

2021 ANNUAL REPORT

For the year ended December 31, 2021



Fraser Valley Regional District

The Fraser Valley Regional District (FVRD) acknowledges that it conducts its business within the ancestral, and unceded traditional territories of the Stó:lō, Nlaka'pamux, and St'at'imc Peoples. In recognition of this truth, the FVRD is committed to playing a role in advancing reconciliation with Indigenous Peoples who all have lived on these lands since time immemorial.






Kettle Valley Rail Trail
📷 Rachel Alford

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Lake Errock, Electoral Area C
 Angelique Crowther

MESSAGE FROM THE CAO

As British Columbia entered the second year of the COVID-19 pandemic, the Fraser Valley Regional District (FVRD) joined local governments across the province and adapted their operations to a new normal. 2021 was an unusual year and along with the challenges from the pandemic, there were other unexpected events which challenged business continuity.

During much of the year, monthly board and committee meetings were held virtually and there was limited in-person attendance by the public. At the Hope & Area Recreation Centre and the FVRD's corporate office in Chilliwack, staff complied with public health directives including mask wearing, cleaning protocols, and physical distancing. As in 2020, a smaller percentage of staff continued to work from home.

In November 2021, the FVRD joined local governments in the Fraser Valley as they faced a series of extreme rainfall events – the atmospheric rivers. As will be detailed later in the report, these weather events tested the mettle of the FVRD's operations as nearly one third of the FVRD's 106 staff members put aside regular duties to work in the Emergency Operations Centre (EOC). In other areas of the FVRD, business operations were maintained even though many staff had to work from home due to highway closures.

Despite these challenges, a number of important regional plans and reports were completed including the comprehensive and educational Air Quality Management Plan, the Affordable and Social Housing Inventories, and the Rural Connectivity Report.

In electoral area planning, the Official Community Plan for Popkum-Bridal Falls was completed. Robust stakeholder consultations with First Nations governments, local community groups and the general public progressed on the Hemlock Valley Official Community Plan and Harrison Mills Neighbourhood Plan.

An important tool for public engagement was introduced last August. The Have Your Say FVRD website provided a new way for residents to give feedback online on planning projects and initiatives including the Regional Growth Strategy Update and the Harrison Mills Neighbourhood Plan. Since its launch, more than 3,300 people have visited the site and more than 600 people have provided feedback.

Adapting to the demands of the pandemic and extreme weather may have challenged our staff this year but their dedication to providing customer service, expanding citizen engagement, and maintaining business operations was unwavering.

Jennifer Kinneman
Chief Administrative Officer



Jason Lum, FVRD Chair

MESSAGE FROM THE CHAIR

The Fraser Valley Regional District Board Directors and I joined friends, family and neighbours in navigating the multiple challenges that faced our region this year. From the COVID-19 pandemic, to extreme weather events including wildfires, heat dome, and atmospheric rivers—people in our region showed their resilience and adaptability.

Most dramatically, the atmospheric river events in November put great demands on our electoral area residents. Extreme rainfall, overflowing rivers and streams, and landslides produced multiple and simultaneous emergency incidents that closed highways and disrupted supply chains. In our electoral areas, several properties were lost to the river and homes damaged by water or debris. Every time I signed an Evacuation Order or Alert from the FVRD's Emergency Operations Centre (EOC), I was acutely aware of the impacts on electoral area residents.

On behalf of my fellow Regional Directors, I want to acknowledge the resilience shown by electoral area residents this year. I know personally that living in a rural area comes with a greater level of responsibility to learn about the hazards and risks where you live. Now more than ever, personal preparedness is key to protecting our families and communities.

I owe a debt of gratitude to everyone who worked tirelessly in the EOC during last year's events, as well as the volunteer firefighters who responded to calls to assist residents. The dedicated volunteers of our seven fire departments, many whose own families were impacted by the events, showed bravery, skill, and compassion when called upon to serve.

Despite some of the demands these events had on workplans, the FVRD delivered on many of the Board's Strategic Plan goals. Notable achievements included the modernization of online services to allow the public to do more business transactions from home. A new online engagement website was launched to give residents the power to have their say on plans and projects, at their convenience. And the Investment Policy was updated with best practices to ensure our resident's tax dollars are invested wisely for the future.

In closing, I want to recognize staff in all departments for their steadfast efforts to provide excellent customer service and services to our communities. The FVRD's vision of *Serving Citizens and Communities First* holds strong despite the demands we experienced this year.

Jason Lum
Chair, FVRD Board of Directors

MEET THE BOARD

Connect with the Board

To learn more about the Board Directors visit our website at fvrd.ca.

General inquiries for Board Directors can be sent to info@fvrd.ca or by calling 604-702-5000.

Visit fvrd.ca/meetings and learn how to:

- » Review meeting agendas and minutes
- » Participate in person at a meeting
- » Livestream committee or board meetings
- » View videos of past meetings



