



PEACE RIVER REGIONAL DISTRICT

Peace River Regional District Board Special Meeting Agenda

August 18, 2020, 10:00 a.m.
1981 Alaska Avenue, Dawson Creek, BC

Pages

1.	Call to Order	
2.	Adoption of Agenda	
3.	Gallery Comments or Questions	
4.	Delegations	
4.1	Beswick Hildebrandt and Lund Chartered Professional Accountants - PRRD 2019 Financial Statements	
5.	Reports	
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7.	Adjournment	



REPORT

To: Chair and Directors

Report Number: FN-BRD-013

From: Teri Vetter, Chief Financial Officer

Date: July 31, 2020

Subject: Establishing a Service Function – Regional Grant-in-Aid Contributions

RECOMMENDATION #1: [Corporate Unweighted]

That the Regional Board consider STARS - Shock Trauma Airlift Rescue Society for the establishment of an Air Ambulance service function in the region.

RECOMMENDATION #2: [Corporate Unweighted]

That the Regional Board consider Tumbler Ridge Museum Foundation for the establishment of a Museum service function in the region.

RECOMMENDATION #3: [Corporate Unweighted]

That the Regional Board consider Tumbler Ridge Global Geopark Society for the establishment of a Geopark service function in the region.

RECOMMENDATION #4: [Corporate Unweighted]

That the Regional Board decline the establishment of a service function to support PRRD funded hockey events in the region.

BACKGROUND/RATIONALE:

This report is being brought forward as the result of the Regional Board meeting held on June 11, 2020, the Regional Board passed the following resolution:

MOVED, SECONDED and CARRIED

That the Regional Board evaluate the hockey events that receive funding from the PRRD, to inform the consideration of the establishment of a service function in the region; further, that a workshop be held for the Regional Board to consider the administration of regionally funded grants, and to review and discuss the completed evaluations of PRRD funded hockey events, STARS, the Tumbler Ridge Global Geopark Society, and the Tumbler Ridge Museum Foundation.

Information contained in this report is to assist the Regional Board with their evaluation and determination of whether a service function should be established for STARS, TRGGS, and TRMF and to provide an explanation on how the Hockey Canada events held in the region have been funded.

Shock Trauma Airlift Rescue Society (STARS)

Since 2009, the total PRRD grant contribution paid to STARS is \$1,836,528 with all funding provided through Function 275, Grants to Community Organizations. Information provided by STARS explains

how PRRD grant funding has been used to support direct operations, mission flights, pilots and crew, training, medical supplies and equipment. STARS states that funds received from the PRRD directly support missions flown within the PRRD and those for PRRD residents that may have occurred within Alberta. The cost per mission, given the vast remote areas in the northern region, is \$7,200 and takes an average of two hours each mission. Over the past eleven (11) years, 2009-2019, STARS has flown 157 missions within the PRRD resulting in a total cost of \$1,130,400. A list of PRRD grants paid shown below.

2013 – 2020 (\$170,000/year)	\$1,360,000
2010 – 2012 (\$120,000/year)	\$ 360,000
2009	<u>\$ 116,528</u>
Total	\$1,836,528

Tumbler Ridge Global Geopark Society (TRGGS)

Since 2014, the total PRRD grant contribution paid to TRGGS is \$660,000. A total of \$630,000 was paid from Function 275, Grants to Community Organizations and \$30,000 was paid from Function 140, Economic Development. TRGGS submitted a breakdown of grant expenditures which indicates for each annual operational period (April 1 to March 31) how grant funding was used. TRGGS clearly demonstrates the majority of the grant funds were used to support core operational costs such as wages and administration. In 2014/15, a surplus of \$9,694 is shown as carried forward to 2015/16, a surplus of \$121,256 carried forward to 2016/17, and a surplus of \$18,453 carried forward to 2017/18. All grant funding provided was issued to support operational expenses. See the list of grants paid by the PRRD below.

2018 - 2020 (\$125,000/year)	\$375,000
2017	\$ 55,000
2015	\$200,000
2014	<u>\$ 30,000</u>
Total	\$660,000

Tumbler Ridge Museum Foundation (TRMF)

Since 2013, the total amount of PRRD grant contributions paid to TRMF is \$1,378,992. A total of \$1,128,992 was paid from Function 140, Economic Development and issued to support operational costs. The remaining \$250,000 includes a grant in the amount of \$5,000 and one in the amount of \$75,000 paid from Function 275, Grants to Community Organizations for special events that were held in 2013, and one in the amount of \$170,000 paid from Function 140, Economic Development to assist with improvements for the Dinosaur Discovery Gallery done in 2013. TRMF has provided a breakdown of how the grant funds are used to support operational expenses, not including the event and project specific funds from 2013. The annual grant contributions are itemized by year and applied as a percentage to certain operational expense categories. Based on the breakdown, the majority of the grant funding from the PRRD is used for wages and benefits. Below is a list of grants paid by the PRRD.

2020	\$ 110,000
2019	\$ 93,992
2015 – 2018 (\$200,000/year)	\$ 800,000

2014	\$ 125,000
2013	\$ 5,000
2013	\$ 75,000
2013	<u>\$ 170,000</u>
Total	\$1,378,992

Hockey Canada Events

The PRRD has provided a total of \$389,500 in grant contributions to support the Hockey Canada events held in the region. A total of \$209,500 was paid from Function 140, Economic Development, \$135,000 from Function 275, Grants to Community Organizations and \$45,000 was paid from Function 130, Administrative Fiscal and Other. All funds were issued to the City of Dawson Creek for the purposes of hosting Hockey Canada events as outlined below.

2012	\$ 5,000	U18 National Women's Championships
2015	\$ 75,000	U17 Men's World Hockey Challenge
2017	\$100,000	U17 World Men's Hockey Challenge
2019	\$109,500	World Junior Hockey Challenge
2020	<u>\$100,000</u>	U18 National Women's Championship (November 2020)
Total	\$389,500	

The PRRD also approved a multi-year commitment of \$150,000 to be issued as an annual grant in the amount of \$50,000 from 2014 to 2016 for the City of Dawson Creek to prepare for and host the International Ice Hockey Federation 2016 U18 Women's World Championships. Unfortunately, the City was not successful in the award of this event and no grant funding was ever paid out.

Under the current Regional Grant-in-Aid policy, it states the Regional Board is to evaluate all grant contributions issued to support operation funding for more than three consecutive years in excess of more than \$50,000 and determine whether a service function should be established. The grant contributions provided to the City do not fall into this category as they were issued to support events rather than annual operating costs. None of the events are annual in nature and did not occur consecutively year after year, nor were they part of the City of Dawson Creek's annual general operations. In June of 2018, the City of Dawson Creek in partnership with Spectra Venue Management and Hockey Canada announced they would be entering into a five year hosting agreement, creating further opportunities to continue hosting these events in the region.

ALTERNATIVE OPTIONS:

1. That the Regional Board receive the July 31, 2020 report titled "Establishing a Service Function – Regional Grant-in-Aid Contributions" for information.
2. That the Regional Board provide further direction.

STRATEGIC PLAN RELEVANCE:

- ☒ Organizational Effectiveness
- ☒ Comprehensive Policy Review

FINANCIAL CONSIDERATION(S):

None at this time.

COMMUNICATIONS CONSIDERATION(S):

None at this time.

OTHER CONSIDERATION(S):

That the Regional Board consider potential amendments to the Regional Grant-in-Aid Policy to align with the Regional Board's direction, applicable bylaws and Supplementary Letters Patent (SLP).

Attachments:

1. STARS – Summary of Grant Funds, June 30, 2020
2. TRGGS – Breakdown of Grant Expenditures, June 30, 2020
3. TRMF – Breakdown of PRRD Funds, June 30, 2020
4. Regional Grant-in-Aid policy



June 29, 2020

Peace River Regional District Board
Attn: Jill Rickert, Grant Coordinator
Box 810
Dawson Creek, BC V1G 4H8

Dear Chair Sperling and PRRD Board Members:

First and foremost, I wish to thank you for your continued and unwavering support of STARS. Our partnership marks 14 years of diligence and determination in the best interest of northern residents. We truly appreciate your steadfast commitment to saving lives.

In earlier years, statistics showed a gradual increase in call volume as STARS looked forward to being integrated into the BC health and safety system. By 2011, the mission rate had more than doubled from previous years and we anticipated that STARS might eventually fly an average of 40-50 missions per year within PRRD. Through many challenges that occurred over the past eight years, STARS continued to be ready, willing and able to respond, yet concerned as we could not respond, if not called.

Let's fast forward to 2019 where STARS flew four times the amount of missions flown in 2018, within PRRD. We are beholden to the PRRD Board for opening the doors to greater communications with all BC Emergency Health partners. STARS now works directly with BC Dispatch Centre in Kamloops and they have implemented the appropriate incidents into their system that would necessitate a STARS mission request. As well, quarterly meetings are planned to discuss wins/challenges as we move forward together. This new process of dispatching STARS into British Columbia was launched on May 30th, 2020. To date, in 2020, STARS has flown eight missions in total within PRRD; three inter-facility transfers (Dawson Creek, Fort St. John, Chetwynd) + five scene calls (Dawson Creek, (2) Fort St. John, Tumbler Ridge, Wonowon). Six of these missions occurred prior to the May 30th launch date. Thank you PRRD Board, for helping us to move forward in a positive light.

As we continue to build solid working relationships with our BC Emergency Health partners, as a gesture of good faith and a gracious nod to PRRD, STARS will not charge the BC Government for any scene call responses within PRRD, for a trial period of one year until May 2021. Regarding invoicing, STARS extends a discounted rate to the BC Government and billing will still occur for all missions flown outside of the PRRD areas and for inter-facility transfers requesting STARS transport from BC hospitals.

Thank you for PRRD's contributions to STARS Grande Prairie base operations, totaling \$1,666,528.00 from 2009-2019. I have not included your recent 2020 contribution of \$170,000.00 in this total, in order to view an accurate analysis of yearly averaged costs as we are only halfway through the 2020 calendar year.



The PRRD funding supports the STARS base in Grande Prairie including direct operations, mission flights, pilots and AMC crew, training, medical supplies and equipment, blood onboard and much more. Over the past 11 years (2009-2019), STARS flew a total of 157 completed missions within PRRD, with additional requests for STARS, that may have been aborted or cancelled due to medically not required or other means of transport may have been used. The funds received from the PRRD directly support missions flown within PRRD, as well as, missions flown for PRRD residents that may have occurred within Alberta, which are not reflected in the PRRD mission stats attached, as these missions are not identifiable due to privacy laws. With consideration of the vast remote areas throughout the northern regions, most missions require 2+ hours and the approximate cost (not discounted rate) for an average 2-hour mission is \$7200.00.

In addition, PRRD's financial support has also supported outreach training for medical, airway management and trauma with community hospital personnel at the Dawson Creek, Fort St. John, Chetwynd and Tumbler Ridge Hospitals. Over the years, STARS has also provided many landing zone training sessions with rural fire departments from Hudson's Hope south to the Valemount areas. Ongoing training is vital for all medical and emergency personnel to hone skillsets and keep minds adept, especially in crisis. Your support is vital to these communities.

Many PRRD residents visit the Grande Prairie area frequently. We all commute and travel whether it is for work, recreation, visiting family members or vacationing. The partnership that STARS shares with PRRD, ensures that the highest level of emergency critical care services will continue to be available to northern residents. Together, we safeguard a robust health and safety network for Canadians across Western Canada.

Currently, of the 90% municipal support that STARS receives, approximately 70% contribute at a minimum \$2 per capita up to a range that exceeds \$90 per capita annually. Like PRRD, your bordering neighbors of; County of Grande Prairie, Saddle Hills County and the M.D. of Greenview all recognize STARS as an emergency protective service asset for their residents. These, along with most municipalities, have moved to a standing motion which includes their annual contribution to STARS, within their protective services budgets rather than coming from community grants. This has helped ease the administrative process, as well as, ensure sustainability for the municipality and STARS alike. We would appreciate your kind consideration of this motion, as we continue to work together for the future.

Please do not hesitate to contact me directly, if I can provide further information or answer any questions. Our partnership is a testament to making the world a safer place to raise our children and embrace a quality of life.

We are all STARS.



Glenda Farnden
Sr. Municipal Relations Liaison
(780) 512-6205
gfarnden@stars.ca

STARS[®]



ALLY IMPACT REPORT

TO LIFT ONE TAKES
THE HANDS OF MANY





**THIS YEAR YOU HELPED
STARS FLY 2,878 MISSIONS
ACROSS WESTERN CANADA.
THANK YOU FOR ALLOWING
US TO CONTINUE FIGHTING
FOR THE LIVES OF PEOPLE
WHO WORK, PLAY AND
TRAVEL ACROSS THE
PRAIRIES.**

WE

STEPHANIE'S CAR WAS CRUSHED BY A SEMI-TRAILER WHILE DRIVING TO WORK FROM HER HOME IN A REMOTE HAMLET. AS SHE LAY TRAPPED AND UNCONSCIOUS, STARS PARAMEDIC DUANE KUGELSTADT SAT WITH HER ON ONE OF THE COLDEST DAYS OF WINTER. ONCE FREED FROM THE WRECKAGE, STARS FLEW STEPHANIE TO THE CLOSEST TRAUMA CENTRE AND OUR MEDICAL CREW CARED FOR HER ALONG THE WAY. DESPITE CATASTROPHIC INJURIES, STEPHANIE IS GRATEFUL AND ENCOURAGES EVERYONE SHE MEETS TO SUPPORT STARS.

FOR DUANE, TREATING STEPHANIE WAS A PRIVILEGE. "WE GO TO A LOT OF TRAGIC, LIFE-CHANGING CALLS AND STEPHANIE'S IS ONE I WILL ALWAYS REMEMBER. IT WAS TOUGH TO KEEP IT TOGETHER, BUT SEEING HER SO HAPPY AND FULL OF LIFE TODAY IS WHY I DO THIS JOB."

ARE



ALL STARS®

Excellence. Innovation. Safety.



Support from the Peace River Regional District is critical to making these happen. In 2019, the Peace River Regional District contributed \$170,000 towards STARS operations in northern British Columbia and Alberta. ***Thank you.*** Because of you, we are able to provide highly skilled and talented crews, purchase the most up to date medical tools and technology, and treat patients with the care, precision and timeliness that ensures their best chance of survival.

In 2019 STARS flew a total of 1,434 missions from our three Alberta bases, and trained 1,106 medical personnel. The STARS Emergency Link Centre responded to 22,697 emergency requests during the same period (an average of 63 per day). These calls covered a wide spectrum of events, from scene calls to inter-facility transfers, patients in rural hospitals, industry emergency requests, search and rescue missions, charter helicopter coordination, on-line medical control for ground EMS, etc.

Peace River Regional District

2019 Mission Statistics

P.R.R.D	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	TOTAL
Bennett Dam											1			1
Chetwynd Inter-facility	2	1	1	2	3	1	1		4	1			1	17
Chetwynd scene					1		2					1	1	5
Dawson Creek Inter-facility			3	3	4	6	3	4	2	2				27
Dawson Creek scene	2	2	2	5	10	4	2	2					1	30
Fort St. John Inter-facility		1	2	2	8	1	2	4	2					22
Fort St. John scene & SAR				2	2		4	2		1	2		1	14
Hudson's Hope						2			1	1	1		1	6
Kakwa Lake Cabin Site										1				1
Kelly Lake	1	1				1			5					8
Pink Mountain						1	1					1		3
Sikanni Chief									2		1			3
Sunset Prairie												1	1	2
Taylor													1	1
Tomslake			1				1						1	3
Tumbler Ridge Inter-facility			1	1	1	2	1	1	1				1	9
Tumbler Ridge scene	1	2	2			1	2				1		1	10
Willow Valley						1								1
Wonowon					1	1		1			1		3	7
TOTAL	6	7	12	15	30	21	19	14	17	6	7	11	17	132



Last year, because of your support, STARS was able to carry out 13 inter-facility transfers and scene missions that occurred within the Peace River Regional District. Thank you for helping to support the residents of the Peace River Regional District in the communities and areas where they live, work and play.

Thank you for your steadfast commitment to STARS since 2007. Your commitment helps STARS maintain the highest level of critical care for your rural residents and ensures that health and safety is of the utmost priority.

WE ALL THANK YOU



"I am here today because you support STARS."

- STARS VIP, Larissa Helbig

"Thank you. My family and I feel better knowing STARS is in our community."

- STARS VIP, Caiden Hendry



"To know that total strangers kept me alive inside a helicopter because donors made it possible is overwhelming."

- STARS VIP, Hank Postma

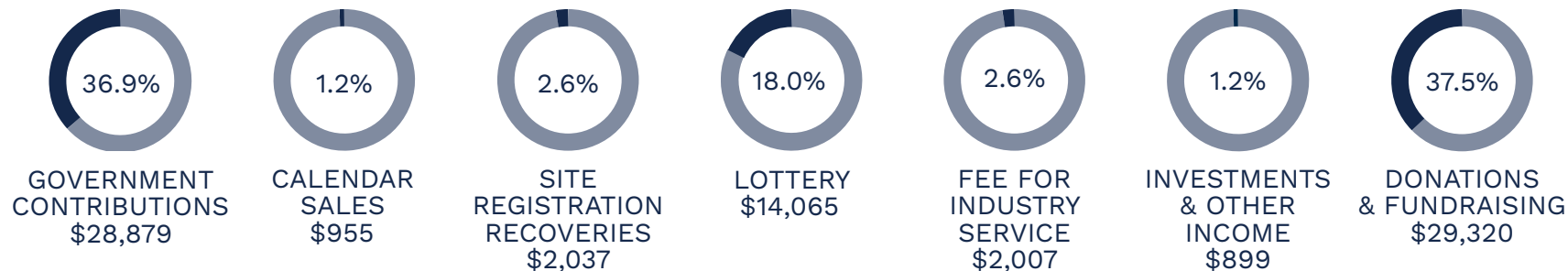
On behalf of our patients, their families, and all of us at STARS, thank you!

YOU SAVE LIVES

We are sincerely grateful for your commitment to fight for life, which continually improves and enhances our responsiveness to every patient's unique situation. This year, because of generous support from donors like you, STARS was able to acquire much needed tools, including upgraded infusion pumps, a newly implemented tele-health system for transport physicians, and we replaced our computer-aided dispatch system.

It's because of you that we are able to be there for the next critically ill or injured patient in Western Canada. Thank you!

FISCAL 2019 REVENUE BREAKDOWN FOR 6 BASES



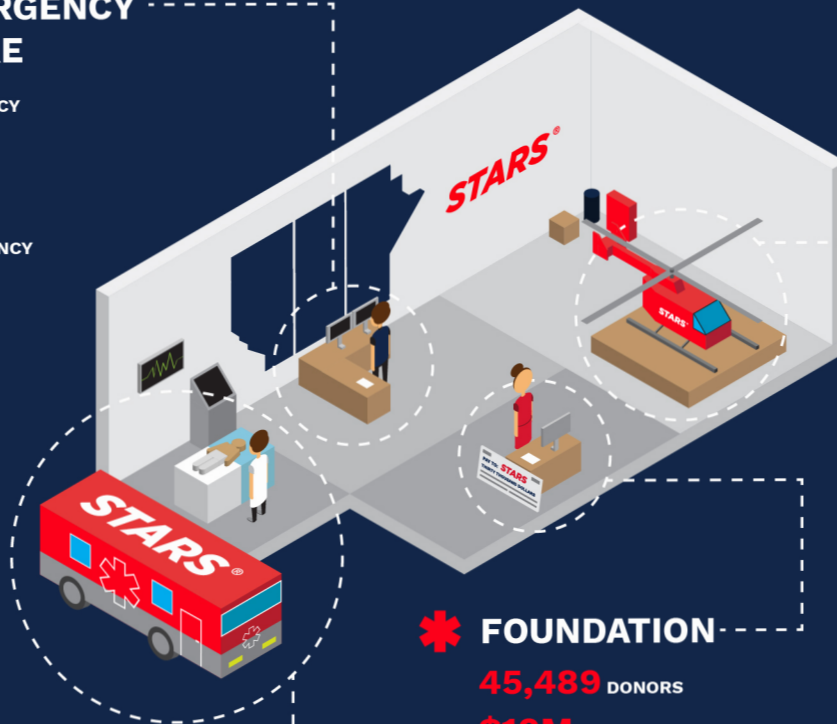
*Net fundraising revenues and operating revenues from the fiscal 2019 unaudited internal statements. For STARS' audited financial statements from previous years please visit stars.ca. Audited statements for fiscal 2019 will be available after the annual general meeting in September 2019.

* STARS EMERGENCY LINK CENTRE

22,697 EMERGENCY REQUESTS HANDLED

MORE THAN **5,000** INDUSTRY CALLS

62 AVERAGE EMERGENCY REQUESTS PER DAY



* EDUCATION THROUGH SIMULATION







2,251 MEDICAL PERSONNEL TRAINED
1,106 AB 652 SK 493 MB

* MISSIONS

2,878 YEARLY MISSIONS FLOWN FROM OUR BASES IN:
AB 1,434 SK 812 MB 632

8 DAILY AVERAGE MISSIONS

MORE THAN **42,000** MISSIONS SINCE 1985

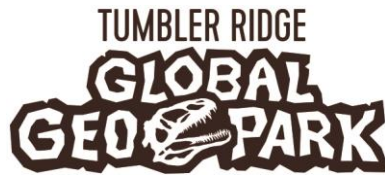
-  AGRICULTURAL **3%**
-  INDUSTRIAL **2%**
-  MEDICAL **65%**
-  RECREATIONAL **7%**
-  VEHICLE INCIDENT **17%**
-  TRAUMA **6%**

* FOUNDATION

45,489 DONORS

\$10M APPROXIMATE YEARLY COST TO RUN A BASE





Report to PRRD Directors on Geopark Grant Expenditures by Fiscal Year July 3, 2020

Background

This report has been generated by the Tumbler Ridge Global Geopark Society (TRGGS) staff at the request of the PRRD to better understand how grant monies from the PRRD have been used by the TRGGS.

Fiscal Investment

The table below shows a breakdown by fiscal year, which runs April 1 to March 31 annually. The impact of the PRRD funds can be clearly seen by the Geopark's ability to initially develop the Geopark Program, and then to hire and maintain staff. This core funding is critical to Geopark operations.

Over time, the Geopark has developed relationships with external funders, which support programming, marketing, and individual projects such as the Geo Interpretive Centre, new interpretive signage, development of education program, or the Annual Fishing Derby. The Geopark will continue to reach out for external funding, using the base of support from the PRRD from which to grow.

In 2018, the TRGGS entered into a contract to manage the Tumbler Ridge Visitor Centre. This was a three-year contract valued at \$150,000 annually. The contract expires in February, 2021, and the TRGGS Board of Directors have indicated to their District of Tumbler Ridge liaison that the Geopark wishes to continue management of the facility. Without this contract and the support from the PRRD, the Geopark program would diminish significantly, to the point which would not be sustainable for the UNESCO designation.

