



"A WORLD OF OPPORTUNITIES WITHIN OUR REGION"

STATEMENT OF FINANCIAL INFORMATION

**Regional District of
Bulkley-Nechako
2022**



"A WORLD OF OPPORTUNITIES WITHIN OUR REGION"

STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the Financial Information Act.

A blue ink signature of John Illes, written in a cursive style, positioned above a horizontal line.

John Illes
Chief Financial Officer
June 22, 2023

A blue ink signature of Mark Parker, written in a cursive style, positioned above a horizontal line.

Mark Parker
Chair of the Board of Directors
June 22, 2023



"A WORLD OF OPPORTUNITIES WITHIN OUR REGION"

REGIONAL DISTRICT OF BULKLEY-NECHAKO MANAGEMENT REPORT 2022

The Financial Statements contained in this Statement of Financial Information under the Financial Information Act have been prepared by management in accordance with generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

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

These controls include:

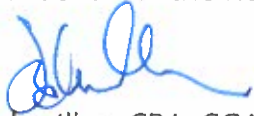
- An organizational structure providing for effective segregation of responsibilities, delegation of authority, personal accountability and careful selection and training of personnel;
- The application of financial, accounting, information technology and administrative policies and procedures necessary for internal control over transactions, assets and records; and
- Systematic financial review and analysis of operating results.

The Board of Directors of the Regional District is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through meeting with the external auditors during the annual audit process.

The external auditors, Beswick, Hildebrandt Lund, CPA, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. Their

examination includes a review and evaluation of the corporation's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to the Board of Directors.

On behalf of the Regional District of Bulkley-Nechako



John Illes, CPA, CGA
Chief Financial Officer
June 22, 2023

Regional District of Bulkley-Nechako

Statement of Financial Information

Table of Contents

	Cover Page	i
	Statement of Financial Information Approval	ii
	Management Report	iii
	Table of Contents	v
Financial Statements (Audited)		
	Statement of Financial Informations Approval	1
	Management Report	2
	Independent Auditor's Report	3-5
	Statement of Financial Position	6
	Statement of Operations	7
	Statement of Changes in Net Financial Assets	8
	Statement of Cash Flows	9
	Notes to Financial Statements	10-26
	Schedule of Expenses by Object	27
	Schedule of Continuity of Reserve Funds	28
	Statement of Tangible Capital Assets	29
	Segmented Disclosure	30
Other Statements of Financial Information (Unaudited)		
	Schedule of Remuneration & Expenses: Directors	31
	Schedule of Remuneration & Expenses: Employees	32
	Schedule of Payments for Goods & Services	33-35
	Schedule of Contributions - Municipalities	36
	Schedule of Contributions - Societies	37-38
	Schedule of Guarantee & Indemnity Agreements	39
	Statement of Severance Agreements	39

REGIONAL DISTRICT OF BULKLEY-NECHAKO

FINANCIAL STATEMENTS

December 31, 2022

REGIONAL DISTRICT OF BULKLEY-NECHAKO

FINANCIAL STATEMENTS

December 31, 2022

INDEX

	<u>Page</u>
Management's Responsibility for the Financial Statements	2
Independent Auditor's Report	3-5
Statement of Financial Position	6
Statement of Operations	7
Statement of Changes in Net Financial Assets	8
Statement of Cash Flows	9
Notes to the Financial Statements	10-26
Schedule 1 - Schedule of Expenses by Object	27
Schedule 2 - Schedule of Continuity of Reserve Funds	28
Schedule 3 - Statement of Tangible Capital Assets	29
Schedule 4 - Segmented Disclosure	30



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
Chairperson

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, 2022, and the statements of 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, 2022, 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

Beswick Hildebrandt Lund CPA
556 North Nechako Road, Suite 10,
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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 4, 2023


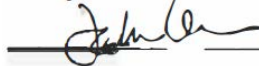
REGIONAL DISTRICT OF BULKLEY-NECHAKO
STATEMENT OF FINANCIAL POSITION

December 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 21,370,937	\$ 21,973,326
Accounts receivable	701,755	731,917
Grants receivable	1,395,230	493,912
Investments (Note 3)	89	89
Debt Reserve Fund - Municipal Finance Authority (Note 4)	158,165	164,364
Debentures recoverable from municipalities (Note 5)	7,326,906	7,927,385
	30,953,082	31,290,993
LIABILITIES		
Accounts payable and accrued liabilities (Note 6, 10 and 11)	6,791,289	6,278,759
Deferred revenue (Note 7)	9,285,825	10,370,653
Debt Reserve Fund - Municipal Finance Authority (Note 4)	158,165	164,364
Debentures issued for municipalities (Note 5)	7,326,906	7,927,385
Debentures issued for the Regional District (Note 9)	346,702	366,535
	23,908,887	25,107,696
NET FINANCIAL ASSETS	7,044,195	6,183,297
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 3)	22,767,614	20,357,779
Prepaid expenses	356,261	141,488
	23,123,875	20,499,267
ACCUMULATED SURPLUS (Note 13)	\$ 30,168,070	\$ 26,682,564

