

# FRASER VALLEY REGIONAL DISTRICT

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# 2020 ANNUAL REPORT







## LAND ACKNOWLEDGMENT

A single land acknowledgement cannot capture the richness of all the different Indigenous territories where we live, work, and play. The FVRD invites you to consider the traditional territories where you reside and give thanks.



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# INTRODUCTION

## Adapting to a COVID-19 Reality

“Adaptability” was a word we used frequently in 2020. At the onset of the COVID-19 pandemic, together with organizations across BC, we adapted our operations overnight to a new reality. Swift steps were taken to prioritize the health and safety of the public and our staff while maintaining our core services.

We are thankful to residents, the community and our Board for their patience as we weathered those challenging early days. Although we could not celebrate our 25<sup>th</sup> anniversary (1995-2020) in person, we are grateful for the support you’ve given us for the past quarter-century.

In May 2020, our Board approved the COVID-19 Recovery Policy, outlining a plan for a gradual, safe and measured reopening of our facilities and a restart of paused programs and services. At the forefront of the policy was a commitment to the health and safety of residents and employees.

We installed COVID-19 safety signage, Plexiglass barriers, and enhanced cleaning protocols at all FVRD workplaces. Besides these physical adjustments to protect the health and safety of the public and our staff, the way we worked changed as well.

Our utilities workers, who routinely met for a stand-up meeting every morning, were faced with finding a creative way to gather once in-person meetings were prohibited. Their adaptation? They parked their trucks near each other in the parking lot to discuss the day’s tasks at a safe distance through open windows.

In early fall, when public health regulations cancelled in-person meetings, Board Directors connected via Zoom from their homes. The move online allowed the public to participate from home or a chance to view a recording of the meeting later on YouTube.

One area which exceeded our expectations during COVID was the great outdoors. In 2020, our regional parks received nearly 1.5 million visits, up 26.2% over 2019's numbers. We also completed work on the FVRD's first-ever Outdoor Recreation Economic Impact Analysis, which showed a \$1.8 billion total economic impact from outdoor recreation in the region.

On the regional strategic planning front, we released the 2020 Draft Regional Growth Strategy, an update to the *Choices For Our Future* plan adopted in 2004. Three new policy areas were added to reflect our changing world – Collaboration, Living Well, and Energy & Climate Change.

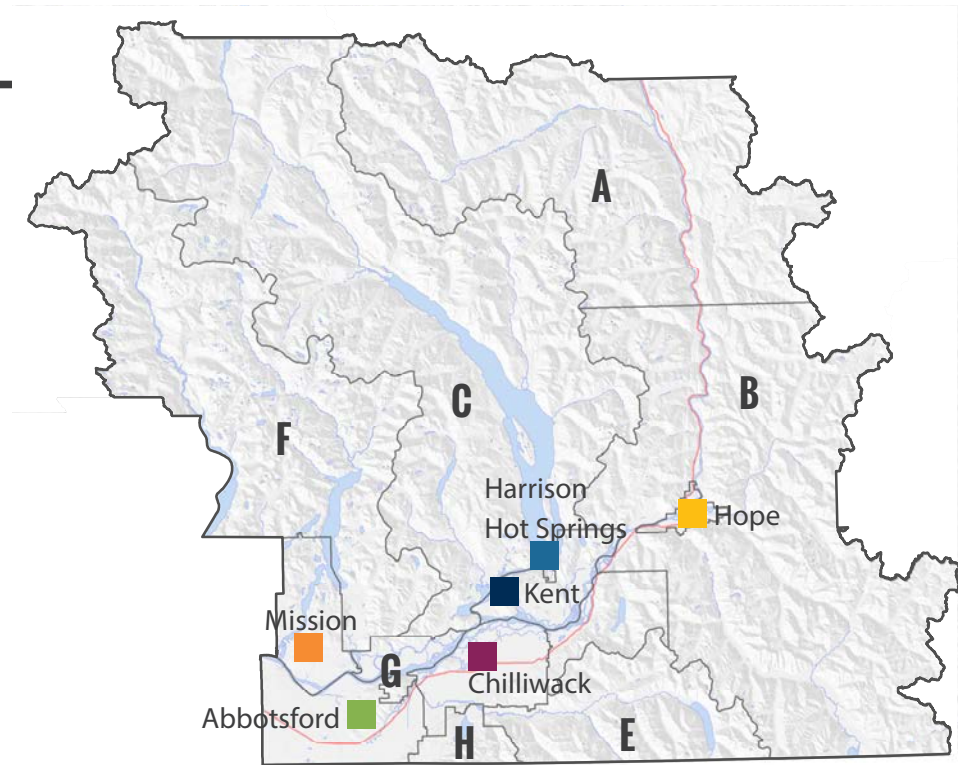
As a result of the COVID-19 pandemic, we faced unprecedented financial challenges associated with the response and recovery as part of our business continuity plan. Some of the financial effects included revenue loss, expenditures for computer technology and security upgrades, facility reopening and other operating costs. The Province of BC provided \$1.36 M of COVID-19 Safe Restart Funds to assist with these costs with more funding to be provided in 2021.

As community vaccination rates continue to rise, our programs and services will return to normal. In 2020, through co-operation and collaboration with our diverse communities, we proved that our region is adaptable and resilient. Together we remained strong in our commitment to *servicing our citizens and communities first*.

Fraser River at Sunset  
Credit: Matthew Fang



# REGION AT A GLANCE



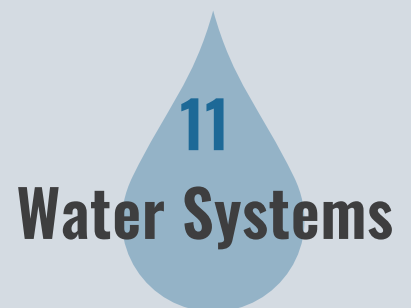
**13,336** km<sup>2</sup>

**6** municipalities

**8** Electoral Areas

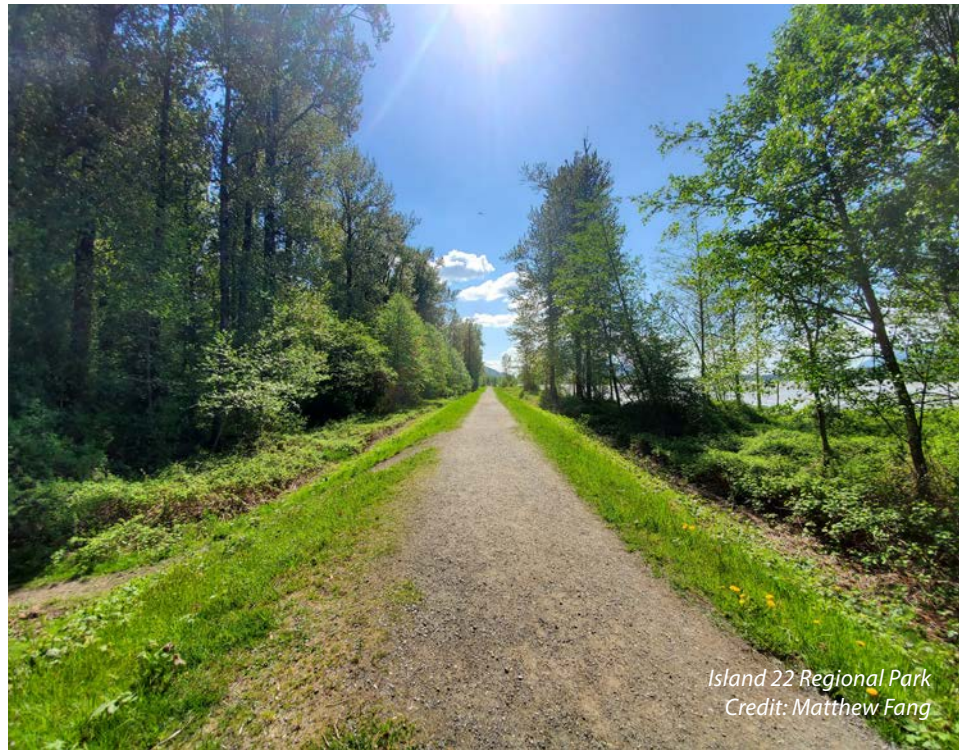


**94%** live in municipalities  
**6%** live in EA's





# MESSAGE FROM THE CHAIR



2020 was a remarkable year for the Fraser Valley Regional District as we joined the world on a journey through the COVID-19 pandemic.

As the Chair of the Board, I am proud of the professionalism displayed by our staff in navigating the many challenges posed by the global pandemic. Throughout the year they didn't skip a beat in providing essential services to our citizens. At a time of uncertainty, they excelled in their efforts to keep our offices, parks, landfills, and other sites operational, while ensuring the safety of our communities.