Table 1: Overview of PRRD Financial Contributions by Year and Spending Category

Fiscal Year	PRRD Contribution	TRGGS Breakdown of Expenditures By Fiscal Year
2014/15	\$55,000	Advertising: \$1761 Signage and Brochures: \$14,141 Evaluation: \$18,216 Meetings and Conferences: \$11,188 (includes a delegation to GGN conference, where the designation was announced) Total: \$45,306 Carried forward: \$9694

2015/16	\$200,000	Admin: \$10,050 (including audit, bank fees, insurance, office supplies, etc, for every year henceforth) Education: \$25,372 Events and Special Projects: \$4,778 Gift Shop Purchases: \$2,300 Meetings and Conferences: \$8,641 (includes GGN mandatory conference) Wages: \$31,862 Website: \$5,435 Total: \$88,438 Carried Forward: \$121,256
2016/17	\$0	Admin: \$9568 (includes annual GGN fee) Education: \$77 Events and special projects: \$1011 Geosite and Highway Signs: \$1218 Gift Shop Purchases: \$3629 Meetings and conferences: \$14,065 (includes delegation to GGN mandatory conference) Wages: \$73,235 Total: \$102,803 Carried Forward: \$18,453
2017/18	\$30,000	Admin: \$3,453 (includes annual GGN fee) Wages: \$45,000 Total: \$48,453 (\$30,000 received from PRRD, and \$18,453 from previous fiscal year carried forward)
2018/19	\$125,000	Admin: \$17,229 (includes 4-year Revalidation and annual GGN fee) Meetings and Conferences: \$5344 (includes GGN mandatory conference) Wages: \$102,427 Total: \$125,000
2019/20	\$125,000	Admin: \$3,730 (includes annual GGN fee) Board Development and Strategic Planning: \$6,103 Meetings and Conferences: \$3,381 (includes GGN mandatory conference) Wages: \$ 111,786 Total: \$125,000
2020/21	\$125,000	We are only three months into this Fiscal Year. The expenditures will show similar wages to 2018/19, a line for amalgamation legal fees, admin and wages.

The TRGGS are happy to break down any of the spending categories further or to answer any questions the PRRD may have as to how the investment is managed by the TRGGS.

Funding Breakdown Methodology and Assumptions

Prepared by Zena Conlin, TRMF General Manager

Data was gathered from the TRMF annual financial statements, input from a long-term board member, TRMF board meeting minutes, and information available through reviewing the PRRD agenda items and supporting material from 2014 – 2018.

Information based on other funding and grant based work led to a process of extrapolating data to generate a “best guess” breakdown of remaining expenses and how PRRD funds were distributed. This is also based on the assumption that PRRD funding was for operational expenses as no information was available to indicate that the funds were to be directed to specific projects. It appears the operational funding was leveraged to secure project specific monies, for example 500,000 building renovation through NDIT & Cultural Spaces grants and programmes funding through an annual sponsorship from Meikle Wind.

Also of note – only the broadest of categories were used as some of the more detailed categories accounted for less than half a percentage point. Where it made sense these detailed categories were combined, for example Office Supplies/General Office also includes janitorial and basic facility maintenance like the purchase of lightbulbs and snow clearing. Accounting and Legal also includes bookkeeping for the two years it has been outsourced. I’m happy to provide some further explanation if required. Only related expenditures were grouped together.

2018 – 2020: As the PRRD is well aware, the TRMF has experienced shift in operations over the last two years with staff turnover and capacities, and this is reflected in the sudden drop in the research and fieldwork categories resulting in a higher skew in other places. Fieldwork, et all, will begin to increase again in coming years as we redevelop our research program.

COVID-19 and the unknowns of 2020. The best estimate of the current year has been provided. Training has been considerably reduced as most opportunities have been cancelled for the remainder of the year. Office supplies have gone up with the increased cleaning protocols, and with an expected shortfall in earned revenue, we won’t understand the full impact until later in the year.

In estimation and despite the known anomalies, there’s a fairly consistent pattern to how funds were used.

TRMF - PRRD Funding Breakdown 2014-2020

Year	Amount	Wages & Benefits	Utilities	Telephone / Internet	Consulting Fees / Training	Insurance	Accounting / Legal	Office Supplies / General Office	Advertising / Promotion	Collections/Research/Fieldwork	
2014	\$ 125,000	56%	11%	2%	6%	5%	6%	2%		12%	100%
2015	\$ 200,000	53%	7%	1%	6%	5%	5%	1%	4%	18%	100%
2016	\$ 200,000	59%	6%	1%	8%	7%	3%	1%	2%	13%	100%
2017	\$ 200,000	56%	11%	2%	7%	5%	3%	1%		15%	100%
2018	\$ 200,000	61%	10%	1%	14%	2%	5%	2%	1%	4%	100%
2019	\$ 93,992	60%	20%	2%	2%	12%	2%	1%		1%	100%
2020	\$ 110,000	68%	8%	1%	2%	6%	6%	3%	1%	5%	100%
Total	\$ 1,128,992	Avg	59%	10%	1%	6%	4%	2%	2%	10%	

**REGIONAL GRANT-IN-AID POLICY**

Department	Finance	Policy No.	0340_70_33
Section	Grants	Date Approved by Board	September 5, 2019
Repeals		Board Resolution #	RD/19/09/22

Amended		Board Resolution #	
Amended		Board Resolution #	
Amended		Board Resolution #	

Repealed		Board Resolution #	
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1. Purpose

- 1.1 The Regional Grant-in-aid Policy establishes clear guidelines for the Board of Directors and staff for the evaluation, award and communication of Regional Grants-in-Aid to organizations seeking financial support for community led projects and programs that fall outside the regular service functions that are important for building a diverse, vast and abundant region.

2. Scope

- 2.1 This Statement of Policy applies to the Board of Directors, all staff and all organizations that apply for grant-in-aid from the Peace River Regional District.
- 2.2 This Statement of Policy applies to all regionally funded grant-in-aid (Grants to Community Organizations, Economic Development and Regional Recreation), excluding those grants with stand-alone policies, which are:
- Search and Rescue Grants
 - Recreational Trails Grants
- 2.3 This Statement of Policy does not apply to funding contribution requests received from other local governments (ie: government to government); or Rural Grant-in-Aid under the authority of the Rural Budgets Administration Committee.

3. Definitions

- 3.1 **Program:** An activity designed for a specific purpose which is led by a community organizations and improves the quality of life for residents.
- 3.2 **Service:** An initiative that serves a specific purpose is led by a community organization and provides a benefit to residents in the community.
- 3.3 **Project:** An undertaking that is planned to achieve a particular outcome or result; must have a specific set of goals and objectives; must have a defined start and finish date.
- 3.4 **Event:** An event that is either social, economic or recreational in nature; enhances the region and creates an economic benefit; may occur on a one-time or annual basis; must have a defined start and finish date.



4. Policy

- 4.1 Grants should support projects or initiatives that are regional in scope and serve or benefit residents throughout the regional district or in multiple electoral areas and municipalities.
- 4.2 The issuance of grants should be transparent in terms of awareness of, and access to the program.
- 4.3 Grants should support and encourage innovation in the delivery of services or benefits.
- 4.4 Grants should allow the Board to be flexible and responsive to emerging needs or unique opportunities
- 4.5 Grant funding may be authorized to support multi-year contributions up to a maximum of three consecutive years.
- 4.6 Grant contributions to support operational funding for more than three consecutive years and in excess of \$50,000 per year will be evaluated by the Board of Directors to determine whether a service function should be established.
- 4.7 Applicants should demonstrate their intent to become self-sustainable, in the absence of PRRD grants, in future years.
- 4.8 Recipients of grants must be accountable for the use of funds in accordance with their application.
- 4.10 Eligibility Criteria:
 - All applicants must be a registered, not-for-profit society in good standing as per the *Societies Act*.
 - Project types may include events (one time or recurring), the establishment of new or enhanced programs and services, or capital projects for public-use facilities.
 - Grant funding, if approved, may not be used to support individuals, families or businesses.
 - The organization will not receive taxes or requisition funds from local governments on an annual basis.
- 4.11 Application Criteria:
 - All applications must be submitted on electronic forms.
 - Applications must be received on or before December 31st each year.
 - Late applications will not be considered.
- 4.12 Approval Criteria:
 - The Committee of the Whole (CoW) will review all grant applications for merit using the following criteria:
 - a. New, Incremental Initiatives;
 - b. Community Need;
 - c. Geographic Scope;
 - d. Community Development; and
 - e. Cost Effectiveness.



5. Responsibilities

Boards of Directors shall:

1. At their sole discretion, evaluate and allocate Regional grant in aid funding during the annual budget process.

Finance shall:

1. Review applications to determine eligibility based on the criteria outlined in this policy.
2. Bring eligible applications to the Committee of the Whole for consideration during the annual budget process.
3. Ensure an annual listing of all grant recipients is posted on the PRRD website by August 31 to be available for public review.

Affiliated Procedure	
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Disclaimer: Federal and Provincial Acts, Legislation, and Law supersede this policy



REPORT

To: Chair and Directors

Report Number: ADM-BRD-067

From: Tyra Henderson, Corporate Officer

Date: August 14, 2020

Subject: Economic Development Function Options

RECOMMENDATION: [Corporate Unweighted]

That the Regional Board receive the report titled Economic Development Function Options - ADM-BRD-067, which provides the Board with options to consider for the continuation of Function 140 – Economic Development, for discussion.

BACKGROUND/RATIONALE:

At the June 11, 2020 Regional Board meeting, the following resolution regarding Economic Development was adopted:

MOVED, SECONDED, and CARRIED

That the Regional Board include consideration of the establishment of an economic development function, pertinent to the Electoral Areas only, in the upcoming workshop on the administration of regionally funded grants.

At the June 25, 2020 Board Meeting the Board resolved the following:

MOVED, SECONDED, and CARRIED

That the Regional Board schedule a Special Meeting for Tuesday, August 18th to review Regional Grants in Aid and Economic Development to determine a path forward for 2021.

MOVED, SECONDED, and CARRIED

That the Regional Board include consideration of the establishment of an economic development function, pertinent to the Electoral Areas only, in the upcoming workshop on the administration of regionally funded grants.

The Board considered a report from the Chief Financial Officer earlier in the meeting regarding the evaluation of STARS, TRGGS, TR Museum, and hockey events for establishment of a stand-alone function. Each of these initiatives have been funded from both Function 275 Grants to Community Organizations (which relies on Supplementary Letter Patent #23 dated March 30, 1986 and provided the PRRD with the authorities of Recreational Programmes, Community Services, Regional Parks, and Control of Noxious Weeds) **AND** from Function 140 – Economic Development, in previous years.

Option 1 – reliance on the existing authority, will not allow the PRRD to continue to provide Economic Development Grants as has been done in prior years. SLP #28 from 1978 specifically provided the Regional District the authority to operate an Industrial Development Commission, under terms and

conditions for its operations as established by the Regional Board and does not include Tumbler Ridge, which did not yet exist. Bylaw 166 sets the terms and conditions of the Commission, dubbed an Economic Development Commission, with the purpose being to “coordinate, facilitate, and promote economic development among member municipalities (which by context, includes electoral areas) pursuant to the Canada BC Industrial Development Subsidiary Agreement and its guidelines” (which no longer exists). The bylaw goes on to specify what the commission would undertake, primarily promotion of the region and provision of profile information to attract investment to the area, coordination of studies to assist with such attraction, and general business support and development. The SLP does not speak to provision of grants. The maximum requisition for this function is \$0.124/\$1000 as per Tax Limits Regulation 149, 1984.

Alternatively, the Regional Board may wish to pursue an economic development function on a regional basis (Option 2) or on an electoral area only basis (Option 3), or discontinue Economic Development (Option 4).

ALTERNATIVE OPTIONS:

1. That the Regional Board rely on the authority(ies) granted under Supplementary Letter Patent #28, dated February 24, 1978 and Peace-Liard Regional Economic Development Commission Bylaw 166, 1978 for the economic development function in 2021.
2. That the Regional Board seek to convert Supplementary Letter Patent #28, dated February 24, 1978 into an Economic Development Service Establishment Bylaw that includes the ability to provide grants in aid, with all electoral areas and member municipalities as participants.
3. That the Regional Board seek to convert Supplementary Letter Patent #28, dated February 24, 1978 into an Economic Development Service Establishment Bylaw that includes the ability to provide grants in aid, with only the electoral areas as participants.
4. That the Regional Board seek to convert Supplementary Letter Patent #28, dated February 24, 1978 into an Economic Development Service Establishment Bylaw for the purpose of repeal, thereby eliminating the function.
5. That the Regional Board provide further direction.

STRATEGIC PLAN RELEVANCE:

- ☒ Not Applicable to Strategic Plan.

FINANCIAL CONSIDERATION(S):

The Economic Development Function budget totaled \$927,338.00 in 2020.

COMMUNICATIONS CONSIDERATION(S):

Information regarding the availability of economic development grants and the application process is posted to the PRRD website, which will be updated to reflect the 2021 reality.

OTHER CONSIDERATION(S):

The deadline for completion of a conversion bylaw that is applicable to the 2021 taxation year is October 1, 2020. It will be impossible to complete a conversion bylaw prior to that date for economic development, as a conversion bylaw requires Ministry approval; the website suggests that 6-8 weeks is the usual timeline for Ministry approval of bylaws. Therefore, as SLP 28 provides no authority for grants in aid, and a conversion cannot be completed for the 2021 taxation year, the PRRD will not be in a position to provide Economic Development Grants in 2021.

Attachments:

1. Supplementary Letter Patent #28, DIVISION XXI - Industrial Development Commission
2. Peace Liard Regional Economic Development Commission Bylaw 166, 1978



Call s. ellum
Lieutenant-Governor

28

C A N A D A

PROVINCE OF BRITISH COLUMBIA

ELIZABETH the SECOND, by the Grace of God, of the United
Kingdom, Canada and Her other Realms
and Territories, Queen, Head of the
Commonwealth, Defender of the Faith.

To all to whom these presents shall come -

GREETING.

Minister of
Municipal Affairs
and Housing

(WHEREAS by section 766 of the
(
(Municipal Act it is provided,
(
(inter alia, that in addition
(
(to the functions conferred by
(
(that Act, a regional district

has such functions as are provided by Letters Patent or supple-
mentary Letters Patent and for this purpose, the Lieutenant-

Governor in Council may, on the recommendation of the Minister, provide in the Letters Patent, or supplementary Letters Patent, such further objects, powers, obligations, duties, limitations, and conditions in respect to any or all functions requested pursuant to this section:

AND WHEREAS the Regional Board of the Peace River-Liard Regional District has requested that the regional district be empowered to undertake the function of Industrial Development Commission with The Corporation of the City of Dawson Creek, City of Fort St. John, District of Hudson's Hope, Village of Chetwynd, The Corporation of the Village of Pouce Coupe, Village of Taylor and Electoral Areas A, B, C, D and E as participating member municipalities:

AND WHEREAS under the provisions of subsection (4b) of section 766 of the Municipal Act the annual net cost of any function granted pursuant to subsection (4a) of said section shall not exceed the product of two mills on the assessed values referred to in subsection (1) of section 782 within the participating municipalities, and the annual net cost of all functions granted pursuant to subsection (4a) shall not exceed the product of three mills on such assessed values:

AND WHEREAS the provisions of section 766 of the Municipal Act have been duly complied with:

NOW KNOW YE THAT by these presents We do order and proclaim that on, from, and after the date hereof, the following be added to the objects, powers, obligations,

duties, limitations and conditions of the Peace River-Liard Regional District;

DIVISION XXI
INDUSTRIAL DEVELOPMENT COMMISSION

1. The regional board may establish, maintain and operate an Industrial Development Commission with The Corporation of the City of Dawson Creek, City of Fort St. John, District of Hudson's Hope, Village of Chetwynd, The Corporation of the Village of Pouce Coupe, Village of Taylor and Electoral Areas A, B, C, D and E as participating member municipalities subject to the provisions of paragraphs 2 and 3 hereof.

2. (1) The regional board may undertake, establishment, maintenance and operation of an Industrial Development Commission on behalf of one or more participating member municipalities and may fix the terms and conditions under which the Commission will operate.

(2) Before exercising the powers under subsection (1), the regional board shall obtain the written consent of the Council of each municipality and the Director of each electoral area thereby affected to the establishment, maintenance and operation of the Industrial Development Commission, and shall, by by-law, a copy of which shall be deposited in the office of the Inspector of Municipalities name the participating member municipalities and in the event a defined area of an electoral area is designated a participating member municipality, such defined area shall be defined by metes and bounds description in the said by-law.

3. Unless the assent of the owners of land has been first obtained to the by-law referred to in paragraph 2 (2) hereof insofar as an electoral area or defined area thereof is affected and unless the written consent of the Council of a municipality that is affected has been first obtained, the annual net cost attributable to this function shall not exceed

in any electoral area or defined area thereof, the product of one-half mill on taxable assessed values of improvements for school purposes in the current year excluding property that is taxable for school purposes only by special Act, and in any municipality shall not exceed the product of one-half mill on taxable assessed values for general municipal purposes in the current year.

4. The annual net cost pursuant to this Division shall be apportioned among the member municipalities liable to share such costs on the basis of assessment which may be taxed in the current year for general municipal purposes in the municipalities and on the basis of assessment of improvements for school purposes, excluding property that is taxable for school purposes only by special Act, in the electoral areas.

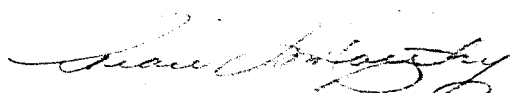
5. No debt, other than temporary current borrowing, shall be incurred for the purposes of this function.

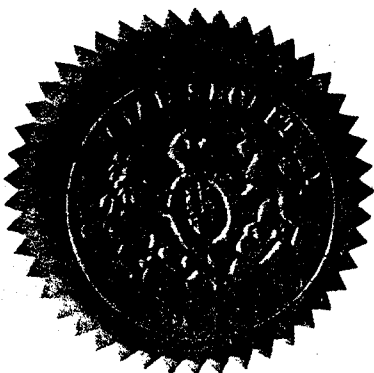
AND THAT the Letters Patent of the Peace River-Liard Regional District be deemed to be further amended accordingly.

IN TESTIMONY WHEREOF, We have caused these Our Letters to be made Patent and the Great Seal of Our said Province to be hereunto affixed.

WITNESS, Colonel, the Honourable Walter S. Owen, Q.C., LL.D., Lieutenant-Governor of Our said Province of British Columbia, in Our City of Victoria, in Our said Province, this 24th day of February, in the year of Our Lord one thousand nine hundred and seventy-eight and in the twenty-seventh year of Our Reign.

By Command.

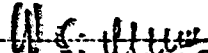

Provincial Secretary and
Minister of Travel Industry.





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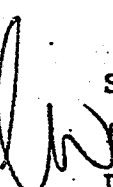
APPROVED AND ORDERED 24 FEB 1978

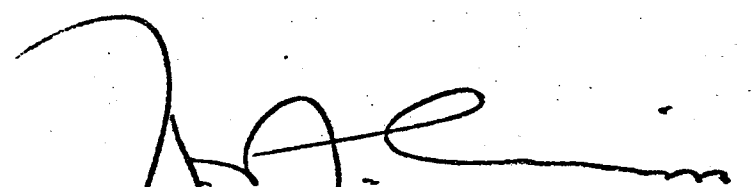

Lieutenant-Governor


EXECUTIVE COUNCIL CHAMBERS, VICTORIA 24 FEB 1978

Pursuant to the Municipal Act, and upon the recommendation of the undersigned, the Lieutenant-Governor, by and with the advice and consent of the Executive Council, orders that

WHEREAS the Regional Board of the Peace River-Liard Regional District has requested that the regional district be empowered to undertake the function of Industrial Development Commission with The Corporation of the City of Dawson Creek, City of Fort St. John, District of Hudson's Hope, Village of Chetwynd, The Corporation of the Village of Pouce Coupe, Village of Taylor and Electoral Areas A, B, C, D and E as participating member municipalities.

 SUPPLEMENTARY LETTERS PATENT in the form attached hereto do issue which grants the function of Industrial Development Commission to the Peace River-Liard Regional District.


Minister of Municipal Affairs and Housing.


Presiding Member of the Executive Council.

PEACE RIVER - LIARD REGIONAL DISTRICT

BY-LAW NO. 166

Being a By-law of the Peace River-Liard Regional District to establish, maintain and operate an Economic Development Commission on behalf of participating municipalities as provided herein

WHEREAS by Supplementary Letters Patent dated the 24th day of February, A.D. 1978, Colonel, the Honourable Walter S. Owen, Q.C., LL.D., Lieutenant Governor of the Province of British Columbia, on the recommendation of the Minister of Municipal Affairs and Housing pursuant to section 766 of the Municipal Act, has Ordered and Proclaimed that the Peace River-Liard Regional District may establish, maintain and operate an Economic Development Commission with the Corporation of the City of Dawson Creek, City of Fort St. John, District of Hudson's Hope, Village of Chetwynd, the Corporation of the Village of Pouce Coupe, Village of Taylor and Electoral Areas A, B, C, D and E as participating member municipalities provided that the written consent of the Council of each municipality and the Director of each electoral area thereby affected has first been obtained;

AND WHEREAS written consents to the establishment, maintenance and operation of an Economic Development Commission have been obtained from the Councils of Dawson Creek, Fort St. John, Hudson's Hope, Chetwynd, Pouce Coupe and Taylor and from the Directors of the Electoral Areas A, B, C, D and E for the whole of each respective Electoral Area;

NOW THEREFORE in open meeting assembled, the Board of Directors of the Peace River-Liard Regional District enacts as follows:

1. An Economic Development Commission consisting of the Corporation of the City of Dawson Creek, City of Fort St. John, District of Hudson's Hope, Village of Chetwynd, Corporation of the Village of Pouce Coupe, Village of Taylor and the whole of Electoral Areas A, B, C, D and E respectively, as participating member municipalities, is hereby established and shall be called the "Peace-Liard Regional Economic Development Commission" (hereinafter "The Commission").
2. The purpose and function of the Commission shall be to co-ordinate, facilitate and promote economic development among member municipalities, pursuant to the Canada-B.C. Industrial Development Subsidiary Agreement and its guidelines and, without derogating from the generality of the foregoing, such functions shall include:
 - (a) the preparation of a regional profile leading to the development, management and implementation of a regional economic development plan.
 - (b) in agreement with the Ministry of Economic Development, initiate and co-ordinate such studies as might be identified as being essential to the attainment of economic development in the region. Where such studies are to be funded under the Industrial Development Subsidiary Agreement; the prior approval of the Industrial Development Committee is required.
 - (c) the preparation and dissemination of promotional material and economic data for the region within the approved budget guidelines.

PEACE RIVER - LIARD REGIONAL DISTRICT

BY-LAW NO.166

2. (d) promotion of the region for economic purposes on the understanding that commissioners and their staff would not be permitted to travel or conduct other promotional activities outside of the Province unless given explicit permission to do so by the Ministry of Economic Development.
- (e) functioning as a regional contact for business development enquiries.
- (f) provision of assistance to businesses in dealing with all levels of governments.
- (g) the preparation of an annual report and budget for the Industrial Development Committee.
- (h) the performance of other normal administrative duties.
3. (a) The Commission shall consist of five directors, appointed by Resolution of the Peace River-Liard Regional District upon the recommendation of Ad-Hoc sub committees established as follows:

Sub Committee 1

Chetwynd
Dawson Creek
Pouce Coupe
Electoral Areas D & E

Sub Committee 2

Fort St. John
Taylor
Hudson's Hope
Electoral Areas B & C

Sub Committee 3

Electoral Area A
Fort Nelson

- (b) Two (2) Directors shall be appointed from member municipalities South of the Peace River, two (2) Directors shall be appointed from member municipalities North of the Peace River and one (1) Director shall be appointed from Electoral Area A.
- (c) Each sub-committee may designate an alternate Director from among its member municipalities.
- (d) Directors shall be appointed to serve until December 31, 1978, and shall be appointed for (1) year terms expiring December 31 every year thereafter but may be removed for just cause by resolution of the Peace River-Liard Regional District.
- (e) The number of Directors may be increased or decreased by resolution of the Peace River-Liard Regional District.
- (f) Each year the Directors shall elect from among their members a Chairman of the Commission who shall hold office at the pleasure of the Commission.
4. The annual net costs attributable to the commission shall not exceed in any Electoral Area the product of one half mill on taxable assessed values of improvements for school purposes in the current year excluding property that is taxable for school purposes only by special Act and in any municipality shall not exceed the product of one half mill on taxable assessed values for general municipal purposes in the current year.

