



REPORT

To: Chair and Directors

Report Number: FN-BRD-281

From: Kari Barber, Financial Services Manager

Date: May 2, 2024

Subject: 2023 Fourth Quarter Financial Update

RECOMMENDATION: [Corporate Unweighted]

That the Regional Board receive the report titled “2023 Fourth Quarter Financial Update – FN-BRD-281,” which provides a high-level overview of 2023 revenue and expenses to date for each of the Peace River Regional District’s functions, for information.

BACKGROUND/RATIONALE:

The financial update provides the current overall revenue and expenses for each function as of December 31, 2023. Providing quarterly financial updates to the Regional Board demonstrates that the Peace River Regional District (PRRD) is functioning in a prudent and effective manner, and within the Regional Board approved 2023 Financial Plan. Implementing quarterly reporting to the Regional Board began in 2021 as part of the 2019-2022 Strategic Plan.

Local governments are required to prepare year-end financial statements, including the Statement of Operations and Accumulated Surplus (Income Statement) in accordance with Generally Accepted Accounting Principles (GAAP) for local governments as recommended by the Public Sector Accounting Board (PSAB) standards of the Chartered Professional Accountants of Canada while the annual financial plan (budget) is prepared in accordance with the *Local Government Act* and the *Community Charter*. The annual financial plan includes transfers to/from reserves, surplus, debt financing, internal charges, and capital expenditures. The Statement of Operations and Accumulated Surplus does not include these items. The Statement of Operations and Accumulated Surplus includes non-cash items such as amortization and the annual financial plan does not. As a result, it is difficult to compare the quarterly financial plan updates to the annual financial statements.

The 2023 Fourth Quarter Financial Update is presented differently than what was previously presented to the Regional Board. The previous quarterly financial updates reported all revenue and expenses by function in the same format as the financial plan. The 2023 Fourth Quarter Financial Update first details the revenue and expense for each function in the same format as the financial statements, and then shows the revenue and expenses that are excluded from the financial statements but included in the financial plan. Formatting the report this way will allow for easier comparability to the financial statements.

The first sheet on the attachment is the Summary Sheet. The first function ‘000 Default’ is comprised of non-cash items that are not included in the annual financial plan such as accretion expense for Asset Retirement Obligations and amortization. The column ‘Total Surplus For Financial Statements’ balances to the annual surplus on the Statement of Operations and Accumulated Surplus in the 2023 annual

financial statements. Note 21 reconciles the 2023 budget on the Statement of Operations and Accumulated Surplus to the annual financial plan.

ALTERNATIVE OPTIONS:

1. That the Regional Board provide further direction.

STRATEGIC PLAN RELEVANCE:

- Not Applicable to Strategic Plan

FINANCIAL CONSIDERATION(S):

None at this time.

COMMUNICATIONS CONSIDERATION(S):

None at this time.

OTHER CONSIDERATION(S):

None at this time.

Attachments:

1. Fourth Quarter Financial Update