Despite the challenges posed by the pandemic, we successfully brought forward many important reports, projects, studies and strategies. These included an updated draft of the Regional Growth Strategy, a new Regional-Grant-In-Aid policy, a Housing Needs Assessment Report and our first-ever study of the economic benefits of outdoor recreation in the region. These strategic documents will inform the Board's decision-making for many years to come.

I want to recognize the Regional Directors for their dedication and collective efforts to develop a Strategic Plan that will direct our focus for the remainder of the Board's term. This year's Annual Report is organized around those key goals.

In closing, I want to express my gratitude to our staff for their commitment during challenging times. Just as we celebrated the dedication of healthcare workers last year, I would like to acknowledge the commitment made by our frontline government workers as they provided essential services to our region. Throughout 2020, FVRD's vision has not changed: *Serving Citizens and Communities First*. Now more than ever, the communities we serve are at the forefront of everything we do.



*Jason Lum, FVRD Chair*

# MEET THE BOARD

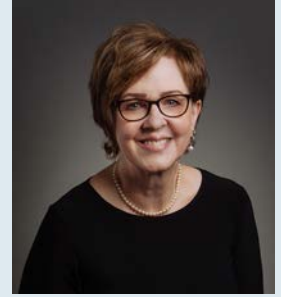
The FVRD is governed by a 23-member board comprised of eight electoral area directors elected by their constituents and 15 municipal councillors appointed by each of the six member municipalities.



*Dennis Adamson, Area B*



*Wendy Bales, Area C*



*Sandy Blue, Abbotsford*



*Kelly Chahal, Abbotsford*



*Cal Crawford, Mission*



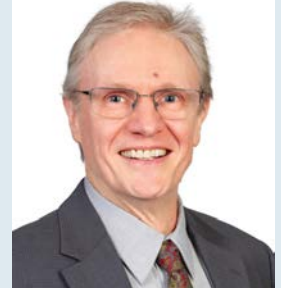
*Hugh Davidson, Area F*



*Bill Dickey, Area D*



*Taryn Dixon, Area H*



*Orion Engar, Area E*



*Leo Facio, Harrison Hot Springs*



*Brenda Falk, Abbotsford*



*Carol Hamilton, Mission*



*Chris Kloot, Chilliwack*



*Dave Loewen, Abbotsford*



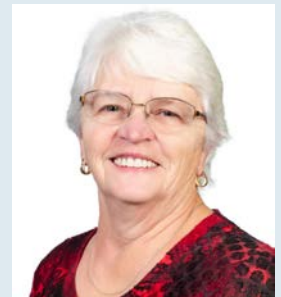
*Jason Lum, Chilliwack*



*Bud Mercer, Chilliwack*



*Ken Popove, Chilliwack*



*Sylvia Pranger, Kent*



*Terry Raymond, Area A*



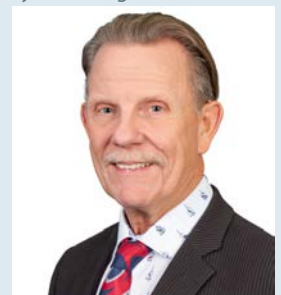
*Peter Robb, Hope*



*Patricia Ross, Abbotsford*



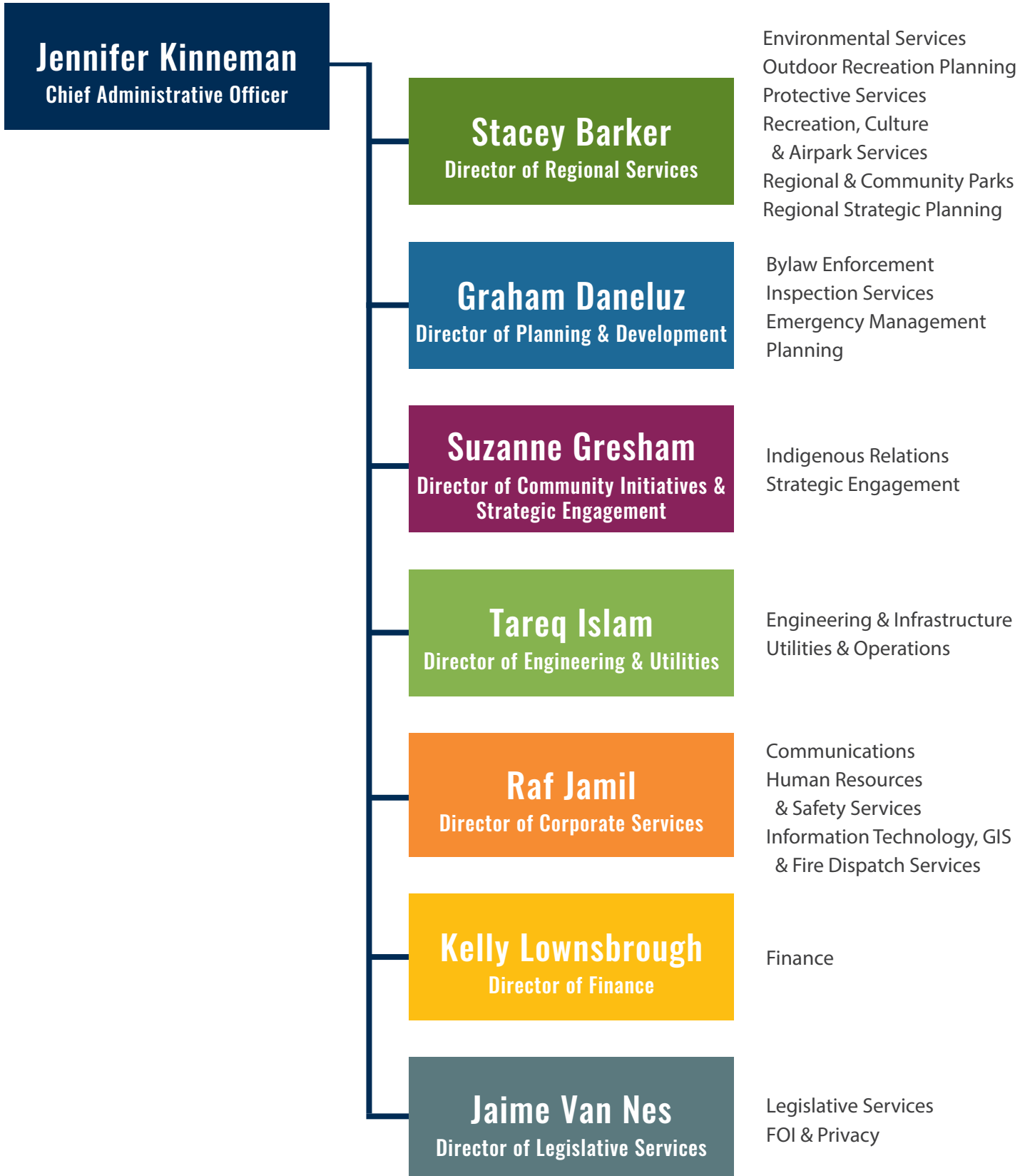
*Ross Siemens, Abbotsford*



*Al Stobbart, Area G*



# SENIOR LEADERSHIP TEAM



# STRATEGIC PRIORITIES

## Organizational Effectiveness



- » Develop a long-term financial strategy that is sustainable and affordable
- » Update corporate policies and bylaws to identify gaps and mitigate risk
- » Upgrade the FVRD's technology with an emphasis on business continuity and data security
- » Advance online/mobile opportunities for the public to conduct FVRD business

## Governance & Advocacy



- » Invest in health care capital infrastructure
- » Advocate for support on regional and electoral area issues from senior governments
- » Enhance collaboration with Indigenous communities

## Rural Sustainability



- » Encourage the development of sustainable and complete communities
- » Increase broadband connectivity for rural communities
- » Implement FireSmart/ Wildfire Protection initiatives for priority areas
- » Continue to strengthen emergency management program

## Transportation



- » Increase access to interregional transportation options

## Living Well



- » Continue to improve access and quality of FVRD outdoor recreation assets

## Energy & Climate Change



- » Continue to work toward carbon-neutral operations
- » Encourage reduction of waste and help communities work toward Zero Waste





## Organizational Effectiveness



### 2020 ACCOMPLISHMENTS

#### Develop a long-term financial strategy that is sustainable and affordable

- » Internal process improvements were made for efficiencies, including the financial system upgrade for the Hospital District as well as overall budgeting improvements for the five year-financial plan.

#### Update corporate policies and bylaws to identify gaps and mitigate risk

- » This process was started in 2020 but experienced some delays due to shifting priorities from the COVID-19 pandemic.