Bylaw 393, 1994 amended 2d to read: Promotion of the region for Economic purposes on the understanding that Commissioners and their staff are permitted to travel or conduct other promotional activities within the Provinces of BC and AB, with activities in other geographic areas requiring the permission of the PRLD Board.

5. The annual net costs of the Commission shall be apportioned among the member municipalities liable to share such costs on the basis of assessment that may be taxed in the current year for general municipal purposes in the municipalities and on the basis of assessment of improvements for school purposes, excluding property that is taxable for school purposes only by special Act, in the Electoral Areas.

PEACE RIVER - LIARD REGIONAL DISTRICT

BY-LAW NO. 166

6. No debt, other than temporary current borrowing shall be incurred for purposes of the Commission.
7. (a) During the first three (3) years of the Commission the Commission shall submit an annual budget to the Industrial Development Committee established pursuant to the Canada British Columbia Industrial Development Subsidiary Agreement for purposes of obtaining Federal/Provincial financial assistance for approved eligible costs (hereinafter defined) as follows:
 - Year 1 - 90% (per cent) of Commission's approved eligible costs.
 - Year 2 - 70% (per cent) of Commission's approved eligible costs.
 - Year 3 - 50% (per cent) of Commission's approved eligible costs.
- (b) The Commission shall contribute the balance of approved eligible costs and all in-eligible costs over the three-year period and thereafter, all costs incurred by the Commission should be borne by the Commission as far as practicable, without further financial assistance from senior levels of Government.
- (c) Federal/Provincial funding in subsequent years may be available upon the Commission's providing an annual budget to the Ministry of Economic Development not less than three (3) months in advance of the next fiscal year.
- (d) Eligible costs are herein defined as those costs incurred by the Commission for activities relating to economic development, including:
 - (i) salary and benefit costs;
 - for a qualified economic development commissioner and for appropriate support staff
 - the salary and benefit levels of commission employees will be consistent with those in the area concerned and will be in accord with levels established by the Industrial Development Committee
 - (ii) rental of office space;
 - (iii) office and administrative costs;
 - (iv) travel costs;
 - travel expenses will be paid in accordance with standard practices.
 - do not include travel costs related to promotional activities outside the Province, except by special arrangement
 - (v) printing and advertising costs;
 - this would include the cost of publishing reports and economic promotion material related to the region
 - advertising costs will be permitted only with the approval of the Industrial Development Committee
- (e) Annual operating and financial audits shall be provided to the Industrial Development Committee by the Commission.
- (f) Fiscal responsibility for the Commission shall ultimately rest with the Regional District.

PEACE RIVER - LIARD REGIONAL DISTRICT

BY-LAW NO.166

8. The offices of the commission shall be those of the Peace River-Liard Regional District, subject to review.
9. (a) The commission shall appoint an Economic Development Commissioner pursuant to the guidelines marked Schedule "A" and forming part of this By-law, such Commissioner to be paid annual salary commensurate with his qualifications and within the budgetary limits of the Commission.
(b) The duties of the Economic Development Commissioner shall be substantially in accordance with the guidelines marked Exhibit "B" and forming part of this By-law.
(c) The Economic Development Commissioner may be removed by the Commission at any time for cause.
(d) The commission may employ additional appropriate support staff as required.
10. Remuneration and reimbursement of expenses for Directors (including the Chairman of the Commission) alternate Directors, Economic Development Commissioner and employees of the Commission shall be in accordance with the provisions of the Peace River-Liard Regional District, Chairman, Directors, Alternate Directors and Employees Remuneration and Expense By-law No.150, 1977 as amended.
11. This By-law shall be cited as "Peace-Liard Regional Economic Development Commission By-law No.166, 1978."

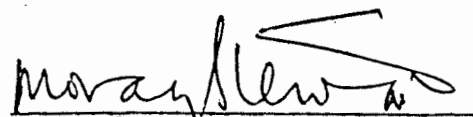
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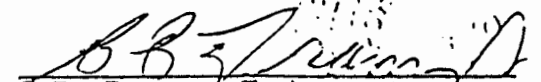

READ A THIRD TIME THIS 26th day of September, 1978

RECONSIDERED, PASSED AND ADOPTED THE 26th day of September, 1978

CERTIFIED a true and correct copy
of By-law No.166 cited as "Peace-
Liard Regional Economic Development
Commission By-law No.166, 1978"


Moray Stewart, Administrator

THE CORPORATE SEAL of
the Peace River-Liard
Regional District was
hereto affixed in the
presence of:


C.E. Framst, Chairman

Moray Stewart, Administrator

SCHEDULE A TO PEACE-LIARD REGIONAL ECONOMIC
DEVELOPMENT COMMISSION BY-LAW NO. 166, 1978.

Individuals hired as economic development commissioner will be expected to be qualified by virtue of past experience or formal training to competently carry out those duties itemized in the job description. The job is open to both men and women.

Specifically, the economic development commissioner should meet the following prerequisites;

- EDUCATION: University degree in business or other appropriate discipline and/or substantial related experience in northern business industry;
- EXPERIENCE: 10 years business or related experience and familiarity with the region are desirable. Knowledge of government operations and a demonstrated ability to work effectively with local/regional groups. Experience in North Eastern B.C.;
- RESIDENCY: Present local residence not mandatory but the successful candidate must be willing to relocate within the region.
- ADDITIONAL REQUIREMENTS:
- Public speaking experience.
 - Ability to conduct effective company interviews.
 - Ability to prepare written reports.
 - Ability to work independently and effectively.
 - Willingness to travel extensively within the region.
 - Must have a car available for business use.

SCHEDULE B TO PEACE-LIARD REGIONAL ECONOMIC
DEVELOPMENT COMMISSION BY-LAW NO. 166, 1978.

THE ECONOMIC DEVELOPMENT COMMISSIONER SHALL BE RESPONSIBLE FOR THE FOLLOWING:

1. REGIONAL PROFILE AND ECONOMIC DEVELOPMENT PLAN

- Prepare, maintain, and disseminate information on available land, buildings, and other facilities.
- compile community profiles incorporating economic and other data in co-operation with senior levels of government.
- identify new business opportunities.
- identify obstacles to development and propose means for removing same.
- identify potential for improving/expanding existing business.
- prepare an economic development plan covering the whole spectrum of business activity and manage this plan.

11. RESEARCH

- in co-operation with the Provincial Government, identify needs for research into economic potential.
- identify the needs of the business community and relate to appropriate government programs and services.

111. LIAISON WITH GOVERNMENT AGENCIES

- maintain active contacts with relevant agencies at all levels of government.
- co-ordinate their operations with the Ministry of Economic Development.
- work towards reduction of "red tape" at all levels of government as it pertains to regional economic development.
- be familiar with and stimulate the use of government programs and services.

IV. PROMOTION

- act as a regional advocate in promotion additions to industrial land, buildings, etc.
- co-ordinate and promote regional/community opportunities within the broader provincial context including support for positive action groups.
- support the business community in their approach to government for assistance.
- prepare and publish information/promotional literature as necessary.

NOTE: Out-of-Province promotion including travel must be co-ordinated and approved by the Ministry of Economic Development.

SCHEDULE B TO PEACE-LIARD REGIONAL ECONOMIC
DEVELOPMENT COMMISSION BY-LAW NO. 166, 1978.

V. BUSINESS LIAISON

- co-ordinate visits to region by prospective investors.
- establish and maintain active contacts within the business community throughout the region, travelling as required.
- act as a regional contact for business development enquiries.

VI. ADMINISTRATION

- hire and supervise support staff.
- some financial administration.
- prepare and submit reports as required.
- other normal administrative duties.



REPORT

To: Chair and Directors

Report Number: ADM-BRD-068

From: Shawn Dahlen, Chief Administrative Officer

Date: August 12, 2020

Subject: Regional Grant-in-Aid – Function 275 and 280

RECOMMENDATION #1: [Corporate Unweighted]

That the Regional Board receive the report titled Regional Grant-in-Aid Function 275 and 280, which provides the Board with options to consider for the continuation of Function 275 and 280 Regional Grant-in-Aid, for discussion.

BACKGROUND/RATIONALE:

Following the May 7, 2020 Board meeting, staff completed a preliminary review of the Supplementary Letters Patent (SLP) that have been relied upon for decades as the authority for Regional Grants-in-Aid (Function 275).

SLP #23

(DIVISION XVI – REC PROGRAMS, DIVISION XVII – COMMUNITY SERVICES, DIVISION XVIII – REGIONAL PARKS, DIVISION XIX – NOXIOUS WEEDS)

Dated March 31, 1976, provides no direct authority for provision of grants. At that time, the Peace River Liard Regional District was given approval to offer recreational programming, community services (acquisition of property for recreation or community uses by the public) regional parks (acquisition and operation of property for park use), and control of noxious weeds.

SLP #37 (AMENDS MAX REQUISITION FOR REC PROGRAMMING, COMMUNITY SERVICES, etc.)

Dated June 19, 1980, amends Division XVI Recreational Programmes and Division XVII Community Services wording from SLP #23 to include “shall not exceed the product of one-quarter of one mill on the current taxable assessed value of improvements for school purpose.” (increased the maximum requisition allowable for these authorities).

SLP #38 (DIVISION XXIII – RECREATION FACILITIES GRANTS IN AID)

Dated June 19, 1980, provided authority for recreation facility grants-in-aid, funded only by the **electoral areas**, as noted below:

“The Regional District may make grants in aid to assist in meeting the cost of operation and maintenance of recreation facilities serving the participating member municipalities referred to in paragraph 1.”

**Paragraph 1 mentions only Electoral Areas A, B, C, D, and E as the participants in this function – don’t be confused by the reference to the participants as member*

municipalities, as in fact, the participants are all electoral areas and NO municipalities are participants in this authority.

This SLP is obsolete as the authority was converted by Recreation and Cultural Facilities Grants-In Aid Conversion Bylaw No. 669, 1990.

The careful examination of the authority in place for grants-in-aid, first given through SLP #38, and later converted to an established function through Recreation and Cultural Facilities Grants-In Aid Conversion Bylaw No. 669, 1990, means that Regional Grants-in-Aid can no longer be administered as they have been in the past, as there is no authority to do so.

Under the current authority, (Conversion Bylaw 669, 1990) the grants-in-aid are funded only by the electoral areas, and allow for grants only for operation and maintenance of recreation facilities. Health care scholarships, community event grants, and many other grants previously approved as part of this function cannot be permitted.

ALTERNATIVE OPTIONS:

1. That the Regional Board continue administering regional grants-in-aid according to the Recreation and Culture Facilities Grants-in-Aid Conversion Bylaw No. 669, 1990 (Supplementary Letter Patent #38).
2. That the Regional Board seek amendment of the Recreation and Culture Facilities Grants-in-Aid Conversion Bylaw No. 669, 1990 (Supplementary Letter Patent #38) to become inclusive of health care grants, as well as revisiting maximum amounts expended.
3. That the Regional Board continue administering Supplementary Letter Patent No. 23 for recreational programs, community services, regional parks and control of noxious weeds.
4. That the Regional Board seek the conversion of Supplementary Letter Patent No. 23, to a Service Establishment Bylaw to be inclusive of a regional grant-in-aid service.
5. That the Regional Board provide further direction.

STRATEGIC PLAN RELEVANCE:

- ☒ Organizational Effectiveness
- ☒ Comprehensive Policy Review

FINANCIAL CONSIDERATION(S):

\$234,304 was approved for Regional Grant-in-Aid for 2020. (Function 275)

\$279,650 was approved for Recreational and Cultural Facilities for 2020. (Function 280)

COMMUNICATIONS CONSIDERATION(S):

None at this time.

OTHER CONSIDERATION(S):

SLP # 23 is administered under Function 275.

SLP # 38 is administered under Function 280.

The deadline for completion of a conversion bylaw that is applicable to the 2021 taxation year is October 1, 2020. It will be impossible to complete a conversion bylaw prior to that date, if that is the Board's direction, as a conversion bylaw or bylaw amendments in this case, require Ministry approval. The Ministry website suggests a 6-8 week turn-around time for approval of bylaws. As SLP's 38, 23 and Bylaw 669, 1990 provide no authority for grants outside of their identified parameters, it is unlikely that Regional grants not applicable to existing SLP's and Bylaws, will be approved through the 2021 financial process.

Attachments:

1. Recreation and Cultural Facilities Grants-In Aid Conversion Bylaw No. 669, 1990
2. SLP #23
3. SLP #37
4. SLP #38

PEACE RIVER REGIONAL DISTRICT

BY-LAW NO. 669, 1990

A by-law to convert the function
of Recreation and Cultural Facilities Grants-in-Aid
to a local service.

WHEREAS pursuant to Section 767(4) of the Municipal Act, a regional district exercising a power to provide a service other than a general service, is required to adopt a by-law respecting that service which:

- a) meets the requirements of Section 794 for an establishing by-law, and
- b) is adopted in accordance with the requirements of Section 802 as if it were a by-law amending an establishing by-law.

AND WHEREAS the Board of the Peace River Regional District was granted the function of Recreation and Cultural Facilities Grants-in-Aid by supplementary Letters Patent, dated June 19, 1980 as amended, with Electoral Areas "B", "C", "D", and "E" as participating member municipalities;

AND WHEREAS the Board of the Peace River Regional District wishes to convert its Recreation and Cultural Facilities Grants-in-Aid function to a local service;

AND WHEREAS the participating member municipalities have consented, in writing, to the adoption of this by-law;

NOW THEREFORE the Board of the Peace River Regional District, in open meeting assembled, enacts as follows:

Service Being Established

1. The function of Recreation and Cultural Facilities Grants-in-Aid, granted by supplementary Letters Patent, dated June 19, 1980, as amended is hereby established as the local service of Recreation and Cultural Facilities Grants-in-Aid.

Participating Areas

2. The participants in the local service established under Section 1, are Electoral Areas "B", "C", "D", and "E".

Limit on Annual Operating Expenses

3. The maximum amount that may be expended for annual operating costs for the service shall be greater of:

For Electoral Area "B":

- a) \$107,625; or
- b) the product of a property value tax of \$0.297 for each \$1,000 of net taxable value of improvements included in the service area.

For Electoral Area "C":

- a) \$26,790; or
- b) the product of a property value tax of \$0.281 for each \$1,000 of net taxable value of improvements included in the service area.

For Electoral Area "D":

- a) \$20,205; or
- b) the product of a property value tax of \$0.207 for each \$1,000 of net taxable value of improvements included in the service area.

For Electoral Area "E":

- a) \$86,095; or
- b) the product of a property value tax of \$0.347 for each \$1,000 of net taxable value of improvements included in the service area.

Cost Recovery

4. The annual operating costs for the service shall be recovered by:
 - a) requisition under Section 809.1 of the Municipal Act to be collected by a property value tax in the local service area, to be levied and collected under Section 810.1(1) on improvements only.

Apportionment of Costs

5. The annual net cost attributable to this service shall be borne directly by that electoral area within which the Recreation and Cultural Facilities Grants-in-Aid is provided.

Citation

6. This by-law may be cited for all purposes as "Recreation and Cultural Facilities Grants-in-Aid Conversion By-law No. 669, 1990".

READ A FIRST TIME THIS 22nd DAY OF February, 1990.

READ A SECOND TIME THIS 22nd DAY OF February, 1990.

READ A THIRD TIME THIS 27th DAY OF April, 1990.


APPROVED by the Inspector of Municipalities pursuant to Section 802(6) of the Municipal Act this 2nd DAY OF May, 1990.

RECONSIDERED, FINALLY PASSED AND ADOPTED, with the consent of at least two-thirds of the participants this 24th DAY OF May, 1990.

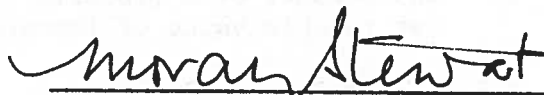
FILED WITH THE INSPECTOR OF MUNICIPALITIES THIS _____ DAY OF _____, 1990.

CERTIFIED A TRUE AND CORRECT COPY of "Recreation and Cultural Facilities Grants-in-Aid Conversion By-law No. 669, 1990".

THE CORPORATE SEAL of the Peace River Regional District was hereto affixed in the presence of:



Moray Stewart, Administrator


Ben Knutson, Chairman


Moray Stewart, Administrator

I HEREBY CERTIFY THE FOREGOING to be a true and correct copy of By-law No. 669, 1990 cited as "Recreation and Cultural Facilities Grants-in-Aid Conversion By-law No. 669, 1990" as read a third time by the Regional Board of the Peace River Regional District at a meeting held on the 27th day of April, 1990.

Dated at Dawson Creek, B.C. this 27th day of April, 1990.


F. COVE
Deputy Clerk Administrator
Moray Stewart, Administrator

(LAW21) [By-law No. 669]



23
Lieutenant-Governor

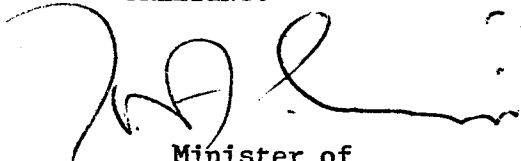
C A N A D A

PROVINCE OF BRITISH COLUMBIA

ELIZABETH the SECOND, by the Grace of God, of the United
Kingdom, Canada and Her Other Realms and
Territories, Queen, Head of the Common-
wealth, Defender of the Faith,

To all to whom these presents shall come -

GREETING.


Minister of
Municipal Affairs

(WHEREAS by section 766 of the
(
(Municipal Act it is provided
(
(inter alia, that, in addition
(
(to the functions conferred by

that Act, a regional district has such functions as are
provided by Letters Patent or supplementary Letters Patent,
and for this purpose the Lieutenant-Governor in Council may,
on the recommendation of the Minister, provide in the

Letters Patent or supplementary Letters Patent such further objects, powers, obligations, duties, limitations and conditions in respect to any or all functions requested pursuant to this section:

AND WHEREAS the Regional Board of the Peace River-Liard Regional District has requested that the further functions of recreational programmes, community services, regional parks and control of noxious weeds and other growths be granted to the regional district under the provisions of section 766(4a) of the Municipal Act:

AND WHEREAS, under the provisions of subsection (4b) of section 766 of the Municipal Act, the annual net cost of any function granted pursuant to subsection (4a) of said section shall not exceed the product of two mills on the assessed values referred to in subsection (1) of section 782 within the participating municipalities and the annual net cost of all functions granted pursuant to subsection (4a) shall not exceed the product of three mills on such assessed values:

AND WHEREAS the provisions of section 766 of the Municipal Act have been duly complied with:

NOW KNOW YE THAT by these presents we do order and proclaim that on, from, and after the date hereof the following be added to the objects, powers, obligations, duties, limitations and conditions of the Peace River-Liard Regional District:

DIVISION XVI - RECREATIONAL PROGRAMMES

1. All member municipalities participate and share in the cost of the regional district pursuant to this function.

2.(1) The regional district may undertake a recreational programme for one or more member municipalities or defined portions thereof and may fix the terms and conditions under which the programme will be provided, and, without limiting the generality of the foregoing, may undertake different programmes for different member municipalities or defined portions thereof.

(2) Before exercising the powers under clause (1) the Regional Board shall obtain the written approval of the Director or Directors elected in every municipality and the elected Director of every electoral area to the recreational programme proposed to be undertaken for such municipality or electoral area or defined portion thereof, and, by by-law, a copy of which shall be deposited in the office of the Inspector of Municipalities, name the participating member municipalities, and in the event a defined portion of an electoral area is designated a participating member municipality, such area shall be defined by metes and bounds description in said by-law, and the said by-law shall declare participating member municipalities and (or) portions thereof a recreational programme unit.

(3) The provisions of section 631 of the Municipal Act apply, mutatis mutandis, to the regional district, provided, however, that the Regional Board may appoint more than one recreation commission.

(4) The annual amount requisitioned for the purposes of this function when added to the cost of the

function of Division XVII - Community Services, shall not exceed the product of one mill on the current taxable assessed values of improvements for school purposes, excluding all property that is taxable for school purposes only by special Act. All the member municipalities and (or) portions thereof declared a recreational programme unit participating in any programme determined under clause (1) hereof and the net cost of each recreational programme unit shall be apportioned among the participating member municipalities on the basis of assessed value of improvements taxable for school purposes excluding property that is taxable for school purposes only by special Act. The amount of the requisition to meet the costs of this function shall be assessed and levied upon the said assessed value of improvements only in the electoral areas.

(5) The borrowing power of the regional district for this function is nil.

DIVISION XVII - COMMUNITY SERVICES

1. All member municipalities participate and share in the cost of the regional district pursuant to this function.

2. The regional board may by by-law acquire by lease or otherwise, accept and hold, any real or personal property for recreation or community uses of the public.

3.(1) The regional district may exercise this function for one or more member municipalities or defined portions thereof and may fix the terms and conditions under which the service will be provided and without limiting the generality of the foregoing may vary the service for different member municipalities or defined portions thereof.

(2) Before exercising the powers under clause (1) the regional board shall obtain the written approval

of the Director or Directors elected in every municipality and the elected Director of every electoral area to the service proposed to be undertaken for such municipality or electoral area or defined portion thereof and by by-law, a copy of which shall be deposited in the Office of the Inspector of Municipalities, name the participating member municipalities and in the event a defined portion of an electoral area is designated a participating member municipality such area shall be defined by metes and bounds description in the said by-law and the said by-law shall declare participating member municipalities and (or) portions thereof as a community service unit.

(3) The annual amount requisitioned for the purposes of this function when added to the cost of the function, Division XVI - Recreational Programmes, shall not exceed the product of one mill on the current taxable assessed value of improvements for school purposes excluding all property that is taxable for school purposes only by special Act. All the member municipalities and (or) portions thereof declared to be a community service unit participating in a programme determined under clause (1) hereof and the net cost of each community service unit shall be apportioned among the participating member municipalities on the basis of assessed value of improvements taxable for school purposes excluding property that is taxable for school purposes only by special Act. The amount of the requisition to meet the costs of this function shall be assessed and levied upon the said assessed value of improvements only in the electoral areas.

(4) The borrowing power of the regional district for this function is nil.

DIVISION XVIII - REGIONAL PARKS

1. All member municipalities participate and share in the cost of the regional district pursuant to this Division.

2. The regional district may acquire, develop, operate, and maintain regional parks, and for this purpose the provisions of the Regional Parks Act apply.

3. The annual net cost attributable to this function shall be apportioned among the member municipalities referred to in paragraph 1 on the basis of the current assessed value of improvements taxable for school purposes excluding property that is taxable for school purposes only by special Act and shall not exceed an amount equal to the sum of the product of one-tenth of one mill on the said assessed values. The amount of the requisition to meet the costs of this function shall be assessed and levied upon the said assessed values of improvements only in the electoral areas.

*corrected
amended
July 1/77*

4. Until the annual budget for the year 1977 is adopted and the amounts requisitioned thereunder are received by the regional district, the regional district may borrow for the purposes of this function an amount not exceeding in the aggregate the amount referred to in paragraph 3.

