



qathet
REGIONAL DISTRICT

BRITISH COLUMBIA

Annual Report

2024



qathet: *Working Together*

The qathet Regional District (qRD) is a local government authority in British Columbia, serving 20,000 residents living in five electoral areas and one municipality (City of Powell River). The qRD covers approximately 5,000 square kilometers of land including Texada, Savary, and Lasqueti islands, north to Toba Inlet and south to skelhp.

The qRD operates in the traditional territory of the Tla'amin, shíshálh, Klahoose, Nanoose, and K'ómoks First Nation governments.

Contents

INTRODUCTION	1
Letter from the Board Chair	3
Letter from the CAO	4
Board of Directors	5
Organizational Structure	9
STRATEGIC PRIORITIES	12
Strategic Plan Summary	14
Strategic Aligned Projects	16
FINANCIAL STATEMENTS	24
Message from the Chief Financial Officer	26
Management Responsibility Letter	28
Message from the Auditor	30
2023 Audited Financial Statements	31
NEW: Asset Retirement Obligations	53



Executive Summary

The qRD recognizes the importance of collaboration between citizens, businesses, and government to create an equitable and sustainable region. The Board of Directors is committed to creating a thriving region for residents and visitors alike.

Working together, the qRD aims to foster strong connections with our region's First Nation Governments, extensive volunteer networks, and vibrant arts and culture community. We are committed to creating the necessary infrastructure to support our local business community, and to offering our residents the necessary social supports to balance family needs and financial health.

We will continue to protect our environment through sustainable service delivery, balanced and disciplined land-use planning, and by improving our regional green spaces. We will promote healthy lifestyles by prioritizing regional active transportation networks, regional trail systems, and recreation. We will champion organizational excellence by engaging in two-way communications with the public, practicing fact-based decision making, and maintaining the longevity of our assets using industry-leading asset management strategies.

These shared goals create a unified vision and direction for our organization and region. We look forward to leading the implementation of the Strategic Plan over these next four years!

Explore the qRD's annual report to get a glimpse of our recent accomplishments and completed projects. It includes detailed financial statements and tracks our progress against the targets outlined in our Strategic Plan. There's a lot happening each year, so take a moment to delve into the report and discover what's on the horizon.

OVERVIEW OF FIVE-YEAR FINANCIAL PLAN

Annually, the qRD formulates a comprehensive five-year financial plan, delineating both operating and capital budgets for all our services. Every funding source and expenditure undergoes meticulous scrutiny by our financial services department to ensure alignment with our strategic priorities.

Our primary objective is to bolster the sustainable provision of services while maintaining long-term financial resilience. In accordance with provincial legislation, the Regional Board must enact a bylaw endorsing the Five-Year Financial Plan by March 31st each year.

To view our Financial Plan, please visit: qathet.ca/financial-plan.

OVERVIEW OF STRATEGIC PLAN

The Strategic Plan is a tool used to define where you are, where you want to go, and how you are going to get there. Our Strategic Plan is an ever-evolving document. It is a declaration of expectation in connection to foreseen conditions, however it is not an absolute. The Strategic Plan roadmap is a useful tool since it directs personnel to the areas on which the Board want to focus over their term in elected office. Staff must direct their work plans and projects in accordance with the Strategic Plan and ensure that the allocation of tax dollars is utilized sustainably to achieve these desired objectives.

To view our Strategic Plan, please visit: qathet.ca/strategic-plan.



Letter from the Chair

As we navigate through the intricate fabric of our community, it is imperative to pause and reflect on our collective journey towards prosperity, sustainability, and overall well-being. As Chair of the qRD Board, I am honored to extend my warmest greetings to each and every one of you.

I am delighted to share with you our Annual Report. This comprehensive document serves as a testament to our commitment to transparency, accountability, and informed decision-making. It encapsulates our achievements, challenges, and aspirations, providing a holistic overview of our endeavors throughout the year.

At the heart of our mission lies a simple yet profound goal: to work together for the common good and to support the quality of life for all residents of the qathet region. These guiding principles underscore every action we take, every policy we enact, and every investment we make. Whether it's enhancing infrastructure, promoting economic development, or safeguarding our natural environment, our efforts are geared towards fostering a vibrant, inclusive, and resilient community.

Achieving this vision requires more than just individual contributions; it demands collaboration, solidarity, and a shared sense of purpose. It is through unity and cooperation that we can overcome challenges, seize opportunities, and realize our full potential. By harnessing the collective wisdom, creativity, and energy of our diverse population, we can build a future that is brighter and more prosperous for generations to come.

As you peruse through the pages of our Annual Report, I encourage you to reflect on the progress we have made together. Let us celebrate our achievements, learn from our setbacks, and rededicate ourselves to the noble task of advancing the common good.

Sincerely,

Clay Brander, Chair



Letter from the CAO

It is with great pleasure and pride that I reach out to you to share the remarkable strides our dedicated team at the qRD has made in meeting and exceeding the expectations set forth by both our Board of Directors, and the residents we serve. As Chief Administrative Officer, I am continuously inspired by the unwavering commitment and innovative spirit displayed by our staff in ensuring the sustainable delivery of services to our community.

Our team's dedication to meeting the evolving needs of the qRD is unparalleled. Through collaborative efforts and forward-thinking initiatives, we have consistently found innovative ways to enhance service delivery while upholding our commitment to sustainability. From implementing in-depth cybersecurity solutions to pioneering environmentally-conscious infrastructure projects such as the Resource Recovery Centre, we remain steadfast in our mission to foster a vibrant and resilient community for generations to come.

I am thrilled to share that our collective efforts have not gone unnoticed. The qRD has been honored to receive accolades and awards, recognizing our team's outstanding contributions and creative problem-solving prowess. These achievements stand as a testament to the passion and dedication embedded within every member of our organization.

As we look towards the future, I am confident that our team will continue to rise to the challenges ahead with the same level of enthusiasm and innovation that has defined us thus far. Together, we will remain steadfast in our commitment to serving the needs of our community and ensuring the qRD remains a beacon of excellence in governance and service delivery.

Sincerely,

Al Radke, Chief Administrative Officer



Electoral Area Directors

The qRD is one of 27 regional districts in B.C. Regional districts were created by the Province of British Columbia in 1965 as a response to demands for services from residents living in areas that lay outside the boundaries of existing municipalities. In essence, regional districts are, in the absence of municipalities, the “local” government for rural areas.

Regional districts can provide a broad range of services with the exception of roads and policing. Therefore services often vary with each regional district according to its circumstances and local desires. Regional districts also provide administrative services including capital borrowing for all members and act as a political forum for local government policy. Regional districts provide services such as clean water, sewer systems, parks and recreation, land use planning, and fire protection. Every service has its own group of participants ranging from one electoral area to all electoral areas and the City of Powell River. It is important to remember that only those participating areas pay for the service. Each service has its own separate budget – revenues and costs cannot be shifted from one service to another, and no service is permitted to run an operating deficit.

Electoral Area Directors, hold four-year terms representing specific geographic areas. While these do not constitute independent local governments, their nomination process highlights the importance of their designated area affiliations. Following election however, Elected Officials affirm their commitment to the qRD in its entirety. All Directors actively support and engage in decision-making processes to foster effective governance and policy formulation, collectively upholding the corporation’s integrity as a collaborative organization, reflecting the needs of all residents.

Currently the qRD provides 46 services. To learn more about these services, please visit qathet.ca/about-the-qrd.

Currently, the Electoral Area Directors are:

Electoral Area A: Jason Lennox

Electoral Area B: Mark Gisborne

Electoral Area C: Clay Brander (Chair)

Electoral Area D: Sandy McCormick

Electoral Area E: Andrew Fall

To learn more about the qRD Board of Directors, please visit: qathet.ca/board-of-directors.



City of Powell River Directors

Municipal Directors on the qRD Board are selected from the elected Councillors for the City of Powell River, of whom is a member of the qRD.

The regional district system encompasses both municipalities and rural areas, with each entity holding a seat on the Board of Directors, akin to shareholders. This integration underscores that regional districts are an integral part of the broader local government system, rather than each member operating in isolation. Unlike a hierarchical structure, regional districts exist to serve the interests of their municipal and rural members, fostering a collaborative approach serving a broad range of residents with varied interests and services.

Within this framework, representation on the qRD Board is governed by letters patent - ie. the original founding documents establishing the qRD. Within the Letters Patent, Directors representing municipal areas are appointed by and from municipal councils, while electoral areas are represented by directly elected directors.

To implement this balance, the Local Government Act and Letters Patent establish a voting unit based on population represented. A voting unit, typically set at one vote per 1,000 population to align with the size of the smallest municipality, is established for shareholder/weighted votes. The number of votes allocated to each municipality or electoral area is determined by dividing its population by the voting unit, rounding up to the nearest whole number.

This ensures a balance between population-based and community-based representation, achieved through a combination of the number of Directors and shareholder votes.