#### Upgrade technology emphasizing business continuity and data security

- » In response to the increase of cyber threats, IT updated security applications to assist with investigating and responding to these threats.
- » Early in the pandemic, an internet-based audio/video conference solution was implemented to allow Board and staff meetings to proceed online.
- » Critical upgrades at Hope & Area Recreation Centre included a generator back-up to prevent power outages during stormy weather, and installing offline data backup and email archiving to assist with Freedom of Information requests.

#### Advance online/mobile opportunities to conduct FVRD business

- » Improvements to the FVRD Web Map now allow public access to planning information such as zoning and Official Community Plan designations, flood and hazard risks, development permit areas and more.

104 employees  
106 services  
333,000 residents

\$29.9 M  
annual operating  
budget

120  
separate service  
area budgets

Hope & Area Recreation Centre  
Credit: Adele Hinkley



## Organizational Effectiveness



### COVID-19 Impacts & Customer Service

When we rolled out COVID-19 Safety Plans for our diverse sites our number one priority was keeping the public and our staff safe. For residents visiting our corporate office to pay utility bills or submit a building permit, the customer experience remained the same apart from safety protocols such as health screening, contact tracing, mask-wearing and physical distancing.

Hope & Area Recreation Centre closed its doors for part of 2020 due to public health guidelines. To assist the public working out at home, recreation staff thought creatively and produced a series of videos. Several fitness videos were produced and uploaded on our website. Another video introduced the new COVID safety protocols to the public. This video was shared on Facebook in advance of re-opening the facility in September 2020. By walking through the new safety protocols for using the gym and pool, staff exemplified good customer service.



Chris and Meghan from Regional Parks demonstrate social distancing.

**56**  
online Board & Committee Meetings





Boardroom configured for physical distancing  
Credit: Racheal Estok

## Governance & Advocacy



# 2020 ACCOMPLISHMENTS

### Invest in health care capital infrastructure

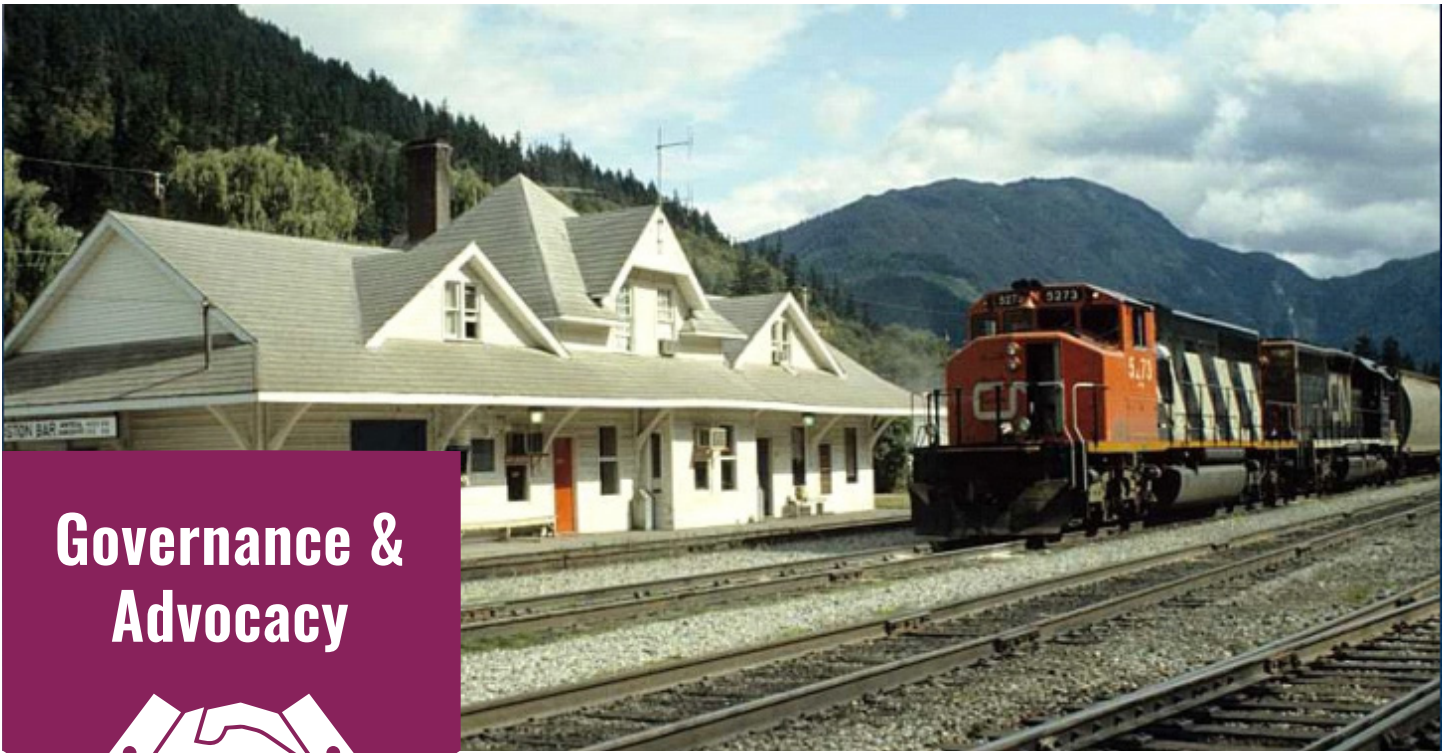
- » The Fraser Valley Regional Hospital District joined the Fraser Health Authority in planning for the replacement and renewal of designated long-term care facilities in the region.

### Advocate for support on regional and electoral area issues from senior governments

- » Met with the Ministry of Municipal Affairs and Fraser Health regularly to ensure support for local government and communities through the pandemic.
- » Participated on the UBCM Flood & Wildfire Advisory Committee, making recommendations on the proposed changes to emergency management legislation.
- » Continued to support the City of Abbotsford as it led regional advocacy for the Province to widen Highway 1. Following the 2020 provincial election, the Province confirmed its commitment to this project to ease congestion and widen the highway as far east as Whatcom Road by 2026.

### Enhance collaboration with Indigenous communities

- » In the spirit of the United Nations Declaration on the Rights of Indigenous Peoples and the Truth and Reconciliation Commission's Call to Action #43, the FVRD fostered inter-governmental engagement with several Indigenous communities in the region on a variety of projects in 2020 through the implementation of existing Memoranda of Understanding and Service Agreements.
- » The FVRD continued to sit at the Stó:lō Xwexwilmexw (SXTA) and Katzie Treaty Tables as observers representing the FVRD and its member municipalities. The FVRD Board was updated on a regular basis.



## Governance & Advocacy



### Protecting & Preserving History

The Fraser Valley Regional District is home to many cultural sites which may be weathered by time but are worth preserving. Working alongside the Boston Bar/North Bend Enhancement Society, FVRD staff supported applications to the Federal Government and the Province of BC which resulted in a \$1.9 million grant to fund the restoration of the historic 1914 CNR Stationhouse in Boston Bar.

The project vision is to develop a museum showcasing railway, Indigenous, Chinese and settler history in Electoral Area A and vicinity. An idea that started with a small, but committed group of residents from Boston Bar and North Bend will now become a reality.

### FVRD's Commitment to Learning

5

"FVRD Learns" Indigenous Relations Online training sessions hosted

208

FVRD & member municipality staff learning via CEDAR Network

52

Issues of FVRD Connections Indigenous Relations eNewsletter



## Rural Sustainability



# 2020 ACCOMPLISHMENTS

### Encourage the development of sustainable and complete communities

- » Public engagement with local communities took place to inform the region-wide Housing Needs Report – a foundation for planning and decision-making for the next five years.

### Increase broadband connectivity for rural communities

- » COVID-19 highlighted the need for reliable high-speed internet as residents in the region's electoral areas worked from home, attended online schooling or operated online businesses. Technical analysis and a survey that garnered 600 responses was completed in 2020 for the Rural Internet Connectivity project. A final report with recommendations will be presented to the Board in early 2021.

### Implement FireSmart/Wildfire Protection initiatives for priority areas

- » Community Wildfire Protection Plans were completed for three Areas of Interest within the Regional District. The project assessed wildfire risk and threat for communities and rural residential areas and provided strategies for addressing these risks.

### Continue to strengthen Emergency Management Program

- » In addition to the business continuity challenges of a global pandemic, the FVRD's Emergency Operations Centre (EOC) had several activations last spring and summer due to the annual freshet.