5. No debt other than that referred to in paragraph 4 may be incurred by the regional district for the purpose of this function.

DIVISION XIX - CONTROL OF NOXIOUS
WEEDS AND OTHER GROWTHS

1. All member municipalities participate and share in the cost of the regional district pursuant to this Division.

2. The Regional Board may exercise the powers contained in clause (k) of section 870 of the Municipal Act, and the provisions of the Weed Control Act shall apply.

3. The annual net cost attributable to this function shall be apportioned among the member municipalities on the basis of assessment which may be taxed in the current

year for school purposes, excluding property that is taxable for school purposes only by special Act, and the said annual net cost shall not exceed the product of one-quarter mill on the assessed values of land and improvements taxable for school purposes excluding property that is taxable for school purposes only.

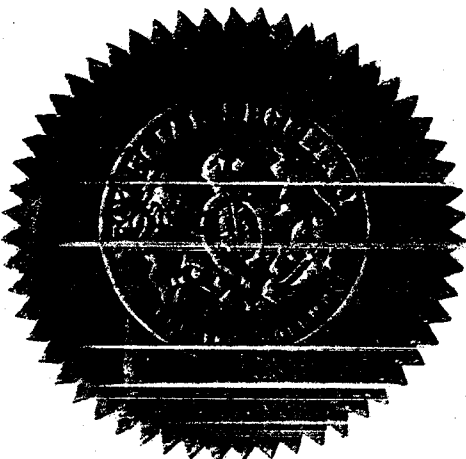
4. Until the annual budget for the year 1977 is adopted, the sums of money which may be borrowed to meet the current lawful expenditures of the regional district for the purpose of this function shall not exceed in aggregate the amount referred to in paragraph 3.

AND THAT the Letters Patent of the Peace River-Liard Regional District be deemed to be amended accordingly.

In testimony whereof, We have caused these our Letters to be made Patent and the Great SEAL of Our said Province to be hereunto affixed.

WITNESS, Colonel, the Honourable Walter S. Owen, Q.C., LL.D.,
Lieutenant-Governor of Our said Province
of British Columbia, in Our City of
Victoria, in Our said Province, this
31st day of March, in the
year of our Lord one thousand nine
hundred and seventy-six and in the
twenty-fifth year of Our Reign.

By Command.



James G. Smith
Provincial Secretary.

1063

APPROVED AND ORDERED MAR. 31 1976

[Signature]

Lieutenant-Governor

EXECUTIVE COUNCIL CHAMBERS, VICTORIA MAR. 30 1976

Pursuant to the **Municipal Act**, and upon the recommendation of the undersigned, the Lieutenant-Governor, by and with the advice and consent of the Executive Council, orders that

[Signature] AND WHEREAS the Peace River-Liard Regional District has requested that the regional district be empowered to undertake the functions of recreational programmes, community services, regional parks and control of noxious weeds and other growths, with all member municipalities as participating members:

SUPPLEMENTARY LETTERS PATENT in the form attached hereto do issue which grants the functions of recreational programmes, community services, regional parks and control of noxious weeds and other growths.

[Signature]
Minister of Municipal Affairs.

[Signature]
Presiding Member of the Executive Council.

3.8

Peace River-Liard Regional District

LETTERS PATENT

[L.S.]

W. S. OWEN
Lieutenant-Governor

CANADA:

PROVINCE OF BRITISH COLUMBIA

ELIZABETH the SECOND, by the Grace of God, of the United Kingdom, Canada and Her Other Realms and Territories, Queen, Head of the Commonwealth, Defender of the Faith.

To all to whom these presents shall come—
Greeting.

H. A. Curtis
Minister of
Municipal Affairs

WHEREAS by section 766 of the *Municipal Act*, it is provided, *inter alia*, that, in addition to the

functions conferred by that Act, a regional district has such functions as are provided by Letters Patent or supplementary Letters Patent, and for this purpose the Lieutenant-Governor in Council may, on the recommendation of the Minister, provide in the Letters Patent or supplementary Letters Patent such further objects, powers, obligations, duties, limitations, and conditions in respect to any or all functions requested pursuant to this section:

And whereas the Regional Board of the Peace River-Liard Regional District has requested that the further functions of recreational programs, community services, regional parks, and control of noxious weeds and other growths be granted to the regional district under the provisions of section 766 (4a) of the *Municipal Act*:

And whereas, under the provisions of subsection (4b) of section 766 of the *Municipal Act*, the annual net cost of any function granted pursuant to subsection (4a) of said section shall not exceed the product of 2 mills on the assessed values referred to in subsection (1) of section 782 within the participating municipalities and the annual net cost of all functions granted pursuant to subsection (4a) shall not exceed the product of 3 mills on such assessed values:

And whereas the provisions of section 766 of the *Municipal Act* have been duly complied with:

Now know ye that by these presents We do order and proclaim that on, from, and after the date hereof the following be added to the objects, powers, obligations, duties, limitations, and conditions of the Peace River-Liard Regional District:

"Division XVI—Recreational Programs

"1. All member municipalities participate and share in the cost of the regional district pursuant to this function.

"2. (1) The regional district may undertake a recreational program for one or more member municipalities or defined portions thereof and may fix the terms and conditions under which the program will be provided, and, without limiting the generality of the foregoing, may under-

take different programs for different member municipalities or defined portions thereof.

"(2) Before exercising the powers under clause (1), the Regional Board shall obtain the written approval of the Director or Directors elected in every municipality and the elected Director of every electoral area to the recreational program proposed to be undertaken for such municipality or electoral area or defined portion thereof, and, by by-law, a copy of which shall be deposited in the office of the Inspector of Municipalities, name the participating member municipalities, and in the event a defined portion of an electoral area is designated a participating member municipality, such area shall be defined by metes and bounds description in said by-law, and the said by-law shall declare participating member municipalities and (or) portions thereof a recreational program unit.

"(3) The provisions of section 631 of the *Municipal Act*, apply, *mutatis mutandis*, to the regional district, provided, however, that the Regional Board may appoint more than one recreation commission.

"(4) The annual amount requisitioned for the purposes of this function, when added to the cost of the function of *Division XVII—Community Services*, shall not exceed the product of 1 mill on the current taxable assessed values of improvements for school purposes, excluding all property that is taxable for school purposes only by special Act. All the member municipalities and (or) portions thereof declared a recreational program unit participating in any program determined under clause (1) hereof and the net cost of each recreational program unit shall be apportioned among the participating member municipalities on the basis of assessed value of improvements taxable for school purposes, excluding property that is taxable for school purposes only by special Act. The amount of the requisition to meet the costs of this function shall be assessed and levied upon the said assessed value of improvements only in the electoral areas.

"(5) The borrowing power of the regional district for this function is *nil*.

"Division XVII—Community Services

"1. All member municipalities participate and share in the cost of the regional district pursuant to this function.

"2. The regional board may, by by-law, acquire by lease or otherwise, accept, and hold any real or personal property for recreation or community uses of the public.

"3. (1) The regional district may exercise this function for one or more member municipalities or defined portions thereof and may fix the terms and conditions under which the service will be provided and, without limiting the gener-

ality of the foregoing, may vary the service for different member municipalities or defined portions thereof.

"(2) Before exercising the powers under clause (1), the Regional Board shall obtain the written approval of the Director or Directors elected in every municipality and the elected Director of every electoral area to the service proposed to be undertaken for such municipality or electoral area or defined portion thereof and, by by-law, a copy of which shall be deposited in the Office of the Inspector of Municipalities, name the participating member municipalities, and in the event a defined portion of an electoral area is designated a participating member municipality, such area shall be defined by metes and bounds description in the said by-law and the said by-law shall declare participating member municipalities and (or) portions thereof as a community service unit.

"(3) The annual amount requisitioned for the purposes of this function when added to the cost of the function, *Division XVI—Recreational Programs*, shall not exceed the product of 1 mill on the current taxable assessed value of improvements for school purposes, excluding all property that is taxable for school purposes only by special Act. All the member municipalities and (or) portions thereof declared to be a community service unit participating in a program determined under clause (1) hereof and the net cost of each community service unit shall be apportioned among the participating member municipalities on the basis of assessed value of improvements taxable for school purposes, excluding property that is taxable for school purposes only by special Act. The amount of the requisition to meet the costs of this function shall be assessed and levied upon the said assessed value of improvements only in the electoral areas.

"(4) The borrowing power of the regional district for this function is *nil*.

"Division XVIII—Regional Parks

"1. All member municipalities participate and share in the cost of the regional district pursuant to this Division.

"2. The regional district may acquire, develop, operate, and maintain regional parks, and for this purpose the provisions of the *Regional Parks Act* apply.

"3. The annual net cost attributable to this function shall be apportioned among the member municipalities referred to in paragraph 1 on the basis of the current assessed value of improvements taxable for school purposes, excluding property that is taxable for school purposes only by special Act, and shall not exceed an amount equal to the sum of the product of one-tenth of 1 mill on the said assessed values. The amount of the requisition to meet the costs of this function shall be assessed and levied upon the said assessed

that Act, a regional district has such functions as are provided by Letters Patent or supplementary Letters Patent, and for this purpose the Lieutenant-Governor in Council may, on the recommendation of the Minister, provide in the



W. A. Lewis 37
Lieutenant-Governor

C A N A D A

PROVINCE OF BRITISH COLUMBIA

ELIZABETH the SECOND, by the Grace of God, of the United Kingdom,
Canada, and Her Other Realms and Territories, Queen,
Head of the Commonwealth, Defender of the Faith.

To all to whom these presents shall come -

GREETING.

W. A. Lewis
Minister of Municipal
Affairs

(WHEREAS pursuant to the provisions
(
(of section 767 of the Municipal Act,
(
(the Peace River-Liard Regional District
(
(was incorporated by Letters Patent
(
(issued the 31st day of October 1967:

AND WHEREAS by section 767 of the Municipal Act it is
provided, inter alia, that in addition to the functions conferred by
that Act, a regional district has such functions as are provided by

Letters Patent or supplementary Letters Patent, and for this purpose the Lieutenant-Governor in Council may, on the recommendation of the Minister, provide in the Letters Patent or supplementary Letters Patent such further objects, powers, obligations, duties, limitations and conditions in respect to any or all functions requested pursuant to that section:

AND WHEREAS the Regional Board of the Peace River-Liard Regional District by supplementary Letters Patent dated March 31, 1976 was empowered to undertake both the functions of Division XVI - Recreational Programmes and Division XVII - Community Services with all member municipalities participating:

AND WHEREAS the Regional Board of the Peace River-Liard Regional District has requested that the mill rate limitation for the said functions be reduced from one mill to one-quarter of one mill:

AND WHEREAS the provisions of section 767 of the Municipal Act have been duly complied with:

NOW KNOW YE THAT by these presents We do order and proclaim that on, from and after the date hereof the following be added to the objects, powers, obligations, duties, limitations, and conditions of the Peace River-Liard Regional District:

1. Division XVI - Recreational Programmes granted by supplementary Letters Patent dated March 31, 1976 be amended by adding the words "one-quarter of" after the words "product of" in the fourth line of paragraph numbered 2.(4) so that the paragraph reads as follows:

"2.(4) The annual amount requisitioned for the purposes of this function when added to the cost of the function of Division XVII - Community Services,

shall not exceed the product of one-quarter of one mill on the current taxable assessed values of improvements for school purposes, excluding all property that is taxable for school purposes only by special Act. All the member municipalities and (or) portions thereof declared a recreational programme unit participating in any programme determined under clause (1) hereof and the net cost of each recreational programme unit shall be apportioned among the participating member municipalities on the basis of assessed value of improvements taxable for school purposes excluding property that is taxable for school purposes only by special Act. The amount of the requisition to meet the costs of this function shall be assessed and levied upon the said assessed value of improvements only in the electoral areas."

2. Division XVII - Community Services granted by supplementary Letters Patent dated March 31, 1976 be amended by adding the words "one-quarter of" after the words "product of" in the fourth line of paragraph numbered 3.(3) so that the paragraph reads as follows:

"3.(3) The annual amount requisitioned for the purposes of this function when added to the cost of the function, Division XVI - Recreational Programmes, shall not exceed the product of one-quarter of one mill on the current taxable assessed value of improvements for school purposes excluding all property that is taxable for school purposes only by special Act. All the member municipalities and (or) portions thereof declared

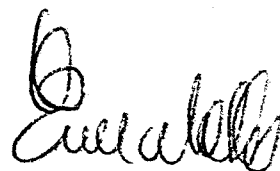
to be a community service unit participating in a programme determined under clause (1) hereof and the net cost of each community service unit shall be apportioned among the participating member municipalities on the basis of assessed value of improvements taxable for school purposes excluding property that is taxable for school purposes only by special Act. The amount of the requisition to meet the costs of this function shall be assessed and levied upon the said assessed value of improvements only in the electoral areas."

AND THAT the Letters Patent of the Peace River-Liard Regional District be deemed to be further amended accordingly:

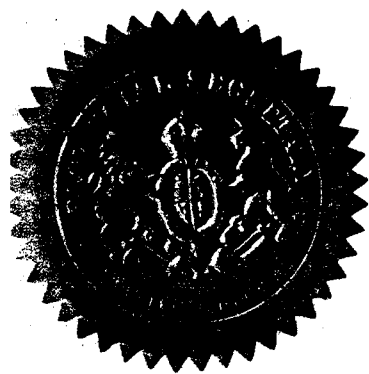
IN TESTIMONY WHEREOF, We have caused these Our Letters to be made Patent and the Great Seal of Our said Province to be hereunto affixed.

WITNESS, the Honourable Henry P. Bell-Irving, Lieutenant-Governor of Our said Province of British Columbia, in Our City of Victoria, in Our said Province, this 19th day of JUNE, in the year of our Lord one thousand nine hundred and eighty and in the twenty-ninth year of Our Reign.

By Command.



Provincial Secretary and
Minister of Government Services.





1334

APPROVED AND ORDERED JUN 19 1980

Lieutenant-Governor

EXECUTIVE COUNCIL CHAMBERS, VICTORIA JUN. 19.1980

On the recommendation of the undersigned, the Lieutenant-Governor, by and with the advice and consent of the Executive Council, orders that, having received the recommendation of the Minister of Municipal Affairs the supplementary Letters Patent in the form attached hereto are hereby approved and issued to the Peace River-Liard Regional District.

Minister of Municipal Affairs.

Presiding Member of the Executive Council.

(This part is for administrative purposes and is not part of the Order.)

Authority under which Order is made:

Act and section.....Municipal Act - Section 767

Other (specify) Order in Council 1063/76 and supplementary Letters Patent dated March 31, 1975

 Statutory authority checked by GARETH J. DAVIES
 (Signature and typed or printed name of Legal Officer)



[Signature]
Lieutenant-Governor

38

C A N A D A

PROVINCE OF BRITISH COLUMBIA

ELIZABETH the SECOND, by the Grace of God, of the United Kingdom,
Canada, and Her other Realms and Territories, Queen,
Head of the Commonwealth, Defender of the Faith.

To all to whom these presents shall come -

GREETING.

[Signature]
Minister
of Municipal Affairs

(WHEREAS pursuant to the provisions
(
(of Section 767 of the Municipal Act,
(
(the Peace River-Liard Regional District
(
(was incorporated by Letters Patent
(
(issued on the 31st day of October, 1967:

AND WHEREAS Section 767 of the Municipal Act provides,
inter alia, that in addition to the functions conferred by that Act, a
regional district has such functions as are provided by Letters Patent

or supplementary Letters Patent, and for this purpose the Lieutenant-Governor in Council may, on the recommendation of the Minister, provide in the Letters Patent or supplementary Letters Patent such further objects, powers, obligations, duties, limitations, and conditions in respect to any or all functions requested pursuant to that section:

AND WHEREAS the Regional Board of the Peace River-Liard Regional District has requested that the further function of making grants-in-aid to assist in meeting cost of operation and maintenance of recreation facilities with Electoral Areas A, B, C, D, and E as participating member municipalities be granted to the regional district under the provisions of Section 767(5) of the Municipal Act:

AND WHEREAS under the provisions of subsection (6) of section 767 of the Municipal Act, the annual net cost of any function granted pursuant to subsection (5) shall not exceed the product of two mills on the assessed values referred to in subsection (1) of section 791 within the participating municipalities, and the annual net cost of all functions granted pursuant to subsection (5) shall not exceed the product of three mills on such assessed values:

AND WHEREAS the provisions of Section 767 of the Municipal Act have been duly complied with:

NOW KNOW YE THAT by these presents We do order and proclaim that on, from, and after the date hereof, the following be added to the objects, powers, obligations, duties, limitations, and conditions of the Peace River-Liard Regional District:

DIVISION XLIII - RECREATION FACILITIES
GRANTS-IN-AID

1. Electoral Areas A, B, C, D, and E participate and share in the cost of the function pursuant to this Division.
2. The regional district may make grants-in-aid to assist in meeting the cost of operation and maintenance of recreation facilities serving the participating member municipalities referred to in paragraph 1.

3. The annual net cost shall be apportioned among the member municipalities on the basis of assessment of improvements only which may be taxed in the current year for school purposes, excluding property that is taxable for school purposes only by special Act, and shall not exceed the product of three-quarters of one mill on the said basis of assessment.

4. The borrowing power of the Regional District of this function is nil.

AND THAT the Letters Patent, as amended, of the Peace River-Liard Regional District be deemed to be further amended accordingly.

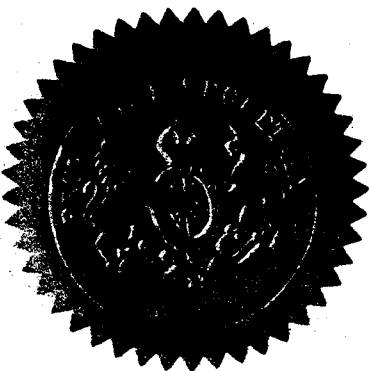
IN TESTIMONY WHEREOF, We have caused these Our Letters to be made Patent and the Great Seal of Our said Province to be hereunto affixed.

WITNESS, the Honourable Henry P. Bell-Irving, Lieutenant-Governor of Our said Province of British Columbia, in Our City of Victoria, in Our said Province, this 19th day of JUNE, in the year of our Lord one thousand nine hundred and eighty and in the twenty-ninth year of Our Reign.

By Command.



Provincial Secretary and
Minister of Government Services.





1333

APPROVED AND ORDERED JUN 19 1980

~~Administrator~~
Lieutenant-Governor

EXECUTIVE COUNCIL CHAMBERS, VICTORIA JUN 19 1980

Lieutenant-Governor

On the recommendation of the undersigned, the ~~Administrator~~, by and with the advice and consent of the Executive Council, orders that, having received the recommendation of the Minister of Municipal Affairs the supplementary Letters Patent in the form attached hereto are hereby approved and issued to the Peace River-Liard Regional District.

Minister of Municipal Affairs.

Presiding Member of the Executive Council.

(This part is for administrative purposes and is not part of the Order.)

Authority under which Order is made:

Act and section..... Municipal Act -- Section 767

Other (specify) ... Order in Council 3355/67 and supplementary Letters Patent issued on October 31, 1967.

Statutory authority checked by

GARETH J. DAVIES

(Signature and typed or printed name of Legal Officer)



REPORT

To: Chair and Directors

Report Number: FN-BRD-011

From: Teri Vetter, Chief Financial Officer

Date: August 4, 2020

Subject: 2019 Peace River Regional District Financial Statements

RECOMMENDATION #1: [Corporate Unweighted]

That the Regional Board accept the Draft Peace River Regional District 2019 Financial Statements effective August 18, 2020.

RECOMMENDATION #2: [Corporate Unweighted]

That the Regional Board approve the Draft Financial Statements as presented as the final Financial Statements for year ended December 31, 2019 effective August 18, 2020 and authorize the Chair and the Chief Financial Officer to sign the Peace River Regional District 2019 Financial Statements.

BACKGROUND/RATIONALE:

In accordance with Section 376 of the *Local Government Act* and Section 167 of the *Community Charter*, the Audited Financial Statements must be presented for Board approval prior to May 15, however due to COVID-19, the deadline was extended to August 31, 2020. The format and presentation of these financial statements are in accordance with Generally Accepted Accounting Principles (GAAP) for local government as recommended by the Public Sector Accounting Board (PSAB) standards of the Chartered Professional Accountants of Canada, and have been applied on a basis that is consistent with that of the preceding year.

Once the Draft Statements are approved and adopted by the PRRD Board, this date becomes the date of the Independent Auditor's Report and the Final PRRD Financial Statements for the year ended December 31, 2019.

The Financial Statements for the PRRD combine General, Water, Sewer, Capital and Reserve Funds and eliminate internal transactions. The Financial Statements are prepared using the accounting standards and reporting model prescribed by PSAS which requires the elimination of Transfer to/from Reserves, allocations between functions. The use of assets is recorded through amortization expense and capital expenditures are capitalized, not expensed in the year.

The Financial Statements are comprised of the following:

- Statement of Financial Position
- Statement of Operations and Accumulated Surplus
- Statement of Changes in Net Financial Assets
- Statement of Cashflow
- Notes to the Financial Statements

ALTERNATIVE OPTIONS:

1. That the Regional Board provide further direction.

STRATEGIC PLAN RELEVANCE:

- ☒ Not Applicable to Strategic Plan.

FINANCIAL CONSIDERATION(S):

The PRRD is in a Net Asset position which means that the district has sufficient financial assets (\$70.3M) to settle existing liabilities (\$33.35M). As the PRRD's total assets exceed total liabilities, the PRRD is in an accumulated surplus position, meaning that the PRRD has net positive resources that, subject to direction of the Board, could be used to provide future services. The PRRD has an annual surplus of \$10,488,033 (2018 - \$6,530,366).

The PRRD generated approximately \$9.9M from operations and those funds were used to acquire \$5.17M in tangible capital assets, repay \$1.04M in financing, and the remaining was added to available cash resources.

COMMUNICATIONS CONSIDERATION(S):

Once approved, the Financial Statements will be submitted to the Province in advance of the August 31st deadline and posted to the PRRD website.

OTHER CONSIDERATION(S):

There was a Prior Period Adjustment (PPA) made as the PRRD had overstated its tangible capital assets (buildings) in 2018. More information can be found in Note 22.

Management determined the Demand Notes on all MFA Debt to be contingent in nature and has removed them from the Statement of Financial Position under the provisions of PS 3300 Contingent Liability. More information can be found in Notes 5 & 16.

Attachments:

1. Draft 2019 PRRD Financial Statements



PEACE RIVER REGIONAL DISTRICT

Peace River Regional District

Financial Statements

For the fiscal year ended December 31, 2019

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PLEASE REPLY TO:

☒ Box 810, 1981 Alaska Ave, Dawson Creek, BC V1G 4H8 Tel: (250) 784-3200 or (800) 670-7773 Fax: (250) 784-3201 Email: prrd.dc@prrd.bc.ca
☐ 9505 100 St, Fort St. John, BC V1J 4N4 Tel: (250) 785-8084 Fax: (250) 785-1122 Email: prrd.fsj@prrd.bc.ca

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Statement of Management's Responsibility

The accompanying financial statements of the Peace River Regional District ("Regional District") are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in accordance with the significant accounting policies as set out in Note 2 to the financial statements and comply with the Canadian Public Sector Accounting Standards ("PSAS") as set by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada and the governing legislation. The financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

Directors are composed entirely of individuals who are neither management nor employees of the Regional District. Directors are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. Directors fulfill these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Directors are also responsible for recommending the appointment of the Regional District's external auditors.