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 OPERATIONS

For the year ended December 31, 2022

	2022		2021
	<u>Budget</u> (Note 14)	<u>Actual</u>	<u>Actual</u>
REVENUE (Schedule 4)			
Property tax requisition			
Electoral area	\$ 7,568,575	\$ 7,564,039	\$ 8,432,249
Municipal	4,045,150	4,048,150	2,654,173
	<u>11,613,725</u>	<u>11,612,189</u>	<u>11,086,422</u>
Grants-in-lieu of taxes	1,106,259	1,249,205	1,193,141
Federal grants - conditional	858,116	863,098	676,477
Fees and permits	1,537,225	2,054,102	1,960,061
Municipal debt payments (Note 5)	797,885	749,535	757,399
Provincial grants - northern capital	1,201,850	1,068,539	1,334,843
Provincial grants - unconditional	1,031,350	394,654	185,000
Other grants - conditional	10,000	929,144	1,274,950
Emergency expenditure recoveries	600,000	30,573	115,264
Provincial grants - conditional	-	-	-
Interest	500	183,478	249,321
Municipal cost sharing	200,544	258,141	214,305
Sundry	1,819,860	1,504,096	290,619
Administration recoveries	17,210	16,657	16,788
Donations	-	12,946	21,799
Debt sinking fund actuarial earnings (Note 9)	-	8,088	4,384
Community forest	-	89,600	89,600
	<u>20,794,524</u>	<u>21,024,045</u>	<u>19,470,373</u>
EXPENSES (Schedule 1) (Schedule 4)			
Environmental services	5,183,449	5,829,679	6,176,468
Government - general, rural and local commission	4,295,499	3,375,196	3,041,810
Recreation and culture	3,112,914	2,871,661	2,654,502
Fire protection and emergency response	3,309,395	2,606,552	2,276,228
Building inspection, building numbering, planning and development services	1,134,110	1,138,201	1,135,998
Economic development	780,318	553,639	559,629
Municipal debt payments (Note 5)	797,885	749,535	757,399
Street lighting and transportation	349,344	282,492	299,898
Sewer and water	208,644	131,584	185,225
	<u>19,171,558</u>	<u>17,538,539</u>	<u>17,087,157</u>
ANNUAL SURPLUS	1,622,966	3,485,506	2,383,216
ACCUMULATED SURPLUS - BEGINNING OF YEAR	<u>26,682,564</u>	<u>26,682,564</u>	<u>24,299,348</u>
ACCUMULATED SURPLUS - END OF YEAR (Note 13)	<u>\$ 28,305,530</u>	<u>\$ 30,168,070</u>	<u>\$ 26,682,564</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, 2022

	<u>2022</u>		<u>2021</u>
	<u>Budget</u> <u>(Note 14)</u>	<u>Actual</u>	<u>Actual</u>
ANNUAL SURPLUS	\$ 1,622,966	\$ 3,485,506	\$ 2,383,216
Acquisition of tangible capital assets	(5,198,143)	(3,959,850)	(2,662,270)
Loss on sale of tangible capital assets	-	7,633	638
Proceeds on sale of tangible capital assets	-	-	-
Amortization of tangible capital assets	1,164,185	1,542,382	1,366,252
	(2,410,992)	1,075,671	1,087,836
Net use of (addition to) prepaid expenses	-	(214,773)	(51,379)
CHANGE IN NET FINANCIAL ASSETS	(2,410,992)	860,898	1,036,457
NET FINANCIAL ASSETS AT BEGINNING OF THE YEAR	6,183,297	6,183,297	5,146,840
NET FINANCIAL ASSETS AT END OF THE YEAR	<u>\$ 3,772,305</u>	<u>\$ 7,044,195</u>	<u>\$ 6,183,297</u>

See notes to the consolidated financial statements.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

STATEMENT OF CASH FLOWS

For the year ended December 31, 2022

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Annual surplus	\$ 3,485,506	\$ 2,383,216
Add: Non-cash items		
Debt sinking fund actuarial earnings (Note 9)	(8,088)	(4,384)
Amortization of tangible capital assets	1,542,382	1,366,252
Loss (gain) on sale of tangible capital assets	<u>7,633</u>	<u>638</u>
	5,027,433	3,745,722
Changes in non-cash working capital:		
Accounts receivable	30,162	595,898
Grants receivable	(901,318)	(242,227)
Accounts payable and accrued liabilities	512,530	1,517,013
Deferred revenue	(1,084,828)	(258,647)
Prepaid expenses	<u>(214,773)</u>	<u>(51,379)</u>
	<u>3,369,206</u>	<u>5,306,380</u>
FINANCING ACTIVITIES		
Repayments from Debt Reserve Fund - Municipal Finance Authority	-	-
Debt repayments	<u>(11,745)</u>	<u>(14,801)</u>
	<u>(11,745)</u>	<u>(14,801)</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(3,959,850)	(2,662,270)
Proceeds on disposal of tangible capital assets	<u>-</u>	<u>-</u>
	<u>(3,959,850)</u>	<u>(2,662,270)</u>
INCREASE (DECREASE) DURING THE YEAR	(602,389)	2,629,309
CASH AT BEGINNING OF THE YEAR	<u>21,973,326</u>	<u>19,344,017</u>
CASH AT END OF THE YEAR	<u>\$ 21,370,937</u>	<u>\$ 21,973,326</u>

See notes to the consolidated financial statements.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

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	5-10 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, 2022

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.

Unfunded landfill liability

The landfill for closure of operational sites and post-closure care has been recognized based on estimated future expenses, estimated for inflation and the usage of the sites capacity during the year. The change in this liability during the year is recorded as a charge to operations. These estimates are reviewed and adjusted annually.

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.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES, continued

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.

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.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

2. CASH AND CASH EQUIVALENTS

	<u>2022</u>	<u>2021</u>
Bank accounts	\$ 5,220,693	\$ 5,890,025
Petty cash	250	400
Guaranteed investment certificates	<u>16,149,994</u>	<u>16,082,901</u>
	<u>\$ 21,370,937</u>	<u>\$ 21,973,326</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, 2022, the guaranteed investment certificate interest rates ranged between 1.30% to 5.60% (2021 – ranged between 1.10% to 1.80%).

