



DISTRICT OF MACKENZIE
2023 ANNUAL REPORT

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Community Vision

From its roots as a new town for forestry workers, Mackenzie has grown into a strong and supportive community that residents are proud to call home. Supported by a healthy environment, Mackenzie's economic base is now diverse and robust, providing consistent employment for residents. Recreation is key to our high quality of life and healthy lifestyle, with exceptional natural features drawing residents outdoors. Great community services and facilities complement the outdoors with opportunities to meet and engage with neighbors, and the town takes great pride in how attractive it is for both residents and visitors.



Photo Credit: Marcus Paladino

District Mission

It is the mission of the District of Mackenzie to improve the lifestyle, services and opportunities to our residents and visitors by:

1. Providing quality executive and administrative leadership from an open and responsible Council and administration.
2. Providing quality services, recreational facilities and programs that promote and enhance livability and a healthy lifestyle.
3. Maintaining a healthy environment and economic conditions that allow for business and individuals to flourish and realize their full potential

Mayor's Message

In May 2023, the World Health Organization announced the end of the Covid 19 Pandemic that was welcome news for all of us. And although mankind has been plagued with pandemics for centuries, Covid 19 had the biggest global social and economic impacts in recent history. The aftermath of social isolation is still being felt by many and we are now facing unprecedented negative impacts on mental health. This makes it all the more important that each of us seeks out those individuals who are still dealing with anxiety and depression.

Mackenzie continues to face many challenges as a result of the state of the forest industry in the province. The most significant being the reduction of the industrial tax base as a result of the closure of two large manufacturing facilities in our community. The unfortunate reality of this loss of heavy industrial tax is that a larger portion of our tax base has become the burden of residential homeowners. Staff and Council are working hard to secure grants and funding from other sources to alleviate the pressure on our homeowners while maintaining the services we have all grown to rely on and appreciate.

Despite our challenges, we did celebrate accomplishments in 2023 which included:

- The establishment of a shuttle service to Prince George provided by the Kimta Transportation Society with support from the District of Mackenzie
- Mackenzie hosted our 3rd Annual Mountain Magic WinterQuest
- Awarding of our Active Transportation Master Plan, that will guide our community in moving toward more “active” transportation
- Successful Launch of the “Food Cycler Pilot Program” which will result in a reduction of food waste going to the Transfer Station
- Full allocation of the “Business Façade Program” program which supports businesses in refurbishing the curb appeal of their operations
- Continued wildfire resiliency prescriptions along Hwy 39 to ensure residents will have a safe egress route out of the community if we need to evacuate
- Award of Planning & Design of new Arena Slab and Energy Upgrades at the Recreation Centre
- Celebrated the Construction of the Ridgeline Mountain Bike Trail with the “Rockin’ the Ridgeline” event at our new Jump Pump Track

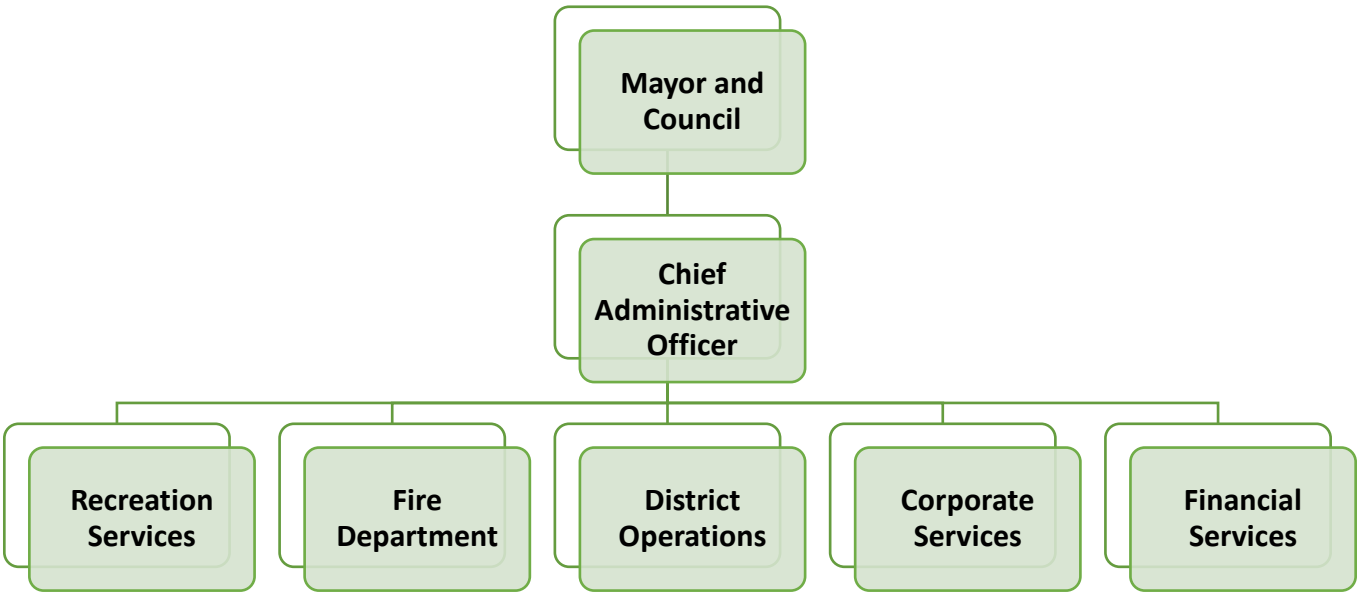


As always Council encourages residents to reach out to us if they have questions, concerns or ideas they wish to share. The success of our community is the responsibility of all of us!

Sincerely,


Mayor Joan Atkinson

ORGANIZATIONAL CHART



Morfee Lake Second Beach

Photo Credit Christine Dunn

2022-2026 MAYOR AND COUNCIL

The District of Mackenzie Council is comprised of a Mayor and six Councillors, elected for four-year terms. Municipal Councils are elected by the people and make decisions on behalf of the residents of our municipality.