500+  
surveys completed for  
Housing Needs Report

Harrison Fire Lookout  
Credit: Natalie Pullman





## Rural Sustainability



### Planning & Building Services in Demand

Despite a slower than usual economy in 2020, demand for development projects in the electoral areas remained high. The Planning & Development department handled over 3000 property enquiries and 226 building permits were issued worth \$52,880,000 (down from \$58,139,000 in 2019).

To provide better customer service, an improved online web map was launched. The FVRD Web Map allows the public to quickly find property information such as lot size, zoning and Official Community Plan designations, flood and hazard risks, as well as water, solid waste and fire protection services areas.

With in-person meetings cancelled due to public health guidelines, staff conducted several virtual public hearings via Zoom. These virtual hearings were successful thanks to detailed preparation by staff, and the adaptability and understanding of the Electoral Area Directors and the public.

**3,000 +**  
property enquiries handled  
by Planning staff

**226**  
Building Permits worth  
**\$52,880,000**



FVRD Planning Counter  
Credit: Racheal Estok





## Transportation



# 2020 ACCOMPLISHMENTS

### Increase access to interregional transportation options

- » With residents working from home and closures of businesses and schools early in the COVID-19 pandemic, there were several impacts on FVRD services:
  - › Fraser Valley Express (FVX) expansion delayed
  - › Ridership dropped to a pandemic low of 41% of 2019 levels in late March 2020
  - › Service levels were maintained to support essential workers and communities
  - › Mid-December 2020 ridership rebounded to 78% of 2019 levels





## Transportation



### Transit Expansions Delayed by COVID-19

Shortly after the Provincial State of Emergency was declared due to COVID-19, BC Transit initiated a number of operational changes to maintain transit services while minimizing risk to transit operators and customers.

Service hours on the Fraser Valley Express (FVX), Hope and Agassiz-Harrison routes stayed at pre-COVID levels, but public safety measures, including bus capacity limits, reduced ridership to about 40% of pre-COVID levels for a time. Transit expansions across the province, including the approved FVX expansion to Burnaby, were put on hold.

Federal and provincial supports through Safe Restart funding and other initiatives have helped support our existing services and are providing a strong foundation for future growth. Bus capacity has increased over time, with full capacity likely coming in the summer of 2021 should BC's Restart Plan allow.

The biggest impact to the FVRD was the delay of the long-anticipated expansion of the FVX connecting Chilliwack and Abbotsford to the Lougheed Town Centre Sky Train station in Burnaby. Since its inception in 2015-16, annual ridership on the FVX has more than tripled rising from 72,000 to over 250,000 annual rides, underscoring strong ongoing demand. The expansion is now back on track and work started in 2020 is being picked up with a new target in-service date of January 2022.





Mt. Cheam UDT Construction  
Credit: Meghan Jackson



Living Well



## 2020 ACCOMPLISHMENTS

### Continue to improve access and quality of FVRD outdoor recreation assets

- » The first-ever Outdoor Recreation Economic Impact Analysis was released in July 2020 providing an in-depth look at the economic impact of outdoor recreation in the region. The study provided a first-ever baseline for future analysis on the value of outdoor recreation and is a key component of the Outdoor Recreation Management Plan currently being drafted.
- » Parks improvements included installation of a Urine Diversion Toilet and a kiosk at the Mt Cheam trailhead.

**\$1.5 billion**  
total economic impact

**7.4 million**  
recreation days

**\$9.48 million**  
direct spending on  
rec-related products &  
services

Cheam Wetlands Regional Park  
Credit: Angeliqe Crowther







## Living Well



### Getting Outside During the Pandemic

Take a hike! These words took on a new significance in the early days of COVID-19 restrictions. With bans on indoor gatherings and the closure of many recreation facilities, residents (and visitors from the Lower Mainland) flocked to FVRD's regional parks and trails. Despite cool weather, March and April 2020 saw a 50% increase of visitors over the same months in 2019.

With 14 regional parks and trails, seven community parks and three roadside community trails, the FVRD offered a health and well-being outlet for residents and visitors. In fact, 2020 saw nearly 1.5 million park visits, an increase of 26.2% over 2019.

FVRD's parks and trails provided broader community benefits such as connecting people, including the most isolated, and helping them to feel part of something bigger than themselves. Walking, hiking and biking became increasingly important activities as residents and communities recovered from the impacts of the COVID-19 pandemic.

Throughout the year parks staff installed COVID-19 safety signage along trails and parks to encourage physical distancing. Improvements to parks facilities included the installation of a new urine diversion toilet at the Mt. Cheam trailhead. This new system manages waste more effectively than traditional pit toilets and has been successful at other backcountry locations such as Elk Mountain.



**1,492,338**  
park visits



**76**  
shrubs planted in  
community parks



**14** regional parks & trails  
**7** community parks  
**3** community trails





## Energy & Climate Change



Electric Charging Stations at FVRD  
Credit: Racheal Estok

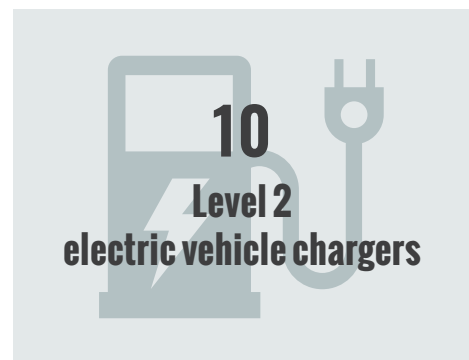
# 2020 ACCOMPLISHMENTS

### Continue to work toward carbon-neutral operations

- » A BC Hydro grant provided funding for four dual-head Level 2 electric vehicle charging stations at our corporate office in Chilliwack. We now a total of 10 Level 2 charging points available to the public.
- » The new draft Official Community Plan for Hemlock Valley includes policies that are applied at the rezoning stage to ensure electric vehicle chargers are provided.

### Encourage reduction of waste and help communities work toward Zero Waste

- » The regional source separation bylaw came into effect April 1, 2020. Due to COVID-19, plans for a public outreach campaign were delayed. Instead, staff targeted their efforts on compliance from multi-family residences and businesses. The Waste Wise campaign will be re-launched in early 2022.



Hope & Area Ice Arena  
Credit: Adele Hinkley



## Energy & Climate Change



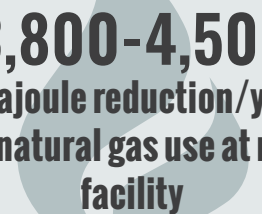
### Systems Upgrade To Use Ice to Heat Buildings

The Hope & Area Recreation Centre's heating and cooling systems will receive much-needed upgrades thanks to a \$2 million grant from the Government of Canada and the Province of British Columbia.

The current heating and cooling systems are nearing end-of-life and will be replaced with an integrated heat recovery system that captures heat produced from the ice making process and uses it to heat the buildings and pool. The project is expected to be completed by 2025.

The new system will nearly eliminate the use of natural gas at the facility and substantially reduce the facility's greenhouse gas emissions – key contributors to climate change. The project will also replace the use of ammonia with a safer refrigerant alternative.

The upgrades will improve energy efficiency of the buildings, provide greater worker safety, and reduce overall greenhouse gas emissions by as much as 90%.



**3,800-4,500**  
gigajoule reduction/year  
in natural gas use at rec  
facility



**167-220**  
tons of CO<sub>2</sub> saved/year



**\$1,999,999**  
funding from Canada  
Infrastrure Program



DanShavers Aquatic Centre  
Credit: Adele Hinkley



# GRANTS-IN-AID

TOTAL GRANTS BY AREA	TOTAL
Area A	\$1,500
Area B	\$33,600
Area C	\$16,550
Area D	\$852
Area E	\$8,950
Area F	\$5,000
Area G	\$12,465
Area H	\$5,168
<b>TOTAL</b>	<b>\$84,085</b>

## Chilliwack River Valley Residents Association Ambassador Program \$3,350

*"Hi, we just wanted to let you know that there is no garbage pick up along this road – so you need to take your garbage with you. Do you need some bags?"*  
So went the script spoken by ambassadors as they greeted campers on weekends from July to September 2020. Working in pairs, six volunteer ambassadors engaged with 534 campers over the summer. Proving that education makes a difference, ambassadors reported that most people planned to take their garbage home with them.