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.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

5. DEBT RECOVERABLE FROM MUNICIPALITIES, continued

Service borrowing was incurred for:	Originally Borrowed		Year of Maturity	Current Rate of Interest	Net Debt Outstanding	
	Year	Amount			2022	2021
Vanderhoof Issue 145	2018	1,000,000	2038	3.15%	844,303	884,970
Smithers Issue 142	2017	3,000,000	2037	3.15%	2,407,250	2,532,910
Vanderhoof Issue 142	2017	2,000,000	2037	3.15%	1,604,833	1,688,607
Smithers Issue 127	2013	650,000	2034	3.30%	448,872	477,595
Fort St. James Issue 124	2013	304,879	2033	3.15%	196,528	210,540
Smithers Issue 124	2012	147,639	2033	3.15%	95,170	101,955
Fort St. James Issue 124	2013	121,952	2028	3.15%	57,499	65,834
Smithers Issue 116	2011	800,000	2026	1.47%	260,587	320,321
Houston Issue 99	2006	2,407,125	2032	1.53%	1,145,671	1,249,766
Smithers Issue 81	2004	500,000	2024	2.85%	74,602	109,260
Smithers Issue 79	2003	500,000	2023	2.25%	38,211	74,602
Smithers Issue 77	2002	500,000	2022	0.65%	-	38,211
Granisle 149	2019	210,000	2029	2.24%	153,380	172,814
		<u>\$ 12,141,595</u>			<u>\$ 7,326,906</u>	<u>\$ 7,927,385</u>

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

Principal paid during 2022 was \$430,836 (2021 - \$427,844). Interest paid during 2022 was \$308,964 (2021 - \$329,555).

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 2022 was \$169,642 (2021 - \$150,483). Future principal payments, including sinking fund additions, on existing debt are as follows:

2023	\$ 582,475
2024	563,314
2025	542,928
2026	561,368
2027	509,501
Thereafter	<u>4,567,320</u>
	<u>\$ 7,326,906</u>

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2022</u>	<u>2021</u>
Trade payables	\$ 852,005	\$ 982,240
Vacation accrual	248,290	203,055
Sick leave accrual (Note 10)	304,324	253,385
Retirement accrual (Note 10)	315,279	144,407
Accrued debenture interest	-	-
Landfill closure cost accrual (Note 12)	<u>5,071,391</u>	<u>4,695,672</u>
	<u><u>\$ 6,791,289</u></u>	<u><u>\$ 6,278,759</u></u>

7. DEFERRED REVENUE

	<u>2022</u>	<u>2021</u>
Government transfers - Northern Capital Planning Grant	\$ 2,611,985	\$ 3,612,795
Government transfers - Federal Gas Tax Reserve	6,593,666	6,395,443
Government transfers - COVID Restart Grant	8,924	351,470
Government transfers - Provincial	70,000	-
Other	<u>1,250</u>	<u>10,945</u>
	<u><u>\$ 9,285,825</u></u>	<u><u>\$ 10,370,653</u></u>

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>2022</u>	<u>2021</u>
Opening balance	\$ 6,395,443	\$ 5,229,104
Add: Amounts received in the year	897,100	1,755,216
Interest earned	<u>151,176</u>	<u>87,600</u>
	<u>1,048,276</u>	<u>1,842,816</u>
Less: Amounts spent in the year	<u>(850,053)</u>	<u>(676,477)</u>
Closing balance	<u><u>\$ 6,593,666</u></u>	<u><u>\$ 6,395,443</u></u>

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

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.

	<u>2022</u>	<u>2021</u>
Opening balance	<u>\$ 3,612,795</u>	<u>\$ 4,888,510</u>
Add: Amounts received in the year	-	-
Interest earned	<u>67,728</u>	<u>59,128</u>
	<u>67,728</u>	<u>59,128</u>
Less: Amounts spent in the year	<u>(1,068,538)</u>	<u>(1,334,843)</u>
Closing balance	<u>\$ 2,611,985</u>	<u>\$ 3,612,795</u>

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

<u>Reserve</u>	<u>Initial Allocation</u>	<u>Planning Expenses</u>	<u>Capital Expenses</u>	<u>Total Interest</u>	<u>December 31, 2022 Balance</u>
General Administration	\$ 1,019,248	\$ 315,772	\$ 128,019	\$ 34,814	\$ 610,271
Clucluz Lake Fire Service	623,068	31,008	603,148	11,088	-
Protective Services	1,375,000	185,617	565,625	61,022	684,780
Glacier Gulch Water Diversion	30,000	-	-	1,789	31,789
Round Lake Fires Service	10,000	-	-	596	10,596
Luck Bay Fire Service	60,000	-	45,796	1,529	15,733
Fort Fraser Fire	186,595	-	191,237	4,642	-
Economic Development	185,273	-	-	11,047	196,320
Regional Parks and Trails	1,055,345	81,231	553,110	30,364	451,368
Environmental Service	2,394,843	-	1,955,252	56,609	496,200
Fort Fraser Water and Sewer Utilities	425,628	-	332,306	21,606	114,928
	<u>\$ 7,365,000</u>	<u>\$ 613,628</u>	<u>\$ 4,374,493</u>	<u>\$ 235,106</u>	<u>\$ 2,611,985</u>

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

7. DEFERRED REVENUE, continued

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.

	<u>2022</u>	<u>2021</u>
Opening balance	<u>\$ 351,470</u>	<u>\$ 482,628</u>
Add: Amounts received in the year	-	314,000
Interest earned	-	-
	<u>-</u>	<u>314,000</u>
Less: Amounts spent in the year	<u>(342,546)</u>	<u>(445,158)</u>
Closing balance	<u>\$ 8,924</u>	<u>\$ 351,470</u>

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 6.45% (December 31, 2021 – 2.45%) 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, 2022

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	2022 Principal Repayment	Net Debt Outstanding	
	Year	Amount					2022	2021
Round Lake Fire Protection	2017	14,909	2037	3.15%	2,391	555	11,963	12,588
Luck Bay Fire Protection	2006	125,000	2026	1.53%	87,416	4,198	33,386	40,946
Topley Rural Fire Protection	2016	366,348	2041	2.10%	54,947	10,048	301,353	313,001
		<u>\$ 506,257</u>			<u>\$ 144,754</u>	<u>\$ 14,801</u>	<u>\$ 346,702</u>	<u>\$ 366,535</u>

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

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 2022 was \$14,801 (2021 - \$14,801). Interest paid during 2022 was \$10,075 (2021 - \$10,213).