The financial statements have been audited by Beswick Hildebrandt Lund (BHL) CPA in accordance with Canadian generally accepted auditing standards on behalf of the Regional District. BHL CPA has full access to the Board of Directors.

Shawn Dahlen, Chief Administrative Officer

Teri Vetter, Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Peace River Regional District

Opinion

We have audited the financial statements of Peace River Regional District (the Entity), which comprise the statement of financial position as at December 31, 2019, and the statements of operations and accumulated surplus and 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, 2019, 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.

Comparative Information

The financial statements of the Entity for the year ended December 31, 2018 were audited by another auditor who expressed an unmodified opinion on those statements on April 11, 2019.

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.

Partners

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

Director

Kristin Giannotti CPA, CGA

Beswick Hildebrandt Lund CPA

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

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.

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

Prince George, British Columbia

August 13, 2020

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Statement of Financial Position

As at December 31

	2019	2018 (Restated - Note 22)
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	66,982,944	58,601,254
Accounts receivables (Note 4)	1,483,648	3,055,118
Reserve deposits (Note 5)	1,829,252	6,328,100
Financial assets before member municipalities	70,295,844	67,984,472
Loans receivables (Note 6 and 10)	62,693,799	67,867,122
	132,989,643	135,851,594
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	4,005,911	3,561,617
Deferred revenue (Note 8)	282,298	405,142
Landfill closure and post-closure care (Note 9)	4,231,076	5,374,180
Debt (Note 10)	22,132,808	23,037,601
Other liabilities (Note 11)	2,692,966	6,688,151
Financial liabilities before member municipalities	33,345,059	39,066,691
Other debt (Note 6 and 10)	62,693,799	67,867,122
	96,038,858	106,933,813
NET FINANCIAL ASSETS	36,950,785	28,917,781
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 12)	56,375,756	53,963,323
Prepaid expenses	79,292	36,696
	56,455,048	54,000,019
ACCUMULATED SURPLUS (Note 13 and 14)	93,405,833	82,917,800

Subsequent events (Note 15)

Contingent liabilities (Note 16)

Municipal pension plan (Note 18)

Related parties (Note 19)

Comparative figures (Note 20)

Segment reporting (Note 21)

Chairperson

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Statement of Operations and Accumulated Surplus

For the fiscal year ended December 31

	2019 Budget (Note 17)	2019	2018 (Restated - Note 22)
REVENUE (SCHEDULE 1)			
Requisitions	28,326,780	28,326,780	26,956,378
Grants-in-lieu	983,199	1,614,209	1,455,700
Interest Income		1,209,251	961,259
Fees, Charges and Other	8,886,109	8,878,739	9,480,118
Government Transfers	4,691,351	5,242,150	4,327,443
	<u>42,887,439</u>	<u>45,271,129</u>	<u>43,180,898</u>
EXPENSES (SCHEDULE 1)			
General Government	6,105,220	4,684,991	4,999,649
Environmental Services	10,272,836	9,523,922	10,325,802
Protective Services	3,385,946	3,136,062	5,421,540
Planning and Development	2,895,438	1,937,927	2,452,584
Recreation and Culture	12,656,694	13,317,812	11,876,425
Sewer Utilities	1,185,798	1,445,631	1,405,763
Water Utilities	1,002,915	736,751	168,769
	<u>37,604,847</u>	<u>34,783,096</u>	<u>36,650,532</u>
Annual Surplus, Before Other	<u>5,282,592</u>	<u>10,488,033</u>	<u>6,530,366</u>
OTHER			
Member municipalities interest earned	7,138,972	3,064,550	3,285,811
Less: Member municipalities interest expense	3,097,490	3,064,550	3,285,811
	<u>4,041,482</u>		
Annual Surplus	<u>9,324,074</u>	<u>10,488,033</u>	<u>6,530,366</u>
Accumulated Surplus, as previously stated			80,455,840
Prior Period Adjustment (Note 22)			(4,068,406)
Accumulated Surplus, Restated Beginning of Year	82,917,800	82,917,800	76,387,434
Accumulated Surplus, End of Year (Note 13 and 14)	<u>92,241,874</u>	<u>93,405,833</u>	<u>82,917,800</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Statement of Change in Net Financial Assets

For the fiscal year ended December 31

	2019 Budget (Note 17)	2019	2018 (Restated - Note 22)
Annual Surplus	9,324,074	10,488,033	6,530,366
Change in tangible capital assets	(9,894,953)	(5,119,667)	(3,742,540)
Amortization of tangible capital assets		2,739,219	2,662,996
Change in prepaid expense		(42,596)	7,659
Gain on disposals		(10,636)	(4,103)
Other non-cash charges to operations		(21,349)	178,958
Change in net financial assets	(570,879)	8,033,004	5,633,336
Net Financial Assets, Beginning of Year	28,917,781	28,917,781	23,284,445
Net Financial Assets, End of Year	28,346,902	36,950,785	28,917,781

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Statement of Cash Flows

For the fiscal year ended December 31

	2019	2018 (Restated - Note 22)
Operating		
Annual Surplus	10,488,033	6,530,366
Non-cash items:		
Amortization	2,739,219	2,662,996
Gain on disposals	(10,636)	(4,103)
Other non-cash items	(21,349)	178,957
Decrease (increase) in non-cash assets:		
Accounts receivables	1,571,470	(1,911,556)
Prepaid expenses	(42,596)	7,659
Increase (decrease) in non-cash liabilities:		
Accounts payable and accrued liabilities	444,294	(1,304,583)
Deferred revenue	(122,844)	67,107
Landfill closure and post-closure care	(1,143,104)	352,328
Other liabilities	(3,995,185)	(27,225)
	9,907,302	6,551,946
Financing		
Change in reserve deposits	4,498,848	28,217
Change in debt	(904,793)	(1,160,375)
Change in other debt	(5,173,323)	(4,387,329)
Decrease in municipal debt charges recoverable	5,173,323	4,387,329
	3,594,055	(1,132,158)
Capital		
Change in tangible capital assets	(5,119,667)	(3,742,540)
Change in cash and cash equivalents	8,381,690	1,677,248
Cash and cash equivalents, beginning of year	58,601,254	56,924,006
Cash and cash equivalents, end of year	66,982,944	58,601,254

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Notes to the Financial Statements

For the fiscal year ended December 31

The accompanying notes are an integral part of these financial statements. The following explains the significant accounting policies and reporting principles underlying these statements. The notes also provide relevant supplementary information and explanations.

1. The Peace River Regional District

The Peace River Regional District (the "Regional District") was incorporated on October 31, 1987 under the provisions of the Local Government Act, a statute of the Province of British Columbia. The Regional District provides regional services such as: protective services, environmental services, community planning and development, recreation and culture, water and sewer utilities, debt and general government operations. Per the province of British Columbia, the Regional District has three roles: provide regional wide services, provide inter-municipal or sub-regional services, and act as the general local government for electoral areas. A key responsibility of the Regional District is to provide debt financing to member municipalities through the Municipal Finance Authority of British Columbia (MFA).

The Regional District is governed by a twelve-member Board of Directors representing seven member municipalities and four electoral areas. The Directors also serve as board members of the Peace River Regional Hospital District. The board votes on resolutions and bylaws governing the region on all matters delegated to regional districts under provincial statutes.

2. Significant accounting policies

The financial statements of the Regional District are prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS) as recommended by the Public Sector Accounting Board of Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Regional District are as follows:

(a) Reporting entity

The financial statements include all the assets, liabilities, accumulated surplus, revenue and expenses of the Regional District's service activities and funds.

(b) Basis of accounting

The Regional District follows the accrual method of accounting for revenue and expenses. Revenues are accounted for in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay. Inter-entity balances and transactions are eliminated.

Notes to the Financial Statements

For the fiscal year ended December 31

(c) Cash and cash equivalents

Cash is held by the Regional District in its general bank and other high-interest savings account. Cash equivalents include investments in the Municipal Finance Authority of British Columbia (MFA) Money Market Funds which are recorded at cost plus earnings reinvested in the funds.

(d) Estimates

The preparation of financial statements 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 amounts of revenues and expenses during the period.

Significant estimates include assumptions used in estimating useful lives of tangible capital assets, estimating provisions for accrued liabilities, estimating the remaining useful life of the landfill and related post-closure liability and in performing actuarial valuations of employee future benefits. Actual results could differ from these estimates.

(e) Requisitions

The Regional District requisitions taxation from each member municipality and the electoral areas for their portion for services for which they participate. These requisitions are levied through the municipalities and the Province's Surveyor of Taxes (for electoral areas) to taxpayers and funds are provided to the Regional District by August 1 of each year.

(f) Employee future benefits

The Regional District and its employees make contributions to the Municipal Pension Plan ("the plan"), as a multi-employer, defined benefit pension plan. Contributions are expensed as incurred.

(g) Government transfers

Government transfers are transfers of monetary assets to the Regional District that are not the result of an exchange transaction, a direct financial return, or is expected to be repaid in the future. Government transfers, which include legislative grants, are recognized as revenue in the financial statements when the transfer is authorized, and any eligibility criteria have been met and reasonable estimates of amounts can be determined.

If transfer stipulations give rise to an obligation that meets the definition of a liability, the resulting liability is deferred in the financial statements and recognized in the Statement of Operations as the stipulation liabilities are settled.

(h) Loans receivable

Loans receivable consists of amounts that are recoverable from member municipalities or other local governments with respect to outstanding debentures or other long-term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the un-matured long-term debt, less actuarial requirements for the retirement of any sinking fund debentures.

Notes to the Financial Statements

For the fiscal year ended December 31

(i) Land-fill closure and post-closure liability

Pursuant to the Ministry of Environment's Landfill Criteria for Municipal Solid Waste, the Regional District is required to fund the closure of their landfill sites and provide for post-closure care of the facilities. Closure and post-closure activities include the final clay cover and landscaping, as well as surface and ground water monitoring, leachate control, and vision inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

(j) Financial instruments

The Regional District recognizes its financial instruments when the Regional District becomes party to the contractual provisions of the financial assets and liabilities originated and issued in a related party transaction with management. Financial instruments consist of cash, portfolio investments, receivables, debt and accounts payable.

Unless otherwise noted, it is management's opinion that the regional District is not exposed to significant interest rate, currency or credit risk from these financial instruments.

(k) Debt and other debt

The Regional District's long-term debt and the member municipalities long-term debt are recorded net of repayments and actuarial adjustments.

(l) Demand notes

The Regional District's debt instruments through the MFA require execution of demand notes. For the reporting year, management has reported the demand notes as contingent liabilities in compliance with PSAS. These demand notes were reported in the Statement of Financial Position by management in prior periods.

(m) Segmented Information

The Regional District's segments are distinguishable activities or groups of activities for which it is reasonable to separately report financial information. The Regional District provides segmented information in schedules to the financial statements.

(n) Non-financial assets

Non-financial assets are held for use in the provision of goods and services but are not available to discharge existing liabilities. These assets may have a useful life extending beyond the current year and are not intended for sale in the ordinary course of the Regional District's operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less the residual value of the tangible capital asset (excluding land), is amortized on a straight-line basis over the estimated useful life as

Notes to the Financial Statements

For the fiscal year ended December 31

(i) Tangible capital assets continued

tangible capital asset (excluding land), is amortized on a straight-line basis over the estimated useful life as follows:

Land	---
Parks	15 - 50 years
Buildings	10 - 30 years
Equipment (computer, machinery and other)	5 - 15 years
Equipment (Vehicles)	10 - 20 years
Public Infrastructure and Utilities	5 - 50 years
Landfills	25 - 30 years

Tangible capital assets, including assets under construction, are recorded at cost. Amortization is charged over the assets useful life and commences when the asset is acquired. Full amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the assets are available for use.

(ii) Contributions of tangible capital assets

Contributed tangible capital assets are recognized at fair value (using various methods such as actual developer costs, appraisals, assessed values or professional estimates) at the date of contribution and are also recognized as revenue. When an estimate of fair market value cannot be made, the tangible capital asset is recognized at a nominal value.

3. Cash and cash equivalents

	2019	2018
Cash	2,673,035	2,060,031
Cash equivalents	64,309,909	56,541,223
	66,982,944	58,601,254

The Regional District's general cash is held for general operations and delivery of regional services. The cash is held at a Canadian chartered bank and earns interest at the current prevailing rates.

Cash equivalents are held in High Interest Savings Accounts (HISA) and with the MFA Money Market Funds which are recorded at cost plus earnings reinvested in the funds. Subsequent to year-end, the Regional District moved \$30 million from cash equivalents to a guaranteed investment certificates (GIC) under third party management (Note 15).

Notes to the Financial Statements

For the fiscal year ended December 31

4. Accounts receivable		
	2019	2018
Provincial government	5,592	6,925
Goods and services tax	297,009	372,542
Trade receivables	628,832	2,566,319
Other	552,215	109,332
	1,483,648	3,055,118
5. Reserve deposits		
	2019	2018
Member municipalities		
MFA Debt Resv Dep - Chetwynd	45,091	134,341
MFA Debt Resv Dep - Dawson Creek	568,368	2,239,496
MFA Debt Resv Dep - Fort St John	659,858	2,003,340
MFA Debt Resv Dep - Hudson Hope	509	1,882
MFA Debt Resv Dep - Tumbler Ridg	31,138	121,131
	1,304,964	4,500,190
Regional district		
MFA Debt Resv Dep - Regional Dis	524,288	
MFA Debt Resv Dep - Multiplex		794,458
MFA Debt Resv Dep - Harper Swr		19,955
MFA Debt Resv Dep - S.W. (#2078)		111,618
MFA debt Resv Dep - S.W. (#1460)		45,798
MFA Debt Resv Dep - S.W. (#2020)		158,523
MFA Debt Resv Dep - S.W. (#2293)		298,172
MFA Debt Resv Dep - Chet Rec Plex (#110)		301,578
MFA Debt Resv Dep - Buick (SI#110)		97,808
	524,288	1,827,910
	1,829,252	6,328,100

With respect to amounts financed through the MFA, the Regional District is required to pay annual installments of principal and interest relative to any borrowing for its own purposes and on behalf of member municipalities. This amount may be paid either in full or in an amount of cash equal to 1% of the principal amount borrowed together with a non-interest bearing demand note for the balance. If, at any time, the MFA does not have sufficient funds to meet payments or sinking fund contributions due on its obligations, the payments or sinking fund contributions shall be made from the Debt Reserve Fund. The demand notes payable to the MFA and receivable from member municipalities are callable only if there are additional requirements to be met to maintain the level of the debt reserve fund.

The Regional District's debt, under provisions of the Local Government Act, is a direct, joint and several liability of the Regional District and each member municipality within the Peace River Regional District. For the year-ended December 31, 2019, management has determined the demand notes on all Debt to be contingent in nature and has removed the amounts from the Statement of Financial Position under the provisions of PS 3300 Contingent Liability (Note 16).

Notes to the Financial Statements

For the fiscal year ended December 31

6. Loans receivables

	2019	2018
Dawson Creek	24,178,693	27,314,865
Chetwynd	3,794,677	3,955,354
Fort St. John	33,795,968	35,507,175
Hudson's Hope	8,821	11,538
Tumbler Ridge	915,640	1,078,190
	62,693,799	67,867,122

Under the Local Government Act and Community Charter, member municipalities are required to secure borrowing arrangements with the Municipal Finance Authority through the Regional District. Under these terms, member municipalities are required to pay the Regional District amounts required to discharge their obligations respectively. Any default in payment is the liability of the Regional District.

7. Payables

	2019	2018
Federal governments	1,032	1,273
Grants in-aid	419,245	358,971
Vacation and banked overtime	42,325	30,517
Trade Payables	3,028,487	2,742,874
Other	514,822	427,982
	4,005,911	3,561,617

8. Deferred revenue

	2019	2018
Bldg Insp-Demo & Temp Deposits	21,500	24,500
Deferred Revenue - Various	226,053	358,038
Deferred Revenue - Water Credits	12,141	
Deferred Revenue - Debenture Principal	22,604	22,604
	282,298	405,142

Monies received for specific purposes that are external restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the Statement of Financial Position. The revenue is recognized on the Statement of Operations in the period when related expenses are incurred and/or services performed and certain stipulations have been met.

Notes to the Financial Statements

For the fiscal year ended December 31

9. Landfill liability		
	2019	2018
North Peace	1,819,062	2,288,169
Bessborough	216,149	210,492
Chetwynd	1,857,539	2,364,925
Dawson Creek	153,709	199,080
Closed	184,617	311,514
	4,231,076	5,374,180

The estimated liability for these costs are recognized as the landfill site's capacity is used. Estimated total expenses represent the sum of the discounted future cash flows for closure and post-closure care activities at the Regional District's average long-term borrowing rate of 3.28% (2018 - 3.00%).

Landfill closure and post-closure care requirements have been defined in accordance with the Ministry of Environment and Climate Change Strategy (MoECCS) Landfill Criteria for Municipal Solid Waste. These requirements include:

- Regular monitoring for any impacts of landfill sites to the surrounding environment via surface water, ground water, and erosion/settlement.
- Mitigation of surface water run-off by construction of final cover and landscaping progressively in phases to avoid exposure of waste to the environment.
- Mitigation of landfill gas (LFG) via installation of gas collection systems and associated monitoring, which prevents migration of greenhouse gases offsite resulting from the breakdown of waste.

The reported liability reflects the costs to meet the aforementioned requirements and are calculated based on:

- "Design Operations and Control Plans" (DOCP's) - a manual describing how a landfill is built and airspace is consumed, reviewed, and updated every 5 years.
- "Annual Landfill Reports" - landfill site report describing how much waste was received and how much landfill airspace was consumed in the previous year.
- Budget vs. actual costs

These reports are compiled by qualified professionals and are based on landfill capacity consumed, modeling, annual site surveys, budgeted costs vs. actuals, etc. and represent the best information available to management. This information in turn is used to estimate reported liability for the PRRD landfills. It is understood that significant changes to estimated total expenses, capacity consumed vs. total capacity will affect reported liability for these landfill sites.

Notes to the Financial Statements

For the fiscal year ended December 31

9. Landfill liability continued

The estimated capacity for the active Landfill sites are as follows:

	Total Capacity m ³	Remaining Capacity m ³	Remaining Years
Bessborough	2,361,000	1,909,934	69.5
Chetwynd	224,800	106,437	9.0
North Peace	1,777,210	1,278,459	28.0

The Regional District has an additional 22 (2018 - 22) closed landfill sites in various stages of post closure care.

10. Debt and other debt

	2019	2018
South Peace Multiplex	6,500,564	7,459,433
Chetwynd Recreation Centre	4,601,235	4,929,290
Buick Creek Arena	1,492,275	1,598,670
Solid Waste	6,364,659	7,347,533
Harper Sewer	274,075	302,675
Potable Water - Area B	2,900,000	1,400,000
	22,132,808	23,037,601
Member municipality debt		
Chetwynd	3,794,677	3,955,354
Dawson Creek	24,178,693	27,314,865
Fort St. John	33,795,968	35,507,175
Hudson's Hope	8,821	11,538
Tumbler Ridge	915,640	1,078,190
	62,693,799	67,867,122
	84,826,607	90,904,723

Under the Local Government Act, the Regional District and member municipalities can secure financing for certain capital expenditures as noted above.

Notes to the Financial Statements

For the fiscal year ended December 31

10. Debt and other debt continued

The following are the borrowing issues from MFA for the Regional District, which is comprised of the debt of the Regional District and its member municipalities.

Issue No.	SI Bylaw	Interest Rate	Maturity Date	Regional District	Member Municipalities	Total
Issue #73	1317	6.36	Dec-20	-	14,583	14,583
Issue #77	1370	6.06	Jun-22	-	163,890	163,890
Issue #80	1453 & 1460	2.9	Oct-23	284,536	106,796	391,332
Issue #81	1493	2.4	Apr-24	-	597,014	597,014
Issue #85	1507	4.98	Dec-24	-	1,326,273	1,326,273
Issue #95	1540 & 1596	4.17	Oct-25	6,500,565	114,716	6,615,281
Issue #97	1618	4.66	Apr-26	-	279,550	279,550
Issue #101	1693	4.52	Apr-27	-	1,874,257	1,874,257
Issue #102	1729 & 1737	4.82	Dec-27	-	14,980,141	14,980,141
Issue #103	1777	2.65	Apr-28	-	8,692,547	8,692,547
Issue #105	1840 & 1844	4.9	Jun-24	-	1,267,164	1,267,164
Issue #110	1879, 1880 & 1882	4.5	Apr-30	6,372,304	278,794	6,372,304
Issue #118	1998 & 2000	3.4	Apr-32	515,811	241,736	515,811
Issue #121	2020 & 2024	2.9	Oct-3	4,690,454	3,756,861	4,690,454
Issue #124	2051	3.15	Oct-32	-	1,208,340	1,208,340
Issue #126	2083 & 2084	3.85	Sept-33	-	4,514,544	4,514,544
Issue #127	2078	3.3	Apr-24	1,031,919	-	1,031,919
Issue #130	2138 & 2142	3.1	Oct-34	-	3,832,882	3,832,882
Issue #131	2188 & 2192	2.2	Oct-34	-	2,535,313	2,535,313
Issue #133	2209 & 2210	2.75	Apr-35	-	11,919,257	11,919,257
Issue #141	2270 & 2280	2.8	Apr-27	-	1,531,548	1,531,548
Issue #142	2281 & 2293	3.15	Oct-27	4,114,610	2,022,833	6,137,443
Issue #145	2313	3.15	Apr-38	-	1,046,470	1,046,470
Issue #147	2347	3	Apr-39	-	388,289	388,289
Issue #115-1	2310	2.8	Dec-20	2,900,000	-	2,900,000
				22,132,808	62,693,799	84,826,607

Notes to the Financial Statements

For the fiscal year ended December 31

10. Debt and other debt continued

The principal payments on the total debt outstanding for future years is as follows:

Year	Regional District	Member Municipalities	Total
2020 short-term	2,900,000	-	2,900,000
2020	2,492,328	5,371,035	7,863,362
2021	2,594,095	5,569,049	8,163,144
2022	2,686,246	5,789,536	8,475,782
2023	2,445,291	5,660,781	8,106,073
2024	2,450,491	5,455,311	7,905,802
2025 & Thereafter	6,564,356	34,848,087	41,412,443
Total Long -Term	19,232,808	62,695,799	81,928,607
Total Debt	22,132,808	62,695,799	84,828,607

11. Other Liabilities

	2019	2018
Accrued interest	875,647	360,053
Debt reserves	1,817,319	1,902,260
Demand notes (Note 16)		4,425,838
	2,692,966	6,688,151

Notes to the Financial Statements

For the fiscal year ended December 31

12. Tangible Capital Assets	2018	Current		2019	2018		Current	2019	2019	2018
	Cost	Additions	Disposals	Cost	Accumulated Amortization	Disposals	Amortization	Accumulated Amortization	Net Book Value	Net Book Value
Land	189,287	75,797		265,084					265,084	189,287
Buildings	32,944,914	74,066		33,018,980	13,102,771		1,333,889	14,436,660	18,582,320	19,842,143
Equipment - computer	677,587	17,217	(19,185)	675,619	619,000	(19,185)	19,947	619,762	55,857	58,587
- machinery and other	3,018,969	175,153	(11,000)	3,183,122	2,323,063	(11,000)	198,056	2,510,119	673,003	695,906
- vehicles	2,808,847	33,414	(9,000)	2,833,261	1,563,302	(1,800)	125,824	1,687,326	1,145,935	1,245,545
Landfills	18,799,500			18,799,500	2,377,200		511,912	2,889,132	15,910,368	16,422,280
Parks	278,893	67,428		346,321	250,988		12,361	263,349	82,972	27,905
Sewer	18,012,809			18,012,809	5,597,791		455,576	6,053,367	11,959,442	12,415,018
Water	299,433	3,136,067		3,435,500	210,402		81,654	301,056	3,134,444	80,031
Work in progress	2,986,621	1,579,710		4,566,331					4,566,331	2,986,621
	80,016,860	5,158,852	(39,185)	85,136,527	26,055,537	(31,985)	2,739,219	28,760,771	56,375,756	53,963,323