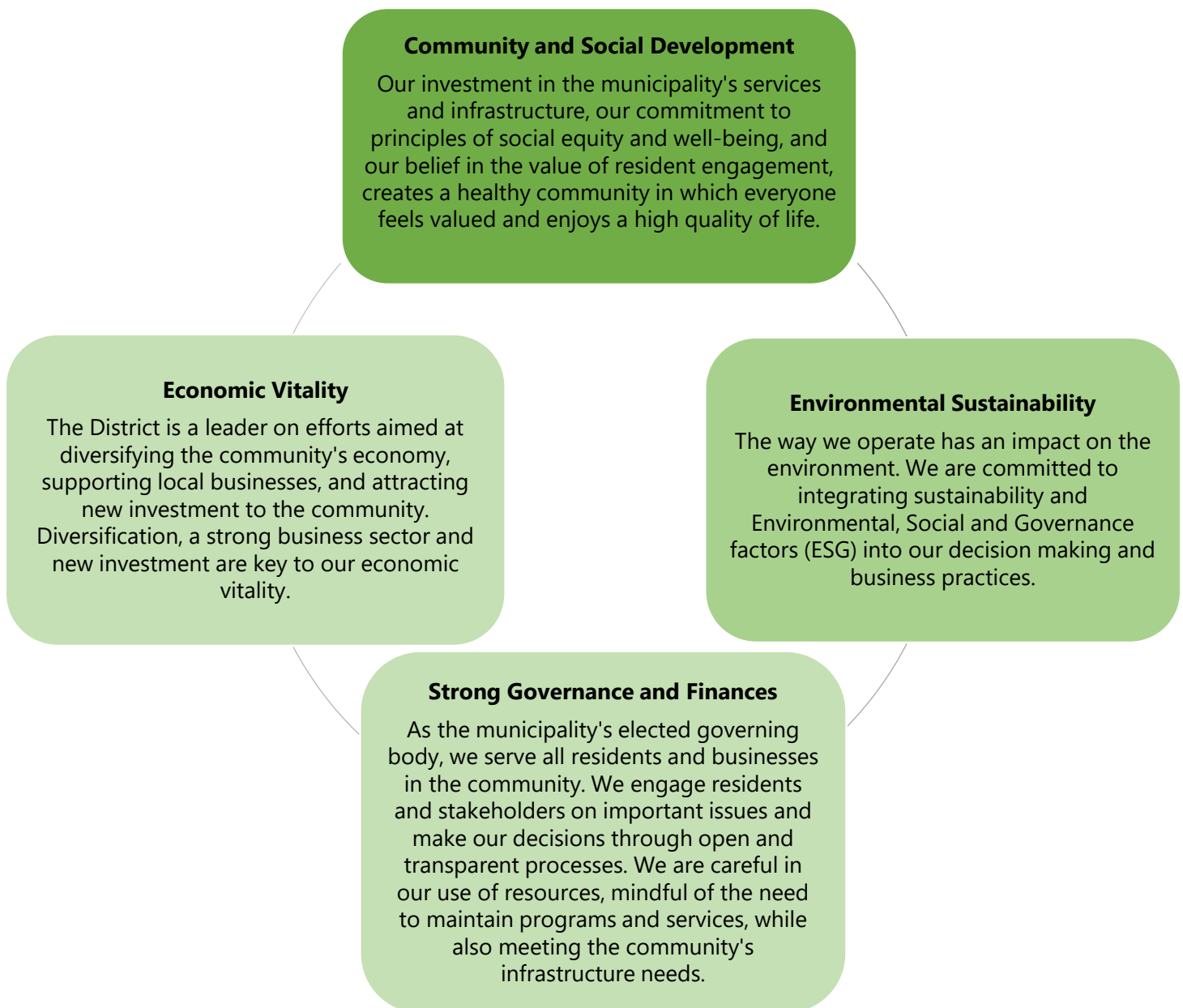


From left to right: Councillor Andy Barnes, Councillor Viktor Brumovsky, Councillor Amber Hipkiss, Councillor Jesse Wright, Councillor Raye McMeeken, and Councillor Kyle Tapper.
Centre: Mayor Joan Atkinson

COUNCIL PRIORITIES

The Council Priorities are designed to advance Council's vision, mission, and operational plans for the District of Mackenzie.

Council's Priorities for the 2021-2025 period reflect today's emerging issues and developing opportunities. Council reviews the plan annually to respond to new ideas and changes in circumstances that arise as we work through the 2021 - 2025 period. Community consultation is an important part of setting priorities, achieving our goals (operational plans) and in updating Council's Priorities.



COUNCIL LIAISON APPOINTMENTS

Committee/Position	Elected Official
Deputy Mayors	Councillors Barnes, Hipkiss, and McMeeken
Access and Inclusion Committee	Liaison: Councillor McMeeken Alternate: Councillor Wright
Agricultural Opportunities and Food Security	Liaison: Councillor Tapper Alternate: Councillor Brumovsky
Asset Management Committee	Liaison: Mayor Atkinson
BC Hydro Peace River/Williston Advisory Committee	Liaison: Mayor Atkinson
Chamber of Commerce	Liaison: Councillor Brumovsky Alternate: Councillor McMeeken
Climate Liaison	Liaison: Councillor Hipkiss Alternate: Councillor Tapper
CNC Advisory Group	Liaison: Councillor Barnes Alternate: Councillor Tapper
Emergency Executive Committee	Liaison: Mayor Atkinson Alternate: Councillor McMeeken
Education Liaison	Liaison: Councillor Wright Alternate: Councillor Brumovsky
Forestry Liaisons	Liaison: Mayor Atkinson Alternate: Deputy Mayor
Grant Adjudication Committee	Liaison: Councillor Brumovsky Liaison: Councillor McMeeken
Indigenous Relations and Reconciliation	Liaison: Councillor Barnes Alternate: Councillor Wright
Mackenzie Wildfire Advisory Committee	Liaison: Councillor Barnes Alternate: Mayor Atkinson
McLeod Lake Mackenzie Community Forest (MLMCF)	Liaison: Councillor Hipkiss
Mining Liaisons	Liaisons: Councillor Barnes Alternate: Councillor Wright
Municipal Library	Liaisons: Councillor Tapper Alternate: Councillor Brumovsky
New Horizons - Senior Inclusion Solutions Advisory Group	Liaison: Councillor Wright
Northern Development Initiative Trust – Prince George Regional Advisory Committee	Liaison: Mayor Atkinson Alternate: Councillor Wright
Prince George Treaty Advisory Committee	Liaison: Councillor Wright
Regional District of Fraser-Fort George	Director: Mayor Atkinson Alternate: Councillor Wright