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 2022 was \$5,032 (2021 - \$4,384). Future principal payments, including sinking fund additions, on existing debt are as follows:

2023	20,504
2024	21,197
2025	21,915
2026	22,658
2027	14,227
Thereafter	246,201
	\$ 346,702

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:

	2022	2021
Demand Notes Outstanding:		
Borrowing on behalf of member municipalities	\$ 302,559	\$ 320,379
Borrowing for Regional District purposes	9,332	9,332
	\$ 311,891	\$ 329,711

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

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 \$519,401 at December 31, 2022 (2021 - \$451,091). As at year end an amount of \$304,324 (2021 - \$253,385) 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 \$484,392 at December 31, 2022 (2021 - \$195,193). As at year end an amount of \$315,279 (2021 - \$144,407) 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, 2021, the plan has about 227,000 active members and approximately 118,000 retired members. Active members include approximately 42,000 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 \$394,719 (2021 - \$329,376) for employer contributions to the plan in fiscal 2022.

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, 2022

12. UNDERFUNDED LIABILITY FOR LANDFILL CLOSURE COSTS

British Columbia environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance.

The estimated total liability is based on the sum of discounted future cash flows for closure and post closure activities for 30 years after closure using a discount rate of 4.0% which is net of projected annual inflation.

The accrued liability portion is based on the cumulative capacity used at year end compared to the estimated total landfill capacity. Management had a closure cost evaluation completed in 2020; and these costs (adjusted for inflation) are utilized for management's landfill closure cost estimate.

The Knockholt landfill has been divided into six phases with only the first three phases being utilized. The total capacity of the Knockholt landfill is estimated at 2,128,200 cubic meters, with a total usage of 718,200 cubic metres of the first three phases. Phase one and two are complete with phase three utilization of 718,200 of a total of 771,400. Phase three is expected to reach capacity in 2025. The existing landfill site is estimated to last past 2075 at current landfill utilization rates.

The Clearview landfill has been divided into four phases with only the first phase being utilized. The total capacity of the Clearview landfill is estimated at 2,225,200 cubic metres with a total usage of 340,200 of the first phase. Phase one has a developed capacity of 415,800 and is expected to reach capacity in 2027. The existing landfill site is expected to reach capacity approximately in the year 2135.

Considerable uncertainty exists with these estimations. The long time span for full site utilization combined with predicting costs that will be paid in far future years relies on a large number of assumptions including the certainty of current environmental legislation, a predictable rate of inflation for costs associated with landfill work and engineering, and an even flow of waste landfilled each year. Landfilling estimates do not include allowances for population change, change in landfilling from industrial sites (such as industrial camps), the possible diversion from recycling programs currently increasing and those being developed, and the diversion potential from composting programs.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

12. UNDERFUNDED LIABILITY FOR LANDFILL CLOSURE COSTS, continued

	2022	2021
Knockholt Landfill Phase One, Two, and Three		
Estimated closure costs	\$ 864,096	\$ 865,653
Estimated post-closure costs	2,337,635	4,979,827
	3,201,731	5,845,480
Estimated capacity used	34%	18%
Accrued liability for Knockholt landfill	1,651,879	1,103,251
Clearview Landfill Phase One		
Estimated closure costs	314,337	628,317
Estimated post-closure costs	4,816,590	4,979,827
	5,130,927	5,608,144
Estimated capacity used	15%	13%
Accrued liability for Clearview landfill	1,051,275	1,051,338
Inactive sites closure estimates	2,368,237	2,541,083
Total closure and post-closure liability	\$ 5,071,391	\$ 4,695,672

The liability expense of \$5,071,391 is unfunded as at December 31, 2022. The Regional District has established Landfill Closure and Post-Closure Reserve Funds that is restricted for purposes of funding landfill closure and post-closure costs. As at December 31, 2022, the Landfill Closure and Post-Closure Reserve Funds have a balance of \$408,866 (2021 - \$399,877).

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

13. ALLOCATION OF ACCUMULATED SURPLUS

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

	2022	2021
Operating	\$ 20,376,890	\$ 18,999,020
Reserves	9,791,180	7,683,544
	\$ 30,168,070	\$ 26,682,564

14. BUDGET

In accordance with legislative requirements, the Financial Plan, adopted by the Board of Directors on March 31, 2022, 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 amended Financial Plan from April 14, 2022 to budgeted amounts reported in these Financial Statements. The amended Financial Plan was used in order to more accurately reflect the operations in the period.

	2022
Budgeted surplus per statement of financial activities	\$ 1,622,966
Less: Capital expenditures	(5,198,143)
Internal allocations	(142,708)
Prior year net deficits	(5,458)
	(3,723,343)
Add: Prior year net surplus	2,443,719
Withdrawals from capital reserves	115,439
Transfer from equity in tangible capital assets	1,164,185
	3,723,343
	\$ -

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

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 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:

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

16. SEGMENT REPORTING, continued

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.