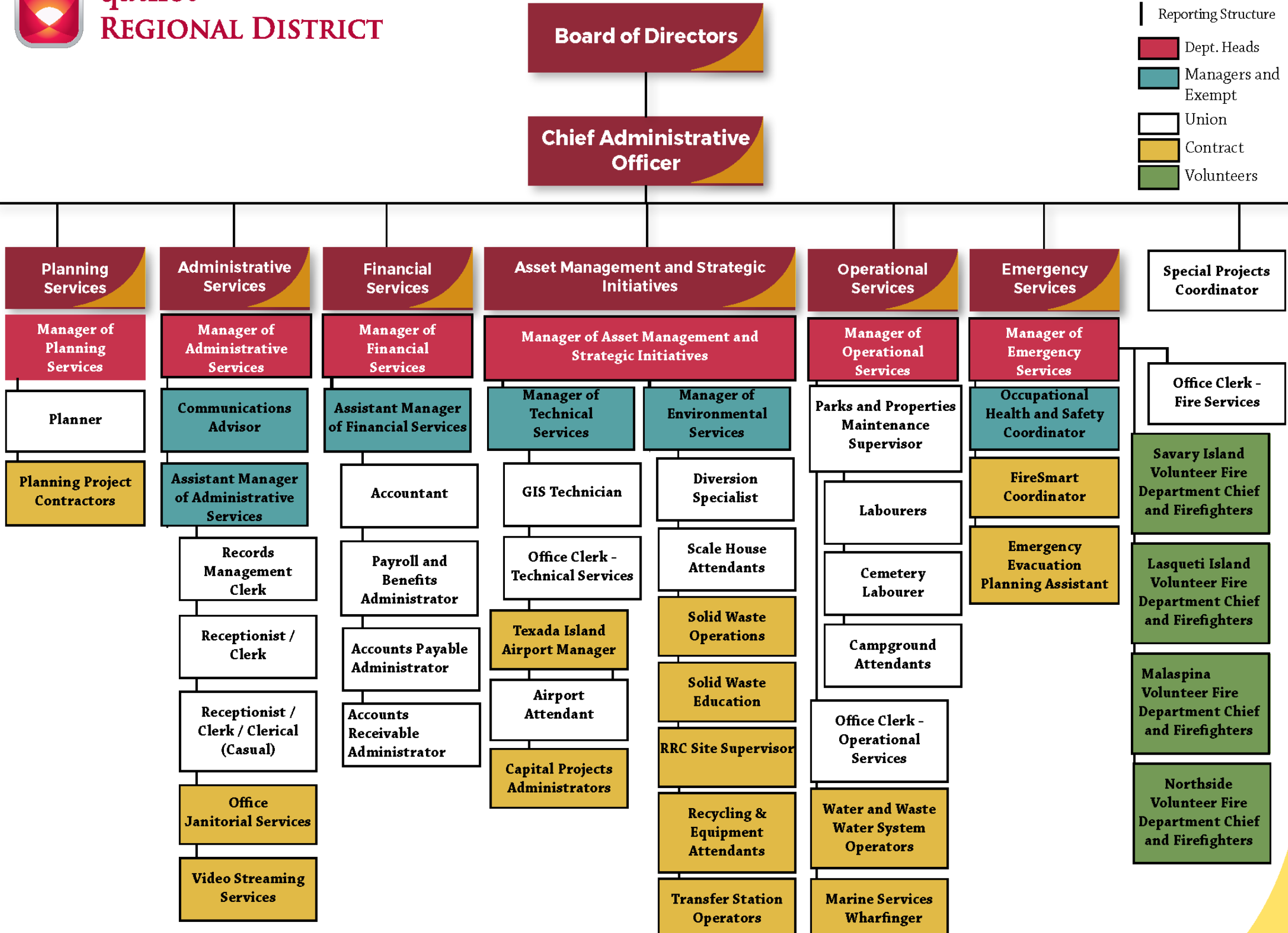
During a weighted vote for financial matters, the City is provided a total of seven votes based on their total population in accordance with the qRD Letters Patent which determines the total population amounts to designate weighted voting power.

The Current Municipal Directors are:
George Doubt & Cindy Elliott



LEGEND

- Reporting Structure
- Dept. Heads
- Managers and Exempt
- Union
- Contract
- Volunteers



Our Staff

At the qRD, we firmly believe that our employees are the foundation to successful and sustainable service delivery. We are a strong team, dedicated to delivering award winning projects and services. As a local government, we understand that we are the most accessible level of government to our citizens.

As such, we believe great customer service is critical. As an organization, we are committed to fostering healthy work environments that encourage creative problem solving and teamwork. Our unified mission is working together for the common good.

The qRD has a total of 36 staff, which includes full-time, part-time, casual, and seasonal employees, and 120 volunteer firefighters.

The qRD's unionized employees are represented by CUPE Local 798 and as such are subject to terms outlined within CUPE Local 798 Collective Agreement.



Strategic Priorities

Strategic priorities are the critical, high-level initiatives set by the Regional Board. These objectives align Directors, employees, and the public, with our mission, vision, and values.

These priorities serve as a foundation for decision-making, resource allocation, asset management, and performance measurement.

Once these priorities are set, qathet Regional District staff develop financial plans, and annual workplans that align with the qathet Regional District's long-term goals.

Setting clear strategic priorities ensures the qathet Regional District develops realistic plans to deliver services, and good governance to our community.

2023-2027 Strategic Plan



OUR VISION We are progressive, and work collaboratively for the common good to support a thriving, inclusive and sustainable community.

OUR MISSION Provide our community with a voice and leadership in the delivery of sustainable local government services.

OUR VALUES

Service Excellence: Consistent high-quality service that is honest, ethical, respectful and professional.

Community Support: Supporting a sustainable, inclusive community through respectful cooperation, communication, collaboration and engagement.

Accountability: Decisions and actions which are open, transparent, responsive and accessible.



Environment & Climate

We focus on conserving our natural environment and enhancing our parks infrastructure.

We are disciplined in how we manage the region to minimize our impact on the environment and climate.

We proactively plan for growth in our region to ensure our land use is responsible and sustainable.

We provide services and supports to sustainably support our region.

2023 Accomplishments

In 2023, the qRD continued to operate seven residential recycling depots throughout the region and introduced the Self-haul Organics Pilot Program at three of these locations to encourage organic waste diversion.

In 2023, the qathet South Depot handled a whopping 41,902 kilograms of recycling materials? Not only did that help keep recyclables out of a landfill, but it also brought \$9,500 of recycling revenue into the qRD's waste management service.

The Community Wood Smoke Reduction Program was initiated as a way to incentivize sustainable heating systems, zero-waste event station bookings and guides for event planners were provided to reduce waste generate at public events, and cleanup efforts were organized near the Lasqueti Island Landfill and coastline to support environmental preservation.

May 2023 saw the return of the annual Trash Bash, where participants were mobilized to clean-up illegal dumping sites, and the free drop-off of invasive plant species, to help control ecological threats.

In 2023, a new electric utility vehicle was purchased for transportation within the Operations Department, and an ornamental garden at the Woodland Cemetery was planted near the columbaria.

2024 Planned Projects

Plans for 2024 include opening the Resource Recovery Centre to the public in the summer of 2024. Plans also includes developing a comprehensive solution for organics composting in the region and reapplying for funding for the Provincial Community Wood Smoke Reduction Program.

The qRD plans to improve public access to land use and zoning information, hold a Green Shores training event to raise awareness of shoreline ecosystem protection, conduct a drainage study on Texada Island to assess the condition and vulnerability of six priority areas, and conduct a groundwater study on Savary Island to provide essential background for the Savary Island Official Community Plan review and update.

The qRD will continue to examine Natural Asset initiatives and look for new opportunities to incorporate these into our projects, and continue to incorporate concepts from the Greenhouse Gas Reduction Strategy, into our activities, including new EV purchases.

The Operations crew plans to complete tree planting at both cemeteries with grant funding support provided by the BC Hydro ReGreening Grant.

On June 4th, 2024 a new and improved recycle depot will open at 2101 Ramsay Rd (right behind the Malaspina Fire Hall), replacing the depot currently operating at the Black Point Store.



Community Connections

We honour and respect the First Nations on whose land we operate.

We enable the extraordinary volunteer networks in our region.

We fund and support active transportation, both through built infrastructure as well as trail systems.

We enable economic health in the region by advocating for the infrastructure businesses need to survive and thrive.

We support community connection through recreation, arts and culture in the region.

2023 Accomplishments

In 2023, the Parks & Trails Strategy was adopted, along with a draft Parkland Acquisition Policy, to guide the development, operation, management, and acquisition of regional and community parks and trails for the next ten years. Several accessibility upgrades were completed at Haywire Bay, Palm Beach, Shelter Point, and Myrtle Rocks Regional Parks. The previous year also saw the installation of a new well at Shelter Point Regional Park to increase water supply during the summer months, covered structures at Palm Beach Regional Park and the Van Anda Ball Field, which were generously donated by the Powell River Rotary Club, and the “Kids Don’t Float” life jacket lending station at Shelter Point Regional Park in collaboration with Texada Island RCMP and Marine Search and Rescue.

The qRD acquired the lease for the Savary Island west boat launch, a rollaway door was installed on the Savary Island dock shed for added security, and the rub-boards were replaced on the bottom of the Savary Island float. Also on Savary Island, a new sign was installed on the outside of the dock shed to improve visibility, a rest area near Rogers Hall was added to provide a communal space for residents, and a bench and sign were added in the parklet. An environmental assessment of the multi-purpose ramp on Lasqueti Island was conducted to assist in keeping the service in line with environmentally conscious practices.

The Regional Board adopted the Lund Sanitary Sewer Master Plan, and recommended enhancements were completed. An aeration system was installed in the equalizer chamber to enhance effluent quality and reduce desludging costs and a comprehensive retrofit of pump bases and manifold connections was completed.