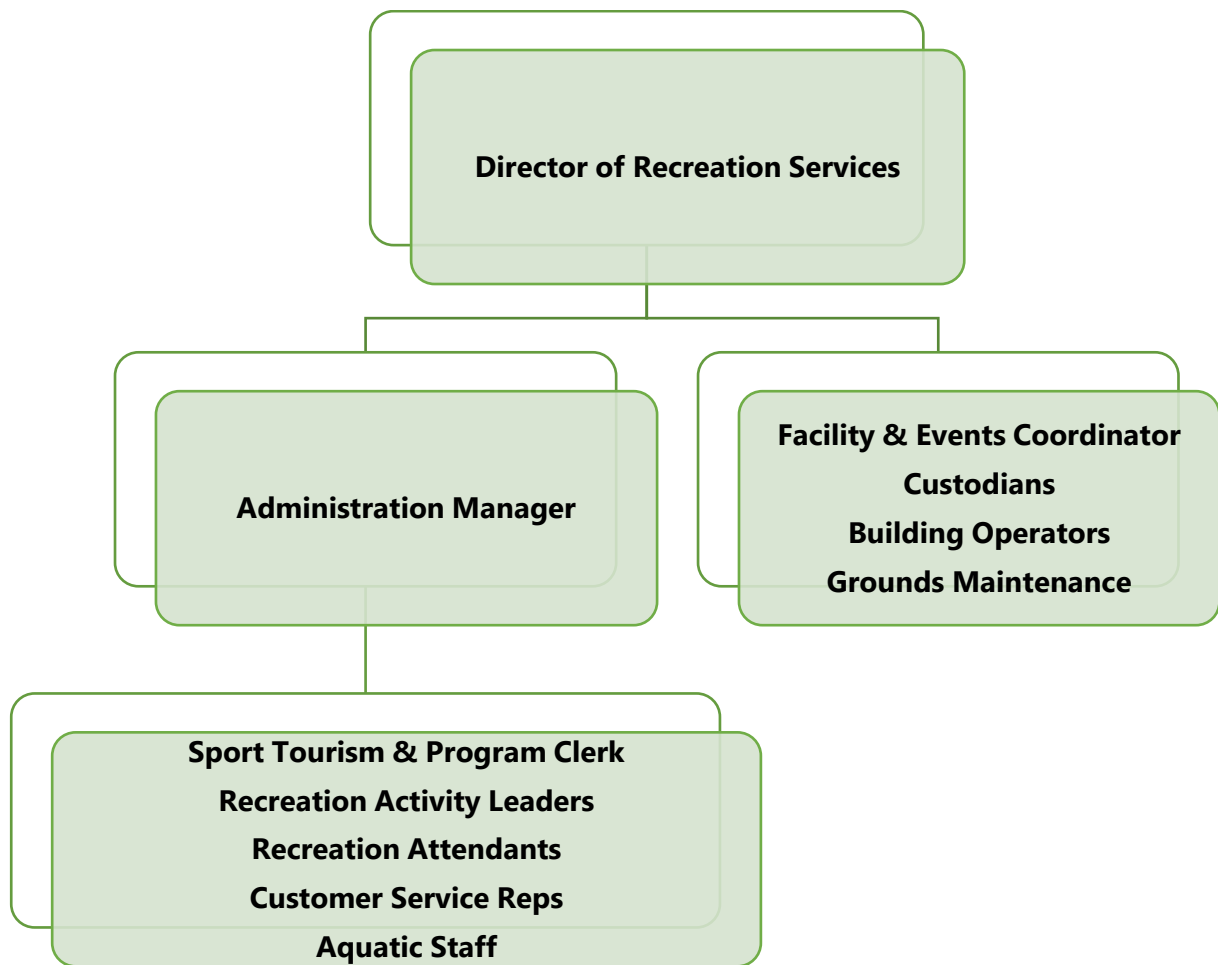
COUNCIL REMUNERATION

Mayor Atkinson	\$29,697
Councillor Barnes	\$13,266
Councillor Brumovsky	\$12,587
Councillor Hipkiss	\$13,266
Councillor McMeeken	\$13,266
Councillor Tapper	\$12,587
Councillor Wright	\$12,587



RECREATION SERVICES

The Recreation Services Department oversees the operation and maintenance of the Recreation Centre, Ernie Bodin Community Centre, Little Mac Ski Hill, John Dahl Trail, tennis/pickleball court, outdoor rink, and playground inspections in Mackenzie. Recreation staff work to enhance the lifestyle and health of people in the community through a variety of quality programs and services based on public consultation. Their dedicated team is committed to providing recreation services for people of all ages, stages, and abilities.





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2023 Recreation Centre Utilization

Recreation Centre Activities	Number of Bookings
Fitness Centre	15,329
Skating	1,343
Aquafit	562
Swimming	9,760
Curling	108
Climbing	531
Pickleball	166
Ski Hill	671
Arena Floor – Drop in	157
Sport Court	1,060
School Use	1,327
Junior Pathways	200
Total Number of Bookings	31,214



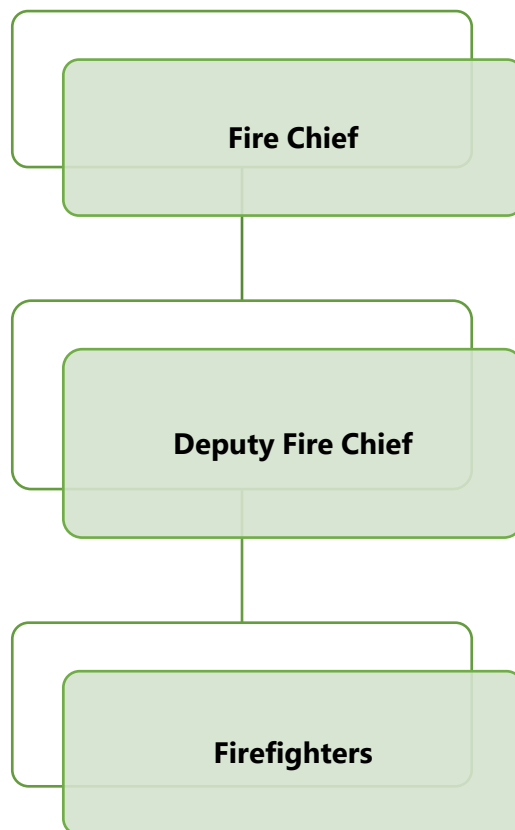
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Recreation Services Action Planning

Actions completed in 2023	Action Plan for 2024
3 rd Annual WinterQuest, ice carvers and trail light-up festival, this year including partnering with Northern Lights Winery.	4 th Annual WinterQuest 2024, ice carvers and trail light-up festival, continuing to build off our success from previous years.
Held Canada Day event at Rec Centre.	Host Canada Day event.
Continue developing relations with McLeod Lake Indian Band	Host National Indigenous People Day event.
Hosted Recreation Fair for community groups.	Host Recreation Fair for community groups and explore options for an art (Mural/Music/Food) festival in the community.
Held 3 rd Annual Holiday Parade.	Host 4 th Annual Holiday Parade.
Signature Trail, Park, and Little Mac Master Plan completed and 90% built.	Finish Park landscape, ski hill water fountain and gazebo part of the Signature Trail, Park, and Little Mac project.
Received Active Transportation Grant and completed 80% of master planning process including public consultation and concept park drawings.	Finalize Active Transportation Master Plan and determine next steps for implementation.
Received arena slab replacement and green energy project grant funds. Issued request for proposal for architect and awarded contract for project.	Complete the arena slab replacement and green energy project.
Assist Ernie Bodin Community Centre tenants with transition.	Tenants vacate Ernie Bodin Community Centre to finalize demolition.
Hosted our 1 st Annual Rockin' the Ridgeline bike and art festival, along with completing a mural project in the Community Bike Park.	Host our 2 nd Annual Rockin' the Ridgeline festival, with goals to include a softball tournament.
Revamped program lineup, including summer camps and senior programming. Added gymnastics and track meet.	Continue developing programs with greater focus on specialized programming like soccer, volleyball, baseball, etc.
Upgraded maintenance work order and inspection system.	Upgrade front desk check-in and install access gates for patrons.
Completed 75% of Mac 1 playground upgrade including new border, surface and play structure move.	Completed 100% of Mac 1 playground upgrade, which includes swing set and topping up surface.