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.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2022

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 \$15,900 (2021 - \$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

SCHEDULE OF EXPENSES BY OBJECT

For the year ended December 31, 2022

	<u>2022</u>		<u>2021</u>
	<u>Budget</u> (Note 14)	<u>Actual</u>	<u>Actual</u>
Staff remuneration and benefits	\$ 6,026,894	\$ 5,530,266	\$ 5,105,018
Purchased services and supplies	5,290,167	4,365,979	5,229,402
Payments to societies	1,899,218	1,647,634	1,739,877
Municipal debt payments	797,885	749,535	757,399
Payments to municipalities	2,023,575	2,040,734	1,740,652
Directors' remuneration	656,814	460,392	380,647
Insurance and permits	216,530	260,763	228,021
Electoral area grants-in-aid	596,002	497,568	393,218
Staff travel, upgrading and conferences	184,223	56,433	34,089
Directors' travel and expenses	196,787	52,625	20,556
Interest on debentures	10,213	10,075	12,542
Memberships and dues	45,650	32,314	35,314
Interest	3,150	2,306	2,936
Elections, referenda and studies	56,500	18,699	-
Bad debts	-	9,391	3,859
Volunteer benefits	3,765	2,172	507
First nations dialogue	-	-	-
Special projects	-	259,271	36,868
Amortization	1,164,185	1,542,382	1,366,252
	<u>\$ 19,171,558</u>	<u>\$ 17,538,539</u>	<u>\$ 17,087,157</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, 2022

	2022	2021
BALANCE AT BEGINNING OF THE YEAR	\$ 17,691,782	\$ 14,806,911
Contribution to funds	3,137,638	4,692,209
Interest earned on funds	284,182	247,473
Withdrawals from funds	<u>(2,116,771)</u>	<u>(2,054,811)</u>
BALANCE AT END OF THE YEAR	<u>18,996,831</u>	<u>17,691,782</u>
Less reserves recorded as deferred revenue (Note 7):		
Federal Gas Tax	6,593,666	6,395,443
Northern Capital Planning Grant	<u>2,611,985</u>	<u>3,612,795</u>
	<u>9,205,651</u>	<u>10,008,238</u>
	<u>\$ 9,791,180</u>	<u>\$ 7,683,544</u>
 REPRESENTED BY THE FOLLOWING RESERVE FUNDS		
911 Capital	\$ 644,835	\$ 630,657
911 Vehicle	-	7,808
Administrative Equipment	40,648	39,754
Administration/Planning Vehicle	44,434	72,318
Building	335,310	278,351
Building Inspection Vehicle	33,575	32,837
Bulkley Valley Pool	2,501,969	2,248,614
Burns Lake TV Rebroadcasting	53,835	52,652
Bylaw Enforcement	10,140	-
Climate Change	92,854	-
Cluculz Sewer	13,422	-
Rural Election	29,907	53,450
Emergency Prep	58,753	68,163
Environmental Services Vehicle	-	-
Federal Gas Tax	6,593,666	6,395,443
Fort Fraser Sewer	373,051	322,700
Fort Fraser Rural Fire Protection	168,543	164,838
Fort Fraser Water	263,355	207,978
Fort St. James Rural Fire Protection	-	66,479
Glacier Gulch Water Diversion	13,073	12,785
Houston Rural Fire Protection	-	-
Insurance	113,149	84,358
Lakes District Airport	298,583	267,225
Landfill Capital	408,866	399,877
Legal	22,552	12,139
Luck Bay Rural Fire Protection	58,206	51,968
Northern Capital Planning Grant	2,611,985	3,612,795
Operational	3,837,813	2,217,771
Planning Plotter	30,098	29,437
Round Lake Rural Fire Protection	3,168	3,099
Smithers Rural Fire Protection	146,194	182,428
Southside Rural Fire Protection Vehicle	5,070	-
Southside Rural Fire Protection	1,480	6,155
Topley Fire Department	25,072	18,669
Telkwa Rural Fire Protection	68,294	66,792
Vanderhoof Pool	94,931	77,968
Vanderhoof Rural Fire Protection	-	-
Weed Control Vehicle	-	6,274
	<u>18,996,831</u>	<u>17,691,782</u>
Less reserves recorded as deferred revenue (Note 13):		
Federal Gas Tax	6,593,666	6,395,443
Northern Capital Planning Grant	<u>2,611,985</u>	<u>3,612,795</u>
	<u>9,205,651</u>	<u>10,008,238</u>
	<u>\$ 9,791,180</u>	<u>\$ 7,683,544</u>

See notes to the consolidated financial statements.

**REGIONAL DISTRICT OF BULKLEY-NECHAKO
STATEMENT OF TANGIBLE CAPITAL ASSETS**

For the year ended December 31, 2022

	Land	Building	Equipment / Vehicles	Works in Progress	Engineered Structures					2022 Total	2021 Total
					Water	Sewer	Landfills	Transfer Stations	Regional Parks		
COST											
Opening Balance	\$ 720,208	\$ 8,767,610	\$ 8,748,499	\$ -	\$ 4,824,319	\$ 734,201	\$ 5,330,131	\$ 5,596,159	\$ -	\$ 34,721,127	\$ 32,059,495
Add: Additions	-	79,624	1,338,629	27,224	332,306	5,082	658,815	119,383	1,398,787	3,959,850	2,662,270
Less: Disposals	-	-	(200,045)	-	-	-	-	-	-	(200,045)	-
Less: Write-downs	-	-	-	-	-	-	-	-	-	-	(638)
Closing Balance	720,208	8,847,234	9,887,083	27,224	5,156,625	739,283	5,988,946	5,715,542	1,398,787	38,480,932	34,721,127
ACCUMULATED AMORTIZATION											
Opening Balance	-	3,268,569	4,959,600	-	1,106,212	433,110	2,380,956	2,214,901	-	14,363,348	12,997,096
Add: Amortization	-	285,738	725,033	-	95,352	13,651	224,542	170,090	27,976	1,542,382	1,366,252
Less: Acc. Amortization on Disposals	-	-	(192,412)	-	-	-	-	-	-	(192,412)	-
Closing Balance	-	3,554,307	5,492,221	-	1,201,564	446,761	2,605,498	2,384,991	27,976	15,713,318	14,363,348
Net Book Value for year ended											
December 31, 2022	\$ 720,208	\$ 5,292,927	\$ 4,394,862	\$ 27,224	\$ 3,955,061	\$ 292,522	\$ 3,383,448	\$ 3,330,551	\$ 1,370,811	\$ 22,767,614	
Net Book Value for year ended											
December 31, 2021	\$ 720,208	\$ 5,499,041	\$ 3,788,899	\$ -	\$ 3,718,107	\$ 301,091	\$ 2,949,175	\$ 3,381,258			\$ 20,357,779

See notes to the consolidated financial statements.