Notes to the Financial Statements

For the fiscal year ended December 31

13. Reserve Funds	2019	2018
Appropriated surplus		
Appr.surplus - SW Capital	6,259,163	6,978,120
Appr. surplus - Gas tax	5,821,163	3,851,027
Appr. surplus - Rural Loan Fund	4,060,248	3,927,087
Appr. Surplus - NP Pool Bldg Replacment	3,681,384	3,616,965
Appr surplus-F/S Area D	3,226,064	3,171,250
Appr. surplus-PRA Area C	2,889,646	2,120,081
Appr surplus-F/S Area E	2,864,569	2,827,895
Appr.Surp.-Chetwynd Pool Reserve	2,106,327	2,069,469
Appr. surplus - PRA Area E	2,090,906	1,464,623
Appr.Surp.- NP Leisure Pool Reserve	2,078,800	1,084,485
Appr surplus- PRA Area B	1,873,663	1,359,056
Appr.Surp.-Chetwynd Arena Reserve	1,815,022	1,685,012
Appr surplus-F/S Area B	1,794,921	1,838,814
Appr. surplus - PRA Area D	1,729,262	1,313,723
Appr surplus- F/S Area C	1,460,303	1,594,887
Appr.surplus - Landfill Closure	1,210,554	968,898
Appr. surplus - Rural Fringe	1,183,896	1,163,179
Appr. surplus - Building Reserve	1,152,111	1,033,701
Appr. surplus - Solid Waste Reserve	1,080,017	1,061,118
Appr. surplus - PR Agreement Comm.	1,053,068	1,034,640
Appr. Surp. CLFD Reserve	894,920	662,766
Appr. surplus - reserve (CL Sewer Cap.)	511,488	273,842
Appr. surplus - Insurance Reserve	494,791	486,133
Appr. surplus - CL Truck Rec Facility	439,375	202,991
Appr. surplus - CL Treatment & Disposal	362,350	356,010
Appr. surplus - Feasibility Reserve	313,184	307,704
Appr. surplus - Emergency Plan. Reserve	288,342	283,296
Appr. surplus - ISP Reserve	284,854	279,870
Appr Surp - DCC (Dev. Cost Charge)	277,165	272,315
Appr.Surp.-911 Emergency Capital	261,699	257,119
Appr.Surp.-Buick Creek Arena Cap Resv	206,798	188,442
Appr.Surp. Vehicle Reserve	170,725	167,738
Appr. surplus - BCR/PRA	153,326	172,077
Appr.Surp.-DC/PC Fire Reserve	148,358	67,162
Appr. surplus - Sub Reg Rur Resv (Insur)	143,699	116,622
Appr. surplus - Medical Scholarship	104,586	102,756
Appr.Surp.-SW Capital (Veh/Equip) Resv	103,027	101,225

Notes to the Financial Statements

For the fiscal year ended December 31

13. Reserve funds continued		
	2019	2018
Appr. surplus - CL Sewer Reserve	102,354	100,563
Appr. surplus - Regional Parks	98,942	72,648
Appr. surplus - Clearview Arena Reserve	90,505	88,921
Appr. surplus - Election Reserve	82,296	80,856
Appr. surplus - Buick Creek Arena Reserv	81,818	80,386
Appr. surplus - Green "Carbon" Projects	58,673	24,241
Appr. surplus - reserve (FSJ Sewer Cap)	58,388	46,890
Appr. surplus - FSJ Sewer Reserve	51,544	50,642
Appr. surplus - Regional Parks	48,093	47,252
Appr. surplus - Kelly Lake Community Hall	37,497	27,016
Appr. Surp.-Chilton Swr Cap Reserve	34,400	33,798
Appr. surplus - North Pine TV	32,465	42,801
Appr. Surp. - CLFD Op Reserve	31,716	31,161
Appr. surplus - Chilton Sewer Reserve	29,822	29,300
Appr. Surp. B/I Veh. Replace. Reserve	28,012	17,696
Appr. surplus - Kelly Lake Community Hall	27,168	26,693
Appr. surplus - Tomslake Fire Reserve	22,300	21,910
Appr. Surp.-Mob Lake FD	21,191	18,364
Appr. Surp.-FSJ Water Cap. Reserve	19,953	14,691
Appr. surplus - reserve (Harper Swr)	13,830	13,588
Appr. surplus - Harper Sewer	13,829	13,587
Appr. Surp.-Kelly Lake Sewer Cap. Reserve	11,936	11,727
Appr. Surp.-Rolla Sewer Cap. Reserve	10,418	10,235
Appr. Surp.-Friesen Sewer Cap. Reserve	10,340	8,064
Appr. Surp.-Rolla dyking	160	4,752
	55,607,424	49,379,880
Reserve funds		
FSJ Water Reserve	29,860	29,337
Kelly Lake Reserve	21,413	21,039
Friesen Reserve Fund	18,931	18,599
Rolla Sewer Reserve	7,528	7,396
	77,732	76,371
	55,685,156	49,456,251

The Regional District's reserves were established by bylaw under section 814 of the Local Government Act. Legislation requires that money in the reserve fund must be used for the purpose for which the fund was established. The bylaw allows for the establishment of an operating and capital reserve which are an important funding sources for the Regional District.

Notes to the Financial Statements

For the fiscal year ended December 31

14. Accumulated Surplus

	2019	2018
Unappropriated surplus (Deficit)	1,889,224	(1,179,979)
Reserve funds (Note 13)	55,685,156	49,456,251
Equity in tangible capital assets	35,831,453	34,641,528
	93,405,833	82,917,800

15. Subsequent events

(a) COVID-19

Subsequent to the reporting date, the Coronavirus (COVID-19) outbreak was declared a pandemic by the World Health Organization and has had a significant global financial and economic impact. For the reporting date March 31, 2020, COVID-19 is considered by management as a non-adjusting event. Consequently, there is no impact on the recognition and measurement of assets and liabilities.

The Regional District understands this health and economic crisis presents uncertainty over future cash flows and for future periods this may cause significant changes to the assets and liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practical at this time.

(b) Investments

Subsequent to the reporting date, management made a significant investment of \$30,000,000 in a 1-year, Guaranteed Investment Certificate (GIC) managed by Canaccord Genuity Corp. and Bank of Montreal. The interest rates vary as follows:

Investment Description	Principal	Purchase Date	Maturity Date	Interest Rate
GIC - BSHORE	5,000,000	4/21/2020	4/21/2021	1.65%
GIC - BSHORE	5,000,000	4/21/2020	4/21/2021	1.70%
GIC - CCS	5,000,000	4/21/2020	4/21/2022	2.25%
GIC - CCS	5,000,000	4/21/2020	4/21/2021	1.75%
GIC - CCS	5,000,000	4/21/2020	4/21/2021	2.20%
GIC - BMO	5,000,000	5/26/2020	5/26/2021	1.60%
Total Investment	\$ 30,000,000			

16. Contingent liabilities

The Regional District has a contingent liability with respect to the Municipal Finance Authority of BC (MFA) Debt Reserve Fund Demand Note. As a condition of the borrowing, the Regional District was required to contribute to the MFA Debt Reserve through a demand note. The demand note will only be recorded as an asset and liability if a local government defaults on the loan obligation. Upon this action of the default, the MFA may call the outstanding demand notes, at which point the demand notes then become an asset and a liability. Once the defaulting local government repays in full the defaulted position, the MFA will refund all called demand notes. It is generally unlikely that the funds will be demanded by the MFA; therefore, the contingent liability has not been recorded in the financial statements.

Notes to the Financial Statements

For the fiscal year ended December 31

17. Budget

The Regional Districts 2019-2023 budget is publicly available at <https://prrd.bc.ca/> which was adopted by the Board on March 28, 2019 as part of the Five Year Financial Plan Bylaw No. 2362. The Regional District prepares its budget with consideration of revenues and expenditures without accrual adjustments. The Regional District's 2019 budget presented in the Statement of Operations and Accumulated Surplus and Statement of Net Financial Assets is adjusted for accounting standards for transactions such as debt and capital projects, which do not meet the definitions of revenues and expenses under PSAS.

The following is a reconciliation between the budgeted amounts approved in the Financial Plan and the budget as presented in the financial statements:

Financial Plan Bylaw No. 2362, Annual Surplus		-
2019 Annual Surplus		9,324,074
Revenue		
Transfer from Surplus	8,855,970	
Transfer from Reserve	4,407,830	
Debt Proceeds	1,502,303	
Internal Charges	634,231	
		15,400,334
Expense		
Capital	9,894,953	
Transfer to Reserve	6,295,587	
Debt Servicing - Member Municipalities	4,041,482	
Actuarial Estimate	1,995,436	
Debt Servicing - Regional District	1,815,264	
Internal Charges	638,600	
Transfer to Deficit	43,086	
		24,724,408
2019 Annual Surplus After Adjustments		-

Notes to the Financial Statements

For the fiscal year ended December 31

18. Municipal pension plan

The Regional District and its employees contribute to the Municipal Pension Plan (a jointly trusted 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-employers defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2018, the plan had about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

Ever 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, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Regional District paid \$333,961 (2018 - \$335,000) for employer contributions to the plan in fiscal 2019. The next valuation will be as at December 31, 2021, with results available in 2022.

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 costs to individual employers participating in the plan.

19. Related party transactions

During the year, the Regional District provided administration and accounting services of \$10,000 (2018 - \$10,000) to the Peace River Regional Hospital District.

20. Comparative figures

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

21. 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:

Notes to the Financial Statements

For the fiscal year ended December 31

21. Segment reporting continued

General Government

This segment is comprised of services that relate to the legislative function as well as the administrative and financial management of the Regional District. Legal administration, grants, records management, human resources management, information technology and elections all fall within General Government services.

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.

Protective Services

This segment includes the revenue and expenses associated with fire protection, bylaw enforcement, animal control, victim services and building inspection services.

Planning and Development

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

Recreation and Culture

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

Sewer Utility

This segment is comprised of services for providing sewer services.

Water Utility

This segment is comprised of services for providing water services.

Notes to the Financial Statements

For the fiscal year ended December 31

22. Prior period adjustment

During the year, information became available that demonstrated that the Regional District had overstated its tangible capital assets (buildings) and accumulated surplus in prior years. The Regional District has revised the 2018 comparative figures to remove the tangible capital assets, accumulated amortization and amortization expense for the tangible capital assets incorrectly recorded by the Regional District.

The following is the adjustment to the comparative financial statements for the year 2018:

	Previously Reported	Adjustment	Restated
Statement of Financial Position			
Financial Assets total	135,851,589	5	135,851,594
Financial Liabilities total	106,933,817	(4)	106,933,813
<i>Non-financial assets</i>			
Tangible capital assets	58,135,245	(4,171,922)	53,963,323
Non-financial assets total	58,171,941	(4,171,922)	54,000,019
Accumulated surplus	87,089,713	(4,171,913)	82,917,800
Statement of Operations			
Revenue total	46,574,709	(108,066)	46,466,709
Expense total	39,940,902	(4,559)	39,936,343
Annual surplus	6,633,873	(103,507)	6,530,366
<i>Accumulated surplus</i>			
Beginning of year	80,455,840	(4,068,406)	76,387,434
End of year	87,089,713	(4,171,913)	82,917,800
Statement of Change in Net Financial Assets			
Annual surplus	6,633,873	(103,507)	6,530,366
Change in net financial assets	5,633,327	9	5,633,336
<i>Net financial assets</i>			
End of year	28,917,772	9	28,917,781
Statement of Cash Flows			
Annual surplus	6,633,873	(103,507)	6,530,366

Schedule 1: Revenue and Expenses by Segment

	General Government	Environmental Services	Protective Services	Planning & Development	Recreation and Culture	Sewer Utilities	Water Utilities	2019	2018
Revenue									
Requisitions	3,705,367	7,052,890	2,827,451	1,479,641	12,238,257	221,139	802,035	\$ 28,326,780	\$ 26,956,378
Grants-in-lieu	541,374	745,180	25,925	155,278	146,452	0	0	1,614,209	1,455,700
Interest income	1,167,518	19,662	5,991	3	6,409	9,145	523	1,209,251	961,259
Fess, charges and other	93,504	5,172,117	229,546	255,854	1,776,182	1,277,189	74,347	8,878,739	9,480,118
Government transfers	5,069,501	81,000	15,663	75,986	-	0	-	5,242,150	4,327,443
	10,577,264	13,070,849	3,104,576	1,966,762	14,167,300	1,507,473	876,905	45,271,129	43,180,898
Wages and payroll Expenses	2,977,801	801,773	379,521	565,043	408,181	76,619	34,437	5,243,375	4,665,309
Advertising	31,664	24,812	13,135	30,500	2,069	0	1,657	103,837	111,407
Banking fees and interest	10,047	371,221	0	12,469	258,385	22,161	36,645	1,711,928	1,633,940
Professional services	118,268	18,152	46,996	4,669	633	4,150	66,689	279,557	372,443
Insurance	20,114	22,802	46,543	9,850	103,639	36,262	9,447	248,665	171,873
Grants and scholarships	11,360	0	6,500	0	3,598,139	0	0	3,725,499	2,643,548
Phone and internet	170,649	6,859	117,330	1,052	1,149	1,609	0	299,359	538,911
Consulting fees	57,542	71,365	0	0	0	18,337	0	147,244	131,569
Contracting fees	168,593	4,903,088	1,536,502	354,195	109,643	2,675	376,558	7,451,254	6,750,248
Utilities	31,858	0	2,943	0	1,681	68,762	14,606	138,850	84,434
Studies, committees and meetings	104,702	13,431	17,215	16,375	25,443	0	88	339,254	228,592
Repairs and maintenance	187,062	74,335	99,451	11,451	122,919	38,607	0	533,805	280,172
Office and supplies	147,270	855,200	57,636	21,387	7,063	973	22,552	1,112,106	1,066,595
Operations	0	5,283,837	0	36,232	5,371,272	48,555	53,459	6,012,355	5,489,164
travel meals and memberships	192,293	5,306	12,334	14,268	5,639	2,405	563	252,808	453,000
Miscellaneous	364,509	1,284,567	447,015	726,205	922,001	658,336	41,648	4,443,981	9,366,330
Amortization	91,259	548,440	171,960	3,013	1,379,956	466,180	78,402	2,739,219	2,662,997
	4,684,991	9,523,922	3,136,062	1,937,927	13,317,812	1,445,631	736,751	34,783,096	36,650,532
Net revenue (expenditure)	\$ 5,892,272	3,546,927	-31,486	28,835	849,488	61,842	140,154	\$ 10,488,033	\$ 6,530,366



REPORT

To: Chair and Directors

Report Number: FN-BRD-012

From: Teri Vetter, Chief Financial Officer

Date: August 4, 2020

Subject: 2019 Statement of Financial Information

RECOMMENDATION: [Corporate Unweighted]

That the Regional Board receive the Statement of Financial Information package for 2019; further, that the Chair be authorized to sign the statements as presented.

BACKGROUND/RATIONALE:

All local governments must prepare an annual Statement of Financial Information (SOFI) in accordance with the *Financial Information Act*. The Statement of Financial Information must be made available for public viewing by June 30 each year and be accessible for the following three years. Due to COVID-19, this deadline has been extended to August 31, 2020.

The SOFI report includes the following statements and schedules:

- Statement of Financial Information Approval
- Independent Auditors Report
- Management Report
- Schedule of Remuneration and Expenses
- Schedule of Severance Agreement
- Schedule of Payments to Suppliers for Goods and Services
- Schedule of Guarantee and Indemnity Agreements

ALTERNATIVE OPTIONS: None.

STRATEGIC PLAN RELEVANCE:

☒ Not Applicable to Strategic Plan.

FINANCIAL CONSIDERATION(S): None.

COMMUNICATIONS CONSIDERATION(S):

After approval, the report will be posted to the PRRD website. Additionally, a copy of the SOFI must be available for public inspection at the Regional District offices during regular office hours from the time of approval until three years after the year reported on.

OTHER CONSIDERATION(S): None

Attachments:

1. 2019 Statement of Financial Information



PEACE RIVER REGIONAL DISTRICT

STATEMENT OF FINANCIAL INFORMATION

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PEACE RIVER REGIONAL DISTRICT

STATEMENT OF FINANCIAL APPROVAL

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

Teri Vetter, CPA, CGA
Chief Financial Officer
August 18, 2020

The undersigned represents the Board of Directors of the Peace River Regional District and approves all the statements and schedules included in this Statement of Financial Information, produced under the Financial Information Act.

Brad Sperling
Chair
August 18, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Peace River Regional District

Opinion

We have audited the financial statements of Peace River Regional District (the Entity), which comprise the statement of financial position as at December 31, 2019, and the statements of operations and accumulated surplus and 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, 2019, 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.

Comparative Information

The financial statements of the Entity for the year ended December 31, 2018 were audited by another auditor who expressed an unmodified opinion on those statements on April 11, 2019.

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.

Partners

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

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

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.

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

Prince George, British Columbia

August 18, 2020

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PEACE RIVER REGIONAL DISTRICT

MANAGEMENT REPORT

The Financial Statements contained in this Statement of Financial Information (SOFI) under the Financial Information Act have been prepared by management, in conjunction with external auditors, Beswick Hildebrandt and Lund (BHL) Chartered Professional Accountants, in accordance with Generally Accepted Accounting Principles (GAAP) or stated accounting principles, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all 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.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control. The Board meets with management and the external auditors once a year.

The corporation's Chief Financial Officer has the responsibility for assessing the management systems and practices of the corporation.

The external auditors, BHL, 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 management and the Board and may meet with them as required.

On behalf of the Peace River Regional District

Teri Vetter, CPA, CGA
Chief Financial Officer
August 18, 2020

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PLEASE REPLY TO:

☒ Box 810, 1981 Alaska Ave, Dawson Creek, BC V1G 4H8 Tel: (250) 784-3200 or (800) 670-7773 Fax: (250) 784-3201 Email: prrd.dc@prrd.bc.ca
☐ 9505 100 St, Fort St. John, BC V1J 4N4 Tel: (250) 785-8084 Fax: (250) 785-1123 Email: prrd.fsj@prrd.bc.ca



PEACE RIVER REGIONAL DISTRICT

Peace River Regional District

Financial Statements

For the fiscal year ended December 31, 2019

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☐ 9505 100 St, Fort St. John, BC V1J 4N4 Tel: (250) 785-8084 Fax: (250) 785-1123 Email: prrd.fsj@prrd.bc.ca

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Statement of Management's Responsibility

The accompanying financial statements of the Peace River Regional District ("Regional District") are the responsibility of management and have been approved by the Board of Directors.

The financial statements have been prepared by management in accordance with the significant accounting policies as set out in Note 2 to the financial statements and comply with the Canadian Public Sector Accounting Standards ("PSAS") as set by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada and the governing legislation. The financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

Directors are composed entirely of individuals who are neither management nor employees of the Regional District. Directors are responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial statements. Directors fulfill these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. Directors are also responsible for recommending the appointment of the Regional District's external auditors.

The financial statements have been audited by Beswick Hildebrandt Lund (BHL) CPA in accordance with Canadian generally accepted auditing standards on behalf of the Regional District. BHL CPA has full access to the Board of Directors.

Shawn Dahlen, Chief Administrative Officer

Teri Vetter, Chief Financial Officer

Statement of Financial Position

As at December 31

	2019	2018 (Restated - Note 22)
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	66,982,944	58,601,254
Accounts receivables (Note 4)	1,483,648	3,055,118
Reserve deposits (Note 5)	1,829,252	6,328,100
Financial assets before member municipalities	70,295,844	67,984,472
Loans receivables (Note 6 and 10)	62,693,799	67,867,122
	132,989,643	135,851,594
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	4,005,911	3,561,617
Deferred revenue (Note 8)	282,298	405,142
Landfill closure and post-closure care (Note 9)	4,231,076	5,374,180
Debt (Note 10)	22,132,808	23,037,601
Other liabilities (Note 11)	2,692,966	6,688,151
Financial liabilities before member municipalities	33,345,059	39,066,691
Other debt (Note 6 and 10)	62,693,799	67,867,122
	96,038,858	106,933,813
NET FINANCIAL ASSETS	36,950,785	28,917,781
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 12)	56,375,756	53,963,323
Prepaid expenses	79,292	36,696
	56,455,048	54,000,019
ACCUMULATED SURPLUS (Note 13 and 14)	93,405,833	82,917,800

Subsequent events (Note 15)

Contingent liabilities (Note 16)

Municipal pension plan (Note 18)

Related parties (Note 19)

Comparative figures (Note 20)

Segment reporting (Note 21)

Chairperson

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Statement of Operations and Accumulated Surplus

For the fiscal year ended December 31

	2019 Budget (Note 17)	2019	2018 (Restated - Note 22)
REVENUE (SCHEDULE 1)			
Requisitions	28,326,780	28,326,780	26,956,378
Grants-in-lieu	983,199	1,614,209	1,455,700
Interest Income		1,209,251	961,259
Fees, Charges and Other	8,886,109	8,878,739	9,480,118
Government Transfers	4,691,351	5,242,150	4,327,443
	<u>42,887,439</u>	<u>45,271,129</u>	<u>43,180,898</u>
EXPENSES (SCHEDULE 1)			
General Government	6,105,220	4,684,991	4,999,649
Environmental Services	10,272,836	9,523,922	10,325,802
Protective Services	3,385,946	3,136,062	5,421,540
Planning and Development	2,895,438	1,937,927	2,452,584
Recreation and Culture	12,656,694	13,317,812	11,876,425
Sewer Utilities	1,185,798	1,445,631	1,405,763
Water Utilities	1,002,915	736,751	168,769
	<u>37,604,847</u>	<u>34,783,096</u>	<u>36,650,532</u>
Annual Surplus, Before Other	<u>5,282,592</u>	<u>10,488,033</u>	<u>6,530,366</u>
OTHER			
Member municipalities interest earned	7,138,972	3,064,550	3,285,811
Less: Member municipalities interest expense	3,097,490	3,064,550	3,285,811
	<u>4,041,482</u>		
Annual Surplus	<u>9,324,074</u>	<u>10,488,033</u>	<u>6,530,366</u>
Accumulated Surplus, as previously stated			80,455,840
Prior Period Adjustment (Note 22)			(4,068,406)
Accumulated Surplus, Restated Beginning of Year	82,917,800	82,917,800	76,387,434
Accumulated Surplus, End of Year (Note 13 and 14)	<u>92,241,874</u>	<u>93,405,833</u>	<u>82,917,800</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Statement of Change in Net Financial Assets

For the fiscal year ended December 31

	2019 Budget (Note 17)	2019	2018 (Restated - Note 22)
Annual Surplus	9,324,074	10,488,033	6,530,366
Change in tangible capital assets	(9,894,953)	(5,119,667)	(3,742,540)
Amortization of tangible capital assets		2,739,219	2,662,996
Change in prepaid expense		(42,596)	7,659
Gain on disposals		(10,636)	(4,103)
Other non-cash charges to operations		(21,349)	178,958
Change in net financial assets	(570,879)	8,033,004	5,633,336
Net Financial Assets, Beginning of Year	28,917,781	28,917,781	23,284,445
Net Financial Assets, End of Year	28,346,902	36,950,785	28,917,781

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Statement of Cash Flows

For the fiscal year ended December 31

	2019	2018 (Restated - Note 22)
Operating		
Annual Surplus	10,488,033	6,530,366
Non-cash items:		
Amortization	2,739,219	2,662,996
Gain on disposals	(10,636)	(4,103)
Other non-cash items	(21,349)	178,957
Decrease (increase) in non-cash assets:		
Accounts receivables	1,571,470	(1,911,556)
Prepaid expenses	(42,596)	7,659
Increase (decrease) in non-cash liabilities:		
Accounts payable and accrued liabilities	444,294	(1,304,583)
Deferred revenue	(122,844)	67,107
Landfill closure and post-closure care	(1,143,104)	352,328
Other liabilities	(3,995,185)	(27,225)
	9,907,302	6,551,946
Financing		
Change in reserve deposits	4,498,848	28,217
Change in debt	(904,793)	(1,160,375)
Change in other debt	(5,173,323)	(4,387,329)
Decrease in municipal debt charges recoverable	5,173,323	4,387,329
	3,594,055	(1,132,158)
Capital		
Change in tangible capital assets	(5,119,667)	(3,742,540)
Change in cash and cash equivalents	8,381,690	1,677,248
Cash and cash equivalents, beginning of year	58,601,254	56,924,006
Cash and cash equivalents, end of year	66,982,944	58,601,254

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Notes to the Financial Statements

For the fiscal year ended December 31

The accompanying notes are an integral part of these financial statements. The following explains the significant accounting policies and reporting principles underlying these statements. The notes also provide relevant supplementary information and explanations.