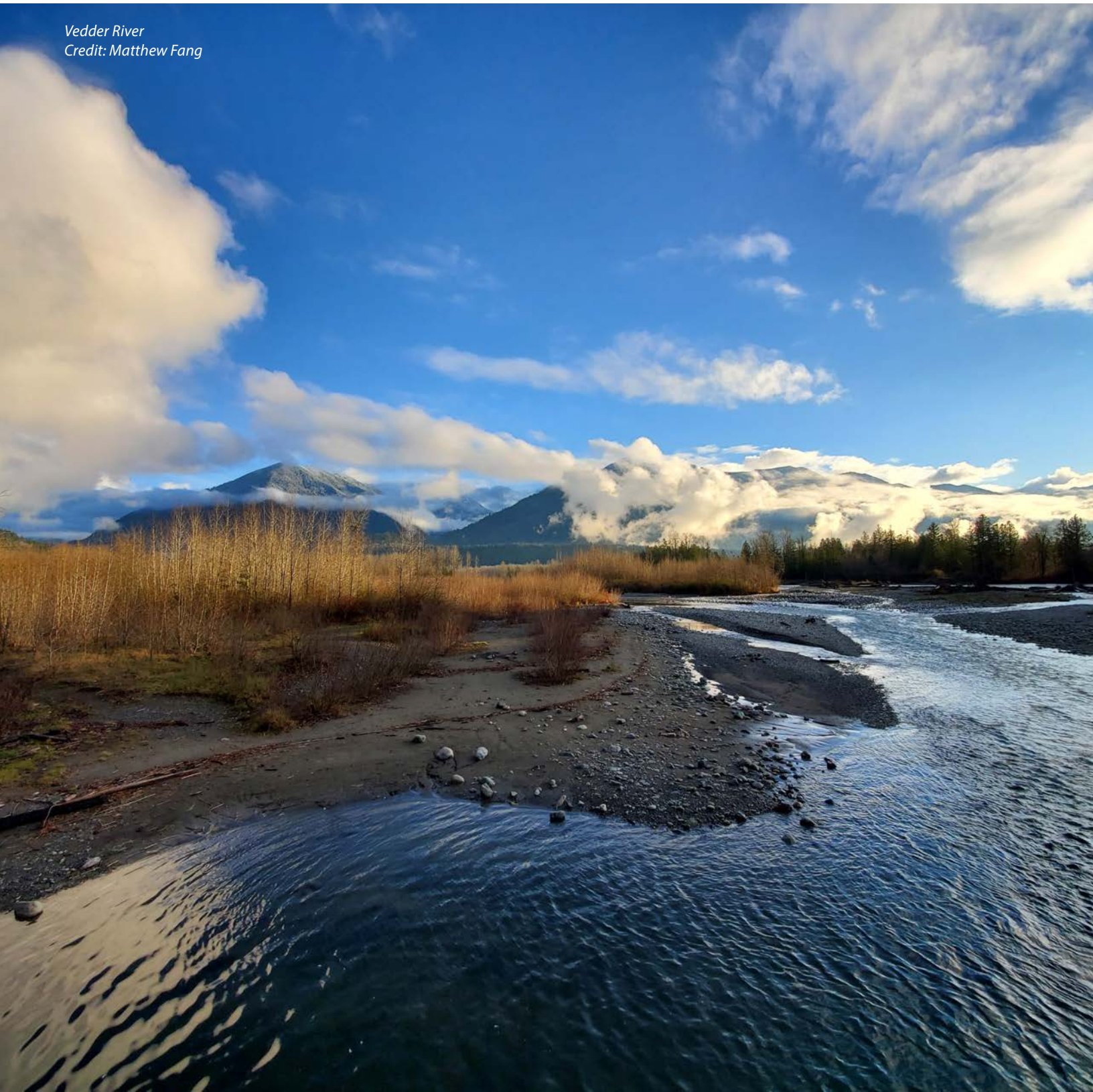


## Fraser Canyon Hospice Society \$2,500

When plans to host Camp Skylark, the Society's annual end of summer bereavement camp for children was canceled due to COVID-19, volunteers knew they could use their grant funds to help hospice clients and family members. The Society manages two hospice/palliative care patient rooms in the Fraser Canyon Hospital in Hope which are designated for end of life care. Funds were used to purchase new daybeds for visiting family members as well as several microwaves for warming food, and comfy new towels.

# 2020 CONSOLIDATED FINANCIAL STATEMENTS

*Vedder River  
Credit: Matthew Fang*





## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Fraser Valley Regional District (the "Regional District") are the responsibility of the Regional District's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of the Canadian Institute of Chartered Professional Accountants. A summary of the significant accounting policies are described in the notes to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Regional District's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Board of Directors meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters.

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



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Kelly Lownsborough, CPA, CMA  
Director of Financial Services/Chief Financial Officer



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Suite 200 - 9123 Mary Street  
Chilliwack BC V2P 4H7  
Canada  
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Fax (604) 793-4747

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Fraser Valley Regional District

### ***Opinion***

We have audited the accompanying consolidated financial statements of Fraser Valley Regional District (the "District") which comprise:

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of financial activities for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2020, and its consolidated results of financial activities, its consolidated changes in net financial assets, and its consolidated 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the 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.



## ***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 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 District or to cease operations, or has no realistic alternative but to do so.

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

## ***Auditors' 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 auditors' 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 auditors' 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 auditors' report. However, future events or conditions may cause the 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.
- 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.

**DRAFT**

Chartered Professional Accountants

Chilliwack, Canada

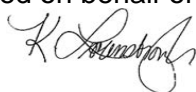


# Fraser Valley Regional District Consolidated Statement of Financial Position

December 31, 2020

	2020	2019
<b>Financial Assets</b>		
Cash and cash equivalents (Note 1)	\$ 9,033,709	\$ 3,132,927
Accounts receivable (Note 2)	5,825,965	5,985,259
Inventories	19,293	33,935
Investments (Note 3)	33,574,276	37,185,108
Investment in government business partnership (Note 4)	603,593	540,427
	49,056,836	46,877,656
<b>Financial Liabilities</b>		
Trade payables and accrued liabilities	2,460,285	3,925,636
Accrued interest	77,215	76,848
Due to Local governments	2,093,912	2,098,854
Landfill retirement costs (Note 5)	505,050	507,255
Municipal Finance Authority equipment financing	-	12,045
Municipal Finance Authority debentures (Note 7)	8,755,682	9,191,984
Development levies and deferred revenue (Note 8)	11,123,895	12,581,561
Community Works funds (Note 9)	5,172,967	4,663,195
	30,189,006	33,057,378
<b>Net Financial Assets</b>	18,867,830	13,820,278
<b>Non-Financial Assets</b>		
Prepaid expenses	574,092	624,571
Tangible Capital Assets (Note 10)	47,199,798	47,237,508
Intangible Capital Assets (Note 11)	486,800	517,225
	48,260,690	48,379,304
<b>Accumulated Surplus</b>	\$ 67,128,520	\$ 62,199,582
Commitments (Note 12)		
Impact of COVID-19 (Note 13)		
Contingent Liabilities (Note 14)		

Approved on behalf of the Board:



\_\_\_\_\_  
Chief Financial Officer

## Fraser Valley Regional District Consolidated Statement of Financial Activities

Year Ended December 31, 2020

	Budget 2020 <i>(Note 16)</i>	Actual 2020	Actual 2019
<b>Revenues</b>			
Member requisitions	\$ 18,114,720	\$ 18,114,720	\$ 16,742,211
Government grants	2,002,630	5,344,111	2,918,670
Utility user fees	1,257,060	1,327,550	1,206,396
Sale of services	4,379,070	4,798,588	5,570,880
Other	4,059,740	1,647,796	3,574,038
Interest	100,830	487,771	480,297
Income from government business partnerships	-	63,166	10,303
	<u>29,914,050</u>	<u>31,783,702</u>	<u>30,502,795</u>
<b>Expenses</b>			
General government services	3,520,040	3,443,844	3,845,819
Protective services	6,956,460	8,138,350	7,233,455
Transportation services	3,465,210	3,040,477	3,298,841
Environmental health services	2,528,950	2,530,412	2,468,942
Environmental development services	2,319,990	1,727,773	1,732,979
Recreation and cultural services	6,172,210	5,478,662	5,992,201
Utilities services	1,815,600	2,495,227	2,280,813
	<u>26,778,460</u>	<u>26,854,745</u>	<u>26,853,050</u>
<b>Annual Surplus</b>	3,135,590	4,928,957	3,649,745
<b>Accumulated Surplus, Beginning of Year</b>	<u>62,199,582</u>	<u>62,199,582</u>	<u>58,549,837</u>
<b>Accumulated Surplus , End of Year</b>	<u>\$ 65,335,172</u>	<u>\$ 67,128,539</u>	<u>\$ 62,199,582</u>