In 2023, planning for the Next Generation 9-1-1 was initiated with preliminary data alignment efforts and the establishment of a data-sharing contract with the City of Powell River, address point data was improved for multiple modular home parks, and a work order program was established to streamline the issuance of house numbers. The qRD engaged in collaborative discussion with the Tla’amin Nation concerning house numbering contract renewal and their role as data aggregators for Next Generation 9-1-1, the Civic Addressing Regulatory Bylaw No. 585 was adopted, and over 177 civic addresses were assigned in the region.

2024 Planned Projects

The Planning department is moving ahead with a review and update of the Savary Island Official Community Plan, providing the opportunity to engage with residents and property owners to refresh their vision for Savary Island. The Planning department will prepare an active transportation feasibility study to ensure eligibility for active transportation grants.

In 2024, Operations plans to include a barrier replacement at the ramp-loading site and riprap installation to protect the boat launch area from erosion and flooding for Lasqueti Island Marine. Plans for Savary Island Marine include infrastructure upgrades for the west boat launch, a report on fire protection for the dock, and the development and presentation of a long-term planning report for the dock, and complete the procurement and construction of the Lund Community Hall as a gathering place for the residents within the Northside Recreation Service.



Social Supports

We focus on diversity of housing throughout our region, encouraging density in our municipal areas.

We support our rural areas in water governance to ensure safe and sustainable water access that meets the needs of their unique areas.

We facilitate the supports our residents need to balance their family responsibilities and economic and financial health.

We support the diversity of our residents through a focus on accessibility.

We facilitate resident and regional emergency preparedness.

2023 Accomplishments

In 2023, a plan was implemented to enhance drinking water conservation for the Myrtle Pond Water System. The pumps were replaced in Well 1 and Well 2, and rehabilitation was conducted on Well 2. The chlorine analyzer was refurbished to maintain and improve water quality standards, regular water and sampling and analysis was performed to monitor water quality, and monthly flushing of dead ends, chlorine testing, and hydrant servicing was executed to uphold the integrity of the water distribution system. The public was engaged in discussions related to the Capital Inclusion Charge Bylaw, and water hook-up infrastructure was designed for Centennial Drive to Butler Road.

In 2023, the Savary Island Slope Hazard Study was conducted to provide essential background information for the Savary Island Official Community Plan review and update. A Green Shores training event was held to raise awareness of best practices for protecting shoreline ecosystems, and the Agricultural Land Reserve Exclusion Policy was developed in response to provincial legislative changes that downloaded ALR exclusion request responsibility to local governments. Other accomplishments include the update to the Texada Island Community Watershed Zoning Bylaw to contribute to the protection of potable water sources for the villages of Gillies Bay and Van Anda. Additionally, the Housing Needs Report was updated to include the most recent Census data in order to effectively guide future housing policies and initiatives over the next five years.

A more accessible bus service was implemented for Stillwater, Lund, and Texada routes and additional bus bays were installed along routes to increase accessibility in

2023. GPS tracking for all bus routes was added to provide riders with real-time updates on the location of busses and an electronic fare collection system was introduced to streamline the payment process for passengers.

Emergency Operations Centre (EOC) Essentials Training resumed in-person for our staff and partner agencies. Significant progress was made in community evacuation planning through the “Get Ready Stay Ready” initiative which involved resilient community evacuation supply container workshops and active community engagement efforts. As part of this, an Emergency Evacuation Supplies Container was established on Lasqueti Island to enhance evacuation preparedness. The FireSmart Community Funding Program and Wildfire Resiliency plan in partnership with the Tla’amin Nation and the City of Powell River were also continued.

2024 Planned Projects

Plans for 2024 include continuing the operation of the Regional FireSmart Program, continuing the development and implementation of strategies to enhance community wildfire resilience over the coming decade, and sustaining the efforts to educate, engage, and prepare the community for effective evacuations. A comprehensive assessment of extreme temperature risks is planned, as well as the development of a corresponding plan to enhance the region’s resilience.

Accessibility improvements and a new boardroom are planned for the recently purchased Unit 201.



Organizational Excellence

We ensure our assets are proactively funded and maintained to support our region.

Our decisions are based on facts, and balance the needs of the region with uniqueness of our electoral area and municipal residents.

We continue to focus on two way communication with residents in our region on matters that affect them.

We focus on the safety and resilience of our residents and our region.

2023 Accomplishments

In 2023, the 2023-2027 Strategic Plan was adopted and updates were made to the Code of Conduct. Directors and management staff attended informative and skill-building conferences hosted by GFOA, LGMA, UBCM, and AVICC, and staff organized the annual “Board on the Road” meeting on Lasqueti Island at the Judith Fisher Centre. Staff organized an Assent Vote (referendum) for the Lund Community Centre Loan Authorization Bylaw No. 564, and the qRD Facebook page went live in accordance with the newly adopted Social Media Policy.

In 2023, \$273,900.37 of financial assistance was provided through three services: 1) Grants-in-Aid, 2) Economic Development, and 3) Social Planning.

In accordance with new legislation mandating local governments to produce a Personal Information Directory and Privacy Management Program, the qRD has developed both of these documents in an effort to provide greater transparency around why, where and for what purpose public information is stored on behalf of qRD services.

2024 Planned Projects

Plans for 2024 included public engagement training for qRD staff members which was held in February, the development of an Annual Report, and the annual “Board on the Road” meeting which will be held on Texada Island in August.

Effective in the 2024 fiscal year, grants-in-aid will only be provided through the Grants-in-Aid service and will no longer be provided through the Economic Development or Social Planning Services as in previous years.

In 2024, two staff members have received awards through the Municipal Insurance Association of British Columbia, and the Local Government Management Association.

In 2025, the qRD will prepare our Financial Plan for the Distinguished Budget Award through the Government Finance Officers Association. In 2024, staff have been preparing materials to meet the award submission criteria.



Financial Statements

Each year by March 31, regional districts must make a financial plan covering the current year and the next four years, explaining how they will spend money, and where they will get it from, like taxes, and fees. They must also explain how they will distribute taxes, and if they will offer any tax breaks.

Local governments cannot plan to spend more money than they receive. If they spend more than they have in one year, they must adjust the following year's plan to make up for it.

Aligning with the Financial Plan, regional districts must create financial statements to show how much money they have, owe, and plan to spend. These statements provide a clear picture of the government's financial health, including its assets, liabilities, and any savings or debt. This helps ensure financial transparency.



Transmittal Letter from the Chief Financial Officer

FINANCIAL STATEMENTS

The financial statements are the responsibility of the qRD's management and have been prepared in compliance with Section 376/377 of the Local Government Act and Section 167 of the Community Charter and in accordance with Generally Accepted Accounting Principals and standards set out by the Public Sector Accounting Board. The qRD maintains a system of internal accounting controls, including policies and procedures, designed to safeguard the assets of the qRD as well as provide timely and reliable financial information. The 2023 Financial Statements have been audited by MNP LLP, the qRD's independent external auditors, who have expressed that in their opinion these statements present fairly, in all material aspects, the financial position of the qRD as of December 31, 2023. The Independent Auditor's Report appears immediately following this letter.

STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CHANGE IN NET DEBT

In 2023, the qRD's financial position changed with a decrease in the net financial asset position of \$8.17 million reducing to \$303 thousand. The decrease was mainly due to the incurrence of additional debt to fund development of the Resource Recovery Centre and Waste Transfer Station. Net financial assets are total assets minus the total liabilities of an entity. The qRD has more assets than liabilities putting it in a "positive" net financial asset position.

The qRD's long-term debt increased by \$5.44 million and short-term debt increased by \$4.12 million. Member municipalities' debt increased by \$4.14 million in 2023 which is offset by an increase to financial assets in the form of debt recoverable from members and has no net effect on annual operating surplus and accumulated surplus. Non-financial assets increased in 2023 to \$39.73 million from \$25.47 million in 2022 as a result of an increase in tangible capital assets and the recognition of obligations related to the eventual retirement of assets. Non-financial assets are not available to discharge

existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of business. The capital program was budgeted for \$20.29 million in 2023 with \$14.08 million expended in capital enhancement and renewals and \$1.31 million related to the recognition of asset retirement obligations. Some of these projects will continue to completion in 2024. Capital expenditures were primarily financed through reserves, grants and debt.

STATEMENT OF OPERATIONS

The accumulated surplus (revenues less expenses) was \$6.39 million in 2023 compared to \$3.50 million in 2022. The increase to accumulated surplus was largely the result of an increase in grant revenue and additional funds set aside in reserves for future expenditures. The annual operating surplus of \$6.38 million translates to a corresponding increase in accumulated surplus from \$33.64 million to \$40.03 million. This increase is primarily due to increases in reserve funds for operating surplus, Community Works, BC Growing Communities Fund as well as an increase in equity in tangible capital assets. The 2023 Tax Requisition increased 11.4 per cent over that of 2022. One of the main reasons for the increase was to pay for debt associated with development of the Resource Recovery Centre and Waste Transfer Station and increased costs to maintain service levels. The cost to maintain service levels was largely influenced by the consumer price index for BC which increased by 6.9 percent in 2023. Significant financial indicators to highlight for 2023 are as follows:

- Short-term Debt (Note 5) increased \$4.12 million in 2023 from 2022;
- Long-term Debt (Note 6) increased \$5.44 million in 2023 from 2022;
- The qRD's operating surplus increased by \$6.38 million.