1. The Peace River Regional District

The Peace River Regional District (the "Regional District") was incorporated on October 31, 1987 under the provisions of the Local Government Act, a statute of the Province of British Columbia. The Regional District provides regional services such as: protective services, environmental services, community planning and development, recreation and culture, water and sewer utilities, debt and general government operations. Per the province of British Columbia, the Regional District has three roles: provide regional wide services, provide inter-municipal or sub-regional services, and act as the general local government for electoral areas. A key responsibility of the Regional District is to provide debt financing to member municipalities through the Municipal Finance Authority of British Columbia (MFA).

The Regional District is governed by a twelve-member Board of Directors representing seven member municipalities and four electoral areas. The Directors also serve as board members of the Peace River Regional Hospital District. The board votes on resolutions and bylaws governing the region on all matters delegated to regional districts under provincial statutes.

2. Significant accounting policies

The financial statements of the Regional District are prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS) as recommended by the Public Sector Accounting Board of Chartered Professional Accountants of Canada. Significant accounting policies adopted by the Regional District are as follows:

(a) Reporting entity

The financial statements include all the assets, liabilities, accumulated surplus, revenue and expenses of the Regional District's service activities and funds.

(b) Basis of accounting

The Regional District follows the accrual method of accounting for revenue and expenses. Revenues are accounted for in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay. Inter-entity balances and transactions are eliminated.

Notes to the Financial Statements

For the fiscal year ended December 31

(c) Cash and cash equivalents

Cash is held by the Regional District in its general bank and other high-interest savings account. Cash equivalents include investments in the Municipal Finance Authority of British Columbia (MFA) Money Market Funds which are recorded at cost plus earnings reinvested in the funds.

(d) Estimates

The preparation of financial statements 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 amounts of revenues and expenses during the period.

Significant estimates include assumptions used in estimating useful lives of tangible capital assets, estimating provisions for accrued liabilities, estimating the remaining useful life of the landfill and related post-closure liability and in performing actuarial valuations of employee future benefits. Actual results could differ from these estimates.

(e) Requisitions

The Regional District requisitions taxation from each member municipality and the electoral areas for their portion for services for which they participate. These requisitions are levied through the municipalities and the Province's Surveyor of Taxes (for electoral areas) to taxpayers and funds are provided to the Regional District by August 1 of each year.

(f) Employee future benefits

The Regional District and its employees make contributions to the Municipal Pension Plan ("the plan"), as a multi-employer, defined benefit pension plan. Contributions are expensed as incurred.

(g) Government transfers

Government transfers are transfers of monetary assets to the Regional District that are not the result of an exchange transaction, a direct financial return, or is expected to be repaid in the future. Government transfers, which include legislative grants, are recognized as revenue in the financial statements when the transfer is authorized, and any eligibility criteria have been met and reasonable estimates of amounts can be determined.

If transfer stipulations give rise to an obligation that meets the definition of a liability, the resulting liability is deferred in the financial statements and recognized in the Statement of Operations as the stipulation liabilities are settled.

(h) Loans receivable

Loans receivable consists of amounts that are recoverable from member municipalities or other local governments with respect to outstanding debentures or other long-term debt pursuant to annexation orders or joint capital undertakings. These recoveries are recorded at a value that equals the offsetting portion of the un-matured long-term debt, less actuarial requirements for the retirement of any sinking fund debentures.

Notes to the Financial Statements

For the fiscal year ended December 31

(i) Land-fill closure and post-closure liability

Pursuant to the Ministry of Environment's Landfill Criteria for Municipal Solid Waste, the Regional District is required to fund the closure of their landfill sites and provide for post-closure care of the facilities. Closure and post-closure activities include the final clay cover and landscaping, as well as surface and ground water monitoring, leachate control, and vision inspection. The requirement is being provided for over the estimated remaining life of the landfill site based on usage.

(j) Financial instruments

The Regional District recognizes its financial instruments when the Regional District becomes party to the contractual provisions of the financial assets and liabilities originated and issued in a related party transaction with management. Financial instruments consist of cash, portfolio investments, receivables, debt and accounts payable.

Unless otherwise noted, it is management's opinion that the regional District is not exposed to significant interest rate, currency or credit risk from these financial instruments.

(k) Debt and other debt

The Regional District's long-term debt and the member municipalities long-term debt are recorded net of repayments and actuarial adjustments.

(l) Demand notes

The Regional District's debt instruments through the MFA require execution of demand notes. For the reporting year, management has reported the demand notes as contingent liabilities in compliance with PSAS. These demand notes were reported in the Statement of Financial Position by management in prior periods.

(m) Segmented Information

The Regional District's segments are distinguishable activities or groups of activities for which it is reasonable to separately report financial information. The Regional District provides segmented information in schedules to the financial statements.

(n) Non-financial assets

Non-financial assets are held for use in the provision of goods and services but are not available to discharge existing liabilities. These assets may have a useful life extending beyond the current year and are not intended for sale in the ordinary course of the Regional District's operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. The cost, less the residual value of the tangible capital asset (excluding land), is amortized on a straight-line basis over the estimated useful life as

Notes to the Financial Statements

For the fiscal year ended December 31

(i) Tangible capital assets continued

tangible capital asset (excluding land), is amortized on a straight-line basis over the estimated useful life as follows:

Land	---
Parks	15 - 50 years
Buildings	10 - 30 years
Equipment (computer, machinery and other)	5 - 15 years
Equipment (Vehicles)	10 - 20 years
Public Infrastructure and Utilities	5 - 50 years
Landfills	25 - 30 years

Tangible capital assets, including assets under construction, are recorded at cost. Amortization is charged over the assets useful life and commences when the asset is acquired. Full amortization is charged in the year of acquisition and no amortization is charged in the year of disposal. Assets under construction are not amortized until the assets are available for use.

(ii) Contributions of tangible capital assets

Contributed tangible capital assets are recognized at fair value (using various methods such as actual developer costs, appraisals, assessed values or professional estimates) at the date of contribution and are also recognized as revenue. When an estimate of fair market value cannot be made, the tangible capital asset is recognized at a nominal value.

3. Cash and cash equivalents

	2019	2018
Cash	2,673,035	2,060,031
Cash equivalents	64,309,909	56,541,223
	66,982,944	58,601,254

The Regional District's general cash is held for general operations and delivery of regional services. The cash is held at a Canadian chartered bank and earns interest at the current prevailing rates.

Cash equivalents are held in High Interest Savings Accounts (HISA) and with the MFA Money Market Funds which are recorded at cost plus earnings reinvested in the funds. Subsequent to year-end, the Regional District moved \$30 million from cash equivalents to a guaranteed investment certificates (GIC) under third party management (Note 15).

Notes to the Financial Statements

For the fiscal year ended December 31

4. Accounts receivable		
	2019	2018
Provincial government	5,592	6,925
Goods and services tax	297,009	372,542
Trade receivables	628,832	2,566,319
Other	552,215	109,332
	1,483,648	3,055,118
5. Reserve deposits		
	2019	2018
Member municipalities		
MFA Debt Resv Dep - Chetwynd	45,091	134,341
MFA Debt Resv Dep - Dawson Creek	568,368	2,239,496
MFA Debt Resv Dep - Fort St John	659,858	2,003,340
MFA Debt Resv Dep - Hudson Hope	509	1,882
MFA Debt Resv Dep - Tumbler Ridg	31,138	121,131
	1,304,964	4,500,190
Regional district		
MFA Debt Resv Dep - Regional Dis	524,288	
MFA Debt Resv Dep - Multiplex		794,458
MFA Debt Resv Dep - Harper Swr		19,955
MFA Debt Resv Dep - S.W. (#2078)		111,618
MFA debt Resv Dep - S.W. (#1460)		45,798
MFA Debt Resv Dep - S.W. (#2020)		158,523
MFA Debt Resv Dep - S.W. (#2293)		298,172
MFA Debt Resv Dep - Chet Rec Plex (#110)		301,578
MFA Debt Resv Dep - Buick (SI#110)		97,808
	524,288	1,827,910
	1,829,252	6,328,100

With respect to amounts financed through the MFA, the Regional District is required to pay annual installments of principal and interest relative to any borrowing for its own purposes and on behalf of member municipalities. This amount may be paid either in full or in an amount of cash equal to 1% of the principal amount borrowed together with a non-interest bearing demand note for the balance. If, at any time, the MFA does not have sufficient funds to meet payments or sinking fund contributions due on its obligations, the payments or sinking fund contributions shall be made from the Debt Reserve Fund. The demand notes payable to the MFA and receivable from member municipalities are callable only if there are additional requirements to be met to maintain the level of the debt reserve fund.

The Regional District's debt, under provisions of the Local Government Act, is a direct, joint and several liability of the Regional District and each member municipality within the Peace River Regional District. For the year-ended December 31, 2019, management has determined the demand notes on all Debt to be contingent in nature and has removed the amounts from the Statement of Financial Position under the provisions of PS 3300 Contingent Liability (Note 16).

Notes to the Financial Statements

For the fiscal year ended December 31

6. Loans receivables		
	2019	2018
Dawson Creek	24,178,693	27,314,865
Chetwynd	3,794,677	3,955,354
Fort St. John	33,795,968	35,507,175
Hudson's Hope	8,821	11,538
Tumbler Ridge	915,640	1,078,190
	62,693,799	67,867,122

Under the Local Government Act and Community Charter, member municipalities are required to secure borrowing arrangements with the Municipal Finance Authority through the Regional District. Under these terms, member municipalities are required to pay the Regional District amounts required to discharge their obligations respectively. Any default in payment is the liability of the Regional District.

7. Payables		
	2019	2018
Federal governments	1,032	1,273
Grants in-aid	419,245	358,971
Vacation and banked overtime	42,325	30,517
Trade Payables	3,028,487	2,742,874
Other	514,822	427,982
	4,005,911	3,561,617

8. Deferred revenue		
	2019	2018
Bldg Insp-Demo & Temp Deposits	21,500	24,500
Deferred Revenue - Various	226,053	358,038
Deferred Revenue - Water Credits	12,141	
Deferred Revenue - Debenture Principal	22,604	22,604
	282,298	405,142

Monies received for specific purposes that are external restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the Statement of Financial Position. The revenue is recognized on the Statement of Operations in the period when related expenses are incurred and/or services performed and certain stipulations have been met.

Notes to the Financial Statements

For the fiscal year ended December 31

9. Landfill liability		
	2019	2018
North Peace	1,819,062	2,288,169
Bessborough	216,149	210,492
Chetwynd	1,857,539	2,364,925
Dawson Creek	153,709	199,080
Closed	184,617	311,514
	4,231,076	5,374,180

The estimated liability for these costs are recognized as the landfill site's capacity is used. Estimated total expenses represent the sum of the discounted future cash flows for closure and post-closure care activities at the Regional District's average long-term borrowing rate of 3.28% (2018 - 3.00%).

Landfill closure and post-closure care requirements have been defined in accordance with the Ministry of Environment and Climate Change Strategy (MoECCS) Landfill Criteria for Municipal Solid Waste. These requirements include:

- Regular monitoring for any impacts of landfill sites to the surrounding environment via surface water, ground water, and erosion/settlement.
- Mitigation of surface water run-off by construction of final cover and landscaping progressively in phases to avoid exposure of waste to the environment.
- Mitigation of landfill gas (LFG) via installation of gas collection systems and associated monitoring, which prevents migration of greenhouse gases offsite resulting from the breakdown of waste.

The reported liability reflects the costs to meet the aforementioned requirements and are calculated based on:

- "Design Operations and Control Plans" (DOCP's) - a manual describing how a landfill is built and airspace is consumed, reviewed, and updated every 5 years.
- "Annual Landfill Reports" - landfill site report describing how much waste was received and how much landfill airspace was consumed in the previous year.
- Budget vs. actual costs

These reports are compiled by qualified professionals and are based on landfill capacity consumed, modeling, annual site surveys, budgeted costs vs. actuals, etc. and represent the best information available to management. This information in turn is used to estimate reported liability for the PRRD landfills. It is understood that significant changes to estimated total expenses, capacity consumed vs. total capacity will affect reported liability for these landfill sites.

Notes to the Financial Statements

For the fiscal year ended December 31

9. Landfill liability continued

The estimated capacity for the active Landfill sites are as follows:

	Total Capacity m ³	Remaining Capacity m ³	Remaining Years
Bessborough	2,361,000	1,909,934	69.5
Chetwynd	224,800	106,437	9.0
North Peace	1,777,210	1,278,459	28.0

The Regional District has an additional 22 (2018 - 22) closed landfill sites in various stages of post closure care.

10. Debt and other debt

	2019	2018
South Peace Multiplex	6,500,564	7,459,433
Chetwynd Recreation Centre	4,601,235	4,929,290
Buick Creek Arena	1,492,275	1,598,670
Solid Waste	6,364,659	7,347,533
Harper Sewer	274,075	302,675
Potable Water - Area B	2,900,000	1,400,000
	22,132,808	23,037,601
Member municipality debt		
Chetwynd	3,794,677	3,955,354
Dawson Creek	24,178,693	27,314,865
Fort St. John	33,795,968	35,507,175
Hudson's Hope	8,821	11,538
Tumbler Ridge	915,640	1,078,190
	62,693,799	67,867,122
	84,826,607	90,904,723

Under the Local Government Act, the Regional District and member municipalities can secure financing for certain capital expenditures as noted above.

Notes to the Financial Statements

For the fiscal year ended December 31

10. Debt and other debt continued

The following are the borrowing issues from MFA for the Regional District, which is comprised of the debt of the Regional District and its member municipalities.

Issue No.	SI Bylaw	Interest Rate	Maturity Date	Regional District	Member Municipalities	Total
Issue #73	1317	6.36	Dec-20	-	14,583	14,583
Issue #77	1370	6.06	Jun-22	-	163,890	163,890
Issue #80	1453 & 1460	2.9	Oct-23	284,536	106,796	391,332
Issue #81	1493	2.4	Apr-24	-	597,014	597,014
Issue #85	1507	4.98	Dec-24	-	1,326,273	1,326,273
Issue #95	1540 & 1596	4.17	Oct-25	6,500,565	114,716	6,615,281
Issue #97	1618	4.66	Apr-26	-	279,550	279,550
Issue #101	1693	4.52	Apr-27	-	1,874,257	1,874,257
Issue #102	1729 & 1737	4.82	Dec-27	-	14,980,141	14,980,141
Issue #103	1777	2.65	Apr-28	-	8,692,547	8,692,547
Issue #105	1840 & 1844	4.9	Jun-24	-	1,267,164	1,267,164
Issue #110	1879, 1880 & 1882	4.5	Apr-30	6,372,304	278,794	6,372,304
Issue #118	1998 & 2000	3.4	Apr-32	515,811	241,736	515,811
Issue #121	2020 & 2024	2.9	Oct-3	4,690,454	3,756,861	4,690,454
Issue #124	2051	3.15	Oct-32	-	1,208,340	1,208,340
Issue #126	2083 & 2084	3.85	Sept-33	-	4,514,544	4,514,544
Issue #127	2078	3.3	Apr-24	1,031,919	-	1,031,919
Issue #130	2138 & 2142	3.1	Oct-34	-	3,832,882	3,832,882
Issue #131	2188 & 2192	2.2	Oct-34	-	2,535,313	2,535,313
Issue #133	2209 & 2210	2.75	Apr-35	-	11,919,257	11,919,257
Issue #141	2270 & 2280	2.8	Apr-27	-	1,531,548	1,531,548
Issue #142	2281 & 2293	3.15	Oct-27	4,114,610	2,022,833	6,137,443
Issue #145	2313	3.15	Apr-38	-	1,046,470	1,046,470
Issue #147	2347	3	Apr-39	-	388,289	388,289
Issue #115-1	2310	2.8	Dec-20	2,900,000	-	2,900,000
				22,132,808	62,693,799	84,826,607

Notes to the Financial Statements

For the fiscal year ended December 31

10. Debt and other debt continued

The principal payments on the total debt outstanding for future years is as follows:

Year	Regional District	Member Municipalities	Total
2020 short-term	2,900,000	-	2,900,000
2020	2,492,328	5,371,035	7,863,362
2021	2,594,095	5,569,049	8,163,144
2022	2,686,246	5,789,536	8,475,782
2023	2,445,291	5,660,781	8,106,073
2024	2,450,491	5,455,311	7,905,802
2025 & Thereafter	6,564,356	34,848,087	41,412,443
Total Long -Term	19,232,808	62,695,799	81,928,607
Total Debt	22,132,808	62,695,799	84,828,607

11. Other Liabilities

	2019	2018
Accrued interest	875,647	360,053
Debt reserves	1,817,319	1,902,260
Demand notes (Note 16)		4,425,838
	2,692,966	6,688,151

Notes to the Financial Statements

For the fiscal year ended December 31

12. Tangible Capital Assets	2018	Current		2019	2018		Current	2019	2019	2018
	Cost	Additions	Disposals	Cost	Accumulated Amortization	Disposals	Amortization	Accumulated Amortization	Net Book Value	Net Book Value
Land	189,287	75,797		265,084					265,084	189,287
Buildings	32,944,914	74,066		33,018,980	13,102,771		1,333,889	14,436,660	18,582,320	19,842,143
Equipment - computer	677,587	17,217	(19,185)	675,619	619,000	(19,185)	19,947	619,762	55,857	58,587
- machinery and other	3,018,969	175,153	(11,000)	3,183,122	2,323,063	(11,000)	198,056	2,510,119	673,003	695,906
- vehicles	2,808,847	33,414	(9,000)	2,833,261	1,563,302	(1,800)	125,824	1,687,326	1,145,935	1,245,545
Landfills	18,799,500			18,799,500	2,377,200		511,912	2,889,132	15,910,368	16,422,280
Parks	278,893	67,428		346,321	250,988		12,361	263,349	82,972	27,905
Sewer	18,012,809			18,012,809	5,597,791		455,576	6,053,367	11,959,442	12,415,018
Water	299,433	3,136,067		3,435,500	210,402		81,654	301,056	3,134,444	80,031
Work in progress	2,986,621	1,579,710		4,566,331					4,566,331	2,986,621
	80,016,860	5,158,852	(39,185)	85,136,527	26,055,537	(31,985)	2,739,219	28,760,771	56,375,756	53,963,323

Notes to the Financial Statements

For the fiscal year ended December 31

13. Reserve Funds	2019	2018
Appropriated surplus		
Appr.surplus - SW Capital	6,259,163	6,978,120
Appr. surplus - Gas tax	5,821,163	3,851,027
Appr. surplus - Rural Loan Fund	4,060,248	3,927,087
Appr. Surplus - NP Pool Bldg Replacment	3,681,384	3,616,965
Appr surplus-F/S Area D	3,226,064	3,171,250
Appr. surplus-PRA Area C	2,889,646	2,120,081
Appr surplus-F/S Area E	2,864,569	2,827,895
Appr.Surp.-Chetwynd Pool Reserve	2,106,327	2,069,469
Appr. surplus - PRA Area E	2,090,906	1,464,623
Appr.Surp.- NP Leisure Pool Reserve	2,078,800	1,084,485
Appr surplus- PRA Area B	1,873,663	1,359,056
Appr.Surp.-Chetwynd Arena Reserve	1,815,022	1,685,012
Appr surplus-F/S Area B	1,794,921	1,838,814
Appr. surplus - PRA Area D	1,729,262	1,313,723
Appr surplus- F/S Area C	1,460,303	1,594,887
Appr.surplus - Landfill Closure	1,210,554	968,898
Appr. surplus - Rural Fringe	1,183,896	1,163,179
Appr. surplus - Building Reserve	1,152,111	1,033,701
Appr. surplus - Solid Waste Reserve	1,080,017	1,061,118
Appr. surplus - PR Agreement Comm.	1,053,068	1,034,640
Appr. Surp. CLFD Reserve	894,920	662,766
Appr. surplus - reserve (CL Sewer Cap.)	511,488	273,842
Appr. surplus - Insurance Reserve	494,791	486,133
Appr. surplus - CL Truck Rec Facility	439,375	202,991
Appr. surplus - CL Treatment & Disposal	362,350	356,010
Appr. surplus - Feasibility Reserve	313,184	307,704
Appr. surplus - Emergency Plan. Reserve	288,342	283,296
Appr. surplus - ISP Reserve	284,854	279,870
Appr Surp - DCC (Dev. Cost Charge)	277,165	272,315
Appr.Surp.-911 Emergency Capital	261,699	257,119
Appr.Surp.-Buick Creek Arena Cap Resv	206,798	188,442
Appr.Surp. Vehicle Reserve	170,725	167,738
Appr. surplus - BCR/PRA	153,326	172,077
Appr.Surp.-DC/PC Fire Reserve	148,358	67,162
Appr. surplus - Sub Reg Rur Resv (Insur)	143,699	116,622
Appr. surplus - Medical Scholarship	104,586	102,756
Appr.Surp.-SW Capital (Veh/Equip) Resv	103,027	101,225

Notes to the Financial Statements

For the fiscal year ended December 31

13. Reserve funds continued	2019	2018
Appr. surplus - CL Sewer Reserve	102,354	100,563
Appr. surplus - Regional Parks	98,942	72,648
Appr. surplus - Clearview Arena Reserve	90,505	88,921
Appr. surplus - Election Reserve	82,296	80,856
Appr. surplus - Buick Creek Arena Reserv	81,818	80,386
Appr. surplus - Green "Carbon" Projects	58,673	24,241
Appr. surplus - reserve (FSJ Sewer Cap)	58,388	46,890
Appr. surplus - FSJ Sewer Reserve	51,544	50,642
Appr. surplus - Regional Parks	48,093	47,252
Appr. surplus - Kelly Lake Community Hall	37,497	27,016
Appr. Surp.-Chilton Swr Cap Reserve	34,400	33,798
Appr. surplus - North Pine TV	32,465	42,801
Appr. Surp. - CLFD Op Reserve	31,716	31,161
Appr. surplus - Chilton Sewer Reserve	29,822	29,300
Appr. Surp. B/I Veh. Replace. Reserve	28,012	17,696
Appr. surplus - Kelly Lake Community Hall	27,168	26,693
Appr. surplus - Tomslake Fire Reserve	22,300	21,910
Appr. Surp.-Mob Lake FD	21,191	18,364
Appr. Surp.-FSJ Water Cap. Reserve	19,953	14,691
Appr. surplus - reserve (Harper Swr)	13,830	13,588
Appr. surplus - Harper Sewer	13,829	13,587
Appr. Surp.-Kelly Lake Sewer Cap. Reserve	11,936	11,727
Appr. Surp.-Rolla Sewer Cap. Reserve	10,418	10,235
Appr. Surp.-Friesen Sewer Cap. Reserve	10,340	8,064
Appr. Surp.-Rolla dyking	160	4,752
	55,607,424	49,379,880
Reserve funds		
FSJ Water Reserve	29,860	29,337
Kelly Lake Reserve	21,413	21,039
Friesen Reserve Fund	18,931	18,599
Rolla Sewer Reserve	7,528	7,396
	77,732	76,371
	55,685,156	49,456,251

The Regional District's reserves were established by bylaw under section 814 of the Local Government Act. Legislation requires that money in the reserve fund must be used for the purpose for which the fund was established. The bylaw allows for the establishment of an operating and capital reserve which are an important funding sources for the Regional District.