Dennis Adamson, Area B



Wendy Bales, Area C



Sandy Blue, Abbotsford



Kelly Chahal, Abbotsford



Cal Crawford, Mission



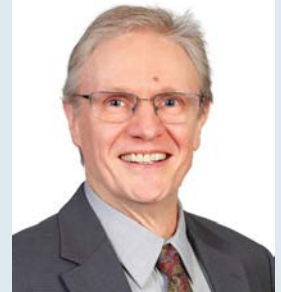
Hugh Davidson, Area F



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



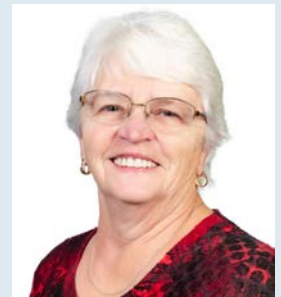
Jason Lum, Chilliwack



Bud Mercer, Chilliwack



Ken Popove, Chilliwack



Sylvia Pranger, Kent



*Terry Raymond, Area A
(In memoriam)*



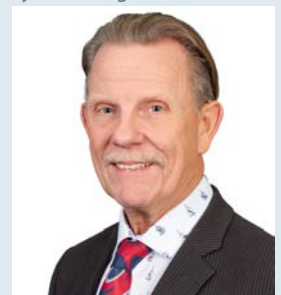
Peter Robb, Hope



Patricia Ross, Abbotsford



Ross Siemens, Abbotsford



Al Stobbart, Area G

FVRD AT A GLANCE

13,336 km²

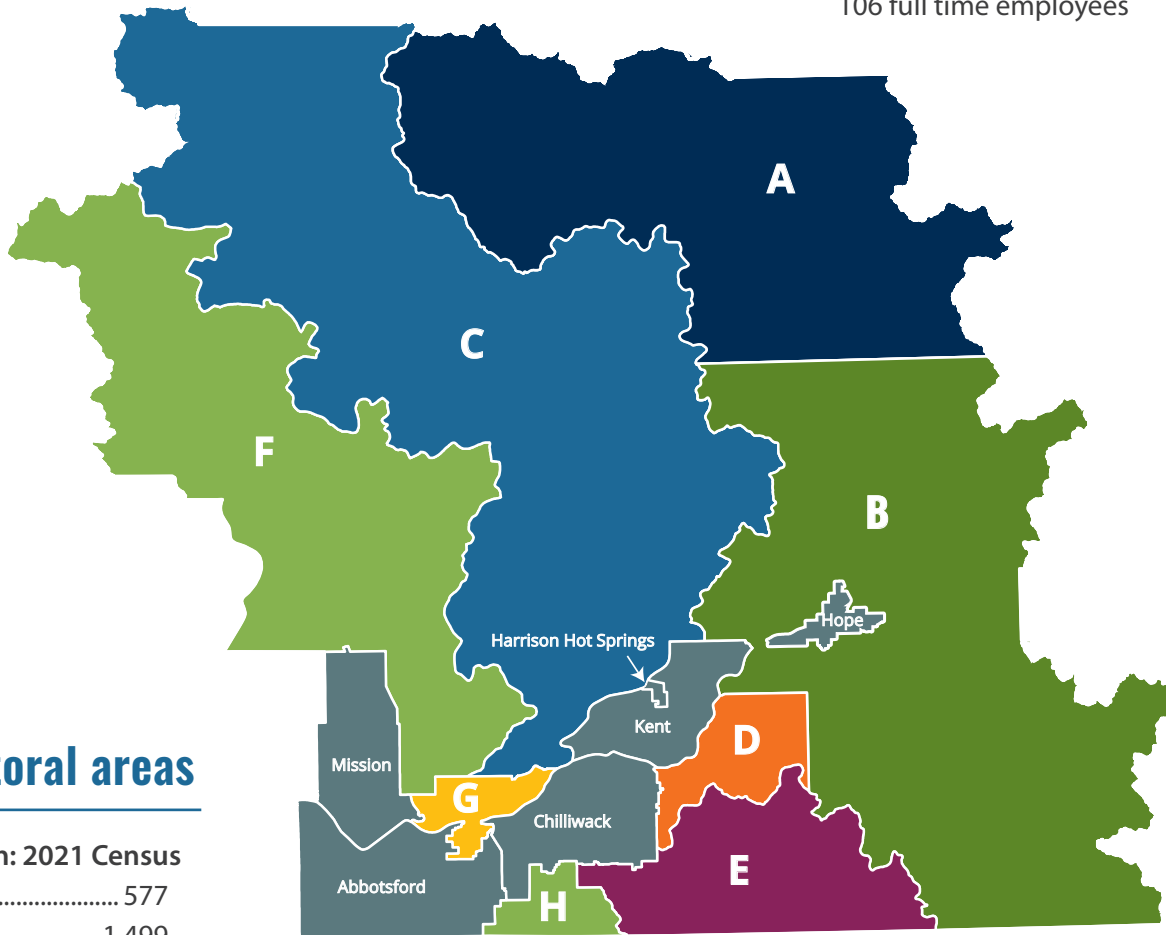
12,658 km² electoral areas
678 km² municipalities

Total Pop. 324,035

94.6% live in municipalities
5.4% live in electoral areas

\$34.2 M operating budget

120 separate service area budgets
106 full time employees



8 electoral areas

Population: 2021 Census

Area A	577
Area B.....	1,499
Area C	2,244
Area D	2,299
Area E	1,568
Area F	1,384
Area G	2,090
Area H	2,714
Total:	14,375

6 municipalities

Population: 2021 Census

Abbotsford	153,875
Chilliwack	98,161
Harrison	1,905
Hope.....	6,748
Kent	7,120
Mission	41,851
Total:	309,660

FVRD AT A GLANCE

Fast Facts

- Regional Service
- Electoral Area Service

Recycling & Waste

517 tonnes of garbage
113 tonnes of recycling
95 tonnes of green waste
6,780 Recycling Hotline & Recyclepedia web enquiries

Utilities

7 km of dikes in flood protection service areas
7 staff travel over 205,000 km on water & sewer duties

Fire Services

1,136 calls to fire dispatch
168 volunteer firefighters
25 new volunteer firefighters
7 fire departments
11 fire halls

Hope & Area Recreation Centre

15,333 participants/facility users
4,325 passes sold
51 kids enrolled in swim lessons
24 different arena user groups

Invasive Weeds

573 sites treated
824 sites where no new weeds were found

Mosquito Control

1,698 ha treated for flood-water breeding habitat
23 calls to Hotline

Housing

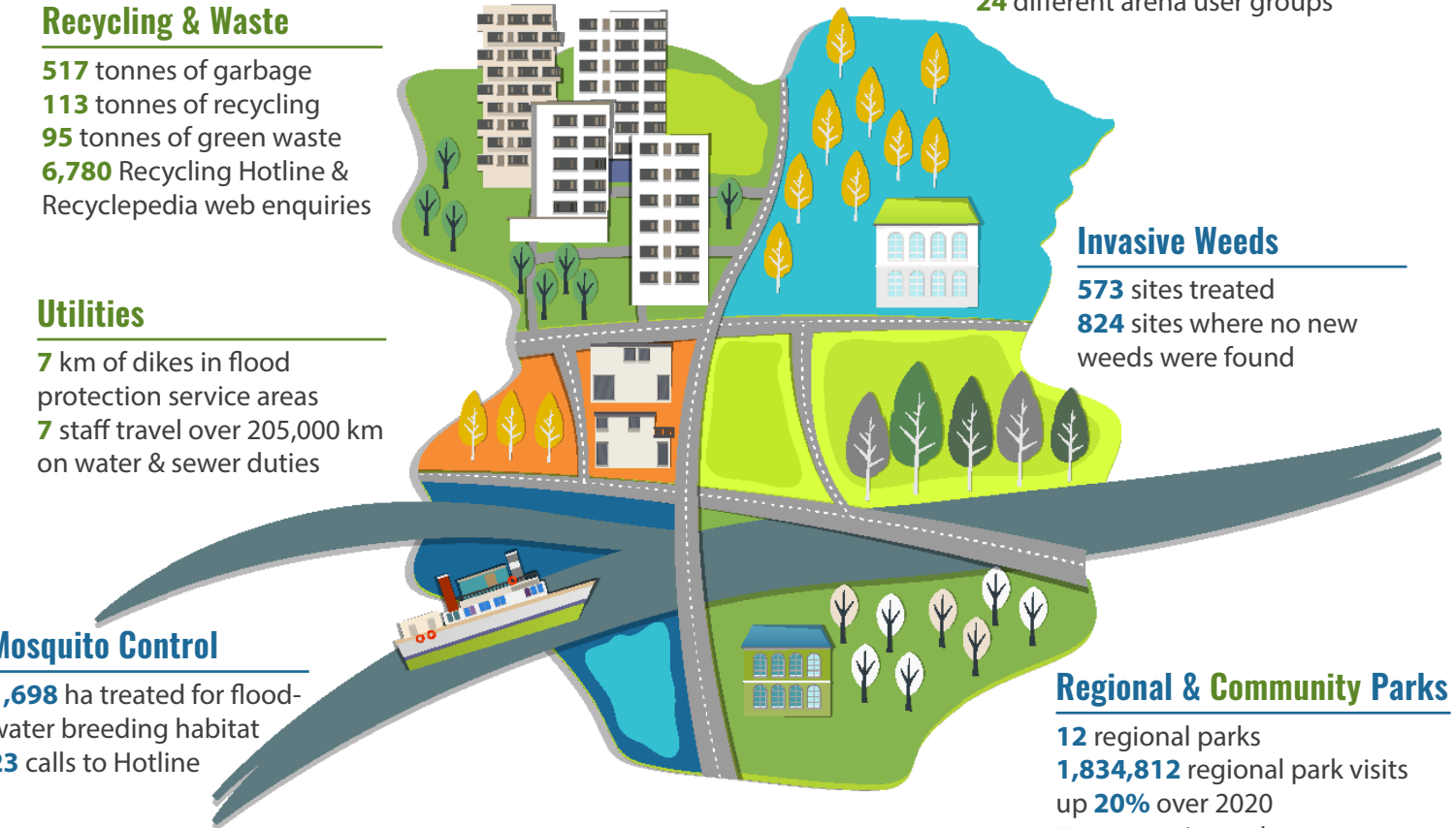
81% homes single-detached
6% of homes built in the FVRD are in the electoral areas