THE FINANCIAL PLANNING PROCESS

The *Local Government Act* Sections 374 and 375 require regional districts to complete a five-year financial plan and institute a public consultation process to explain the plan. The financial plan in the form of a bylaw must be adopted by March 31 of each year. On March 28, 2024, the Board adopted the 2024-2028 Financial Plan as part of its financial planning process. The qRD approved approximately 70 capital projects in the 2024-2028 Financial Plan resulting in \$8.47 million budgeted in 2024 for new capital projects. The largest portions of this \$3.3 million is budgeted for the expansion of the Northside Recreation Centre, and \$3.09 million is budgeted for completion of the Resource Recovery Centre and Waste Transfer Station. The remainder of the expenditures are for capital improvements to our existing infrastructure including water utilities, cemetery building renewal, emergency vehicle replacements and building improvements to support accessibility.

FINANCIAL OUTLOOK

In 2023, there was a moderate change in the Consumer Price Index of 3.9 per cent for BC. Management also incorporates construction and US water and sewer indexes into budgets which are significantly impacted by changes in these sectors. The qRD is predominantly affected by rising fuel, energy, and wage costs. As part of the Board's Strategic Focus area of ensuring its assets are proactively funded and maintained, the qRD plans to complete a reserve fund policy in 2024. The policy will set the ground work toward ensuring that service levels are sustainable and infrastructure can be maintained using sound financial practices. The

policy will set the ground work to ensure that service levels are sustainable and infrastructure can be maintained at the lowest cost possible.

CONCLUSION

In keeping with the Board's Strategic Focus area of Organizational Excellence the qRD has completed the 2023 Annual Report. On behalf of the qRD, I would like to acknowledge all the members of the Board and staff for their contributions to a successful 2023. I would also like to recognize the remarkable team effort evident throughout the year resulting in this report, and the information it contains.

Linda Greenan, CPA, CMA
Manager of Financial Services
Chief Financial Officer



Management's Responsibility for the Financial Statements

The accompanying financial statements of the qathet Regional District have been prepared in accordance with the Canadian public sector accounting standards and are outlined under significant accounting policies in the notes to the financial statements. Management is responsible for the integrity and objectivity of these statements as well as the supplementary schedules. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management maintains a system of internal controls to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. Management also maintains a program of proper business compliance. These systems are regularly monitored and evaluated by management.

The Board of Directors is responsible for reviewing and approving the financial statements and for ensuring that management fulfils its responsibility for financial reporting and internal control.

The financial statements have been audited by MNP LLP, independent external auditors appointed by the qathet Regional District. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the qathet Regional District's financial statements.

Signature on File

Chief Administrative Officer

Signature on File

Chief Financial Officer

Independent Auditor's Report



To the Board of Directors of the qathet Regional District:

Opinion

We have audited the financial statements of qathet Regional District (the "Regional District"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net financial assets, summary of function balances and accumulated surplus and cash flows for the year then ended, and notes to the financial statements, including Schedules I to IV, and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Regional District as at December 31, 2023, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Regional District 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.

Other Information

Management is responsible for the other information, comprising the annual report, which is expected to be made available to us after the date of this auditor's report. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Regional District'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 Regional District'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 Regional District'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 Regional District 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.

Nanaimo, British Columbia

April 24, 2024



Chartered Professional Accountants

MNP LLP

400 MNP Place, 345 Wallace Street, Nanaimo B.C., V9R 5B6

T: 250.753.8251 F: 250.754.3999



MNP.ca





**qathet Regional District
Statement of Financial Position
As at December 31, 2023**

	2023	2022
Financial Assets		
Cash and short-term investments (Note 4)	\$ 24,779,442	\$ 19,926,092
Receivable from member municipality (Note 6)	32,569,684	28,427,445
Accounts receivable	1,789,215	1,224,052
Total Financial Assets	59,138,340	49,577,588
Liabilities		
Accounts payable (Note 19)	3,341,683	2,049,760
Due to qathet Regional Hospital District (Notes 4 & 20)	7,677,481	6,675,045
Development cost charges	10,071	9,600
Deferred revenue	331,657	158,432
Long-term debt (Note 6)	39,508,179	29,921,998
Capital financing and short-term debt (Note 5)	6,447,034	2,367,773
Asset Retirement Obligation (Note 7, Schedule II)	1,519,015	224,917
Total Liabilities	58,835,120	41,407,525
Net Financial Assets	303,220	8,170,063
Non-Financial Assets		
Tangible capital assets (Schedule I)	39,360,058	25,074,480
Prepaid expenses	369,627	399,588
Total Non-Financial Assets	39,729,685	25,474,068
Accumulated surplus (Note 14)	\$ 40,032,905	\$ 33,644,131
Commitments (Note 11)		
Contingent liabilities (Note 12)		

Approved on behalf of the Board:

Signature on File _____ Chair

Signature on File _____ Chief Financial Officer

**qathet Regional District
Statement of Operations
For the year ended December 31, 2023**

	2023 Budget (Note 18)	2023 Actual	2022 Actual
Revenue			
Taxation levies	\$ 10,088,130	\$ 10,088,130	\$ 9,023,208
Parcel tax	290,965	290,965	290,965
Grants	5,851,913	4,533,568	2,248,346
Waste Management Tipping fees	1,575,515	1,600,588	1,582,570
Sales of Services - Cemetery	114,616	116,630	114,875
Park Fees	247,400	222,361	225,045
Water and Sewer User Fees	174,400	172,633	167,851
Interest and Other Revenue	1,632,864	2,139,149	915,524
Gain (loss) on disposal of tangible capital assets	-	-	12,147
Gain from Actuarial Adjustment on Debenture Debt	-	10,662	10,033
	19,975,803	19,174,685	14,590,564
Expenses (Note 22)			
General Government Services	3,723,278	2,304,899	2,159,202
Development Services	956,914	745,473	696,771
Solid Waste Management and Recycling	3,154,575	3,194,882	2,469,303
Other Services	827,099	832,120	1,074,024
Parks and Recreation Services	2,235,171	2,233,306	1,936,767
Protective Services	2,648,594	2,714,610	2,128,762
Public Health and Welfare Services	110,839	131,295	126,200
Transportation Services	275,144	214,733	184,374
Water Services	154,770	155,301	124,662
Sewer Services	226,667	259,294	189,892
	14,313,051	12,785,911	11,089,958
Annual Surplus	5,662,752	6,388,774	3,500,606
Accumulated surplus, beginning of year	33,644,131	33,644,131	30,143,525
Accumulated surplus, end of year (Note 14)	\$ 39,306,883	\$ 40,032,905	\$ 33,644,131



qathet Regional District
Statement of Changes in Net Financial Assets
For the year ended December 31, 2023

	2023 Budget (Note 18)	2023 Actual	2022 Actual
Annual Surplus	\$ 5,662,752	\$ 6,388,774	\$ 3,500,606
Acquisition of tangible capital assets	(20,299,092)	(14,080,945)	(4,037,229)
Recognition of asset retirement obligations	-	(1,306,734)	-
Amortization of tangible capital assets	-	1,102,101	916,108
Proceeds from sale of tangible capital assets	-	-	14,000
Gain (loss) on disposal of tangible capital assets	-	-	(12,147)
Change in prepaid expenses	-	29,961	(206,337)
Change in net financial assets	(14,636,340)	(7,866,843)	175,001
Net financial assets, beginning of year	8,170,063	8,170,063	7,995,062
Net financial assets, end of year	<u>\$ (6,466,277)</u>	<u>\$ 303,220</u>	<u>\$ 8,170,063</u>

qathet Regional District
Statement of Cash Flows
For the year ended December 31, 2023

	2023	2022
Cash provided (used in)		
Operating Transactions		
Annual surplus	\$ 6,388,774	\$ 3,500,606
Landfill closure and post closure costs	(12,635)	(183,751)
Items not involving cash		
Amortization of tangible capital assets	1,102,101	916,108
Gain (loss) on disposal of tangible capital assets	-	(12,147)
Gain from actuarial adjustment on debenture debt	(10,662)	(10,033)
Changes in balances		
Accounts receivable	(565,163)	(512,730)
Prepaid expenses	29,961	(206,337)
Accounts payable	1,291,922	916,568
Deferred revenue	173,225	(32,273)
	<u>8,397,523</u>	<u>4,376,011</u>
Capital Transactions		
Proceeds from sale of tangible capital assets	-	14,000
Acquisition of tangible capital assets	(14,080,945)	(4,037,229)
	<u>(14,080,945)</u>	<u>(4,023,229)</u>
Financing Transactions		
Debt proceeds	9,627,737	1,410,695
Change in due to qathet Regional Hospital District	1,002,436	460,449
Development cost charges	471	118
Repayment of long-term debt, leases and short-term borrowing	(93,872)	(202,541)
	<u>10,536,772</u>	<u>1,668,721</u>
Increase in cash and short-term investments during the year	4,853,350	2,021,503
Cash and short-term investments, beginning of year	<u>19,926,092</u>	<u>17,904,589</u>
Cash and short-term investments, end of year (Note 4)	<u>\$ 24,779,442</u>	<u>\$ 19,926,092</u>



qathet Regional District
Summary of Function Balances and Accumulated Surplus
For the year ended December 31, 2023