FIRE DEPARTMENT

The Fire Department strives to deliver quality services in a fiscally responsible manner to the citizens of the District of Mackenzie. The District of Mackenzie supports this service delivery through a well-established safety and training program. The Fire Department is responsible for fire suppression, vehicle extrication, hazardous material response, environmental protection, fire inspections of multi-residential, public assembly, industrial, and commercial properties, promotion of compliance to the provincial Fire and Building Codes and local municipal bylaws, and public education and awareness.



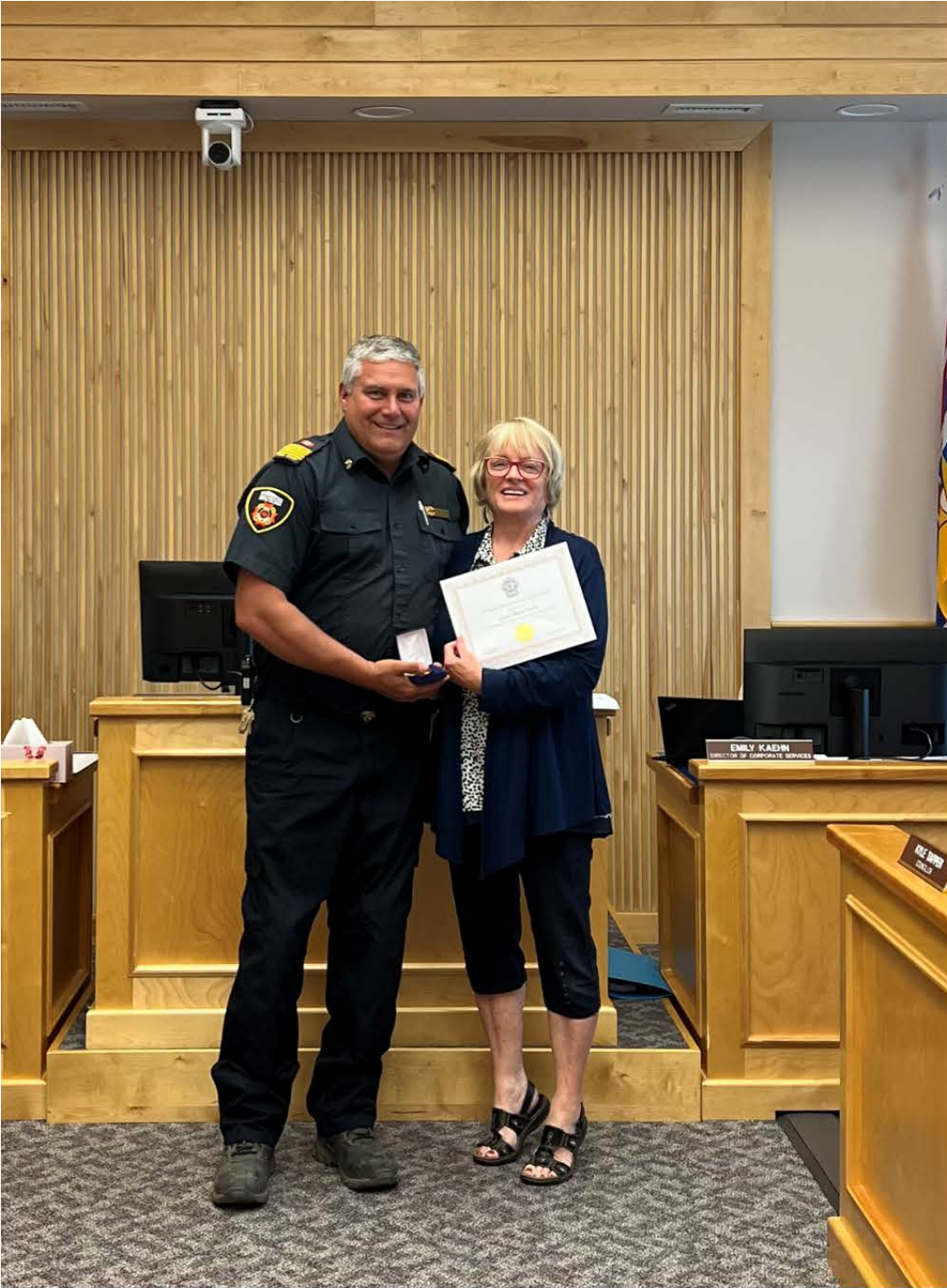
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Fire Department Action Planning

2023 FIRE CALLS	
Nature of Call	# of Calls
Assist other Agency	39
Burn Complaint	24
Carbon Monoxide alarm	2
Chimney Fire	1
Electrical Hazard	2
False Alarm	27
Gas Spill/Leak	3
Motor Vehicle Incident	32
Public Service	2
Structure Fire	7
Vehicle Fire	1
Wildland Fire	3
Investigation no Fire	1
TOTAL	144

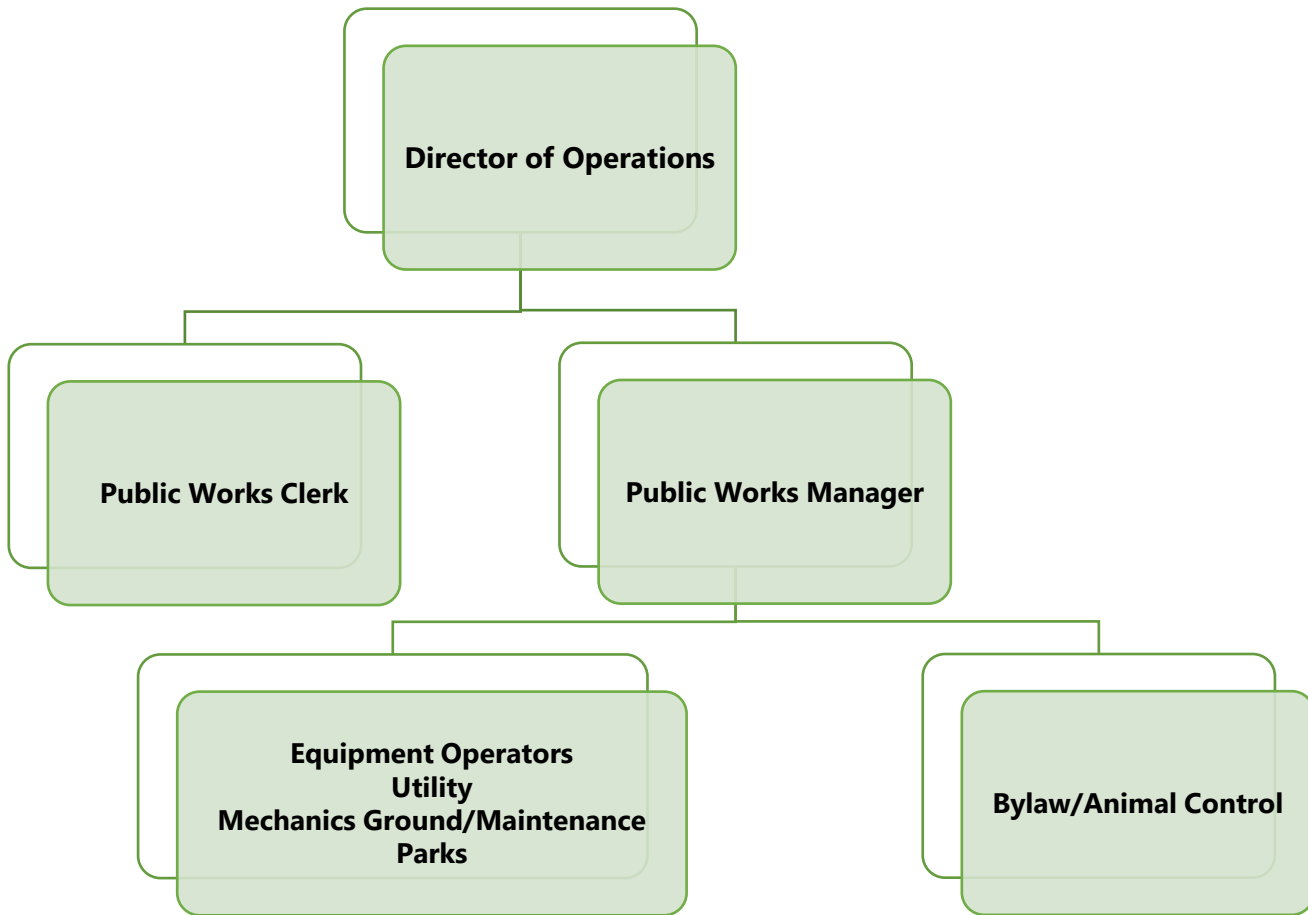
2023 FIRE FIGHTERS	
Position	Number
Fire Chief	1
Deputy Fire Chief	1
Assistant Chiefs	1
Training Officers	2
Captains	2
Lieutenants	3
Engineers	1
Fire Fighters	11
Fire Fighters (Probationary)	9
Junior Fire Fighters	3
TOTAL	21