Air Quality

6 air quality monitoring stations in FVRD
15 days under Air Quality Advisory
56 "Love Our Air" classroom presentations

Regional & Community Parks

12 regional parks
1,834,812 regional park visits up **20%** over 2020
7 community parks
3 community trails
24,287 community park visits up **6%** over 2020



Building & Bylaw

273 building permits worth nearly **\$51 M**
277 bylaw inspections completed

Transit

83 km Fraser Valley Express (FVX) bus route—Chilliwack to Lougheed SkyTrain Station
142 km from Hope to Lougheed SkyTrain via FVRD transit

Animal Control



3,034 calls for service
593 educational patrols
304 dogs reunited with owners
58 dogs found new homes



Island 22 Regional Park

ABOUT THE FVRD

The FVRD delivers services efficiently and effectively through region-wide or shared service delivery models. These include electoral area water supply and sewer services, regional parks, and recreation facilities, to name a few.

The FVRD has more than 120 service, infrastructure, and financing agreements with municipalities and electoral areas to deliver services in the following categories:

- » **Regional**, where all municipalities and electoral areas are served
- » **Sub-regional**, where two or more jurisdictions are served
- » **Local**, in the electoral areas where FVRD is the local government

Collaboration is key in local government and the FVRD collaborates extensively with First Nations and other levels of government to ensure effective governance, administration, and services. The regional district has direct relationships with individuals, businesses, organizations, institutions, and communities that access regional utilities and services.

The Fraser Valley Regional Hospital District (FVRHD) invests in traditional health care services by providing capital funding for health care infrastructure, such as health facilities and hospital equipment.



Long Island, Harrison Lake
 Jacquie Van Basten


SENIOR LEADERSHIP TEAM

The Senior Leadership Team works collaboratively to:

- » Provide guidance to departments on the Board’s Strategic Plan goals
- » Consider issues facing local government and lead corporate decision-making
- » Discuss solutions to organizational issues and challenges
- » Provide direction on corporate-wide policies, systems, projects and initiatives

Chief Administrative Officer	Jennifer Kinneman
Director of Regional Services	Stacey Barker
Director of Planning & Development.....	Graham Daneluz
Director of Engineering & Utilities	Tareq Islam
Director of Corporate Services & Chief Financial Officer.....	Kelly Lownsborough
Director of Legislative Services & Corporate Officer	Jaime Van Nes



Team Rubicon assisting with flood clean up in Frosst Creek, Electoral Area H
 Team Rubicon

A YEAR OF EXTREMES

2021 was a year of extreme weather from summer heat domes and wildfires to record rainfalls from atmospheric rivers in the fall.

The FVRD experienced wildfires in the Fraser Canyon and Harrison Lake. Emergency Management staff supported incident commands, coordinated with affected First Nations and assisted Lytton First Nation at their temporary headquarters at Camp Hope (Electoral Area B).

For the FVRD, the most extreme weather event happened when the Fraser Valley was doused with heavy rainfall by three separate atmospheric river extreme rainfall events from November 14 to December 2, 2021. The FVRD's Emergency Operations Centre (EOC) was activated on November 14 following the first wave of the storm and the Province of BC issued a State of Local Emergency for the region shortly after.

Over the next few weeks, the EOC received 60 confirmed incidents of overland flooding, landslides, and mudslides across all eight electoral areas. Incidents were reported by first responders in the field (Fire, RCMP, and Search and Rescue), as well as by many residents through the EOC public inquiry line.

An emergency of this magnitude required a robust and high-functioning EOC. The usually quiet FVRD boardroom was transformed quickly into a bustling hub of information-sharing and planning. For nearly five weeks, a third of the staff working at the Chilliwack office were seconded from their regular positions to support the EOC.



*Flood debris clean up
Frost Creek, Electoral Area H*

The EOC issued 27 Evacuation Orders and Alerts for electoral area properties where there was danger for loss of life and/or property from flooding and landslides. Nearly 2,000 properties and 5,610 people, about half of the electoral area population, were impacted.

The Alertable emergency notification system was used by the EOC to send 36 advisory alerts and four critical alerts to nearly 15,000 subscribers to the service. The FVRD's website and social media platforms became the official channels for verified emergency updates.

The storm impacted the FVRD Regional Airpark in Hope when the surrounding area was cut off from the rest of the province due to road closures. For five days more than 500 flights flew in and out of the usually quiet airpark. Helicopters and planes arrived with supply drops, transported passengers, and brought emergency supplies. Once the community was reconnected by highways, flight traffic remained busy to service the surrounding areas which needed repairs.

As the response moved into the recovery phase, the FVRD contracted hydrotechnical assessments on several creeks and geotechnical assessments in impacted areas to assess landslides. Several emergency works projects were started including debris removal from public lands before the EOC wound down for the winter break.

A number of emergency-related construction and engineering projects were scheduled to start in 2022, totalling in excess of \$3,100,000. The EOC identified several projects outside of its remit that required escalation to the appropriate provincial ministries and agencies including road works and environmental projects.

ATMOSPHERIC RIVER EVENTS

November 14 – December 2, 2021

62

Days of active EOC
30% of FVRD staff seconded to EOC duty

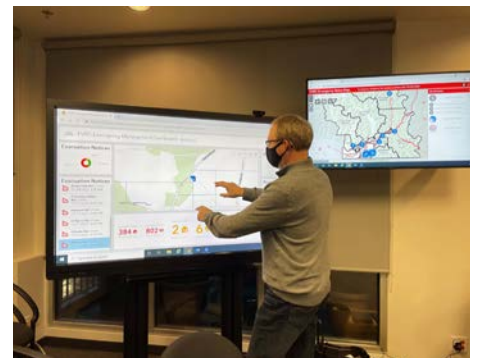
60

Confirmed Incidents—
overland floodings
and landslides



27

Evacuation Alerts &
Orders Issued



2,000

Properties under Evacuation
Order or Alerts



5,610

People impacted -
nearly half the electoral
area population



16,224

Alertable Subscribers up 129%
4 critical level alerts
36 advisory level alerts
100,351 individual notifications



3

Atmospheric river
events

1M

Twitter impressions
& 1.3 K retweets



13,461

Facebook page visits &
185,128 people reached
1,129 new page likes

Organizational Effectiveness



Governance & Advocacy



Rural & Regional Sustainability



Transportation



Living Well



Energy & Climate Change



STRATEGIC PRIORITIES

In the 2020 - 2022 Strategic Plan, the Board of Directors established fifteen strategic priorities within six areas to guide the direction and major activities of the FVRD.