	2023	2022
Function Balances		
Administration and general	\$ 379,395	\$ 354,331
Planning	5,506	-
Waste management	35,000	35,000
Cemetery operations	42,038	50,000
Parks operations	-	-
Malaspina fire protection area	34,970	-
Lasqueti fire protection area	47,200	32,000
Savary fire protection area	-	-
Northside fire protection	(2,534)	(1,049)
Emergency telephone (911) services	29,790	20,858
Texada medical clinic	-	-
Texada recreation commission	18,080	23,179
Texada airport	50,000	50,000
House numbering	10,862	8,891
Recreation program	1,019	1,427
Rural paratransit	56,917	45,253
Emergency program area C & D	49	14
Electoral area feasibility study	-	-
Library services	4,113	4,153
Lasqueti Island library services	2	2
Savary Island public marine transportation facilities	-	(90)
Texada Island public marine transportation facilities	-	-
Lasqueti Island marine ramp	27	-
Northside recreation	8,230	(7,217)
Emergency preparedness service	9,769	-
Septage sludge disposal	(6)	-
Economic development	21,436	15,333
Water fund - Myrtle pond	20,000	20,000
Sewer fund - Lund sewer	20,220	20,000
Texada heritage commission	-	-
Regional animal shelter	(1)	(1)
Development service	6,830	10,055
Social planning	99,622	54,103
Heritage conservation	-	-
Lasqueti health center	29	29
Total function balances	898,562	736,273
Waste management reserve (Note 14)	604,975	715,482
Reserve for future expenditure (Note 14)	7,461,152	5,312,858
Statutory reserve fund (Note 14)	6,400,422	5,667,365
Equity in tangible capital assets (Note 13)	24,667,795	21,212,154
Accumulated surplus (Note 14)	<u>\$ 40,032,905</u>	<u>\$ 33,644,131</u>

qathet Regional District
Notes to Financial Statements
Year ended December 31, 2023

1 Summary of Significant Accounting Policies

qathet Regional District ("the Regional District") is a local government in the Province of British Columbia. The Regional District prepares its financial statements in accordance with Canadian public sector standards using guidelines developed by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants.

Following is a summary of the significant accounting policies of the Regional District:

a) Cash and Short Term Investments

Cash and cash equivalents are carried at cost and have a maturity period of less than three months.

b) Revenue Recognition

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

Interest and operating grants are recognized as earned. Grants in lieu of taxes are recorded on an accrual basis when it is possible to reasonably estimate the amounts receivable. User fees, transit fares, airport hangar lease fees, water and sewer user fees, camping, parking and tipping fees are recognized as revenue on an accrual basis according to rates set in various fees and charges bylaws.

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

Taxation

Property taxes in the form of local government requisitions are recognized as revenue in the year they are levied.

Development Cost Charges

Receipts which are restricted by the legislation of senior government are reported as Development Cost Charges liability at the time they are received. When qualifying expenditures are incurred, Development Cost Charges are brought into revenue as Development revenue.

Cemetery Operations

Revenue from the sale of reserved plots is considered revenue in the year received. Any refunds which may be applied for in the future will be considered an operating expenditure of that year.

b) Revenue Recognition (continued)

Government Transfers

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

When the Regional District is deemed the transferor, the transfer expense is recognized when the recipient is authorized and has met the eligibility criteria.

The most significant government transfers relate to the Community Works Fund. These funds are recognized as revenue in the year the funds are received.

c) Accrued Employee Benefits

Based on obligations as determined by collective agreement and Board policy, employee benefit accruals, which includes allowance for vacation entitlement, banked time and sick day accruals, are recorded in the year in which they are earned.

d) Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the contribution, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is put into use.

Estimate useful lives of tangible capital assets are as follows:

Land improvements	10 to 50 years
Parks infrastructure	35 years
Buildings	20 to 50 years
Machinery and equipment	5 to 35 years
Vehicles	10 to 30 years
Water systems	10 to 80 years
Sewer systems	10 to 80 years
Structures (docks and sheds)	40 to 50 years
Asset Retirement Obligations	28 years

e) Interest on Debt

Interest on debt of the Regional District is recorded on the accrual basis.

h) Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported results could differ from management's best estimates as additional information becomes available in the future. Areas requiring the greatest degree of estimation include useful life of tangible capital assets and asset retirement obligations.

A liability for asset retirement obligation(s) reflects management's best estimate of the amount required to retire the related tangible capital asset (or component thereof). The best estimate of the liability is based upon assumptions and estimates related to the amount and timing of costs for future asset retirement.

Changes to the underlying assumptions and estimates or legislative changes in the near term could have a material impact on the provision recognized.

i) Asset Retirement Obligations

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible asset (or component thereof) at the financial statement date when there is a legal obligation for the Regional District to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at December 31, 2023. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset.

At each financial reporting date, the Regional District reviews the carrying amount of the liability. The Regional District recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset.

The Regional District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2023**

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2023**

j) Contaminated Sites

The Regional District is required to accrue a liability for the costs to remediate a contaminated site. Liabilities are recognized when an environmental standard exists, contamination exceeds the standard, the government has responsibility for remediation, future economic benefits will be given up and a reasonable estimate can be made.

Management has assessed its potential liabilities under the standard including sites no longer in productive use and sites for which the Regional District accepts responsibility. There were no such sites that had contamination in excess of an environmental standard which required remediation, therefore no liability exists at December 31, 2023.

2 Change in Accounting Policies

Asset Retirement Obligations

Effective January 1, 2023, the Regional District adopted the Public Sector Accounting Board's (PSAB) new standard for the recognition, measurement and disclosure of a liability for asset retirement obligations under PS 3280 *Asset Retirement Obligations*. The new standard establishes when to recognize and how to measure a liability for an asset retirement obligation, and provides the related financial statement presentation and disclosure requirements.

Previously, the Regional District recorded the provision for post closure care and monitoring of the Lasqueti Island Landfill in accordance with PS 3270 *Solid Waste Landfill Closure and Post-Closure Liability*, which requires recognition of a liability for closure and post-closure care as the site capacity is used and is equal to the proportion of the estimated total expenditure required for closure and post-closure care. Under the new standard, a liability for an asset retirement obligation is recognized at the best estimate required to retire a tangible capital asset when certain criteria are met.

The application of the new standard resulted in an asset retirement obligation being recoded in the financial statements for those arising on or after January 1, 2023, as well as for those arising prior to January 1, 2023 but for which an obligation was not previously recognized. In addition, previously recognized asset retirement obligations have been adjusted to reflect the requirements in this standard. The new standards have been applied prospectively to these financial statements.

Financial Instruments

Effective January 1, 2023, the Regional District adopted the Public Sector Accounting Board's (PSAB) new recommendations for the recognition, measurement, presentation and disclosure of financial assets, financial liabilities and derivatives, under Section PS 3450 *Financial Instruments*. The new Section is applied prospectively, and prior periods have not been restated. There was no material impact on the financial statements from the prospective application of the new accounting recommendations.

3 Municipal Finance Authority Reserve Deposits and Demand Notes

The Regional District issues its debt instruments through the Municipal Finance Authority of BC. As a condition of these borrowings, a portion of the debenture proceeds are withheld by the Municipal Finance Authority of BC as a debt reserve fund and totals \$76,982 (2022 - \$20,766). The Regional District also executes demand notes in connection with each debenture totaling \$166,080 (2022 - \$32,923) whereby the Regional District may be required to loan certain amounts to the Municipal Finance Authority of BC. Debt reserve funds are also held on behalf of the City of Powell River and total \$1,045,094 (2022 - \$880,593). All amounts related to the reserve deposits and demand notes are disclosed here and not recorded elsewhere in these financial statements.

4 Cash and Short-Term Investments

	2023	2022
Cash accounts (4.80%)	\$ 7,688,332	\$ 3,005,479
MFA - Bond Fund	3,166,048	3,012,998
MFA - Money Market	6,632,063	3,089,772
Savings Institutions	7,163,288	10,626,812
Other Cash held	129,711	191,030
	<u>24,779,442</u>	<u>19,926,092</u>
Less:		
Portion held for qathet Regional Hospital District	(7,677,481)	(6,675,045)
Cash and short-term investments	<u>\$ 17,101,961</u>	<u>\$ 13,251,047</u>

5 Capital Financing and Short Term Debt

The total equipment financing outstanding with the Municipal Finance Authority of British Columbia as at December 31, 2023 was \$769,867 (\$818,343 - 2022).

The qathet Regional District has entered into equipment financing loans for the following:

- 1) A five year equipment loan agreement with the Municipal Finance Authority of British Columbia which commenced October 27, 2016 for the purchase of a Malaspina Volunteer Fire service fire truck. The debt was refinanced for a further five years on November 1, 2021. The remaining obligation will be repaid with monthly loan payments in the amount of \$3,854 including interest at a daily varying rate. The balance of the loan at December 31, 2023, which is included in equipment financing, is \$214,217 (2022 - \$248,371). Loan to expire October 31, 2026.
- 2) A five year equipment loan agreement with the Municipal Finance Authority of British Columbia which commenced December 21, 2018 for the initial payment on the purchase of two apparatus for the Malaspina Volunteer Fire service. The remaining obligation will be repaid with monthly loan payments in the amount of \$1,813 including interest at a daily varying rate. The balance of the loan at December 31, 2023, which is included in equipment financing, is \$219,989 (2022 - \$226,491). Loan to expire December 31, 2028.