**Fraser Valley Regional District**  
**Consolidated Statement of Changes in Net Financial Assets**

**Year Ended December 31, 2020**

	2020	2019
<b>Annual surplus</b>	\$ 4,928,957	\$ 3,649,745
Acquisition of tangible capital assets	(1,957,150)	(5,993,413)
Amortization of tangible capital assets	1,987,033	1,939,592
(Gain)/Loss on sale of tangible capital assets	(12,031)	2,831
Proceeds on sale of tangible capital assets	19,858	19,750
Amortization of intangible capital assets	30,425	30,425
Change in prepaid expenses	50,479	59,671
	5,047,571	(291,399)
<b>Change in Net Financial Assets</b>		
<b>Net Financial Assets, Beginning of Year</b>	13,820,278	14,111,677
<b>Net Financial Assets, End of Year</b>	\$ 18,867,849	\$ 13,820,278

# Fraser Valley Regional District Consolidated Statement of Cash Flows

Year Ended December 31, 2020

	2020	2019
<b>Operating Activities</b>		
Annual surplus	\$ 4,928,957	\$ 3,649,745
Items not involving cash		
Amortization of tangible capital assets	1,987,033	1,939,592
Gain/(Loss) on sale of tangible capital assets	(12,031)	2,831
Amortization of intangible capital assets	30,425	30,425
Partnership income	(63,166)	(10,303)
	6,871,218	5,612,290
Change in non-cash operating items		
Accounts receivable	159,294	(1,244,807)
Inventories	14,643	(7,361)
Prepaid expenses	50,479	59,670
Trade payables and accrued liabilities	(1,465,351)	(906,877)
Local governments	(4,942)	(19,526)
Accrued interest	367	(8,344)
Landfill retirement costs	(2,205)	17,153
Development levies and deferred revenue	(1,457,665)	231,091
Community works fund	509,772	1,420,093
	4,675,610	5,153,382
<b>Investing Activities</b>		
Acquisition of tangible capital assets	(1,957,150)	(5,993,413)
Proceeds on sale of tangible capital assets	19,858	19,750
(Increase)/Decrease in portfolio investments	3,610,832	(1,979,510)
	1,673,540	(7,953,173)
<b>Financing Activities</b>		
Repayment of debenture debt	(448,348)	(511,704)
	(448,348)	(511,704)
<b>Change in Cash</b>	5,900,802	(3,311,495)
<b>Cash and cash equivalents, Beginning of Year</b>	3,132,927	6,444,422
<b>Cash and cash equivalents, End of Year</b>	\$ 9,033,729	\$ 3,132,927
<b>Supplementary cash flow information:</b>		
Interest paid	\$ 239,268	\$ 375,142



# Fraser Valley Regional District

## Notes to the Consolidated Financial Statements

Year ended December 31, 2020

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<b>Basis of Presentation</b>	The Fraser Valley Regional District financial statements have been prepared in accordance with the accounting standards of the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Professional Accountants. All material inter-fund transactions have been eliminated.
<b>Basis of Consolidation</b>	<p>The financial statements are presented on a consolidated basis and include the following funds:</p> <p>(a) Operating Fund</p> <p>The operating fund reflects the financial activities associated with the provision of general municipal and utility services during the year.</p> <p>(b) Capital Fund</p> <p>The capital fund reflects the financial activities associated with the acquisition, construction and funding of capital assets.</p> <p>(c) Reserve Fund</p> <p>The reserve fund reflects appropriations of surplus authorized by the Board to be set aside for the funding of future operating or capital expenditures.</p>
<b>Budget Amounts</b>	Budget amounts reflect the statutory annual budget as adopted by the board on February 25, 2020.
<b>Comparative Figures</b>	Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.
<b>Revenue Recognition</b>	Revenues from member requisitions and grants in lieu of taxes are recognized in the year that they apply. Revenue from sales of services are recognized when the services are provided. Government grants are recognized when they are approved by senior governments and the conditions required to earn the grants have been completed. Development levies are recognized as revenue in the period the funds are expended on a development project. Development levies not expended are recorded as unearned revenue.
<b>Cash and Cash Equivalents</b>	Cash and cash equivalents include cash as well as deposits in term deposits. These investments are highly liquid and are readily convertible to known amounts of cash.
<b>Portfolio Investments</b>	Portfolio investments are recorded at amortized cost plus accrued interest. Discounts or premiums arising on the purchase of portfolio investments are amortized on a straight-line basis over the term of maturity. If it is determined that there is a permanent impairment in the value of the investment, it is written down to net realizable value.

# Fraser Valley Regional District

## Notes to the Consolidated Financial Statements

Year ended December 31, 2020

### Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Land improvements	3 - 50
Buildings and building improvements	10 - 100
Vehicles	5 - 20
Machinery and equipment	3 - 15
Water and wastewater infrastructure	10 - 100

Landfill sites are amortized using the units of production method based upon capacity used during the year.

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the assets is available for productive use.

(ii) Intangible Capital Assets

Intangible capital assets are recorded at cost, which includes amounts for the campground license related to the purchase of the Vedder River Campground occupation license. The costs are amortized on a straight-line basis over their estimated useful life as follows:

Asset	Useful Life - Years
Campground license	20



# Fraser Valley Regional District

## Notes to the Consolidated Financial Statements

Year ended December 31, 2020

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### Non-Financial Assets (con't)

(iii) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iv) Natural Resources

Natural resources that have not been purchased are not recognized as assets in the financial statements.

(v) Works of Art and Cultural Historic Assets

Works of art and cultural historic assets are not recorded as assets in these financial statements.

### Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities and at the date of the financial statements, and reported amounts of revenue and expenditures during the reported period. Actual results could differ from those estimates.

# Fraser Valley Regional District

## Notes to the Consolidated Financial Statements

Year ended December 31, 2020

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**Liability for Contaminated Sites** Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when a site is not in productive use and all the following criteria are met:

- (a) an environmental standard exists;
- (b) contamination exceeds the environmental standard;
- (c) the Regional District:
  - (i) is directly responsible; or
  - (ii) accepts responsibility
- (d) it is expected that future economic benefits will be given up; and
- (e) a reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

The Regional District has determined that as of December 31, 2020, no contamination in excess of an environmental standard exists related to land not in productive use for which the Regional District is responsible.

**Fraser Valley Regional District**  
**Notes to the Consolidated Financial Statements**

**Year ended December 31, 2020**

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**1. Cash and cash equivalents**

	2020	2019
Cash	\$ 9,033,709	\$ 3,132,927
Cash Equivalents	-	-
	<u>\$ 9,033,709</u>	<u>\$ 3,132,927</u>

**2. Accounts Receivable**

	2020	2019
Accrued interest - investments	\$ 132,449	\$ 447,236
Local government	654,159	689,032
Provincial Government	622,437	763,399
MFA Debt Reserve - Cash	1,604,995	1,580,249
Regional Hospital District	(4,796)	15,267
Trade Accounts and User Fees	2,816,721	2,490,076
	<u>\$ 5,825,965</u>	<u>\$ 5,985,259</u>



**Fraser Valley Regional District**  
**Notes to the Consolidated Financial Statements**

**Year ended December 31, 2020**

**3. Investments**

The District holds investments in bonds, GICs

Bonds and GICs held at December 31, 2020 are as follows:

	Amount	Effective Interest Rate	Maturity Date
Bonds:			
BNS EXT STEP	\$ 1,060,000	3.12%	November 21, 2030
BNS DEP NOTE	1,509,000	1.90%	December 2, 2021
BMO EXT STEP	4,000,000	2.06%	December 21, 2030
Discount on purchase of bonds	(28,057)		
GICs:			
BLUESHORE CU GIC	3,600,000	2.35%	August 9, 2021
CCS GIC	1,000,000	2.35%	August 9, 2021
CCS GIC	2,000,000	2.70%	April 1, 2022
BLUESHORE CU GIC	1,333,333	2.60%	May 27, 2022
CCS GIC	1,000,000	2.5%	Mar 2,2023
CWB GIC	1,700,000	1.22%	Sept 21, 2023
HSBC BK GIC	1,400,000	2.26%	August 9, 2021
CCS GIC	1,000,000	2.65%	August 29, 2022
ROYAL BNK GIC	2,500,000	0.76%	June 22,2022
SCOTIA BNK ANN GIC	2,000,000	0.82%	Dec 22, 2022
ROYAL BNK GIC	2,500,000	0.73%	December 22,2021
SCOTIA BNK GIC	<u>2,000,000</u>	0.71%	June 21,2021
ENVISION	<u>5,000,000</u>	0.65%	December 21, 2021
	<u>\$ 33,574,276</u>		

Investments held by the Regional District include securities guaranteed for principal and interest by Canada or by a province, and deposits of chartered banks and credit unions.

Investments at December 31, 2020 have a total carrying value of \$33,706,755 (2019 - \$37,632,344), consisting of amortized cost of \$33,574,276 (2019 - \$37,185,108) and related accrued interest of \$132,479 (2019 - \$447,236). The market value of these investments at December 31, 2020 is approximately \$33,994,782 (2019 - \$37,602,893).