In 2021, the FVRD completed several of these priorities; however, due to organizational challenges related to the ongoing COVID-19 pandemic and the 2021 atmospheric river event, some projects were delayed.

Many of the initiatives and projects undertaken by the FVRD span multiple years and involve other governments and organizations.

The achievements on the following pages represent highlights of the work accomplished to fulfil these goals in 2021.



FVRD Corporate Office, Chilliwack

Organizational Effectiveness



2021 ACCOMPLISHMENTS

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

- » A thorough review of internal systems, financial controls, and the implementation of process changes created efficiencies that will contribute to a positive and rewarding finance culture at the FVRD. Changes were made to improve processes for timesheet and payroll, accounting and banking, and reporting to external funders. The Finance team also worked with departments to streamline the annual budget process. Refinements were made to the Community Works Funds project approval, planning, and reporting processes.
- » The Finance team invested time in staff training and led a series of sessions across the organization to streamline financial operations and to serve as refreshers for colleagues on typical finance-related processes.
- » The annual preparations for the 2022-2026 Financial Plan included targeted engagement with electoral area Directors and a public consultation period using the new Have Your Say FVRD engagement website.
- » Updates were made to the FVRD's Investment Policy to align it with financial best practices and to enable maximum returns on taxpayer dollars.
- » A review of inter-departmental financial processes highlighted a number of opportunities for improvement. Making changes to these processes will follow a phased approach. Several areas have been reviewed and these new processes will be fully implemented in 2022. They include management processes for assets, projects, contracts, and grants. A process for analysing completed projects and reviewing lessons learned in order to refine improvements will also be included.



Organizational Effectiveness



FVRD Emergency Operations Centre, Nov 2021

Update corporate policies and bylaws to identify gaps and mitigate risk

- » Policies and bylaws are being brought to the Board in stages. Work was delayed on this goal due to competing corporate priorities including the activation of the EOC for the atmospheric river events.

Upgrade technology emphasizing business continuity and data security

- » Online services were updated to make it easier for the public to conduct business from home including purchasing dog licences, booking a building inspection and paying utility bills.
- » Technology upgrades to the FVRD boardroom were completed in time to accommodate a robust EOC with an interactive incident map, dedicated computers and televisions for situation updates.

Advance online/mobile opportunities to conduct FVRD business

- » A major upgrade of the phone system hardware and network programming to a modern Voice over Internet Protocol (VoIP) system was completed at the main office and the CARE Centre. The system allows staff to receive calls to their office lines even when away from their desk through a mobile or desktop app.
- » A new public engagement website, Have Your Say FVRD, was launched to provide an opportunity for the public to provide feedback on FVRD plans, projects, and initiatives.



FVRD Boardroom

Governance & Advocacy



2021 ACCOMPLISHMENTS

Invest in health care capital infrastructure

- » The Fraser Valley Regional Hospital District Board joined the Fraser Health Authority in planning for the replacement and renewal of two long-term care facilities in the region. The Hospital District Board provides funds for hospital improvements in the central and eastern Fraser Valley through money raised by property taxes.

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

- » Engagement continued with the Ministry of Municipal Affairs and Fraser Health to improve health care delivery in the Fraser Valley.
- » The FVRD Board identified shared regional concerns to bring forward as resolutions for the Federation of Canadian Municipalities, Union of BC Municipalities, and the Lower Mainland Local Government Association.

Enhance collaboration with Indigenous communities

- » Staff and Board Directors continued to work with Indigenous communities throughout the region; however, in person meetings and engagement were limited due to COVID-19, and regional disasters.
- » The Lets'emet Community to Community (C2C) Forum welcomed Electoral Area Services Committee Chair Bill Dickey to the table as a regular member. The C2C is comprised of the leadership of various Upper Fraser Valley communities including the Cheam First Nation, Seabird Island Band, Sq'ewlets First Nation, Stó:lō Tribal Council, the Sts'ailes Nation, the District of Kent and the Village of Harrison Hot Springs.
- » EOC activations provided several opportunities for collaboration with Indigenous communities on joint emergency response. Work is progressing on finalizing fire service agreements with various First Nations communities, as well as potential agreements for the provision of building permitting and bylaw services.



Rural & Regional Sustainability



View of the Fraser Valley from Mission Abbey

2021 ACCOMPLISHMENTS

Regional Sustainability

Encourage the development of sustainable and complete communities

- » The public engagement process for the Regional Growth Strategy (RGS) update utilized the Have Your Say FVRD website to reach people across the region. Almost 1,500 members of the public visited the project page to learn more about the RGS update, 952 participants became more informed, including 347 who actively participated in at least one engagement tool.
- » The Affordable and Social Housing Inventories were completed in February 2021, providing municipalities and organizations in the region the ability to track changes in housing supply over time. The first social housing inventory took place in 2009 with updates in 2014 and 2017.

Rural Sustainability

Encourage the development of sustainable and complete communities

- » The Housing Needs Report was completed in accordance with the requirements of the Local Government Act. The report provides community groups with a better understanding of current and anticipated housing needs in the electoral areas. The project was funded through the UBCM Housing Needs Report Program and implementation of actions from the report is ongoing.

Increase broadband connectivity for rural communities

- » A Rural Internet Connectivity report was approved by the Board in February 2021. The FVRD continued to look for opportunities to work with providers and communities to improve rural broadband, as well as prepare for potential grants that may become available.



FVRD Emergency Operations Centre, Nov 2021

Rural & Regional Sustainability



Implement FireSmart/Wildfire Protection initiatives for priority areas

- » A grant was secured to fund a FireSmart program for the electoral areas. The funding will support a community wildfire prevention education program, public events and workshops, and free home assessments by a FireSmart Coordinator.

Continue to strengthen the Emergency Management Program

- » The Emergency Management Program provided Emergency Operations Centre support to a number of emergencies in 2021 ranging from local wildfires to the atmospheric river events.
- » Two important emergency management bylaws were adopted by the Board in 2021. The Emergency Management Regulations Bylaw 1622, 2021 updated and clarified roles, responsibilities, and authorities under the Emergency Program Act. The Emergency Management Program Service Area Merger & Establishment Bylaw No. 1606, 2020 consolidated various emergency management and preparedness services areas into a single service.
- » In September 2021, the FVRD hosted the first Incident Command Centre Canada 1-200 Train the Trainer session in BC.
- » The FVRD participated in a number of community-led emergency preparedness sessions at Columbia Valley, Hemlock Valley Homeowners Association AGM, Sunshine Valley AGM, Spuzzum First Nation, and the Yale & District Ratepayers Community Preparedness meeting.



Transit service in downtown Chilliwack
 Theresa Alexander

2021 ACCOMPLISHMENTS

Increase access to interregional transportation options

- » The FVRD partnered with BC Transit and TransLink to plan and implement the expansion of the Fraser Valley Express (FVX) route 66 to the Lougheed Town Centre SkyTrain Station. The long awaited extension to the service launched in spring 2022.
- » In partnership with BC Transit, the FVRD continued to work on identifying opportunities for expanding regional transit services, rebuilding ridership levels impacted by the pandemic and pursuing new bus connections on the north side of the Fraser River.