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2023**

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2023**

5 Capital Financing and Short Term Debt (continued)

3) A five year equipment loan agreement with the Municipal Finance Authority of British Columbia which commenced December 31, 2019 for the balance of the purchase of two fire apparatus for the Malaspina Volunteer Fire service. The remaining obligation will be repaid with monthly loan payments in the amount of \$2,139 including interest at a daily varying rate. The balance of the loan at December 31, 2023, which is included in equipment financing, is \$335,662 (2022 - \$343,481). Loan to expire December 31, 2024.

The daily varying interest rate on the financing at December 31, 2023 was 5.74% (2022 - 4.77%).

Future loan payments on Regional District equipment financing, subject to anticipated refinancing at loan maturities, are as follows:

2024	\$	90,246
2025		90,246
2026		90,246
2027		90,246
2028		72,706
2029 and Beyond		336,177
	<u>\$</u>	<u>769,867</u>

Short-Term Debt

The total short-term financing outstanding with the Municipal Finance Authority of BC (MFA) as at December 31, 2023 was \$5,677,167 (2022 - \$1,549,430). This borrowing is interim financing and \$4,950,667 of it is projected to be converted to long term debt in 2024. Borrowing of \$726,500 is projected to be repaid over a period of five (5) years. Interest on the debt is charged at daily varying rates. The MFA's short-term rate was 5.61% at December 31, 2023. The full amount borrowed must be repaid within five (5) years.

Future loan payments on short term debt are projected as:

2024	\$	5,130,667
2025		190,000
2026		200,000
2027		156,500
2028	<u>\$</u>	<u>5,677,167</u>

6 Long-Term Debt

Debt of the Regional District	2023	2022
Issued 2004, maturing 2024, 5.50%	\$ 5,350	\$ 10,444
Issued 2010, maturing 2030, 1.28%	31,617	35,544
Issued 2011, maturing 2026, 1.47%	6,211	8,143
Issued 2012, maturing 2042, 3.39%	412,427	427,546
Issued 2013, maturing 2033, 3.15%	-	1,695
Issued 2013, maturing 2043, 3.15%	49,404	50,999
Issued 2014, maturing 2044, 3.30%	34,669	35,712
Issued 2018, maturing 2038, 3.20%	162,818	171,318
Issued 2022, maturing 2052, 3.36%	735,998	753,153
Issued 2023, maturing 2053, 4.97%	5,500,000	-
	<u>6,938,494</u>	<u>1,494,553</u>
Debt of the qathet Regional District	6,938,494	1,494,553
Debt of the City of Powell River	32,569,684	28,427,445
	<u>\$ 39,508,179</u>	<u>\$ 29,921,998</u>

Future principal repayments on Regional District Debt:

2024	\$	478,756
2025		473,406
2026		473,406
2027		472,779
2028		471,697
2029 and Beyond		4,568,451
	<u>\$</u>	<u>6,938,494</u>

7 Asset Retirement Obligations

The Regional District ceased taking waste at the Lasqueti Island Landfill and closure of the site was completed in 2021. A technical analysis projects that the landfill will need to be monitored until 2045. Post closure monitoring costs are estimated at \$11,200 per year from 2024 through 2045. Total post closure monitoring costs at December 31, 2023 are estimated at \$315,431 (2022 - \$613,791).

The total liability for post closure care and monitoring presented is based on the present value of the closure and post closure monitoring costs using a discount rate of 3.03%. The discount rate is based on the average change in the Consumer Price Index from 2019 through 2023. As at December 31, 2023 the present value of the post closure monitoring is estimated at \$212,281 (2022 - \$224,917) and this amount has been set aside in reserves for that purpose.

The Regional District also has a number of assets that contain, or are suspected to contain, hazardous materials and the Regional District is legally required to properly dispose of the assets, or asset components, upon their retirement. The Regional District recognized a liability for the asset retirement obligation and a corresponding amount has been capitalized as an asset retirement cost and added to the carrying value of the assets. The asset retirement cost is amortized on a straight-line basis over the useful life of the assets.

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2023**

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2023**

7 Asset Retirement Obligations (continued)

The Regional District estimated the amount of the liability using undiscounted future expenditures estimated to retire the tangible capital assets. The significant assumptions used to determine the best estimate of the liability include:

- Information for each asset with a potential ARO was compiled including: the estimated cost of ARO remediation, the age (or purchase date) of the asset, the useful life for depreciation purposes, the expected ARO obligation year.
- As management does not have plans to retire the assets the undiscounted estimated retirement cost was used.
- Estimates of costs to remediate the assets were derived from publicly available cost estimates, adjusted for the Regional District's location and distance from disposal sites.

8 The North Island 9-1-1 Corporation

The 911 emergency dispatch service is provided by the North Island 9-1-1 Corporation which is owned by the Regional Districts of Comox Valley, Nanaimo, Strathcona, Alberni Clayoquot, Mount Waddington and qathet. The shares in the corporation are held as follows:

Alberni Clayoquot	13.64 shares
Comox Valley	31.26 shares
Mount Waddington	3.53 shares
Nanaimo	24.33 shares
qathet	8.42 shares
Strathcona	18.82 shares

9 Septage Sludge Disposal

The Regional District has contracted with the City of Powell River in order to allow use of their sewage lagoon for the disposal of septage and sewage sludge generated in electoral area A-D until 2025. The agreement required an up-front payment of \$509,000 in 2005 and contains further commitments of the Regional District as set out in Note 11.

10 Pension Plan

The qathet Regional District and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2022, the plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local governments.

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

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

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

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

The Regional District paid \$215,220 (2022 - \$163,770) for employer contributions while employees contributed \$199,037 (2022 - \$151,457) to the plan in fiscal 2023.

11 Commitments

The Regional District has the following commitments:

A waste handling service at an estimated cost of \$300,000/year until June 30, 2024.

A waste transport service at an estimated cost of \$611,000/year until June 30, 2026.

A waste transport and disposal service at an estimated cost of \$802,000/year until December 31, 2023 with automatic renewal for successive three year periods until cancelled with notice.

A recycling depot operating contract at an estimated cost of \$208,000/year until October 31, 2024 with a guarantee that the cost of transportation shall not exceed a total of \$100,000 per year.

A septage sludge disposal service with payments of \$13,500/year until 2025 with annual cost of living indexing until cancelled with notice.

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2023**

11 Commitments (continued)

A contribution to the SPCA of \$97,811/year with annual cost of living indexing until cancelled with notice.

An agreement with an estimated annual cost of \$125,303 for the maintenance and operation of Shelter Point Regional Park until March 31, 2025.

An agreement with an estimated annual cost of \$260,000 toward operation of the Heritage Conservation service with no stated termination date.

An agreement for a funding contribution of approximately \$177,000/year toward operation of the Powell River Recreation Complex with no stated termination date.

An agreement with an estimated remaining cost of \$1.7 million for construction management and construction of the Resource Recovery Centre and Commercial Transfer Station at the historical incineration site on Marine Avenue in Powell River, BC.

An agreement with an estimated cost of \$39,000/year for the collection and transportation of Lasqueti Island's residual waste with an expiry date of December 31, 2025.

An agreement with an estimated cost of \$152,422/year for operation of the paratransit service with an expiry date of March 31, 2024.

An agreement with an estimated cost of \$464,465/year for the provision of a library service with no stated termination date.

An agreement with an estimated cost of 234,272 for the provision of 911 services in the qathet region for the year 2024.

An agreement with an estimated cost of \$199,875 for the Community Wildfire Resilience Plan with an expiry date of February 28, 2025.

An agreement with an estimated cost of \$252,307 for the installation of Myrtle Pond water system infrastructure with an expiry date of December 31, 2024.

12 Contingent Liabilities

There is a lawsuit pending against the Regional District. It is the opinion of management that the amount of settlement for this claim cannot be reasonably estimated, nor can the likelihood of its outcome be known at this time. The final determination of this claim is not expected to materially affect the financial position of the Regional District. Any ultimate settlement will be recorded in the year the settlement occurs.

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2023**

13 Equity in Tangible Capital Assets

	2023	2022
Equity in tangible capital assets, beginning of year	\$ 21,212,154	\$ 19,291,007
Tangible capital assets additions	15,740,716	4,037,229
Amortization of tangible capital assets	(1,102,101)	(916,108)
Asset retirement obligations recognized	(1,306,734)	-
Additions funded by debt and equipment financing	(9,627,737)	(1,410,695)
Long-term debt payments	56,059	41,394
Short-term debt payments	48,475	171,181
Capital assets disposal	(353,037)	(1,853)
Equity in tangible capital assets, end of year	\$ 24,667,795	\$ 21,212,154

14 Accumulated Surplus

The Regional District segregates its accumulated surplus into the following categories: function balances, provisions for future expenditure (both capital and operating), equity in tangible capital assets, reserve funds and unspent capital funds.

	2023	2022
Function balances	\$ 898,562	\$ 736,273
Waste Management Reserve	604,975	715,482
Reserve for future expenditures	7,461,152	5,312,858
Statutory Reserve fund	6,400,422	5,667,365
Equity in Tangible Capital Assets (Note 13)	24,667,795	21,212,154
	\$ 40,032,905	\$ 33,644,131

The equity in tangible capital assets represents amounts already spent and invested in infrastructure and other tangible capital assets.

