (2023 - \$380,086) 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 trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2023, the plan has about 256,000 active members and approximately 129,000 retired members. Active members include approximately 45,000 contributors from local governments.

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

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

The Regional District paid \$419,966 (2023 - \$383,659) for employer contributions to the plan in fiscal 2024.

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

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

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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% (2022 – n/a) for inflation and a discount factor of 5.0% (2022 – n/a) 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 of these 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.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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	\$ 8,287,879	\$ 73,500	\$ 2,021,250	\$ 10,382,629
Adoption of PSAS 3280				-
Accretion expense	291,271	3,675	101,064	396,010
Closing Balance	<u>\$ 8,579,150</u>	<u>\$ 77,175</u>	<u>\$ 2,122,314</u>	<u>\$ 10,778,639</u>

13. ALLOCATION OF ACCUMULATED SURPLUS

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

	2024	2023
Operating	\$ 25,321,443	\$ 22,570,097
Reserves	12,790,118	12,765,804
	<u>\$ 38,111,561</u>	<u>\$ 35,335,901</u>

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

14. BUDGET

In accordance with legislative requirements, the Financial Plan, adopted by the Board of Directors on March 21, 2024, 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.

	<u>2024</u>
Budgeted surplus per statement of financial activities	<u>\$ (1,315,349)</u>
Less: Capital expenditures	(3,459,000)
Internal allocations	-
Prior year net deficits	<u>(46,547)</u>
	<u>(4,820,896)</u>
Add: Prior year net surplus	2,690,143
Withdrawals from capital reserves	1,509,950
Transfer from equity in tangible capital assets	<u>620,803</u>
	<u>4,820,896</u>
	<u>\$ -</u>

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 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

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

15. FINANCIAL INSTRUMENTS, continued

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.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

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 \$15,536 (2023 - \$15,900) 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.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2024

19. PRIOR PERIOD RESTATEMENT

During the year, information became available that the Regional District had understated the value of its capital assets. On July 31, 2023, the Regional District assumed ownership of the sewer system for Cluculz Lake. The Regional District has revised the 2023 comparative figures to correct the capital assets, revenue, expenses and accumulated surplus.

	<u>Previously Reported</u>	<u>Adjustment</u>	<u>Restated</u>
Statement of Financial Position			
Non-Financial Assets Total	29,505,814	830,100	30,335,914
Accumulated Surplus	34,505,801	830,100	35,335,901
Statement of Operations			
Revenue Total	23,802,107	843,180	24,645,287
Expenses Total	19,464,376	13,080	19,477,456
Accumulated Surplus - End of year	34,505,801	830,100	35,335,901
Statement of Changes in Net Financial Assets			
Annual Surplus	4,337,731	830,100	5,167,831
Acquisition of tangible capital assets	(8,489,258)	(843,180)	(9,332,438)
Amortization of tangible capital assets	1,794,589	13,080	1,807,669
Statement of Cash Flows			
Annual surplus	4,337,731	830,100	5,167,831
Amortization of tangible capital assets	1,794,589	13,080	1,807,669
Purchase of tangible capital assets	(8,489,258)	(843,180)	(9,332,438)

REGIONAL DISTRICT OF BULKLEY-NECHAKO

SCHEDULE OF EXPENSES BY OBJECT

For the year ended December 31, 2024

	2024		2023
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(Note 14)		Restated (Note 19)
Staff remuneration and benefits	\$ 7,500,448	\$ 6,945,787	\$ 6,362,042
Purchased services and supplies	5,926,994	4,251,163	4,713,556
Payments to societies	2,555,071	2,243,841	1,887,268
Municipal debt payments	749,800	713,991	661,385
Payments to municipalities	2,502,665	2,697,685	2,342,463
Directors' remuneration	498,369	504,036	501,055
Insurance and permits	298,024	304,900	287,928
Electoral area grants-in-aid	359,842	460,432	304,004
Staff travel, upgrading and conferences	3,000	96,552	77,392
Directors' travel and expenses	144,903	24,171	67,042
Interest on debentures	8,663	16,472	15,778
Memberships and dues	35,600	41,028	61,640
Interest	5,000	3,286	3,186
Elections, referenda and studies	6,000	-	-
Bad debts	3,500	856	1,876
Volunteer benefits	2,800	3,372	2,605
Accretion	-	396,010	380,567
Amortization	1,509,950	1,988,380	1,807,669
	<u>\$ 22,110,629</u>	<u>\$ 20,691,962</u>	<u>\$ 19,477,456</u>

See notes to the consolidated financial statements.