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

For the year ended December 31, 2022

	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	2022	2021
REVENUE											
Taxation	\$ 1,359,304	\$ 3,812,524	\$ 2,901,798	\$ 1,856,191	\$ 883,331	\$ -	\$ 219,790	\$ 470,581	\$ 108,670	\$ 11,612,189	\$ 11,086,422
Fees, rates and service charges	-	1,591,679	12,176	97,323	179,077	-	98,968	-	74,879	2,054,102	1,960,061
Government transfers	1,518,066	249,347	52,534	972,712	(1,088)	-	46,649	84,909	332,306	3,255,435	3,471,269
Investment income	181,148	-	-	2,330	-	-	-	-	-	183,478	249,321
Other	23,955	25,453	1,315,014	143,757	304,486	749,535	14,875	92,561	-	2,669,636	1,510,159
Grants-in-lieu of Taxes	208,313	477,238	231,549	143,829	92,946	-	35,439	59,891	-	1,249,205	1,193,141
	3,290,786	6,156,241	4,513,071	3,216,142	1,458,752	749,535	415,721	707,942	515,855	21,024,045	19,470,373
EXPENSES											
Staff Remuneration and Benefits	1,015,500	2,635,084	85,235	538,122	936,405	-	20,485	299,435	-	5,530,266	5,105,018
Purchased services and supplies	1,098,602	2,188,712	85,896	575,878	147,182	-	183,379	68,883	17,447	4,365,979	5,229,402
Insurance	43,703	92,525	55,561	33,052	29,788	-	-	1,000	5,134	260,763	228,021
Payments to Societies	5,532	8,800	1,416,783	97,144	-	-	34,375	85,000	-	1,647,634	1,739,877
Other	1,066,885	14,901	44	303,028	10,814	749,535	1,253	4,321	-	2,150,781	1,677,935
Payments to Municipalities	-	-	1,032,177	870,557	-	-	43,000	95,000	-	2,040,734	1,740,652
Amortization of capital assets	144,974	889,657	195,965	188,771	14,012	-	-	-	109,003	1,542,382	1,366,252
	3,375,196	5,829,679	2,871,661	2,606,552	1,138,201	749,535	282,492	553,639	131,584	17,538,539	17,087,157
NET REVENUE(EXPENSES)	\$ (84,410)	\$ 326,562	\$ 1,641,410	\$ 609,590	\$ 320,551	\$ -	\$ 133,229	\$ 154,303	\$ 384,271	\$ 3,485,506	\$ 2,383,216

See notes to the financial statements.

**Schedule of Remuneration & Expenses: Directors
For the Year Ended December 31, 2022**

Name	Position		Expenses	Total
Atrill, Gladys	Board Member	15,775	1,396	17,170
Brienen, Shane	Board Member	21,504	1,763	23,267
Cochran, Linda	Commissioner	1,500		
Cochran, William	Commissioner	1,500		
Dekens, Leroy	Board Member	2,633	860	3,492
Elphee, Martin	Board Member	2,175	214	2,388
Fisher, Mark	Board Member	32,176	7,676	39,851
Funk, Dolores	Board Member	11,881	-	11,881
Greenaway, Judy	Board Member	4,080	1,321	5,401
Greenaway, Tom	Board Member	25,210	12,389	37,599
Lambert, Clint	Board Member	30,527	10,392	40,919
Lauze, Cynthia	Alternate Board Member	315	153	467
McGuire, Linda	Board Member	16,418	2,873	19,291
Moon, Shirley	Board Member	3,967	1,138	5,105
Morgan, Annette	Board Member	13,311	1,810	15,121
Motion, Robert	Board Member	14,389	3,050	17,439
Moutray, Kevin	Board Member	2,388	664	3,051
Newell, Andrea	Alternate Board Member	252	-	252
Newell, Christopher	Board Member	23,695	4,900	28,595
Parker, Mark	Board Member	42,145	6,716	48,861
Petersen, Jerry	Board Member	31,746	8,390	40,137
Riis-Christianson, Michael	Board Member	29,851	1,236	31,087
Stoltenberg, Harold	Board Member	4,102	1,524	5,626
Storey, Sarrah	Board Member	15,233	1,536	16,769
Thiessen, Gerry	Board Member	34,222	5,209	39,431
Webster, Don	Commissioner	1,500		
Wiebe, Henry	Board Member	3,999	-	3,999
Total Director Remuneration		386,490	75,208	457,197

Reconciliation to Financial Statements

Director Remuneration and Expenses as per Schedule	461,697
ADD SUN LIFE ASSURANCE AND LIFE WORKS	53,799
ADD RECEIVER GENERAL	12,739
ADD WORKSAFE AND EHT	7,690
YEAR END ACCRUAL ADJUSTMENTS	(325)
	535,600
Directors Remuneration and Benefits	460,392
Directors Travel and Expenses	52,625
DIRECTOR EXPENSES IN SUPPLIES AND COMMUNICATIONS	22,583
	535,600