Statutory Reserve funds represent funds set aside by bylaw or board resolution for specific purposes. Details of reserve funds are shown below:

Represented by:	2023	2022
Texada Medical Clinic capital reserve	\$ 131,966	\$ 99,044
Malaspina Volunteer Fire capital reserve	363,816	324,429
Malaspina Volunteer Fire capital reserve #2	456,836	334,322
Lasqueti Island Volunteer Fire capital reserve	344,854	328,423
Northside Volunteer Fire capital reserve	529,237	430,703
Savary Island Volunteer Fire capital reserve	589,162	406,408
Lund Sewer capital reserve	114,401	97,899
Texada Recreation Commission capital reserve	259,192	234,425
Community Works Fund reserve (Note 15)	1,763,376	1,844,102
Feasibility Studies reserve	39,998	38,127
Community Parks Acquisition reserve	755,047	719,730
Myrtle Pond Water System reserve	281,274	252,545
General Administration reserve	143	137
Regional Parks Acquisition reserve	771,120	557,072
	\$ 6,400,422	\$ 5,667,365

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2023**

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2023**

15 Community Works Fund

The Regional District has transferred the unspent Community Works funds to a reserve and continues to track the unspent amounts in the Fund. The continuity of the fund is presented in the table below:

	2023	2022
Community Works Fund Reserve, opening balance	\$ 1,844,102	\$ 1,589,306
Amount received during the year	377,206	361,429
Interest earned	95,883	21,008
	<u>2,317,191</u>	<u>1,971,743</u>
Less: Amount spent	(553,815)	(127,641)
Community Works Fund Reserve, closing balance	<u>\$ 1,763,376</u>	<u>\$ 1,844,102</u>

16 COVID-19 Safe Restart Grant

The Regional District received a grant of \$424,000 in 2020 and further grant funding of \$117,000 in 2021 under the COVID-19 Safe Restart Grant for Local Governments. Unspent funds have been transferred to a reserve for future expenditure. The continuity of the funding is presented in the table below:

	2023	2022
COVID-19 Safe Restart Grant, opening balance	\$ 11,602	\$ 22,716
Interest earned	569	224
	<u>12,171</u>	<u>22,940</u>
Eligible costs incurred:		
Facility Reopening and Operating Costs	-	(11,338)
Total eligible costs incurred	<u>-</u>	<u>(11,338)</u>
COVID-19 Safe Restart Grant, closing balance	<u>\$ 12,171</u>	<u>\$ 11,602</u>

17 Growing Communities Fund

The Regional District received a grant of \$1,367,000 in 2023 through the BC Growing Communities Fund for Local Governments. Unspent funds have been transferred to a reserve for future expenditure. The continuity of the funding is presented in the table below:

	2023
Growing Communities Fund, opening balance	\$ -
Amount received during the year	1,367,000
Interest earned	56,016
	<u>1,423,016</u>
Less: Amount spent	-
Growing Communities Fund, closing balance	<u>\$ 1,423,016</u>

18 Budget Figures

Budget Figures represent the Financial Plan Bylaw No. 586, 2023 adopted by the Board on February 22, 2023.

The financial plan bylaw was prepared on a modified accrual basis while Canadian public sector accounting standards require financial statements to be prepared on a full accrual basis. The financial plan anticipated use of surpluses accumulated in prior years to reduce current year expenditures in excess of current year revenues. In addition, capital acquisitions were recognized as expenditures in the financial plan rather than including amortization expense.

The summary below reconciles the 2023 adopted financial plan to the financial statement budget figures:

	2023
Financial plan bylaw, surplus for the year	\$ -
Less:	
Prior year surplus	(674,773)
Proceeds from new debt	(12,111,000)
Transfers to / from own funds	(1,979,096)
Add:	
Capital expenditures per budget	20,299,092
Repayment of debt	128,528
Adjusted Annual Surplus	<u>\$ 5,662,752</u>

19 Employee Benefit Obligations

qRD employees are allowed up to nine (9) sick days per year. In 2019 the union contract was amended to allow employees to carry over and to bank up to thirty (30) days. The sick days may be used to bridge to weekly indemnity or to top up weekly indemnity to one hundred (100) percent. Sick day accruals will not be paid out at retirement or termination of employment. The amount recorded for this benefit is based on cost at the time the benefit was accrued.

During 2023 the qathet Regional District recorded a liability of \$117,565 (2022 - \$96,155) for employee sick leave. This liability is included in accounts payable on the Statement of Financial Position.

20 qathet Regional Hospital District

The board members of the qathet Regional District sit on the board of the qathet Regional Hospital District. The qathet Regional District and the qathet Regional Hospital District are separate legal entities as defined by separate letters patent and authorized by separate legislation.

During 2023, administrative support services supplied to the qathet Regional Hospital District by the qathet Regional District totalled \$100,000 (2022 - \$100,000).

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2023**

**qathet Regional District
Notes to Financial Statements
Year ended December 31, 2023**

21 Financial Instruments

The Regional District, as part of its operations, carries a number of financial instruments. It is management's opinion that the Regional District is not exposed to significant interest, currency or credit risks arising from these financial instruments except as otherwise disclosed.

22 Segmented Information

The qathet Regional District is a diversified local government providing a wide range of services to approximately 20,000 residents, including parks, community halls, fire protection, waste management and water and wastewater services. As a requirement of the *Local Government Act*, separate financial records must be maintained for each service providing detailed allocations of assets and liabilities, revenues and expenses, information concerning reserve funds and other pertinent financial details. For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment and also amounts that are allocated on a reasonable basis.

Segmentation has been determined on a functional basis with consideration to service delivery and departmental accountabilities. The following is a description of the types of services included in each of the main service segments of the regional district's financial statements. A detailed summary of the 2023 revenues and expenses can be found in Schedule III of the accompanying financial statements. Schedule IV contains comparative figures for the year ended December 31, 2022.

General Government

General government is comprised of the member municipality and electoral area governance, general administration which includes legislative services, finance, human resources and information systems, electoral area administration, grants in aid and house numbering services.

Development Services

Provides land use planning services to electoral area A, B, C and D. Processes provincial land use and development referrals to determine whether proposed applications comply with the qathet Regional District bylaws and policies. Provides support for initiatives that enhance economic development and social planning within the region.

Solid Waste Management and Recycling

Solid waste management and recycling is responsible for long term planning and management of solid waste throughout the region. The service provides for waste reduction and education programs and operation of the regional district's transfer stations and recycling centres.

Other Services

Other services provides for feasibility studies, operation and maintenance of two cemeteries (Powell River and Woodland), the Texada Island Airport, Savary Island Marine facilities, the Van Anda dock and Lasqueti Island ramp. The services also provide for contributions toward the animal shelter and the operation and maintenance of a septage disposal facility,

22 Segmented Information (continued)

Parks and Recreation

Parks and recreation services provide for the acquisition, development, operation and maintenance of land, buildings, facilities and outdoor spaces to foster recreational activities throughout the region.

Protective services

Protective services provides for the coordination of emergency planning, preparedness, training, response, and recovery for all areas within the region. Services include the operation and maintenance of four volunteer fire departments, provides for road rescue grants, and the 9-1-1 emergency answering service.

Public Health and Welfare

Supports the function of acquiring, operating and maintaining a medical clinic on Texada Island and provides for a contribution toward operation of a health centre on Lasqueti Island.

Transportation Services

Transportation services include the Rural Paratransit service - an agreement between the regional district and BC Transit Authority.

Water Service

Supports the operation and maintenance of the Myrtle Pond Water system within a subset of Electoral Area B.

Sewer Service

Supports the operation and maintenance of the Lund Sewer system within a subset of Electoral Area A.

SCHEDULE I

**qathet Regional District
Tangible Capital Assets Continuity Schedule
Year Ended December 31, 2023**

2023	Land	Land Improvements	Parks Infrastructure	Buildings	Construction in Progress	Machinery & Equipment	Vehicles	Water Systems	Sewer	Structures (Docks and Sheds)	Asset Retirement Obligation	Totals
Cost, beginning of year	\$ 1,983,605	\$ 6,614,863	\$ 130,452	\$ 7,569,525	\$ 3,735,273	\$ 2,493,691	\$ 3,595,056	\$ 1,848,063	\$ 3,070,348	\$ 3,935,667	\$ -	\$ 34,976,543
Additions	-	40,933	72,203	18,003	14,080,945	216,827	-	-	5,071	-	1,306,734	15,740,716
Disposals	-	-	-	-	(353,037)	-	-	-	-	-	-	(353,037)
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Cost, end of year	1,983,605	6,655,796	202,655	7,587,528	17,463,181	2,710,519	3,595,056	1,848,063	3,075,419	3,935,667	1,306,734	50,364,222
Accumulated amortization, beginning of year	-	920,893	52,192	2,211,554	-	1,633,802	1,774,231	570,172	1,098,239	1,640,981	-	9,902,063
Amortization	-	124,528	4,384	187,225	-	224,866	121,958	45,493	88,021	116,663	188,964	1,102,101
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated amortization, end of year	-	1,045,421	56,575	2,398,779	-	1,858,668	1,896,189	615,666	1,186,260	1,757,644	188,964	11,004,165
Net carrying amount, end of year	\$ 1,983,605	\$ 5,610,376	\$ 146,079	\$ 5,188,749	\$ 17,463,181	\$ 851,851	\$ 1,698,867	\$ 1,232,397	\$ 1,889,159	\$ 2,178,023	\$ 1,117,770	\$ 39,360,057