New Trail at Neilson Regional Park
Christian Lang

2021 ACCOMPLISHMENTS

Continue to improve access and quality of FVRD recreation assets

- » Several improvements were made to regional parks to make them more accessible. At Island 22 Regional Park, the riverbank was resloped to the boat launch staging area thanks to funding from a Freshwater Fisheries Society of BC grant to make access to the boat launch easier. At Neilson Regional Park in Mission, a 175 metre gravel trail was built to connect the parking lot to the lower picnic area. At Cascade Falls Regional Park in Electoral Area F, a gravel path to the washrooms was paved. All of these improvements have made these parks more accessible for all users.
- » A BC Wildfire Service crew from Cultus Lake led a training exercise with Parks staff at Elk Mountain to learn about and address trail braiding. Trail braiding occurs when hikers create their own trails usually to avoid a muddy path or other obstacles.
- » At the Hope & Area Recreation Centre, work was completed on the mezzanine elevator to ensure the newly renovated space was accessible for all users.
- » A guideline for designating new parks and trails was approved by the FVRD Board. The guideline was created to assist the Board in making decisions when classifying a park or trail as a “regional” or “community” asset. The guideline will also help identify the appropriate funding model to use for a new park or trail and when re-evaluating the status of existing natural assets.
- » The Outdoor Recreation Management Plan was to be completed in 2021 but was delayed. The plan is expected to be completed in 2022 and will be shared widely with outdoor recreation organizations and partners in the region.



Energy & Climate Change



Aerial view of the Fraser Valley
 KiwiK/Shutterstock

2021 ACCOMPLISHMENTS

Continue to work toward carbon-neutral operations

- » A new Air Quality Management Plan was released to reflect the latest air quality trends, data, and research. The plan identified numerous actions that will benefit the region's airshed and achieve the Plan's vision of "healthy air and clear vistas that support a vibrant region."
- » An energy retrofit project was announced for the Hope & Area Recreation Centre. A \$2 million grant was obtained from the Canada Infrastructure - CleanBC Communities Fund Program to capture waste heat generated from the ice making process at the arena and divert it towards the pool and buildings. Once operational the system will reduce the facility's greenhouse gas emissions by as much as 90%. The project will also upgrade aging infrastructure and replace the use of ammonia gas. Project design is underway and completion is anticipated by 2025.

Encourage reduction of waste and help communities work toward Zero Waste

- » The FVRD was awarded a Clean BC Organics Infrastructure and Collection Grant for the construction of a collection area for organics at the Chaumox Landfill in Electoral Area A. The FVRD will partner with the Boston Bar First Nation on this project over the next few years. The finished compost will be distributed locally to the North Bend Community Garden and the refurbished North Bend Mill site.
- » The FVRD's ongoing partnership with FoodMesh continued through 2021, further increasing the amount of food in the region being diverted from landfills. The newest Save-On-Foods in Chilliwack announced their participation in FoodMesh in March, 2021. This was the fourth location in Chilliwack to commit to diverting 100% of their unsold food to charities in the region.



Fraser River at Island 22 Regional Park
📷 Tourism Chilliwack - Jenn Kleingeltink

REPORT FROM THE CFO

The FVRD faced an extraordinary amount of challenges in 2021 and I'm proud of our collective team for their determination and focus. There were ongoing demands of the COVID-19 pandemic including remote work and staff illnesses. The FVRD also faced significant weather events, including the atmospheric river, where approximately one-third of our staff were pulled away from their usual activities to support the emergencies.

Even with these challenges to our organization, the Finance team remained focused on delivering essential services to ensure suppliers and partners were paid in a timely manner, employee payroll was prioritized, and our records had the necessary diligence to ensure fiscal responsibility and accuracy were maintained at all times.

Last year, we revised the Investment Policy and updated processes to improve efficiencies and maximize the returns on taxpayer dollars by investing wisely. We are pleased to have concluded the 2021 financial year with a successful audit for the Regional District as well as the Regional Hospital District.

Finance Overview

The Finance team strives to ensure the effective delivery of new processes as well as the ongoing management of critical risks to the organization. The development of a long-term financial strategy that is sustainable and affordable requires a multi-faceted approach. The Finance team is focused on continuous improvement, and has implemented a number of financial controls and process improvements, and will continue to do so.

The Finance team supports and guides departments to provide services in a financially responsible manner. Providing excellent customer service, in an efficient and friendly manner, is a top priority whether to our own departments or to the public by processing transactions for electoral area utility bills, transit passes, or dog licences.



University of the Fraser Valley, Abbotsford
Dale Klippenstein

Grants-in-Aid

The Finance team worked with electoral area Directors to fund 48 Electoral Area Grants-in-Aid projects. The program provides financial support for community organizations and local groups across the regional district.

Budget Overview

Each year the Finance team prepares a five-year Financial Plan to outline how the FVRD and the FVRHD will spend tax dollars. The FVRD manages approximately 120 separate service area budgets. These budgets all have distinct purposes, unique tax bases, revenues, and expenses, as well as their own designated surplus and reserve balances that can not be shared amongst other service areas.

This complexity makes it essential to manage funds effectively now and for future needs in order to be financially sustainable. Given the span of the FVRD and the multiple service area budgets, the FVRD requisition levels vary amongst member municipalities, electoral areas and even amongst property owners within electoral areas, depending on specific service area bylaws and the properties that are included within those levies.

The Finance team reviews balances in existing reserves and surplus funds, considers future needs, and leverages opportunities for efficiencies and to maximize external funding.

We also evaluate what is required to maintain FVRD assets and infrastructure in a state of good repair and the level of reserves and surplus balances available for these purposes. Initial asset management work was completed and presented to electoral area Directors in 2021 to show the estimated asset replacement valuations and the level of funds that should be contributed on an annual basis in order to achieve those values.

Please take some time to review our Audited Financial Statements, presented with the prior year's financial data for comparison purposes; we hope you find this informative.

Kelly Lownsborough
Director of Corporate Services/Chief Financial Officer

GRANTS-IN-AID

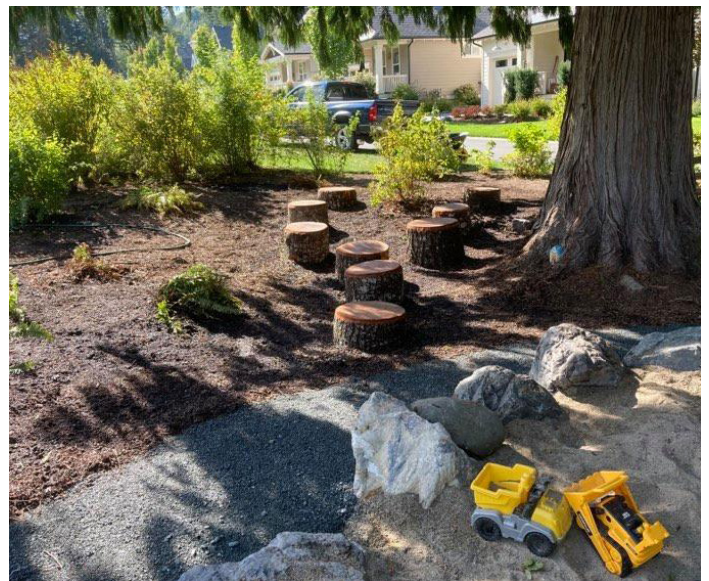
Nature Inspired Play at Creekside Mills

The Creekside Mills Play + Rec Committee was awarded \$4,000 to build a new nature playground at the Creekside Mills at Cultus Lake development in Lindell Beach, Electoral Area H.