Actions Completed in 2023	Action Plan for 2024
Installed the new Mackenzie Specific Alert System	New Fire Hall is expected to be completed in Fall 2024
Successfully hosted the FireSmart program for residents in Gantahaz and the Mackenzie townsite.	Training Firefighters is ongoing
Organized and held curbside pick-up days in the Spring and Summer.	Purchase new Turnout gear
Provided assistance to BC Wildfire Services, Completed 8 deployments throughout BC.	Purchase new Pagers
New Fire Truck delivered on June 9, 2023	Purchase new Wildland truck
From the Community Resiliency Investment Grant \$82,800 will be used for the John Dahl Regional Park Fuel Treatment Project and \$67,200 set aside for community FireSmart initiatives and a revision to our Community Wildfire Resiliency Plan.	Hire a Fire Smart/ Assistant Emergency Program Coordinator. Funding is through Community Resiliency Investment and allows DOM to submit grants to continue funding Fire Smart initiatives for future Grants.
Developed an info session sheet on the new Firehall	Submit application for UBCM EOC grant and ESS grants. These grants will be use to purchase equipment and training.



DISTRICT OPERATIONS

The Public Works Department is responsible for maintaining roads, sidewalks and walkways, boulevards, fire hydrants, public parks and beaches, ball diamonds and the Municipal Campground. It's also responsible for snow removal, residential and business garbage collection, building inspection services, bylaw services and animal control, sewage, and water systems, as well as maintaining the Municipal Airport.



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Operations Action Planning

2023 By the Numbers	
Water pumped from the Town pump house (Imperial Gallons)	169,199,714
Water pumped from the Gantahaz pump house (Imperial Gallons)	Not Available*
Commercial Garbage Collected (kg)	673660
Residential Garbage Collected (kg)	596730
Total number of Fixed Wing Landings	211
Total number of Helicopter Landings	303
Fuel Purchases	11
Visits to town	121

*No Data was collected for Gantahaz in 2023 due to a flow meter malfunction. The faulty flow meter has been replaced as a Capital Project and numbers should start being reported soon.

Bylaw & Animal Control	
Animals Impounded	6
Animals Adopted	1
Number of Tickets Issued	0
Dog Licenses Purchased	508

Permits & Licenses	
Business Licenses Awarded	254
Plumbing Permits Awarded	3
Building Permits Awarded	29

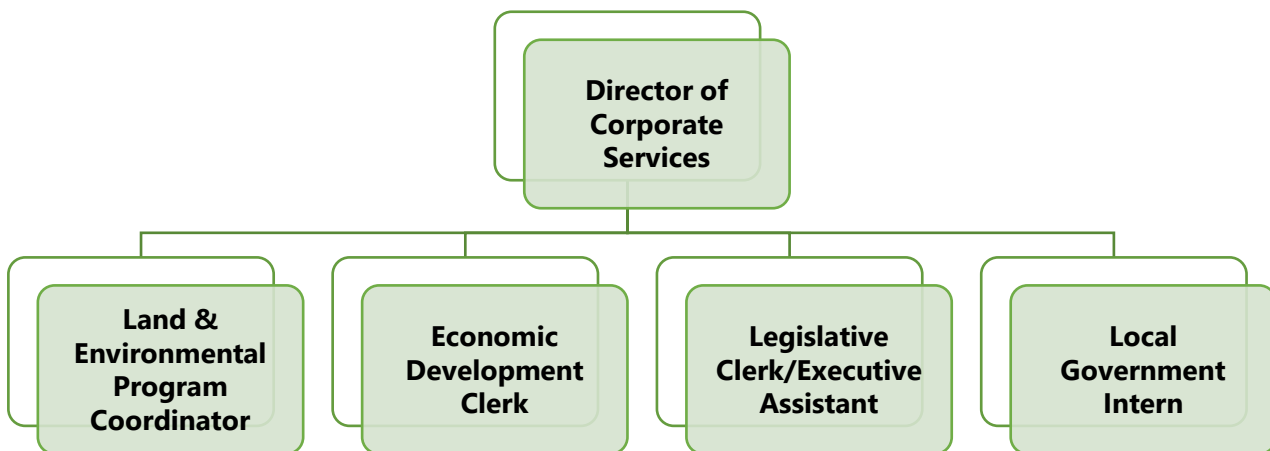
Actions Completed in 2023	Action Plan for 2024
Installed a PRV station on Crysdale.	Lower Crysdale Pressure Reducing Valve stations and install two further stations.
Water & Sewer Technicians and PW superintendent attended Confined Space Training	Confined Space Program to be audited in May/ June of 2024.
Continue operational and safety training for Employees and Management Team.	Continue operational and safety training for Employees and Management Team.
Replaced faulty Flow meters at Gantahaz Pump Station	Gantahaz pump station flow meter is now working properly.
Completed the Paving Plan preliminary assessment.	Initiate the roads and pathways replacement plans for the District.
Continue Asset Management Activities and Training	Continue Asset Management Activities and Training
Continue to seek grants to treat Gantahaz Subdivision water for manganese removal.	Gantahaz water treatment facility upgrade to begin in 2024.
Review all options available for commercial garbage collection	New Truck and Bins have been purchased and are currently being distributed throughout town



CORPORATE SERVICES

Corporate Services supports Council and ensures the District performs all its legislative duties, including preparing for Council Meeting and administering local elections. In addition, the department is also responsible for, and assists other departments with, reviewing and creating policies, procedures, bylaws, legal matters, records management and Freedom of Information requests, land use agreements, development applications, environmental programs and reporting, communications, accessibility and inclusion initiatives, as well as economic development and tourism.