2022	Land	Land Improvements	Parks Infrastructure	Buildings	Construction in Progress	Machinery & Equipment	Vehicles	Water Systems	Sewer	Structures (Docks and Sheds)	Totals	
Cost, beginning of year	\$ 1,983,605	\$ 3,325,150	\$ 130,452	\$ 7,326,880	\$ 3,483,531	\$ 2,280,636	\$ 3,619,763	\$ 1,848,063	\$ 3,030,274	\$ 3,935,667	\$ 30,964,021	
Additions	-	3,289,713	-	242,645	3,545,121	213,055	-	-	40,074	-	7,330,608	
Disposals	-	-	-	-	(3,293,379)	-	(24,707)	-	-	-	(3,318,085)	
Adjustments	-	-	-	-	-	-	-	-	-	-	-	
Cost, end of year	1,983,605	6,614,863	130,452	7,569,525	3,735,273	2,493,691	3,595,056	1,848,063	3,070,348	3,935,667	34,976,543	
Accumulated amortization, beginning of year	-	798,425	48,215	2,017,981	-	1,411,366	1,671,549	524,679	1,012,276	1,524,318	-	9,008,809
Amortization	-	122,468	3,977	193,573	-	222,436	125,535	45,493	85,963	116,663	-	916,108
Disposals	-	-	-	-	-	-	(22,854)	-	-	-	-	(22,854)
Accumulated amortization, end of year	-	920,893	52,192	2,211,554	-	1,633,802	1,774,231	570,172	1,098,239	1,640,981	-	9,902,063
Net carrying amount, end of year	\$ 1,983,605	\$ 5,693,971	\$ 78,260	\$ 5,357,971	\$ 3,735,273	\$ 859,889	\$ 1,820,825	\$ 1,277,891	\$ 1,972,109	\$ 2,294,686	\$ -	\$ 25,074,480

Asset Retirement Obligations

SCHEDULE II

qathet Regional District
Asset Retirement Obligation Continuity Schedule
Year Ended December 31, 2023

	2023
Balance, beginning of year	\$ 224,917
Liabilities incurred	1,306,734
Liabilities settled	-
Accretion	-
Landfill monitoring in year	12,635
Change in estimated cash flows	-
Balance, end of year	\$ 1,519,015

In August 2018, the Public Sector Accounting Board (PSAB) introduced PS 3280 Asset Retirement Obligations (ARO) to set a standard for public sector entities on handling the retirement of tangible capital assets.

Asset retirement obligations happen when there's a legal duty to retire assets. This includes taking them out of service through sales, abandonment, or disposal, with costs like decommissioning and dismantling. Laws, rules, and contracts may require actions for retiring assets.

The qRD is required to report these obligations in financial statements starting 2023 year-end. To figure out the value, staff analyzed construction and acquisition dates, hazardous materials, disposal costs, and asset lifespans.

SCHEDULE III

qathet Regional District
Schedule of Segment Disclosure by Service
Year ended December 31, 2023

	General Fund										2023 Actual	2023 Budget (Note 17)
	General Government Services	Development Services	Solid Waste Management & Recycling	Other Services	Parks and Recreation Services	Protective Services	Public Health & Welfare	Transportation Services	Water Services	Sewer Services		
Revenue												
Taxation levies	\$ 2,206,305	\$ 565,216	\$ 1,655,524	\$ 554,120	\$ 2,103,317	\$ 2,692,850	\$ 141,388	\$ 169,411	\$ -	\$ -	\$ 10,088,130	\$ 10,088,130
Parcel tax	-	-	-	190,000	-	-	-	-	48,465	52,500	290,965	290,965
Grants	2,044,044	189,270	1,942,504	45,000	77,684	186,825	-	48,240	-	-	4,533,568	5,851,913
Waste Management Tipping fees	-	-	1,600,588	-	-	-	-	-	-	-	1,600,588	1,575,515
Sales of Services - Cemetery	-	-	-	116,630	-	-	-	-	-	-	116,630	114,616
Park Fees	-	-	-	-	222,361	-	-	-	-	-	222,361	247,400
Water and Sewer User Fees	-	-	-	-	-	-	-	-	82,197	90,436	172,633	174,400
Interest and Other Revenue	338,619	54,691	1,118,715	99,602	180,670	311,957	5,828	7,754	15,749	5,564	2,139,149	1,632,864
Gain (loss) on disposal of tangible capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Gain from Actuarial Adjustment on Debenture Debt	-	-	-	-	2,978	4,831	948	-	1,315	590	10,662	-
Total Revenue	4,588,969	809,177	6,317,332	1,005,351	2,587,010	3,196,463	148,163	225,405	147,726	149,090	19,174,685	19,975,803
Expenses												
Personnel costs	1,480,603	277,080	145,394	233,327	568,779	1,022,129	5,966	3,474	10,404	3,821	3,750,976	4,828,713
Grants	165,546	308,503	-	94,140	968,447	245,417	43,500	150,806	-	-	1,976,359	2,099,001
General goods and services	559,814	147,420	2,668,283	344,879	550,292	986,438	49,263	59,462	93,096	167,020	5,625,966	6,953,225
Debt charges	2,683	-	229,400	-	3,850	89,537	6,493	-	945	368	333,275	383,262
Transfers to other local government	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of tangible capital assets	96,253	12,470	154,572	159,774	141,938	371,088	26,073	992	50,856	88,086	1,102,101	-
Landfill closure/post closure allowances	-	-	(2,767)	-	-	-	-	-	-	-	(2,767)	48,850
Total Expenses	2,304,899	745,473	3,194,882	832,120	2,233,306	2,714,610	131,295	214,733	155,301	259,294	12,785,911	14,313,051
Annual Surplus (Deficit)	\$ 2,284,071	\$ 63,704	\$ 3,122,450	\$ 173,231	\$ 353,704	\$ 481,853	\$ 16,868	\$ 10,672	\$ (7,575)	\$ (110,204)	\$ 6,388,774	\$ 5,662,752

SCHEDULE IV

qathet Regional District
Schedule of Segment Disclosure by Service
Year ended December 31, 2022

	General Fund										2022 Actual	2022 Budget
	General Government Services	Development Services	Solid Waste Management & Recycling	Other Services	Parks and Recreation Services	Protective Services	Public Health & Welfare	Transportation Services	Water Services	Sewer Services		
Revenue												
Taxation levies	\$ 2,041,201	\$ 530,818	\$ 1,387,284	\$ 522,346	\$ 1,928,942	\$ 2,303,754	\$ 139,714	\$ 169,149	\$ -	\$ -	\$ 9,023,208	\$ 9,023,207
Parcel tax	-	-	-	190,000	-	-	-	-	48,465	52,500	290,965	290,965
Grants	702,965	142,350	1,142,775	57,454	11,755	176,166	-	4,882	-	10,000	2,248,346	4,145,517
Waste Management Tipping fees	-	-	1,582,570	-	-	-	-	-	-	-	1,582,570	1,485,000
Sales of Services - Cemetery	-	-	-	114,875	-	-	-	-	-	-	114,875	104,926
Park Fees	-	-	-	-	225,045	-	-	-	-	-	225,045	241,900
Water and Sewer User Fees	-	-	-	-	-	-	-	-	77,388	90,463	167,851	162,090
Interest and Other Revenue	120,830	296,911	151,410	33,759	89,279	201,813	1,100	12,118	3,563	4,741	915,524	459,439
Gain (loss) on disposal of tangible capital assets	12,147	-	-	-	-	-	-	-	-	-	12,147	-
Gain from Actuarial Adjustment on Debenture Debt	-	-	-	-	2,735	4,760	700	-	1,314	525	10,033	-
Total Revenue	2,877,142	970,078	4,264,038	918,434	2,257,757	2,686,493	141,514	186,149	130,729	158,228	14,590,564	15,913,044
Expenses												
Personnel costs	1,174,591	230,565	91,484	213,438	411,282	635,922	6,551	6,083	13,960	3,549	2,787,425	3,371,082
Grants	184,223	188,233	-	88,064	894,580	226,063	43,400	155,242	-	-	1,779,805	1,844,791
General goods and services	715,324	261,382	2,480,369	623,299	496,424	878,636	48,945	22,058	63,993	99,846	5,690,276	6,869,052
Debt charges	768	-	6,732	-	3,850	59,950	6,493	-	1,216	470	79,479	312,665
Transfers to other local government	-	-	-	-	-	-	-	-	-	-	-	-
Amortization of tangible capital assets	84,295	16,592	53,853	149,223	130,632	328,190	20,810	992	45,493	86,027	916,108	-
Landfill closure/post closure allowances	-	-	(163,134)	-	-	-	-	-	-	-	(163,134)	18,850
Total Expenses	2,159,202	696,771	2,469,303	1,074,024	1,936,767	2,128,762	126,200	184,374	124,662	189,892	11,089,958	12,416,440
Annual Surplus (Deficit)	\$ 717,940	\$ 273,307	\$ 1,794,735	\$ (155,590)	\$ 320,989	\$ 557,731	\$ 15,315	\$ 1,775	\$ 6,067	\$ (31,663)	\$ 3,500,606	\$ 3,496,604