Together with donations from the community, the FVRD Grants-in-Aid funds helped the committee raise \$18,500 towards the park project. The FVRD portion funded equipment and materials for:

- » Agility climbing wall
- » Horseshoe pit
- » Sandbox with playhouse and natural wood stepping rounds
- » See-saw
- » Sporting equipment (tetherball, volleyball net)
- » Timber swing set

Building the playground was a community-wide effort by neighbourhood volunteers who donated their time as well as the developer who loaned a crew and equipment. The playground, once complete, will provide a year-round amenity for all ages to enjoy.



Creekside Mills nature playground

Keeping the News Alive in Boston Bar

The Boston Bar/North Bend Enhancement Society was awarded \$3,000 to keep the local newsletter, called “The Update” alive. The volunteer-published monthly newsletter covers news and events from the Boston Bar Elementary Secondary School, Canyon Lanes Bowling Alley, Family Place, and the Food Bank. The newsletter is an important part of the community and acts like a local newspaper for Electoral Area A residents.

Volunteers from the non-profit society distribute the newsletter each month by mail and at Canyon Lanes Bowling Alley and Family Place. Advertising provides a small revenue stream but the Grants-In-Aid funds covered the cost of a new computer, printer toner, and paper.

The Boston Bar/North Bend Enhancement Society is dedicated to making their town a great place to live. They deliver a wide range of community based services along with operating a number of community facilities.

48
Projects for a total of
\$220,785
 Includes \$15,000 for regional
 Grants-in-Aid to BC Conservation
 Foundation's WildSafeBC program

TOTAL # PROJECTS BY AREA

Area A	1
Area B	19
Area C	4
Area D	1
Area E	5
Area F	2
Area G	8
Area H	8
TOTAL	48

2021 CONSOLIDATED FINANCIAL STATEMENTS

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.



Kelly Lownsbrough, CPA, CMA
Director of Corporate Services/Chief Financial Officer



KPMG LLP
Suite 200 - 9123 Mary Street
Chilliwack BC V2P 4H7
Canada
Telephone (604) 793-4700
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, 2021
- 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, 2021, 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.

KPMG LLP

Chartered Professional Accountants

Chilliwack, Canada

May 26, 2022

Fraser Valley Regional District

Consolidated Statement of Financial Position

December 31, 2021

	2021	2020
Financial Assets		
Cash and cash equivalents (Note 1)	\$ 21,195,040	\$ 9,033,709
Accounts receivable (Note 2)	7,502,905	5,825,966
Inventories	32,316	19,293
Investments (Note 3)	29,887,292	33,574,276
Investment in government business partnership (Note 4)	790,360	603,593
	59,407,913	49,056,837
Financial Liabilities		
Trade payables and accrued liabilities	3,982,537	2,460,286
Accrued interest	77,093	77,215
Due to Local governments	2,148,140	2,093,912
Landfill retirement costs (Note 5)	540,888	505,050
Municipal Finance Authority debentures (Note 7)	8,216,759	8,755,682
Development levies and deferred revenue (Note 8)	12,489,619	11,123,895
Community Works funds (Note 9)	6,457,904	5,172,967
	33,912,940	30,189,007
Net Financial Assets	25,494,973	18,867,830
Non-Financial Assets		
Prepaid expenses	611,785	574,111
Tangible Capital Assets (Note 10)	46,990,151	47,199,798
Intangible Capital Assets (Note 11)	456,375	486,800
	48,058,311	48,260,709
Accumulated Surplus	\$ 73,553,284	\$ 67,128,539

Impact of COVID-19 (Note 13)
Contingent Liabilities (Note 15)

Approved on behalf of the Board:

Kelly Lownsbrough Chief Financial Officer

Fraser Valley Regional District Consolidated Statement of Financial Activities

Year Ended December 31, 2021

	Budget 2021 <i>(Note 17)</i>	Actual 2021	Actual 2020
Revenues			
Member requisitions	\$ 19,028,380	\$ 18,964,897	\$ 18,114,720
Government grants	7,408,180	5,045,340	5,344,111
Utility user fees	1,297,370	1,318,960	1,327,550
Sale of services	4,229,090	6,123,859	4,798,588
Other	2,223,080	2,388,095	1,647,796
Interest	107,910	351,942	487,771
Income from government business partnerships	-	186,767	63,166
	<u>34,294,010</u>	<u>34,379,860</u>	<u>31,783,702</u>
Expenses			
General government services	3,602,060	3,753,233	3,443,844
Protective services	7,396,020	8,512,543	8,138,350
Transportation services	3,586,990	3,353,180	3,040,477
Environmental health services	2,673,720	2,391,535	2,530,412
Environmental development services	2,326,220	1,969,335	1,727,773
Recreation and cultural services	5,922,000	5,600,509	5,478,662
Utilities services	1,799,440	2,374,780	2,495,227
	<u>27,306,450</u>	<u>27,955,115</u>	<u>26,854,745</u>
Annual Surplus	6,987,560	6,424,745	4,928,957
Accumulated Surplus, Beginning of Year	<u>67,128,539</u>	<u>67,128,539</u>	<u>62,199,582</u>
Accumulated Surplus , End of Year	<u>\$ 74,116,099</u>	<u>\$ 73,553,284</u>	<u>\$ 67,128,539</u>

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

Year Ended December 31, 2021

	2021	2020
Annual surplus	\$ 6,424,745	\$ 4,928,957
Acquisition of tangible capital assets	(1,675,086)	(1,957,150)
Amortization of tangible capital assets	1,860,618	1,987,033
(Gain)/Loss on sale of tangible capital assets	(205,023)	(12,031)
Proceeds on sale of tangible capital assets	229,138	19,858
Amortization of intangible capital assets	30,425	30,425
Change in prepaid expenses	(37,674)	50,460
	6,627,143	5,047,552
Change in Net Financial Assets		
Net Financial Assets, Beginning of Year	18,867,830	13,820,278
Net Financial Assets, End of Year	\$ 25,494,973	\$ 18,867,830