The department also works with Council, staff, and the community on long-term strategic planning, including the development of Mackenzie's Official Community Plan, Zoning Bylaw, Council's Strategic Priorities, Housing Needs Assessments, Economic Development and Tourism Plans, Age-Friendly Accessibility and Inclusion Action Plan, and Corporate Environmental Plans.



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Corporate Services Action Planning

Actions Completed in 2023	Action Plan for 2024
Finalize Audio/Visual project in Council Chambers and the Recreation Centre to allow live stream and recording of Council meetings.	Finalize Audio/Visual project in Council Chambers and the Recreation Centre to allow live stream and recording of Council meetings.
Drafted an Age-Friendly Accessibility and Inclusion Action Plan for the District.	Complete and begin implementation of the Age-Friendly Accessibility and Inclusion Action Plan.
\$159,823 was distributed through the 2023 Community Grants Program.	\$200,000 was included in the budget for the Community Grants program for 2024.
Created a new online Climate Action Dashboard to showcase District initiatives and plans.	Promote the Food Cycler Program Phase 2.
Install final set of street banners and new billboards on either side of the Hwy 39/97 Junction.	Continue the implementation of the Municipal Signage Strategy. Install the new signage at the corner of Mill Road/Hwy 39.
Continue to participate on regional Ec Dev. And Tourism committees and marketing campaigns.	Explore new marketing campaigns to participate in addition to current.
Offer Grant Writing Support Services and host two free community grant writing workshops.	Continue offering this service and host a free community grant writing workshop.
Finalized and launched a new Economic Development Website with land marketing and sector promotional information.	Exploring further investment and District land marketing opportunities.
\$20,000 in grant funding was distributed during the 2023 Business Façade Improvement Program this year.	Northern Development Initiative Trust has awarded the District \$20,000 to offer the Business Façade Improvement Program this year.
Develop new Relocation Website and Welcome Guide to showcase Mackenzie 2.0 Marketing Materials.	Complete a resident and workforce relocation marketing campaign.
Finalize the Downtown Vision and Action Plan and Development Permit Areas project.	Complete the Development Permit Areas Project.
Continue to promote and support shop local initiatives.	Develop a new Shop Local program to replace the Love Northern BC funding program (discontinued).
Develop Communications and Public Engagement Policies for the District.	Carry-over project. Develop Communications and Public Engagement Policies for the District.



Climate Action

A key part of a local government's role in dealing with climate action is to reduce emissions caused by its own assets. The District of Mackenzie has signed the *Climate Action Charter*, committing the District to work towards being carbon-neutral in its own operations. In 2021, the District developed a Corporate Energy and Emissions Plan to help prioritize actions to meet this goal. Included in the plan were a number of recommended action items. The following table outlines our progress as we move work through the plan:

ACTION		Complete	2024 - 2025	Ongoing	Research Required
1.1	Build energy efficient buildings ¹	X		X	
1.2	Build energy efficient infrastructure			X	
1.3	Optimize siting and orientation of new buildings			X	
2.1	Conduct building energy audits	X		X	
2.2	Implement energy retrofits recommended by building energy audits **	X		X	
2.3	Conduct energy-focused operational review of infrastructure				X
2.4	Implement measures from operational review of infrastructure				X
2.5	Incorporate energy management into annual building maintenance procedures	X		X	
3.1	Install solar PV on corporate buildings ²		X		
3.2	Low-carbon heating systems for buildings				X
3.3	Conduct corporate renewable energy study				X
4.1	Right-size vehicles for assigned tasks	X		X	
4.2	Develop a vehicle purchasing policy	X			
4.3	Invest in EVs and EV Charging Stations ³	X		X	
4.4	Assess renewable fuels for corporate fleet		X		X
4.5	Fuel efficient driver training & anti-idling policy			X	
4.6	Energy-focused fleet maintenance				X
4.7	Encourage employee carpooling where possible			X	
4.8	Provide end of trip facilities		X	X	
5.1	Have dedicated staff person or department for plan implementation	X			
5.2	Allocate funds for plan implementation	X		X	
5.3	Develop KPIs, monitor and track for progress	X	X		
5.4	Demonstrate leadership on corporate waste and water			X	
5.5	Join PCP	X			

¹ 1.1 New Fire Hall is being built to new BC Step Code standards for energy efficiency. Any future buildings will be built to the same or higher standards.

² 2.2 Energy upgrades are being completed as budget allows. Some upgrades are being combined with larger retrofit projects and will be held off until all can be completed at once.

³ 4.3 The District entered into a memorandum of understanding with BC Hydro in 2022 to participate in their EV Charging Station network expansion. A new charging station will be installed in the community in 2024. The District is in the preliminary stages of working with the Charge North initiative to install a level 2 charging station to the Recreation Centre.

Climate Action in Mackenzie

Food Cycler Pilot Project

Council approved the Food Cycler Pilot Program. This represented a meaningful step forward in the District's commitment to sustainable waste management practices. The deployment of 100 units saves 32.2 MT of CO2 every year and eliminates approximately 36.8 bags of garbage from participating households annually.

Funding Secured in 2023 for 2024 Projects

- \$7,500 for trees from BC Hydro Regreening Program
- \$10,000 for trees from TreeCanada
- \$10,000 for building assessments for asset management/sustainable replacement
- \$12,500 For the Community Wood Smoke Reduction Program

Webpage Development

The District of Mackenzie introduced three new webpages dedicated to climate action:

- Climate and Sustainability for insights on local and provincial efforts
- Climate Action in Mackenzie for updates on community-driven efforts and ways to get involved
- Resources for Residents offering practical tools and tips for sustainable living

Green Fleet Policy

Council adopted a Green Fleet Policy to bring long-term advantages to the District of Mackenzie. The District is committed to ensuring a seamless transition while keeping in mind operational efficiency and financial viability.

Active Transportation Plan

Staff along with VDZ+A started developing an Active Transportation Plan. The objective of this plan is to promote the use of active transportation and create a safe and reliable way for residents and tourists to commute to and from destinations around Mackenzie.

NorthCan

The District of Mackenzie is a member of the Northern BC Climate Action Network (NorthCAN).

Members of NorthCan connect with other local governments, indigenous communities, institutions, businesses, and NGOs to support Climate Action. All members share knowledge, experience, and expertise to find, collaborate, and support climate action.

Council Declared a Climate Emergency (Resolution #33188)

Therefore, be it resolved, that the District of Mackenzie officially declares a climate emergency for the purposes of identifying and deepening our commitment to protecting our economy, our ecosystems, and our community from global warming.