REGIONAL DISTRICT OF BULKLEY-NECHAKO
SCHEDULE OF CONTINUITY OF RESERVE FUNDS

For the year ended December 31, 2024

	2024	2023
BALANCE AT BEGINNING OF THE YEAR	\$ 21,451,331	\$ 18,996,831
Contribution to funds	4,070,963	3,655,145
Interest earned on funds	1,464,060	870,559
Withdrawals from funds	(2,731,387)	(2,071,204)
BALANCE AT END OF THE YEAR	24,254,967	21,451,331
Less reserves recorded as deferred revenue (Note 7):		
Climate Action	348,952	-
Federal Gas Tax	7,281,574	6,679,642
North West Revenue Sharing	2,160,330	-
Northern Capital Planning Grant	1,673,993	2,005,885
	11,464,849	8,685,527
	\$ 12,790,118	\$ 12,765,804
REPRESENTED BY THE FOLLOWING RESERVE FUNDS		
911 Capital	\$ 710,331	\$ 673,680
Administrative Equipment	44,777	42,466
Administration/Planning Vehicle	102,886	72,090
Building	683,400	452,984
Building Inspection Vehicle	58,100	45,344
Bulkley Valley Pool	2,751,660	2,691,587
Burns Lake TV Rebroadcasting	59,303	56,243
Bylaw Enforcement	32,285	20,861
Climate Action	348,952	-
Climate Change	-	97,007
Cluculz Sewer	97,022	14,022
Rural Election	43,234	31,245
Emergency Prep	64,721	61,381
Federal Gas Tax	7,281,574	6,679,642
Fort Fraser Sewer	475,899	451,343
Fort Fraser Rural Fire Protection	30,866	-
Fort Fraser Water	449,002	362,410
Landfill closure	450,395	427,156
Glacier Gulch Water Diversion	14,401	13,658
Growing Community	1,055,162	1,791,927
Insurance	257,866	145,471
Lakes District Airport	416,901	322,207
Landfill Capital	-	-
Legal	154,794	49,230
Luck Bay Rural Fire Protection	64,118	60,810
Northern Capital Planning Grant	1,673,993	2,005,885
North West Revenue Sharing	2,160,330	-
Operational	4,423,500	4,501,948
Planning Plotter	33,155	31,445
Round Lake Rural Fire Protection	6,658	4,850
Smithers Rural Fire Protection	118,814	132,199
Southside Rural Fire Protection Vehicle	26,700	15,564
Southside Rural Fire Protection	-	1,546
Topley Fire Department	44,483	33,894
Telkwa Rural Fire Protection	9,698	56,924
Vanderhoof Pool	109,987	104,312
	24,254,967	21,451,331
Less reserves recorded as deferred revenue (Note 7):		
Climate Action	348,952	-
Federal Gas Tax	7,281,574	6,679,642
North West Revenue Sharing	2,160,330	-
Northern Capital Planning Grant	1,673,993	2,005,885
	11,464,849	8,685,527
	\$ 12,790,118	\$ 12,765,804

See notes to the consolidated financial statements.