# Fraser Valley Regional District

## Notes to the Consolidated Financial Statements

Year ended December 31, 2020

### 4. Investment in Government Business Partnership

- (a) The District owns a 1/3 partnership share in the Cascade Lower Canyon Community Forest LP "CLCCF" or the "Partnership".
- (b) In 2006, the District along with the Yale First Nation and the District of Hope established the CLCCF for the purpose of operating a community forest. The District initially invested \$10,000 for 10,000 units in the Partnership. In 2013, the Partnership acquired a license to forest up to 34,300 cubic meters of timber annually. At this time net revenues are anticipated to remain within the Partnership until such time that the CLCCF Board determines that sufficient reserves exist to fund capital needs related to forestry operations. Should the Partnership cease to exist, the District would be entitled to 1/3 of the accumulated equity.

The Partnership has a March 31 year-end. The condensed results for its year end March 31, 2020 are summarized below.

#### CLCCF Condensed Financial Statements:

Assets	2020	2019
Cash	\$ 1,084,503	\$ 1,025,506
Other Current Assets	669,304	666,519
Tangible Capital Assets	95,552	-
	\$ 1,849,359	\$ 1,692,025
<b>Liabilities</b>		
Accounts Payable	\$ 44,869	\$ 77,039
Partnership Equity	1,804,490	1,614,986
	\$ 1,849,359	\$ 1,692,025
	2020	2019
Total Revenue	\$ 4,609,437	\$ 1,546,650
Total Expenses	4,419,933	1,215,730
Net Income (loss)	\$ 189,504	\$ 330,920

# Fraser Valley Regional District

## Notes to the Consolidated Financial Statements

Year ended December 31, 2020

### 5. Landfill Retirement Costs

Asset retirement obligations consist of landfill closing and post closure costs. Progressive closure costs are estimated at \$1,441,062. Landfill closure costs will be met by annual appropriations and accretion expense based on a plan to fully fund the closure costs by the expected closure date. The Regional District has a statutory obligation to maintain and monitor the landfill site after it is closed. As of 2018, post closure costs were estimated at \$640,000. Post closure costs will be met by annual budget appropriation in the years in which they are incurred. As currently engineered, and based on current waste disposal patterns, the landfill has a total life expectancy of 50 years. The interest rate currently being paid by the Fraser Valley Regional District on MFA debt is 3.5%.

Each year, the Fraser Valley Regional District records an accretion amount such that at the time the retirement obligations arise, they will be offset by the total held in reserves. A liability of \$505,050 has been set aside at December 31, 2020.

### 6. Municipal Finance Authority Debt Fund

- (a) All funds borrowed by the Regional District are upon its credit at large and will, in event of default, constitute an indebtedness of its member municipalities for which they are jointly and severally liable.
- (b) Debenture debt payments (including interest) as at December 31, 2020 are projected for the next five years as follows:

	Member Municipalities	Regional District	Total
2021	\$ 7,452,445	\$ 759,176	\$ 8,211,621
2022	7,373,746	766,426	8,140,172
2023	7,363,809	753,599	8,117,408
2024	7,338,157	733,027	8,071,184
2025	7,338,157	733,027	8,071,184
	\$ 36,866,314	\$ 3,745,255	\$ 40,611,569



# Fraser Valley Regional District

## Notes to the Consolidated Financial Statements

Year ended December 31, 2020

### 7. Municipal Finance Authority Debentures

(a) The Regional District has entered into agreements with member municipalities for the purpose of financing municipal undertakings. Under the terms of these agreements, the municipalities are required to provide for and to pay to the Regional District such amounts as are required to discharge their obligations. Any deficiency that may occur shall be a liability of the municipalities.

(b) Municipal Finance Authority debentures are shown net of debt charges recoverable:

	2020	2019
Debentures	\$ 63,856,190	\$ 68,829,136
Debt charges recoverable	(55,100,508)	(59,637,152)
	\$ 8,755,682	\$ 9,191,984

### 8. Development Levies and Deferred Revenue

Development levies represent amounts received from developers for capital infrastructure expenditures required as a result of their development projects. As these amounts are expended, the deferred revenue will be reduced and the amount expended will be recorded as revenue in the statement of financial activities. The following development levies are restricted for specified purposes.

	2020	2019
West Popkum Drainage	\$ 251,887	\$ 248,192
Lakeside Trail	279,975	296,908
Bell Acres Water	19,978	19,685
Parkview Water	72,594	71,529
Area D Water	125,591	123,749
Deroche Water	137,348	135,333
Area C Parks Cash in Lieu	19,066	18,786
Area D Parks Cash in Lieu	124,551	122,723
Area D Parks VCC	67,267	66,280
Area F Parks Cash in Lieu	42,521	41,897
Area H Parks Cash in Lieu	53,372	52,589
	\$ 1,194,150	\$ 1,197,671

**Fraser Valley Regional District**  
**Notes to the Consolidated Financial Statements**

**Year ended December 31, 2020**

**8. Development Levies and Deferred Revenue (continued)**

Deferred Revenues represent amounts received in advance for services which have not yet been provided.

	2020	2019
Deferred Revenue - Utilities	4,877	1,014
Deferred Revenue	69,175	318,885
Deferred Grants - Capital projects	9,463,833	10,630,728
Deferred Revenue - Vedder Campground	9,620	9,120
Deferred Revenue - Animal Control	337,387	311,063
Deferred Revenue - Hope Recreation	44,853	113,080
	<u>9,929,745</u>	<u>11,383,890</u>
Total development levies and deferred revenue	<u>11,123,895</u>	<u>12,581,561</u>

**9. Community Works Funds**

Community Works Fund Agreement funding is provided by the Government of Canada and use of the funding is established by a funding agreement between the Regional District and the Union of British Columbia Municipalities. Community Works Fund Agreement funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreement.

Schedule of Receipts and Disbursements of Community Works Agreement Funds

	2020	2019
Opening balance of unspent funds	\$ 4,663,195	\$ 3,243,102
Add: Amount received during the year	821,563	1,611,287
Interest earned	90,233	74,156
Less: Amount spent on projects	(402,024)	(265,350)
	<u>\$ 5,172,967</u>	<u>\$ 4,663,195</u>

**Fraser Valley Regional District**  
**Notes to the Consolidated Financial Statements**

Year ended December 31, 2020

**10. Tangible Capital Assets**

<b>Cost</b>	Balance at December 31, 2019	Additions	Transfers and Disposals	Balance at December 31, 2020
Land	\$ 3,651,553	\$ -	\$ -	\$ 3,651,553
Engineering structures	34,894,448	2,550,252	-	37,444,700
Buildings and building improvements	14,861,485	-	-	14,861,485
Vehicles, machinery and equipment	13,547,296	544,458	(66,969)	14,024,785
Assets under construction	6,399,252	1,373,580	(2,512,265)	5,260,567
<b>Total</b>	<b>\$ 73,354,034</b>	<b>\$ 4,468,290</b>	<b>\$ (2,579,234)</b>	<b>\$ 75,243,090</b>

<b>Accumulated amortization</b>	Balance at December 31, 2019	Disposals	Amortization expense	Balance at December 31, 2020
Engineering structures	\$ 9,587,462	\$ -	\$ 694,053	\$ 10,281,515
Buildings and building improvements	7,873,867	-	506,170	8,380,037
Vehicles, machinery and equipment	8,655,198	(60,267)	786,810	9,381,741
<b>Total</b>	<b>\$ 26,116,527</b>	<b>\$ (60,267)</b>	<b>\$ 1,987,033</b>	<b>\$ 28,043,293</b>

	Net book value December 31, 2019	Net book value December 31, 2020
Land	\$ 3,651,553	\$ 3,651,553
Engineering structures	25,306,987	27,163,186
Buildings and building improvements	6,987,618	6,481,448
Vehicles, machinery and equipment	4,892,098	4,643,044
Assets under construction	6,399,252	5,260,567
	<b>\$ 47,237,508</b>	<b>\$ 47,199,798</b>

(a) Assets Under Construction

Assets under construction having a value of \$5,260,567 (2019 - \$6,339,252) have not been amortized. Amortization of these assets will commence when the asset is put into service.



**Fraser Valley Regional District**  
**Notes to the Consolidated Financial Statements**

**Year ended December 31, 2020**

**11. Intangible Capital Assets**

The campground license relates to the purchase of the Vedder River Campground occupation license.