Fraser Valley Regional District Consolidated Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
Operating Activities		
Annual surplus	\$ 6,424,745	\$ 4,928,957
Items not involving cash		
Amortization of tangible capital assets	1,860,618	1,987,033
Gain/(Loss) on sale of tangible capital assets	(205,023)	(12,031)
Amortization of intangible capital assets	30,425	30,425
Partnership income	(186,767)	(63,166)
	7,923,998	6,871,218
Change in non-cash operating items		
Accounts receivable	(1,676,941)	159,294
Inventories	(13,023)	14,643
Prepaid expenses	(37,674)	50,460
Trade payables and accrued liabilities	1,522,252	(1,465,351)
Local governments	54,228	(4,942)
Accrued interest	(121)	367
Landfill retirement costs	35,838	(2,205)
Development levies and deferred revenue	1,365,723	(1,457,665)
Community works fund	1,284,937	509,772
	10,459,217	4,675,591
Investing Activities		
Acquisition of tangible capital assets	(1,675,086)	(1,957,150)
Proceeds on sale of tangible capital assets	229,138	19,858
(Increase)/Decrease in portfolio investments	3,686,983	3,610,832
	2,241,035	1,673,540
Financing Activities		
Proceeds from debenture debt	-	81,000
Repayment of debenture debt	(538,923)	(529,347)
	(538,923)	(448,347)
Change in Cash	12,161,329	5,900,784
Cash and cash equivalents, Beginning of Year	9,033,711	3,132,927
Cash and cash equivalents, End of Year	\$ 21,195,040	\$ 9,033,711
Supplementary cash flow information:		
Interest paid	\$ 220,131	\$ 239,268

Fraser Valley Regional District

Notes to the Consolidated Financial Statements

Year ended December 31, 2021

Basis of Presentation	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.
Basis of Consolidation	<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>
Budget Amounts	Budget amounts reflect the statutory annual budget as adopted by the board on January 28, 2021.
Comparative Figures	Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.
Revenue Recognition	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.
Cash and Cash Equivalents	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.
Portfolio Investments	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, 2021

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, 2021

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 Public Sector Accounting Standards 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, 2021

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, 2021, 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, 2021

1. Cash and cash equivalents

	2021	2020
Cash	\$ 21,195,040	\$ 9,033,709
Cash Equivalents	-	-
	<u>\$ 21,195,040</u>	<u>\$ 9,033,709</u>

2. Accounts Receivable

	2021	2020
Accrued interest - investments	\$ 89,701	\$ 132,449
Local government	715,503	654,159
Provincial Government	1,183,301	622,437
MFA Debt Reserve - Cash	1,632,295	1,604,995
Regional Hospital District	390,350	(4,796)
Trade Accounts and User Fees	3,491,755	2,816,721
	<u>\$ 7,502,905</u>	<u>\$ 5,825,965</u>

Fraser Valley Regional District

Notes to the Consolidated Financial Statements

Year ended December 31, 2021

3. Investments

The District holds investments in bonds, GICs, and high-interest investment tools.

Investments held at December 31, 2021 are as follows:

		Amount	Effective Interest Rate	Maturity Date
Bonds:	BNS EXT STEP	\$ 1,060,000	3.12%	November 21, 2030
	BMO EXT STEP	4,000,000	2.06%	December 21, 2030
	Discount on purchase of bonds	(22,709)		
GICs:	RBC INVSAVINGS	5,025,057	2.35%	August 9, 2022
	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	2.65%	August 29, 2022
	CCS GIC	1,000,000	1.15%	February 9, 2023
	CCS GIC	1,000,000	2.50%	March 2, 2023
	CWB GIC	1,700,000	1.22%	September 21, 2023
	ROYAL BNK GIC	2,500,000	0.76%	June 22, 2022
	SCOTIA BNK ANN GIC	2,000,000	0.82%	December 22, 2022
	SCOTIA BANK CMP ANN	2,291,611	0.92%	June 21, 2023
Term Deposits:	ENVISION	5,000,000	0.65%	December 21, 2022
		<u>\$ 29,887,292</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, 2021 have a total carrying value of \$29,976,992 (2020 - \$33,706,755), consisting of amortized cost of \$29,887,292 (2020 - \$33,574,276) and related accrued interest of \$89,700 (2020 - \$132,479). The market value of these investments at December 31, 2021 is approximately \$29,642,802 (2020 - \$33,994,782).

Fraser Valley Regional District

Notes to the Consolidated Financial Statements

Year ended December 31, 2021

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, 2021 are summarized below.

CLCCF Condensed Financial Statements:

Assets	2021	2020
Cash	\$ 2,147,104	\$ 1,084,503
Other Current Assets	71,152	669,304
Tangible Capital Assets	256,250	95,552
	\$ 2,474,506	\$ 1,849,359
Liabilities		
Accounts Payable	\$ 109,657	\$ 44,869
Partnership Equity	2,364,849	1,804,490
	\$ 2,474,506	\$ 1,849,359
Income Statement		
	2021	2020
Total Revenue	\$ 5,127,464	\$ 4,609,437
Total Expenses	4,567,105	4,419,933
Net Income	\$ 560,359	\$ 189,504

Fraser Valley Regional District

Notes to the Consolidated Financial Statements

Year ended December 31, 2021

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 3.36%.

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 \$540,888 has been set aside at December 31, 2021.

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, 2021 are projected for the next five years as follows:

	Member Municipalities	Regional District	Total
2022	\$ 7,373,746	\$ 759,176	\$ 8,132,922
2023	7,359,886	758,569	8,118,455
2024	7,359,886	758,569	8,118,455
2025	7,324,297	732,419	8,056,716
2026	7,174,751	704,167	7,878,918
	\$ 36,592,566	\$ 3,712,900	\$ 40,305,466

Fraser Valley Regional District

Notes to the Consolidated Financial Statements

Year ended December 31, 2021

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:

	2021	2020
Debentures	\$ 58,657,190	\$ 63,856,190
Debt charges recoverable	(50,440,431)	(55,100,508)
	\$ 8,216,759	\$ 8,755,682

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.

	2021	2020
West Popkum Drainage	\$ 261,510	\$ 251,887
Lakeside Trail	283,468	279,975
Bell Acres Water	20,227	19,978
Parkview Water	73,499	72,594
Area D Water	135,410	125,591
Deroche Water	139,062	137,348
Area C Parks Cash in Lieu	19,303	19,066
Area D Parks Cash in Lieu	126,105	124,551
Area D Parks VCC	68,107	67,267
Area F Parks Cash in Lieu	43,052	42,521
Area H Parks Cash in Lieu	54,038	53,372
	\$ 1,223,781	\$ 1,194,150

Fraser Valley Regional District
Notes to the Consolidated Financial Statements

Year ended December 31, 2021

8. Development Levies and Deferred Revenue (continued)

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

	2021	2020
Deferred Revenue - Utilities	2,977	4,877
Deferred Revenue - Other	84,291	69,175
Deferred Grants - Capital projects	10,795,263	9,463,833
Deferred Revenue - Vedder Campground	5,683	9,620
Deferred Revenue - Animal Control	327,852	337,387
Deferred Revenue - Hope Recreation	49,772	44,853
	<u>11,265,838</u>	<u>9,929,745</u>
Total development levies and deferred revenue	<u>12,489,619</u>	<u>11,123,895</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

	2021	2020
Opening balance of unspent funds	\$ 5,172,967	\$ 4,663,195
Add: Amount received during the year	1,680,462	821,563
Interest earned	79,582	90,233
Less: Amount spent on projects	(475,107)	(402,024)
	<u>\$ 6,457,904</u>	<u>\$ 5,172,967</u>