REGIONAL DISTRICT OF BULKLEY-NECHAKO
STATEMENT OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2024

	Land	Building	Equipment / Vehicles	Works in Progress	Engineered Structures			Transfer Stations	Regional Parks	Retirement Obligations		2024 Total	2023 Total
					Water	Sewer	Landfills			Landfill Operations	All Others		
COST													Restated (Note 19)
Opening Balance	\$ 791,108	\$ 9,052,671	\$ 11,465,650	\$ -	\$ 5,173,753	\$ 1,744,117	\$ 6,783,397	\$ 5,999,283	\$ 1,758,765	\$ 4,285,671	\$ 645,000	\$ 47,699,415	\$ 38,480,932
Add: Additions	-	526,093	1,374,851	-	-	44,739	495,301	470,803	10,232	-	-	2,922,019	9,332,438
Less: Disposals	-	-	(179,886)	-	-	-	-	-	-	-	-	(179,886)	(113,955)
Less: Write-downs	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing 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
ACCUMULATED AMORTIZATION													
Opening Balance	-	3,815,892	6,231,144	-	1,298,629	496,748	2,884,158	2,570,192	63,151	68,694	14,973	17,443,581	15,713,318
Add: Amortization	-	301,769	879,489	-	97,065	52,224	311,014	227,772	35,381	68,694	14,972	1,988,380	1,807,669
Less: Acc. Amortization on Disposals	-	-	(134,741)	-	-	-	-	-	-	-	-	(134,741)	(77,406)
Closing 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
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	
Net Book Value for year ended December 31, 2023	\$ 791,108	\$ 5,236,779	\$ 5,234,506	\$ -	\$ 3,875,124	\$ 1,247,369	\$ 3,899,239	\$ 3,429,091	\$ 1,695,614	\$ 4,216,977	\$ 630,027		\$ 30,255,834

See notes to the consolidated financial statements.

**REGIONAL DISTRICT OF BULKLEY-NECHAKO
SEGMENTED DISCLOSURE**

For the year ended December 31, 2024

	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	2024	2023 Restated (Note 19)
REVENUE											
Taxation	\$ 2,368,483	\$ 4,404,515	\$ 3,673,677	\$ 2,209,598	\$ 919,018	\$ -	\$ 220,382	\$ 515,003	\$ 123,388	\$ 14,434,064	\$ 12,719,848
Fees, rates and service charges	-	2,547,618	10,629	132,531	60,472	-	82,810	-	88,578	2,922,638	2,292,520
Government transfers	908,585	310,000	80,063	512,419	50,500	-	22,957	59,000	-	1,943,524	4,527,118
Investment income	661,488	-	-	2,329	-	-	-	-	-	663,817	498,090
Other	531,336	352,025	22,057	210,058	318,003	713,991	2,304	10,921	74	2,160,769	3,323,603
Grants-in-lieu of Taxes	267,257	488,861	254,857	156,908	76,356	-	22,217	76,354	-	1,342,810	1,284,108
	4,737,149	8,103,019	4,041,283	3,223,843	1,424,349	713,991	350,670	661,278	212,040	23,467,622	24,645,287
EXPENSES											
Staff Remuneration and Benefits	1,553,562	3,178,142	132,460	644,480	1,138,514	-	42,388	256,241	-	6,945,787	6,362,042
Purchased services and supplies	1,038,426	1,759,893	152,004	864,463	109,928	-	218,260	70,880	37,309	4,251,163	4,713,555
Insurance	62,817	106,863	51,815	43,745	33,172	-	-	1,000	5,488	304,900	287,929
Payments to Societies	102,710	8,800	1,863,647	105,184	-	-	163,500	-	-	2,243,841	1,887,268
Other	1,056,878	395,650	26,250	41,908	13,344	713,991	-	10,872	1,313	2,260,206	2,076,530
Payments to Municipalities	165,000	-	1,341,439	1,030,746	-	-	43,000	117,500	-	2,697,685	2,342,463
Amortization of capital assets	148,084	1,228,688	227,193	215,287	19,367	-	-	-	149,761	1,988,380	1,807,669
	4,127,477	6,678,036	3,794,808	2,945,813	1,314,325	713,991	467,148	456,493	193,871	20,691,962	19,477,456
NET REVENUE(EXPENSES)	\$ 609,672	\$ 1,424,983	\$ 246,475	\$ 278,030	\$ 110,024	\$ -	\$ (116,478)	\$ 204,785	\$ 18,169	\$ 2,775,660	\$ 5,167,831

See notes to the financial statements.