Regional District of Bulkley-Nechako

**Schedule of Remuneration & Expenses: Employees
For the Year Ended December 31, 2022**

Name	Position		Expenses	Total
Anderson, Cheryl	Director of Corporate Services	125,033	7,007	132,040
Berlin, Jason	Chief Building Inspector	98,926	3,370	102,296
Blackwell, Jason	Regional Fire Chief	80,180	6,630	86,810
Chalmers, Ken	Environmental Services Operations Supervisor	93,522	754	94,275
Davis, Steve	Building Inspector	75,571	4,519	80,091
Demarce, Lenard	Landfill Operator 2	89,186	1,676	90,862
Derksen, Janette	Waste Diversion Supervisor	85,252	6,186	91,438
Eriksen, Alex	Director of Environmental Services	112,682	5,379	118,061
Helgesen, Curtis	Chief Administrative Officer	176,813	8,782	185,595
Illes, John	Chief Financial Officer	132,000	3,353	135,353
Jones-Middleton, Deborah	Director of Protective Services	126,555	4,495	131,050
Llewellyn, Jason	Director of Planning	130,462	4,989	135,451
Minger, Cole	Environmental Services Field Assistant	80,021	3,907	83,929
Peters, Philip	Environmental Services Field Assistant	83,994	505	84,499
Sandberg, Maria	Planner	83,040	552	83,592
Wainwright, Richard	Chief Building Inspector	111,731	850	112,580
Wainwright, Wendy	Deputy Director of Corporate Services	89,835	3,695	93,530
Wiebe, Kenneth	Landfill Operator 2	75,636		75,636
Total for Employees > \$75,000		1,850,438	66,648	1,841,450
Total of Employees with remuneration of \$75,000 or less		2,656,491	34,785	2,691,276
Total Employee Remuneration		4,506,929	101,433	4,532,726
Reconciliation to Financial Statements		4,532,726		
ADD SUNLIFE ASSURANCE AND LIFE WORKS		306,456		
ADD RECEIVER GENERAL		125,889		
ADD MUNICIPAL PENSION PLAN		340,545		
ADD RETIRING ALLOWANCE AND OTHER ACCRUALS		136,430		
ADD WORKSAFE AND EHT		189,653		
Staff Remuneration and Expenses as per Schedule		5,631,699		
STAFF REMUNERATION AND BENEFITS		5,530,266		
STAFF TRAVEL UPGRADING AND CONFERENCES		56,433		
STAFF EXPENSES IN SUPPLIES AND COMMUNICATIONS		45,000		
		5,631,699		

Regional District of Bulkley-Nechako

Schedule of Payments to Suppliers for Goods and Services For the Year Ending December 31, 2022

Vendor	Amount
ACCESSSMT HOLDINGS LTD	110,600.00
AIR BURNERS, INC.	38,949.05
ATCO STRUCTURES	31,682.54
BC HYDRO	102,683.72
BCTRANSIT	122,235.69
BESWICK HILDEBRANDT LUND	34,072.50
BLACK PRESS GROUP LTD	67,303.52
BLAIR WILSON CONTRACTING	128,601.73
BLASTPRO CONSTRUCTION LTD	161,418.00
BULKLEY AUTOMOTIVE LTD	43,903.46
BULKLEY VALLEY ROOFING	29,137.50
BURNS LAKE AUTOMOTIVE SUPPLY	28,156.10
CALIAN LTD.	90,511.57
CapriCMW Insurance	217,676.96
CARO ANALYTICAL SERVICES	47,100.52
CASCADES RECOVERY INC.	50,606.73
CGR CONTRACTING & CONSULTING	90,362.96
CHEMCO ELECTRICAL CONTRATORS LTD	59,130.29
CLEAN FARMS INC.	31,707.41
COMMERCIAL EMERGENCY EQUIPMENT CO	461,523.80
CONTAINER WEST MANUFACTURING LTD.	51,800.00
DEAN WILSON TRUCKING	80,805.38
FENCEFAST LTD.	46,441.24
FORT GARRY FIRE TRUCKS LTD	187,000.00
FRASER LAKE BOTTLE DEPOT	58,588.77
HITS CONSTRUCTION LTD.	33,048.75
HOUSTON BOTTLE DEPOT	41,462.88
INDUSTRIAL TRANSFORMERS	180,342.13
INLAND KENWORTH	27,065.53
ION UNITED INC.	55,336.81
KAL TIRE - BURNS LAKE	76,578.64
LENOVO	39,371.91
LEPKA HOLDINGS LTD.	31,206.33
M'AKOLA DEVELOPMENT SERVICES	55,312.95

MCELHANNEY LTD	39,567.15
MOBY CONCRETE LTD.	29,046.24
MORBEN CONSTRUCTION LTD	243,677.08
MUNICIPAL INSURANCE ASS. OF BC	103,062.00
MUNICIPAL PENSION PLAN	340,545.09
N.W. INVASIVE PLANT COUNCIL	40,196.77
OCEAN TRAILER	178,245.76
PACIFIC NORTHERN GAS LTD.	53,134.58
PARKLAND CORPORATION	106,823.40
PG RENTAL CENTRE	26,100.25
PROVINCE OF BC	92,794.19
R. GROOT CONTRACTING LTD.	31,665.17
RECEIVER GENERAL	138,627.46
REG. DIST.OF FRASER-FORT GEORGE	358,313.62
STEWART CONSTRUCTION LTD	42,000.00
SUN LIFE ASSURANCE COMPANY OF CANADA	356,732.46
SWEEPING BEAUTIES JANITORIAL	33,531.64
TELUS COMMUNICATIONS INC.	25,430.67
TELUS COMMUNICATIONS INC.	28,224.00
TELUS MOBILITY	34,968.45
TERUS CONSTRUCTION LTD	1,375,405.31
TORONTO AUTO SALES & LEASING LTD	102,684.75
TOWER COMMUNICATIONS	54,770.02
TRUE CONSULTING LTD	41,764.77
ULINE CANADA CORPORATION	26,388.18
VALLEY DIESEL	38,029.52
VANDERHOOF & DISTRICTS CO-OP	454,536.43
VIHAR CONSTRUCTION LTD	48,560.32
VIKING CONSTRUCTION LTD	173,121.34
WEAVER TECH CORP	54,886.93
WEST POINT RAIL & TIMBER CO.	58,743.78
WICKED RIVER OUTFITTERS	63,250.00
WILLIAMS MACHINERY	33,225.15
XCG CONSULTANTS LTD.	56,547.57