Water Restrictions & Appliances

The District of Mackenzie kept its water restrictions and were in effect from May 15th to September 15th.

The District also offered home appliance rebates and sold rain barrels as well as outdoor composters.

Electric Vehicle Chargers

- Staff along with BC Hydro worked on establishing two Level 3 EV chargers in the 616 parking lot. Due to delays this installation of the chargers was postponed to summer 2024.
- Staff approached the ChargeNorth initiative to look at a partnership to fund a dual port Level 2 EV charger on District land and are currently developing a proposal for Council.
- Staff worked with the Community Energy Association through their Electric Mobility Accelerator Program to provide deliverables to better prepare Mackenzie for electric vehicles. Final deliverables will be presented in summer 2024.

Community Economic Development

In 2021, the District completed the *Mackenzie 2.0 Community Economic Development Plan* a community-based, roadmap for creating a strong, vibrant, and diverse local economy. The objectives below are at the core of our strategy, identifying what *Mackenzie 2.0* will help to achieve.

- **Support a resilient economy**
- **Promote good local jobs**
- **Support and grow local business**
- **Attract new, compatible economic activity**
- **Nurture strategic partnerships**
- **Enhance the District's fiscal health**
- **Protect our environment**

The table below summarizes the recommended actions from *Mackenzie 2.0* and progress to date:

ACTION		Complete	In Progress	Ongoing	Research Required
Foundational - ongoing and will support all other actions.					
F1	Target and incentivize (tax, permit, land, buildings) industrial development in emerging sectors and secondary industries, promoting Mackenzie's energy and land availability.	X		X	
F2	Support opportunities for natural resource development.			X	
F3	Continue to pursue shared economic development opportunities and partnerships with neighbouring First Nations.			X	
F4	Actively seek opportunities for partnerships with other levels of government, agencies and not-for-profits to promote economic development in Mackenzie.			X	
Underway - already underway or included in a work plan to be completed in the near future.					
U1	Continue seeking high speed internet for the whole community.		X	X	
U2	Provide development incentive to projects to meet strategic community needs (e.g. public parks, rec facilities).			X	
U3	Continue developing and expanding local recreation trail amenities.		X	X	
U4	Continue to improve District-wide wayfinding and signage.		X	X	
U5	Continue to offer and facilitate access to programs that support local businesses, both new and existing.			X	
U6	Continue to foster collaboration between industry, major employers, and schools to match skills/training with emerging industry needs.			X	
U7	Continue strategic land sales.		X	X	
U8	Update and maintain inventory of businesses operating in Mackenzie.	X		X	
Quick Wins - require minimal funding and minimal stakeholder involvement					
QW1	Support more events and festivals that link with local businesses.		X	X	
QW2	Expand upon recreation rentals; could be promoted as a business opportunity and offered additional marketing.		X	X	
QW3	Support improving and promoting local recreation and trail amenities with simple interventions such as string lights along trails.		X	X	
QW4	"Working with the District 101" – Promote District procurement process.			X	X

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	ACTION	Complete	In Progress	Ongoing	Research Required
QW5	Distribute promotional materials to attract and welcome new residents, remote workers, and home-based businesses.		X	X	
QW6	Maintain and publicize a land inventory focusing on industrial land and including vacant downtown lots and buildings.		X		
QW7	How a Community-to-Community forum with local First Nation and District of Mackenzie.		X		
Simple - requires some funding and some stakeholder involvement (1-3 years)					
S1	Promote creative use of gathering spaces and underutilizes/empty buildings and lots.			X	
S2	Encourage small scale agriculture and agrotourism (including food production and sales_ on larger, semi-rural residential lots.	X	X	X	
S3	Support business-to-business opportunities and networking.	X		X	
S4	Host regional technology and innovation meet-ups.				X
S5	Encourage local procurement by large and small purchasers and organizations.			X	
S6	Explore interest in establishing a Business Improvement Area.				X
S7	Encourage a local commissary kitchen by collaborating with local commercially-certified kitchens.				X
S8	Conduct a feasibility study on the demand for additional and modern/office and/or co-working space within Mackenzie.				X
Complex - require significant funding, extensive stakeholder engagement, and a multi-year effort					
C1	Develop an improved cohesive downtown Mackenzie look and feel through incentivizing public art, storefront, beautification, hardscaping, and landscaping.		X	X	
C2	Work with Province to promote and facilitate forestry innovation and emerging technology (e.g. value-added forestry products).			X	X
C3	Support diversifying our housing stock (age-friendly homes, larger rural lots, recreational properties, etc.).			X	
C4	Work with employers and organizations to create shared childcare solutions.		X	X	
C5	Explore shared agriculture amenities.				X
C6	Seek opportunities for attracting public services (e.g., government offices, health and education facilities).		X		X
C7	Continue to support airport development.			X	
C8	Encourage multi-modal transportation to and within the Downtown Core and provide supporting infrastructure.		X	X	X
Tourism Related Community Economic Development Actions					
T1	Create an exciting new Tourism District in downtown Mackenzie.		X	X	X
T2	Create an 'Iconic Gateway' at Highway 39/97 Intersection.		X		
T3	Define a visitor experience that is compelling and easy to access.		X		X
T4	Develop Traditional Tourism Industry Product Opportunities.		X	X	X
T5	Engage the Region.		X	X	

Notes:

- If an action item has multiple status boxes checked off, this means that there may be more than one project associated with this action and that some work has been completed already, but there may be ongoing activities or new projects in the works also that support these actions.

Foreign Direct Investment

This year we successfully completed a Foreign Direct Investment project that entailed updating our website, creating industry quicksheets, and developing marketing packages for industrial lots. These initiatives aimed to enhance the region's appeal to potential investors by providing comprehensive and accessible information about local opportunities and resources.



Business Facade Improvement Program

This year the Business Facade Improvement Program fully allocated \$20,000 in 2023, with over 3/4 of the funds going towards accessibility improvements to front entrances.



2023 ECONOMIC DEVELOPMENT Update



Grant Writing Supports

In 2023, the District of Mackenzie held two free grant writing workshops for the community, providing invaluable skills and resources to local organizations. The District also supported over \$200,000 in grant funding being awarded to local organizations. In 2023 we were also awarded grants for initiatives like the Tourism Guide & Map Brochure, New Shop Local Program and a Relocation Project.

Photo Contests

In 2023, we enjoyed another successful year of seasonal photo contest submissions, significantly expanding our image bank since 2022.



Business Walks

In 2023, Mackenzie celebrated the return of the annual business walk, inviting business owners to participate in person on October 18, 2023, with additional options to engage by phone or through an online survey. One significant takeaway was that over 77% of the surveyed businesses expressed interest in being part of the implementation of solution-based initiatives, highlighting a strong community commitment to collaborative progress.