<b>Cost</b>	Balance at December 31, 2019	Additions	Transfers and Disposals	Balance at December 31, 2020
Campground license	\$ 608,500	\$ -	\$ -	\$ 608,500
<b>Total</b>	<b>\$ 608,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 608,500</b>

<b>Accumulated amortization</b>	Balance at December 31, 2019	Disposals	Amortization expense	Balance at December 31, 2020
Campground license	\$ 91,275	\$ -	\$ 30,425	\$ 121,700
<b>Total</b>	<b>\$ 91,275</b>	<b>\$ -</b>	<b>\$ 30,425</b>	<b>\$ 121,700</b>

	Net book value December 31, 2019	Net book value December 31, 2020
Campground license	\$ 517,225	\$ 486,800
	<b>\$ 517,225</b>	<b>\$ 486,800</b>

## **12. Pension Liability**

The Regional District and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2020, the plan has about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local governments.

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

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Regional District paid \$587,127 (2019 - \$581,607) for employer contributions to the plan in fiscal 2020.

The next valuation will be as at December 31, 2021, with results available in 2022.

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

## **13. Impact of COVID-19**

On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization. As the situation is dynamic and the ultimate duration and magnitude of the impact on the economy are not known, an estimate of the financial effect on the Regional District's business is not practicable at this time.

#### **14. Comparative Figures**

Certain 2019 comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year. These reclassifications do not impact the annual surplus.

#### **15. Contingent liabilities**

##### a) Legal Actions

As at December 31, 2020 certain legal actions are pending against the Fraser Valley Regional District, the outcome of which cannot be reasonably determined. These actions will be settled subsequent to year end and are not of determinable amount. When the amount becomes determinable it will be included in the financial statements.

##### b) Municipal Finance Authority Debt Reserve Fund

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

##### c) Municipal Insurance Association of B.C.

The District is a member of the Municipal Insurance Association (MIA) which operates under a reciprocal insurance exchange agreement. The main purpose is to pool the risk of third party liability claims against members in order to allow for stable financial planning related to those broad risk management strategies to reduce accidents occurrences against the District. The District is assessed an annual premium based on population, administrative costs, premium tax, and re-insurance oversights by the Provincial government.



**Fraser Valley Regional District**  
**Notes to the Consolidated Financial Statements**

**Year ended December 31, 2020**

**16. Contractual Rights**

In addition to the debenture charges recoverable from member municipalities as disclosed in note 6(b), the Regional District is entitled to the following payments under contract as at December 31, 2020.

	<u>Total</u>
2021	\$ 169,135
2022	131,939
2023	34,188
2024	27,930
2025	27,930
Thereafter	271,252
	<u>662,374</u>

**17. 2020 Plan**

The budget data presented in these financial statements was included in the Fraser Valley Regional District 2020 - 2024 Financial Plan, adopted through Bylaw No. 1585, 2020 on February 25, 2020. The following table reconciles the approved budget to the budget figures in these consolidated financial statements.

	<u>2020</u>
Revenues:	
Budget	\$ 41,513,930
Less:	
Internal Recoveries/Debt servicing paid on behalf of municipalities	<u>(11,599,880)</u>
Budgeted revenues per Statement of Operations	<u>29,914,050</u>
Expenses:	<u>35,481,080</u>
Less:	
Internal Recoveries/Debt servicing paid on behalf of municipalities	<u>(8,702,620)</u>
Budgeted expenses per Statement of Operations	<u>\$ 26,778,460</u>

# Fraser Valley Regional District

## Notes to the Consolidated Financial Statements

Year ended December 31, 2020

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### 18. Segmented Information

Segmented information has been identified based upon lines of service provided by the District. District services are provided by departments and their activities are reported by functional area in the body of the financial statements. Certain lines of service that have been separately disclosed in the segmented information, along with the services they provide are as follows:

i) General Government:

General Government includes services and activities responsible for the overall direction and monitoring of regional initiatives. These include, but are not limited to legislative services, Board operations and remuneration, treaty advisory committee, fiscal services, information technology, geographic information systems, feasibility studies and overall organizational administration.

ii) Protective Services:

Protective Services includes those services that provide protection to the region's inhabitants and their property. Services include seven (7) Volunteer Fire Departments, Emergency Management, 911 Emergency Telephone Services, Regional Fire Dispatch, Search & Rescue and Dyking/Flood controls.

iii) Transportation Services:

Transportation Services includes the operation of certain rural transit services, nine (9) Street Lighting Service areas, and the operation of the Hope and District Airport.

iv) Environmental Health Services:

Environmental Health Services includes the delivery of the Regional Air Quality and Solid Waste Management programs, Mosquito control program, Noxious Weeds program, four (4) drainage systems, three (3) refuse/recycling collection systems, and the Boston Bar Landfill.

v) Environmental Development Services:

Environmental Development Services includes the delivery of Regional Planning and Electoral Area Planning as well as the administration of the Electoral Area Soil Deposit and removal sites.

vi) Recreation and Culture Services:

Recreation and Culture services includes the Regional Community Parks system and Library services in the Electoral Areas. Recreation and Cultural Services also includes the Hope and District Recreation Commission, Almer Carlson Pool, Boston Bar bowling alley, Boston Bar Television, Harrison Lake Boat Launch and Area A & B Heritage Conservation.

vii) Utility Services:

Utilities includes the construction and operating of twelve (12) water systems and five (5) sanitary sewer systems.

**Fraser Valley Regional District**  
**Notes to the Consolidated Financial Statements**

**Year ended December 31, 2020**

**18. Segmented Information (continued)**

	General Government	Protective Services	Transportation Services	Environmental Health	Environmental Development	Recreation & Culture	Utility Services	2020	2019
<b>Revenues</b>									
Member requisitions	\$ 2,660,560	\$ 4,726,280	\$ 1,319,920	\$ 1,801,430	\$ 1,618,390	\$ 4,730,992	\$ 1,257,148	\$ 18,114,720	\$ 16,742,211
Government grants	1,295,227	1,529,801	1,629,405	70,943	81,174	435,745	301,815	5,344,111	2,918,670
Sales of service	652,187	1,762,819	784,745	622,043	70,075	886,509	1,347,760	6,126,138	6,777,276
Other	475,764	939,001	22,770	228,540	378,840	110,152	43,667	2,198,733	3,979,405
	<u>5,083,738</u>	<u>8,957,901</u>	<u>3,756,840</u>	<u>2,722,956</u>	<u>2,148,479</u>	<u>6,163,398</u>	<u>2,950,390</u>	<u>31,783,702</u>	<u>30,417,562</u>
<b>Expenditures</b>									
Salaries and benefits	3,967,920	1,779,617	43,802	665,288	1,093,469	1,868,949	743,270	10,162,315	10,152,633
Directors expenses	557,078	-	-	-	-	-	-	557,078	534,073
Program support Vehicle, Building and	1,286,983	5,173,415	2,845,673	1,119,691	295,774	2,441,076	720,809	13,883,421	13,344,676
Equipment Expenses	218,911	251,068	18,595	452,086	-	516,197	267,455	1,724,312	2,113,668
Internal Services	605,110	597,110	111,980	245,190	354,410	486,830	109,690	2,510,320	2,398,095
Recoveries from other functions	(3,670,770)	(48,190)	-	-	(15,880)	(265,320)	-	(4,000,160)	(3,745,346)
Amortization of tangible capital assets	448,187	385,330	20,427	48,157	-	430,930	654,003	1,987,034	1,939,593
Amortization of intangible capital assets	30,425	-	-	-	-	-	-	30,425	30,425
	<u>3,443,844</u>	<u>8,138,350</u>	<u>3,040,477</u>	<u>2,530,412</u>	<u>1,727,773</u>	<u>5,478,662</u>	<u>2,495,227</u>	<u>26,854,745</u>	<u>26,767,817</u>
	<u>\$ 1,639,894</u>	<u>\$ 819,551</u>	<u>\$ 716,363</u>	<u>\$ 192,544</u>	<u>\$ 420,706</u>	<u>\$ 684,736</u>	<u>\$ 455,163</u>	<u>\$ 4,928,957</u>	<u>\$ 3,649,745</u>

## COVID-19 Safe Restart Grants for Local Governments

Usage of Funds as at December 31, 2020

<b>Total Received from Province of BC</b>	<b>\$</b>	<b>1,362,000</b>
<b>Revenue Shortfalls - "keep budgets whole"</b>		155,000
<b>Computer and Other Electronic Technology Costs</b>		36,995
<b>Facility Reopening &amp; Operating Costs</b>		41,918
<b>Other related costs</b>		43,100
<b>Total COVID-19 Safe Restart Funds Used in 2020</b>	<b>\$</b>	<b>277,013</b>
<b>Balance Remaining *</b>	<b>\$</b>	<b>1,084,987</b>

*\*Of this balance remaining a further \$524,512 has been allocated*