Notes to the Financial Statements

For the fiscal year ended December 31

14. Accumulated Surplus

	2019	2018
Unappropriated surplus (Deficit)	1,889,224	(1,179,979)
Reserve funds (Note 13)	55,685,156	49,456,251
Equity in tangible capital assets	35,831,453	34,641,528
	93,405,833	82,917,800

15. Subsequent events

(a) COVID-19

Subsequent to the reporting date, the Coronavirus (COVID-19) outbreak was declared a pandemic by the World Health Organization and has had a significant global financial and economic impact. For the reporting date March 31, 2020, COVID-19 is considered by management as a non-adjusting event. Consequently, there is no impact on the recognition and measurement of assets and liabilities.

The Regional District understands this health and economic crisis presents uncertainty over future cash flows and for future periods this may cause significant changes to the assets and liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practical at this time.

(b) Investments

Subsequent to the reporting date, management made a significant investment of \$30,000,000 in a 1-year, Guaranteed Investment Certificate (GIC) managed by Canaccord Genuity Corp. and Bank of Montreal. The interest rates vary as follows:

Investment Description	Principal	Purchase Date	Maturity Date	Interest Rate
GIC - BSHORE	5,000,000	4/21/2020	4/21/2021	1.65%
GIC - BSHORE	5,000,000	4/21/2020	4/21/2021	1.70%
GIC - CCS	5,000,000	4/21/2020	4/21/2022	2.25%
GIC - CCS	5,000,000	4/21/2020	4/21/2021	1.75%
GIC - CCS	5,000,000	4/21/2020	4/21/2021	2.20%
GIC - BMO	5,000,000	5/26/2020	5/26/2021	1.60%
Total Investment	\$ 30,000,000			

16. Contingent liabilities

The Regional District has a contingent liability with respect to the Municipal Finance Authority of BC (MFA) Debt Reserve Fund Demand Note. As a condition of the borrowing, the Regional District was required to contribute to the MFA Debt Reserve through a demand note. The demand note will only be recorded as an asset and liability if a local government defaults on the loan obligation. Upon this action of the default, the MFA may call the outstanding demand notes, at which point the demand notes then become an asset and a liability. Once the defaulting local government repays in full the defaulted position, the MFA will refund all called demand notes. It is generally unlikely that the funds will be demanded by the MFA; therefore, the contingent liability has not been recorded in the financial statements.

Notes to the Financial Statements

For the fiscal year ended December 31

17. Budget

The Regional Districts 2019-2023 budget is publicly available at <https://prrd.bc.ca/> which was adopted by the Board on March 28, 2019 as part of the Five Year Financial Plan Bylaw No. 2362. The Regional District prepares its budget with consideration of revenues and expenditures without accrual adjustments. The Regional District's 2019 budget presented in the Statement of Operations and Accumulated Surplus and Statement of Net Financial Assets is adjusted for accounting standards for transactions such as debt and capital projects, which do not meet the definitions of revenues and expenses under PSAS.

The following is a reconciliation between the budgeted amounts approved in the Financial Plan and the budget as presented in the financial statements:

Financial Plan Bylaw No. 2362, Annual Surplus		-
2019 Annual Surplus		9,324,074
Revenue		
Transfer from Surplus	8,855,970	
Transfer from Reserve	4,407,830	
Debt Proceeds	1,502,303	
Internal Charges	634,231	
		15,400,334
Expense		
Capital	9,894,953	
Transfer to Reserve	6,295,587	
Debt Servicing - Member Municipalities	4,041,482	
Actuarial Estimate	1,995,436	
Debt Servicing - Regional District	1,815,264	
Internal Charges	638,600	
Transfer to Deficit	43,086	
		24,724,408
2019 Annual Surplus After Adjustments		-

Notes to the Financial Statements

For the fiscal year ended December 31

18. Municipal pension plan

The Regional District and its employees contribute to the Municipal Pension Plan (a jointly trusted 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-employers defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2018, the plan had about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

Ever 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, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Regional District paid \$333,961 (2018 - \$335,000) for employer contributions to the plan in fiscal 2019. The next valuation will be as at December 31, 2021, with results available in 2022.

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 costs to individual employers participating in the plan.

19. Related party transactions

During the year, the Regional District provided administration and accounting services of \$10,000 (2018 - \$10,000) to the Peace River Regional Hospital District.

20. Comparative figures

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

21. 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:

Notes to the Financial Statements

For the fiscal year ended December 31

21. Segment reporting continued

General Government

This segment is comprised of services that relate to the legislative function as well as the administrative and financial management of the Regional District. Legal administration, grants, records management, human resources management, information technology and elections all fall within General Government services.

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.

Protective Services

This segment includes the revenue and expenses associated with fire protection, bylaw enforcement, animal control, victim services and building inspection services.

Planning and Development

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

Recreation and Culture

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

Sewer Utility

This segment is comprised of services for providing sewer services.

Water Utility

This segment is comprised of services for providing water services.

Notes to the Financial Statements

For the fiscal year ended December 31

22. Prior period adjustment

During the year, information became available that demonstrated that the Regional District had overstated its tangible capital assets (buildings) and accumulated surplus in prior years. The Regional District has revised the 2018 comparative figures to remove the tangible capital assets, accumulated amortization and amortization expense for the tangible capital assets incorrectly recorded by the Regional District.

The following is the adjustment to the comparative financial statements for the year 2018:

	Previously Reported	Adjustment	Restated
Statement of Financial Position			
Financial Assets total	135,851,589	5	135,851,594
Financial Liabilities total	106,933,817	(4)	106,933,813
<i>Non-financial assets</i>			
Tangible capital assets	58,135,245	(4,171,922)	53,963,323
Non-financial assets total	58,171,941	(4,171,922)	54,000,019
Accumulated surplus	87,089,713	(4,171,913)	82,917,800
Statement of Operations			
Revenue total	46,574,709	(108,066)	46,466,709
Expense total	39,940,902	(4,559)	39,936,343
Annual surplus	6,633,873	(103,507)	6,530,366
<i>Accumulated surplus</i>			
Beginning of year	80,455,840	(4,068,406)	76,387,434
End of year	87,089,713	(4,171,913)	82,917,800
Statement of Change in Net Financial Assets			
Annual surplus	6,633,873	(103,507)	6,530,366
Change in net financial assets	5,633,327	9	5,633,336
<i>Net financial assets</i>			
End of year	28,917,772	9	28,917,781
Statement of Cash Flows			
Annual surplus	6,633,873	(103,507)	6,530,366

Schedule 1: Revenue and Expenses by Segment

	General Government	Environmental Services	Protective Services	Planning & Development	Recreation and Culture	Sewer Utilities	Water Utilities	2019	2018
Revenue									
Requisitions	3,705,367	7,052,890	2,827,451	1,479,641	12,238,257	221,139	802,035	\$ 28,326,780	\$ 26,956,378
Grants-in-lieu	541,374	745,180	25,925	155,278	146,452	0	0	1,614,209	1,455,700
Interest income	1,167,518	19,662	5,991	3	6,409	9,145	523	1,209,251	961,259
Fess, charges and other	93,504	5,172,117	229,546	255,854	1,776,182	1,277,189	74,347	8,878,739	9,480,118
Government transfers	5,069,501	81,000	15,663	75,986	-	0	-	5,242,150	4,327,443
	10,577,264	13,070,849	3,104,576	1,966,762	14,167,300	1,507,473	876,905	45,271,129	43,180,898
Wages and payroll Expenses	2,977,801	801,773	379,521	565,043	408,181	76,619	34,437	5,243,375	4,665,309
Advertising	31,664	24,812	13,135	30,500	2,069	0	1,657	103,837	111,407
Banking fees and interest	10,047	371,221	0	12,469	258,385	22,161	36,645	1,711,928	1,633,940
Professional services	118,268	18,152	46,996	4,669	633	4,150	66,689	279,557	372,443
Insurance	20,114	22,802	46,543	9,850	103,639	36,262	9,447	248,665	171,873
Grants and scholarships	11,360	0	6,500	0	3,598,139	0	0	3,725,499	2,643,548
Phone and internet	170,649	6,859	117,330	1,052	1,149	1,609	0	299,359	538,911
Consulting fees	57,542	71,365	0	0	0	18,337	0	147,244	131,569
Contracting fees	168,593	4,903,088	1,536,502	354,195	109,643	2,675	376,558	7,451,254	6,750,248
Utilities	31,858	0	2,943	0	1,681	68,762	14,606	138,850	84,434
Studies, committees and meetings	104,702	13,431	17,215	16,375	25,443	0	88	339,254	228,592
Repairs and maintenance	187,062	74,335	99,451	11,451	122,919	38,607	0	533,805	280,172
Office and supplies	147,270	855,200	57,636	21,387	7,063	973	22,552	1,112,106	1,066,595
Operations	0	5,283,837	0	36,232	5,371,272	48,555	53,459	6,012,355	5,489,164
travel meals and memberships	192,293	5,306	12,334	14,268	5,639	2,405	563	252,808	453,000
Miscellaneous	364,509	1,284,567	447,015	726,205	922,001	658,336	41,648	4,443,981	9,366,330
Amortization	91,259	548,440	171,960	3,013	1,379,956	466,180	78,402	2,739,219	2,662,997
	4,684,991	9,523,922	3,136,062	1,937,927	13,317,812	1,445,631	736,751	34,783,096	36,650,532
Net revenue (expenditure)	\$ 5,892,272	3,546,927	-31,486	28,835	849,488	61,842	140,154	\$ 10,488,033	\$ 6,530,366

PEACE RIVER REGIONAL DISTRICT
SCHEDULE SHOWING THE REMUNERATION AND EXPENSES PAID TO OR
ON BEHALF OF EACH EMPLOYEE FOR 2019

1. ELECTED OFFICIALS

NAME	POSITION	REMUNERATION	EXPENSES
Ackerman, Lori	Director	15,243.00	1,044.00
Bertrand, Keith	Director	14,409.75	1,705.20
Boon, Arlene	Alternate Director	1,680.00	539.40
Bumstead, Dale	Director	17,637.75	407.16
Courtoreille, Allen G.	Director	19,836.75	5,606.88
Deck, Melvin	Alternate Director	682.00	591.60
Fraser, Robert	Director	17,785.00	2,695.04
Goodings, Karen	Director	44,517.31	14,496.03
Hansen, Lilia	Alternate Director	1,987.00	0.00
Heiberg, Dave	Director	18,571.25	5,206.97
Hiebert, Leonard	Director	57,131.31	25,976.53
Kirby, Joanne	Alternate Director	2,745.00	1,670.40
Lekstrom, Blair	Alternate Director	157.00	0.00
McKnight, James I	Alternate Director	1,232.00	0.00
Michetti, Lorraine	Director	16,517.00	112.52
Miller, Kelly	Alternate Director	870.00	581.16
Ponto, Betty	Alternate Director	785.00	299.28
Rogers, Mark	Alternate Director	570.00	93.96
Rose, Daniel	Vice Chair & Director	53,860.31	21,318.29
Smith, Barb	Alternate Director	2,089.00	0.00
Sperling, Bradley	Chair & Director	84,505.21	24,059.72
Stewart, Byron	Alternate Director	448.00	0.00
Zabinsky, Anthony	Director	19,090.00	2,400.62
Total		392,349.64	108,804.76

2. OTHER EMPLOYEES (excluding those listed in Part 1 above)

Albury, Edward	Fire Chief - Charlie Lake	98,000.35	6,293.49
Bates, Kelsey	Deputy Corporate Officer	78,003.45	3,537.86
Bondaroff, Kari	Environmental Services Manager	103,916.74	4,696.25
Brown, Crystal	Electoral Area Manager	93,950.25	6,180.90
Dahlen, Shawn	Chief Administrative Officer	178,982.53	8,832.51
Eichelberger, Paulo	GM of Environmental Services	128,921.30	3,973.01
Fulford, Aden	GIS Coordinator	82,660.64	4,007.53
Haughian, Frances	Communications Manager	85,587.61	4,533.49
Henderson, Tyra	Corporate Officer	135,240.12	4,127.95
Morgan, Patricia	GM of Community Services	129,053.22	6,568.47
Ouellette, Trevor	Manager	114,568.79	4,739.53
Schildroth, Ronald	Deputy Fire Chief - Charlie Lake	82,174.31	606.42
Smith, Lyle	Chief Financial Officer	131,939.05	7,811.72
Wards, Christina	Financial Services Manager	110,637.62	2,409.02
Total of Employees Earning Greater than \$75,000.00		1,553,635.98	68,318.15
Consolidated total of other employees with remuneration and expenses of \$75,000 or less		2,317,973.52	109,747.36
Total Other Employees		3,871,609.50	178,065.51

3. RECONCILIATION

Total Remuneration - elected officials	392,349.64	108,804.76
Total Remuneration - other employees	3,871,609.50	178,065.51
Subtotal	4,263,959.14	286,870.27
Reconciling Items	0.00	0.00
Total per Statement of Revenue and Expenditures	*See Note Below	
Variance	0.00	0.00

*The Consolidated Financial Statements do not provide this information, they are prepared on a function basis rather than on an object basis. However, the amounts reported are included in the expenses stated in the financial statements.

EMPLOYER PORTION CPP & EI

Employer Portion CPP	151,366.31
Employer Portion EI	<u>53,623.41</u>
Total Employer CPP and EI Paid to the Receiver General for Canada	204,989.72

PEACE RIVER REGIONAL DISTRICT

SCHEDULE OF SEVERANCE AGREEMENTS

For the year ended December 31, 2019

There was 1 Severance Agreement under which payment continued between the Peace River Regional District and a non-unionized employee during the fiscal year 2019 for a 9 month period

Compensation was based on salary and benefits from January to Sept 2019.

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Peace River Regional District
Schedule of Payments to Suppliers for Goods and Services
For the year ended December 31, 2019

Supplier Name	Total
ADLARD ENVIRONMENTAL	70,476.87
AIM VENTURES INC. DBA AIM TRUCKING	37,083.90
ALASKA HIGHWAY NEWS	62,370.63
AMIANTE ENVIRONMENTAL CONSULTING INC.	51,229.50
AQUATECH CANADIAN WATER SERVICES INC.	1,044,849.10
ASPEN GROVE PROPERTY SERVICES	134,844.00
AVERY WEIGH-TRONIX CANADA	32,597.99
BC HYDRO	166,530.85
BEAR MOUNTAIN CONSTRUCTION LTD	1,419,672.03
BROCOR CONSTRUCTION LTD.	2,626,509.46
BROWNS' CHEVROLET BUICK GMC LTD.	52,971.76
BROWNS JANITORIAL SERVICES	62,208.13
BUICK CREEK COMMUNITY CLUB	85,000.00
CANADIAN CANCER SOCIETY	50,000.00
CANADIAN RED CROSS	25,056.65
CANADIAN UNION OF PUBLIC EMPLOYEES-SEC/TREAS	41,294.27
CDW CANADA CORP.	35,034.27
CHETWYND COMMUNICATIONS SOCIETY	256,000.00
CHETWYND PUBLIC LIBRARY	463,150.00
CHETWYND, DISTRICT OF	1,927,572.47
CHISHOLM LORNE S	55,387.50
CLEARVIEW ARENA SOCIETY	135,000.00
D&T DISPOSALS LTD.	305,434.22
DAWSON CO-OPERATIVE UNION	97,120.53
DAWSON CREEK, CITY OF	1,054,664.64
E-COMM EMERGENCY COMMUNICATIONS FOR BC	142,012.52
EPSCAN INDUSTRIES LTD	32,921.00
ESRI CANADA LIMITED	31,251.36
FCAPX LTD.	90,231.80
FLOWPOINT ENVIRONMENTAL SYSTEMS LP	31,740.53
FORT GARRY FIRE TRUCKS	114,000.00
FORT ST JOHN, CITY OF	3,564,440.84
FORT ST. JOHN PUBLIC LIBRARY ASSOCIATION	22,375.00
GFL ENVIRONMENTAL INC.	3,573,048.67
GHD LIMITED	143,424.21
GREAT-WEST LIFE ASSURANCE COMPANY	329,718.00
HCMA ARCHITECTURE & DESIGN	29,109.97
INSURANCE CORPORATION OF B C	42,022.00
J.BERG CONTRACTING LTD.	39,377.01
JK SOLUTIONS LTD.	66,285.22
JOHNSON CAROL	57,330.00
KELLY LAKE COMMUNITY CENTRE SOCIETY	74,317.44
KNAPPETT INDUSTRIES (2006) LTD.	318,659.26
MATRIX SOLUTIONS INC.	175,065.97
MEDICAL SERVICES PLAN OF BC-MINISTER OF FINANCE	27,975.00
MILE "O" ELECTRIC LTD.	27,453.42
MINISTER OF FINANCE - REVENUE SERVICES OF BC	60,195.63
MINISTER OF FINANCE & CORP. REL. AGRICULTURAL	34,200.00
MNP	53,458.12
MOBERLY LAKE VOLUNTEER FIRE DEPARTMENT	68,050.00
MORRISON HERSHFIELD LIMITED	53,196.96

MUNICIPAL FINANCE AUTHORITY OF BRITISH	10,524,602.98
MUNICIPAL INSURANCE ASSOCIATION OF BRITISH	207,046.59
MUNICIPAL PENSION PLAN	625,491.63
NORTECH EFFICIENT BUSINESS SOLUTIONS	127,877.23
NORTH ISLAND 9-1-1 CORPORATION	156,017.00
NORTH PEACE AIRPORT SERVICES	71,164.80
NORTHERN PORTABLES	27,300.00
NORTHERN ROCKIES TREE SERVICE LTD.	58,485.00
NORTHWESTEL INC.	85,192.92
OSCAR'S DISPOSAL LTD.	248,918.32
PANGMAN MIKE	32,098.64
PETRON COMMUNICATIONS LTD	61,334.83
RAVEN RESCUE SAFETY MEDICAL LTD.	46,983.60
RECEIVER GENERAL FOR CANADA	1,178,869.59
RECYCLE IT	1,936,008.31
SHI CANADA ULC	36,340.28
SOFTWARE EMPORIUM INC.	62,674.24
SPERLING HANSEN ASSOCIATES	82,150.02
STANTEC CONSULTING LTD.	47,807.17
TAYLOR, DISTRICT OF	240,607.10
TD VISA	151,159.10
TELUS	57,618.35
TELUS COMMUNICATIONS INC C/O TELUS SERV (INTERNET)	51,609.60
TERVITA CORPORATION	1,864,459.63
TETRA TECH CANADA INC	84,587.65
TOM'S CONSTRUCTION	56,447.21
TOMSLAKE & DISTRICT RECREATION COMMISSION	92,400.00
TOMSLAKE & DISTRICT VOLUNTEER FIRE DEPARTMENT	110,072.16
TRYON LAND SURVEYING LIMITED	36,172.35
TUMBLER RIDGE MUSEUM FOUNDATION	93,992.00
TUMBLER RIDGE, DISTRICT OF	142,438.54
UNIGLOBE PHILLIPS TRAVEL LTD	27,260.91
URBAN SYSTEMS LTD.	725,954.35
VADIM COMPUTER MANAGEMENT GROUP	33,939.36
VILLAGE OF POUCE COUPE	156,650.94
W.L. CONSTRUCTION LTD.	193,053.63
WATERHOUSE EXECUTIVE SEARCH	59,299.97
WORKERS' COMPENSATION BOARD OF BC	40,868.65
YOUNG ANDERSON BARRISTERS & SOLICITORS	234,661.58
Total of aggregate supplier payments \$25,000 or greater	39,563,534.93
Consolidated total of supplier payments of less than \$25,000	1,491,931.15
Consolidated total of grants and contributions \$25,000 or greater	1,962,037.33
Consolidated total of grants and contributions less than \$25,000	553,353.77
Consolidated total of grants and contributions	2,515,391.10
TOTAL Supplier, Grant and Contribution Payments	43,570,857.18

**Peace River Regional District
Schedule of Grants and Contributions
For the year ended December 31, 2019**

Payee Name	Total
CANADIAN CANCER SOCIETY	50,000.00
CECIL LAKE RECREATION COMMISSION	30,070.00
CHETWYND & DISTRICT ROD & GUN CLUB	36,815.40
DAWSON CREEK, CITY OF	172,000.00
DAWSON CREEK EXHIBITION SOCIETY	50,000.00
DAWSON CREEK SOCIETY FOR COMMUNITY LIVING	100,000.00
CHETWYND, DISTRICT OF	60,686.81
FORT ST. JOHN COMMUNITY ARTS COUNCIL	120,000.00
FORT ST. JOHN PUBLIC LIBRARY ASSOCIATION	60,500.00
GOODLOW COMMUNITY CLUB	26,879.84
NORTH PEACE CULTURAL CENTRE	65,062.00
NORTH PEACE DIVISION OF FAMILY PRACTICE	100,000.00
NORTH PEACE SEARCH AND RESCUE SOCIETY	31,619.23
NORTHERN ENVIRONMENTAL ACTION TEAM	47,251.00
NORTHERN HEALTH AUTHORITY	107,500.00
PINE VALLEY EXHIBITION PARK SOCIETY	67,700.01
POUCE COUPE, VILLAGE OF	25,000.00
SAGITAWA CHRISTIAN CAMPING SOCIETY	43,300.00
SHOCK TRAUMA AIR RESCUE SOCIETY	170,000.00
SOUTH PEACE HEALTH SERVICES SOCIETY	296,971.40
STEP UP 'N' RIDE SOCIETY	25,000.00
SUNSET PRAIRIE RECREATION COMMISSION	30,174.64
TUMBLER RIDGE GLOBAL GEOPARK SOCIETY	125,000.00
TUMBLER RIDGE MUSEUM FOUNDATION	93,992.00
UNITED WAY OF NORTHERN BC	26,515.00
Total of Grants and Contributions \$25,000 or greater	1,962,037.33
Total Grants and Contributions less than \$25000	553,353.77
Total Grants and Contributions	2,515,391.10

PEACE RIVER REGIONAL DISTRICT

SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

For the year ended December 31, 2019

There were no Guarantee and Indemnity Agreements the the 2019 year.

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