Total of aggregate payments exceeding \$25,000	7,836,325
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Consolidated total for suppliers paid \$25,000 or less	1,452,691
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Total Payments	9,289,017
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Reconciliation to Financial Statements

Total Payments to Suppliers as per Schedule	9,289,017
Add increased landfill liability	375,719
Subtract Increase in prepaid expenses	(214,773)
Subtract GST included in list of Suppliers	(333,543)
Subtract Capital Expenditures	(3,959,850)
Subtract Payroll Expenses	(839,428)
	4,317,142

Purchased Service and Supplies	4,365,979
Subtract Amount in Staff and Directors Travel and Expense	(67,583)
Subtract Amount in Payments to Societies	(358,152)
Subtract Amount in Payments to Municipalities	(198,627)
Insurance and Permits	260,763
Membership and Dues	32,314
Interest to Suppliers	2,306
Election, Referenda and Studies	18,699
Volunteer Benefits	2,172
Special Projects	259,271
	4,317,142

Regional District of Bulkley-Nechako

Payments for the Purposes of Grants and Contributions For the Year Ending December 31, 2022

Jurisdiction	Amount
District of Fort St. James	286,227
District of Houston	17,082
District of Vanderhoof	592,481
Town of Smithers	603,480
Village of Burns Lake	463,066
Village of Fraser Lake	75,002
Village of Telkwa	195,537
Village of Granisle	6,487
Total Municipal Grants and Contributions	<u>2,239,361</u>
Reconciliation to Financial Statements	
Total Municipal Grants and Contributions	2,239,361
	<u>2,239,361</u>
Payments to Municipalities	
Grants to Societies listed in Purchased Services and Supplies	<u>2,040,734</u>
	<u>198,627</u>
	<u>2,239,361</u>

Regional District of Bulkley-Nechako

Payments for the Purposes of Grants and Contributions For the Year Ending December 31, 2022

Society	Amount
B V AQUATIC CENTRE MANG. SOCIE	550,693.92
B. V. HISTORICAL & MUSEUM SOC.	23,948.00
BULKLEY VALLEY FOLK MUSIC SOCIETY	9,294.00
BULKLEY VALLEY ROD AND GUN CLUB	8,091.00
BURNS LAKE PUBLIC LIBRARY	260,000.00
BURNS LAKE REBROADCAST SOCIETY	32,500.00
CHINOOK COMMUNITY SOCIETY	85,000.00
CLUCULZ LAKE VOL. FIRE DEPT	17,000.00
COMMUNITY ARTS COUNCIL OF FSJ	6,000.00
CONNEXUS COMMUNITY RESOURCES	5,500.00
CYCLE 16 TRAIL SOCIETY	25,265.00
ENDAKO HALL SOCIETY	10,523.67
EVELYN COMMUNITY ASSOCIATION	6,633.17
FORT FRASER VOL. FIRE DEP.	19,600.00
FORT SAINT JAMES TV SOCIETY	164,398.00
FORT ST JAMES CURLING CLUB	8,530.18
FORT ST. JAMES LIBRARY	16,737.00
FORT ST. JAMES SEARCH & RESCUE	100,000.00
FRASER LAKE LIBRARY BOARD	37,683.00
FRASER LAKE REBROADCASTING SOC	83,750.00
FT. ST. JAMES SNOWMOBILE CLUB	11,505.79
GLENWOOD HALL COMM. ASSOC	6,424.13
GRANISLE AND DISTRICT SENIORS ASSOC.	6,423.00
HOUSTON SMITHERS REBROADCASTIN	54,849.00
LAKE KATHLYN PROTECTION SOCIETY	18,352.58
LAKES DISTRICT AIRPORT SOCIETY	34,375.00
LAKES DISTRICT ARTS COUNCIL	7,500.00
LAKES DISTRICT FAIR ASSOC	5,369.20
LAKES DISTRICT FILM	72,504.10
LAKES DISTRICT MUSEUM SOCIETY	53,870.21
NECHAKO VALLEY EXHIBITION SOC.	56,778.00
NECHAKO VALLEY SEARCH & RESCUE	12,623.00
NESST SOCIETY	12,234.28
NORTHERN SOCIETY FOR DOMESTIC PEACE	36,973.00

NORTHWEST REGIONAL BUSINESS SOCIETY (RDKS)	15,734.00
OMINECA SKI CLUB	47,410.01
RIDE BURNS MOUNTAIN BIKING ASSOC.	18,598.61
SMITHERS ART GALLERY	10,794.00
SMITHERS PUBLIC LIBRARY	105,964.91
SMITHERS SKATE PARK SOCIETY	70,000.00
SOUTHSIDE VOLUNTEER FIRE DEPT.	52,315.40
STUART LAKE GOLF CLUB	94,445.00
TOPLEY FIRE PROTECTION SOC.	32,944.00
TWEEDSMUIR RECREATION COMMISSI	5,119.45
VANDERHOOF CURLING CLUB	17,474.33
VANDERHOOF INTERNATIONAL AIRSHOW SOCIETY	8,139.37

Grants to Organizations for a total \$5,000 or less in 2022	163,487
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Total Grants To Societies and School Districts	2,503,354
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Reconciliation to Financial Statements

Total Grants To Societies and School Districts	2,503,354
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2,503,354

Grants to Societies

1,647,634

Grants to Societies listed in Purchased Services and Supplies

358,152

Electoral Area Grant in Aid

497,568

2,503,354

Regional District of Bulkley-Nechako

Schedule of Guarantee & Indemnity Agreements

For the Year Ended December 31, 2022

NIL

The Regional District of Bulkley-Nechako has not given any guarantees or indemnities under the Guarantees and Indemnities Regulation.

Statement of Severance Agreements

For the Year Ended December 31, 2022

NIL

The Regional District of Bulkley-Nechako has not entered into any severance agreements in the 2022 calendar year.