Fraser Valley Regional District
Notes to the Consolidated Financial Statements

Year ended December 31, 2021

10. Tangible Capital Assets

Cost	Balance at December 31, 2020	Additions	Transfers and Disposals	Balance at December 31, 2021
Land	\$ 3,651,553	\$ -	\$ -	\$ 3,651,553
Engineering structures	37,444,700	786,013	-	38,230,713
Buildings and building improvements	14,861,485	-	(61,750)	14,799,735
Vehicles, machinery and equipment	14,024,785	1,013,362	(106,521)	14,931,626
Assets under construction	5,260,567	698,039	(822,328)	5,136,278
Total	\$ 75,243,090	\$ 2,497,414	\$ (990,599)	\$ 76,749,905

Accumulated amortization	Balance at December 31, 2020	Disposals	Amortization expense	Balance at December 31, 2021
Engineering structures	\$ 10,281,515	\$ -	\$ 693,353	\$ 10,974,868
Buildings and building improvements	8,380,037	(61,750)	501,722	8,820,009
Vehicles, machinery and equipment	9,381,741	(82,405)	665,543	9,964,879
Total	\$ 28,043,293	\$ (144,155)	\$ 1,860,618	\$ 29,759,756

	Net book value December 31, 2020	Net book value December 31, 2021
Land	\$ 3,651,553	\$ 3,651,553
Engineering structures	27,163,186	27,255,847
Buildings and building improvements	6,481,448	5,979,726
Vehicles, machinery and equipment	4,643,044	4,966,747
Assets under construction	5,260,567	5,136,278
Total	\$ 47,199,798	\$ 46,990,151

(a) Assets Under Construction

Assets under construction having a value of \$5,136,278 (2020 - \$5,260,567) 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, 2021

11. Intangible Capital Assets

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

Cost	Balance at December 31, 2020	Additions	Transfers and Disposals	Balance at December 31, 2021
Campground license	\$ 608,500	\$ -	\$ -	\$ 608,500
Total	<u>\$ 608,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 608,500</u>

Accumulated amortization	Balance at December 31, 2020	Disposals	Amortization expense	Balance at December 31, 2021
Campground license	\$ 121,700	\$ -	\$ 30,425	\$ 152,125
Total	<u>\$ 121,700</u>	<u>\$ -</u>	<u>\$ 30,425</u>	<u>\$ 152,125</u>

	Net book value December 31, 2020	Net book value December 31, 2021
Campground license	\$ 486,800	\$ 456,375
	<u>\$ 486,800</u>	<u>\$ 456,375</u>

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.

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 \$643,053 (2020 - \$587,127) for employer contributions to the plan in fiscal 2021.

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.

Fraser Valley Regional District
Notes to the Consolidated Financial Statements

Year ended December 31, 2021

13. Impact of COVID-19

On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation has been dynamic and the pandemic continued throughout 2021. The Regional District was in receipt of Provincial Safe Restart Funds intended to assist local governments' response to the pandemic. A summary of the use of the funds by the Regional District is as follows:

	2021	2020
Funding Recieved from Province of BC	\$ 431,000	\$ 1,362,000
COVID Surplus, Beginning of Year	1,084,987	-
Total Funding to be distributed	1,515,987	1,362,000
Less:		
Revenue Shortfalls	(62,870)	(155,000)
Computer and Other Electronic Technology	(132,604)	(36,995)
Facility Reopening & Operating Costs	(120,254)	(41,918)
Other Related Costs	(352,750)	(43,100)
Total COVID-19 Safe Restart Funds Spent	(668,477)	(277,013)
COVID Surplus, End of Year*	\$ 520,569	\$ 1,084,987

**At December 31, 2021, all COVID Surplus has been further allocated.*

14. Comparative Figures

Certain 2020 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, 2021 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, 2021

16. Contractual Rights

In addition to the debenture charges recoverable from member municipalities as disclosed in note 7(b), the Regional District is entitled to the following payments under contract as at December 31, 2021.

	Total
2022	\$ 260,329
2023	36,713
2024	26,071
2025	24,869
2026	12,168
Thereafter	194,766
	554,916

17. 2021 Plan

The budget data presented in these financial statements was included in the Fraser Valley Regional District 2021 - 2025 Financial Plan, adopted through Bylaw No. 1624, 2021 on January 28, 2021. The following table reconciles the approved budget to the budget figures in these consolidated financial statements.

	2021
Revenues:	
Budget	\$ 46,079,220
Less:	
Internal Recoveries/Debt servicing paid on behalf of municipalities	<u>(11,785,210)</u>
Budgeted revenues per Statement of Operations	<u>34,294,010</u>
Expenses:	
Budget	36,231,970
Less:	
Internal Recoveries/Debt servicing paid on behalf of municipalities	<u>(8,925,520)</u>
Budgeted expenses per Statement of Operations	<u>\$ 27,306,450</u>

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 svstems.

Fraser Valley Regional District
Notes to the Consolidated Financial Statements

Year ended December 31, 2021

18. Segmented Information (continued)

	General Government	Protective Services	Transportation Services	Environmental Health	Environmental Development	Recreation & Culture	Utility Services	2021	2020
Revenues									
Member requisitions	\$ 2,811,150	\$ 5,029,459	\$ 1,373,131	\$ 1,988,527	\$ 1,636,138	\$ 4,833,922	\$ 1,292,570	\$ 18,964,897	\$ 18,114,720
Government grants	467,644	1,913,523	1,783,138	109,662	137,414	616,339	17,620	5,045,340	5,344,111
Sales of service	538,358	1,698,585	926,175	792,545	619,464	1,509,595	1,358,097	7,442,819	6,126,138
Other	<u>730,351</u>	<u>1,337,452</u>	<u>27,562</u>	<u>33,625</u>	<u>274,743</u>	<u>96,054</u>	<u>427,016</u>	<u>2,926,804</u>	<u>2,198,733</u>
	4,547,503	9,979,019	4,110,006	2,924,359	2,667,759	7,055,910	3,095,303	34,379,860	31,783,702
Expenditures									
Salaries and benefits	4,236,741	2,157,317	33,898	664,954	1,326,790	2,057,250	757,190	11,234,140	10,162,315
Directors expenses	540,303	-	-	-	-	-	-	540,303	557,078
Program support	1,474,705	5,072,215	3,162,837	1,001,396	291,653	2,492,794	645,671	14,141,271	13,883,421
Vehicle, Building and Equipment Expenses	264,657	356,102	22,647	431,059	832	358,816	206,166	1,640,279	1,724,312
Internal Services	626,510	617,210	115,730	253,440	366,330	502,440	113,370	2,595,030	2,510,320
Recoveries from other functions	(3,794,891)	(50,870)	-	-	(16,270)	(224,920)	-	(4,086,951)	(4,000,160)
Amortization of tangible capital assets	374,783	360,569	18,068	40,686	-	414,129	652,383	1,860,618	1,987,034
Amortization of intangible assets	<u>30,425</u>	-	-	-	-	-	-	<u>30,425</u>	<u>30,425</u>
	3,753,233	8,512,543	3,353,180	2,391,535	1,969,335	5,600,509	2,374,780	27,955,115	26,854,745
	<u>794,270</u>	<u>1,466,476</u>	<u>756,826</u>	<u>532,824</u>	<u>688,424</u>	<u>1,455,401</u>	<u>720,523</u>	<u>6,424,745</u>	<u>4,928,957</u>