ACCESS AND INCLUSION

In 2023, the District was awarded grant funding towards the creation of an Age-Friendly Accessibility and Inclusion Action Plan. This short-term action plan (3-5 years) will kick-start the District's long-term goals of ensuring everyone can live safely, maintain good health, and stay engaged in the community. The plan creation was started in Spring 2023 and intended to be fully adopted and begin implementation in 2024. More information: <https://www.letschatmackenzie.ca/access-and-inclusion>



Access and Inclusion Advisory Committee

Council established an "Access and Inclusion Advisory Committee" to provide advice and recommendations to Council on matters relating to citizens with disabilities, seniors and other citizens with access issues that may impede participation in everyday aspects of community living. The committee is comprised of five diverse individuals who are committed to creating an inclusive and accessible community for all its members. Council is greatly appreciative for the dedication and incredible amount of work the committee has completed to increase awareness and advocate for all community members. For details of their activities to date, current initiatives, and resources, please visit the Accessibility and Inclusion webpage here:

<https://districtofmackenzie.ca/government-town-hall/accessibility-and-inclusion/>



2023 Committee Membership

Chair: Elizabeth Blackburn

Members:

Cassandra Carter

Kimberly Grywinski

Alice Pritchett

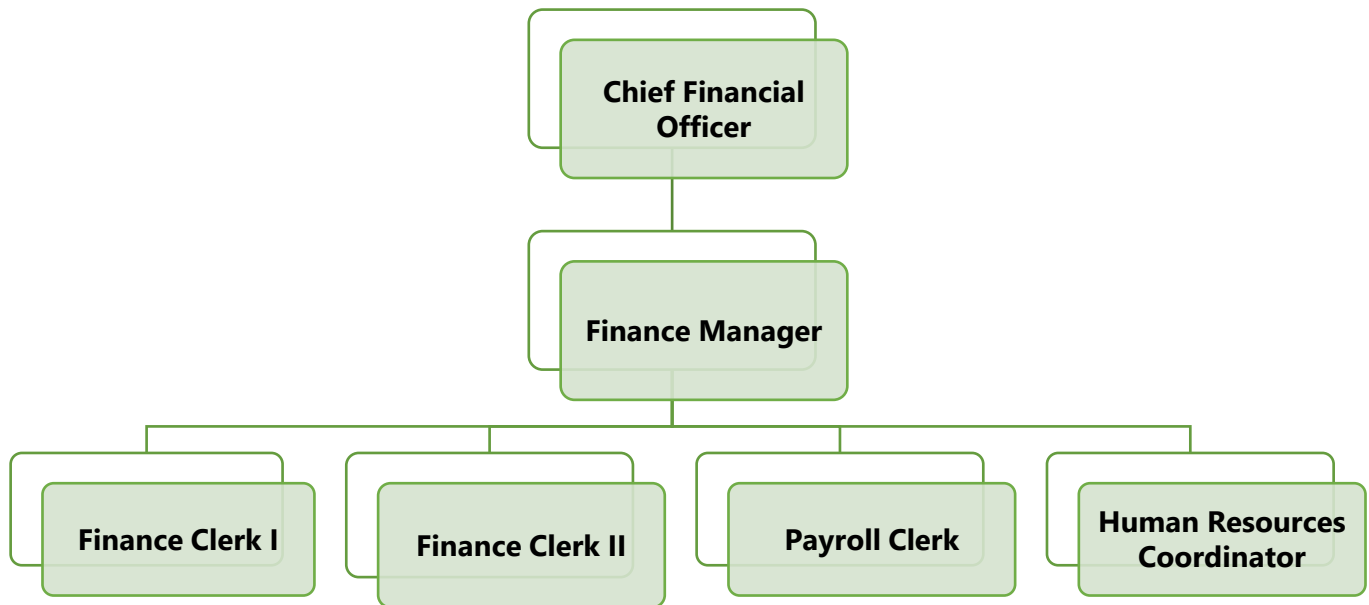
Dave Schindler

Liaison: Councillor McMeeken

Left to right: Kimberly Grywinski, Elizabeth Blackburn, Cassandra Carter, Alice Pritchett, and Dave Schindler

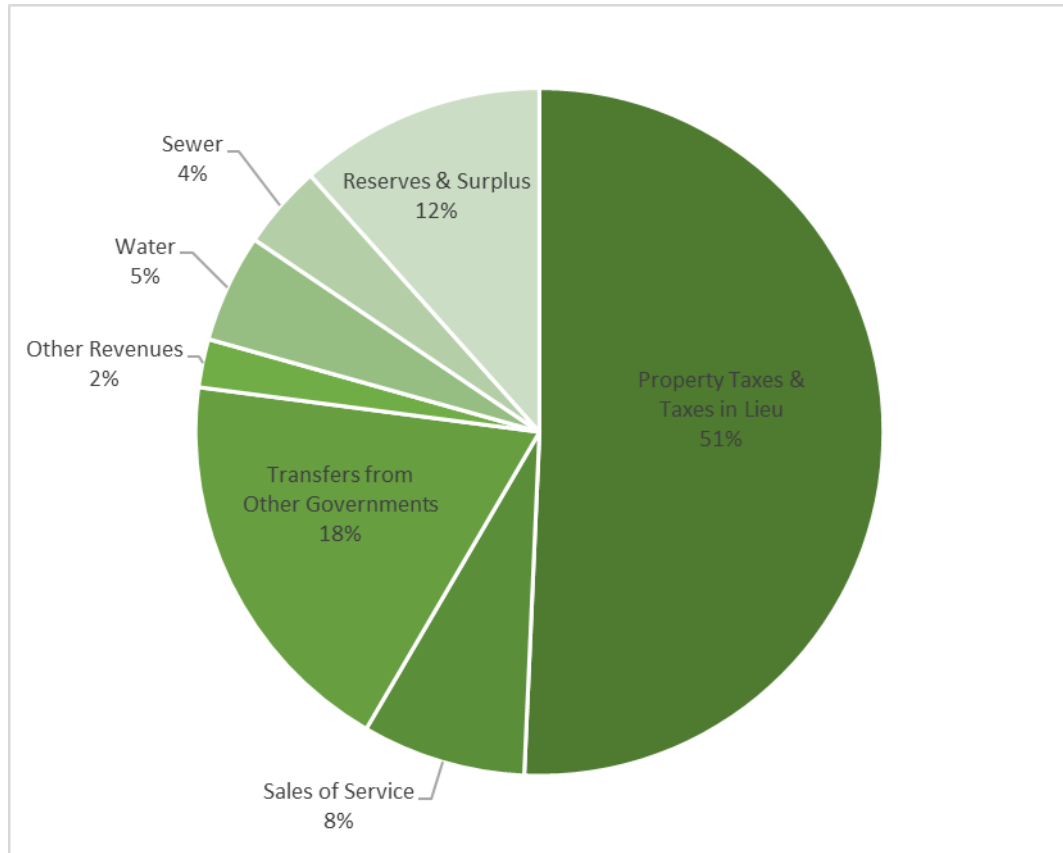
FINANCIAL SERVICES

The Financial Services department is responsible for following legislative procedures related to local government finances including: financial planning, reporting, revenues (taxes and fees), liabilities, capital financing, and development financing.



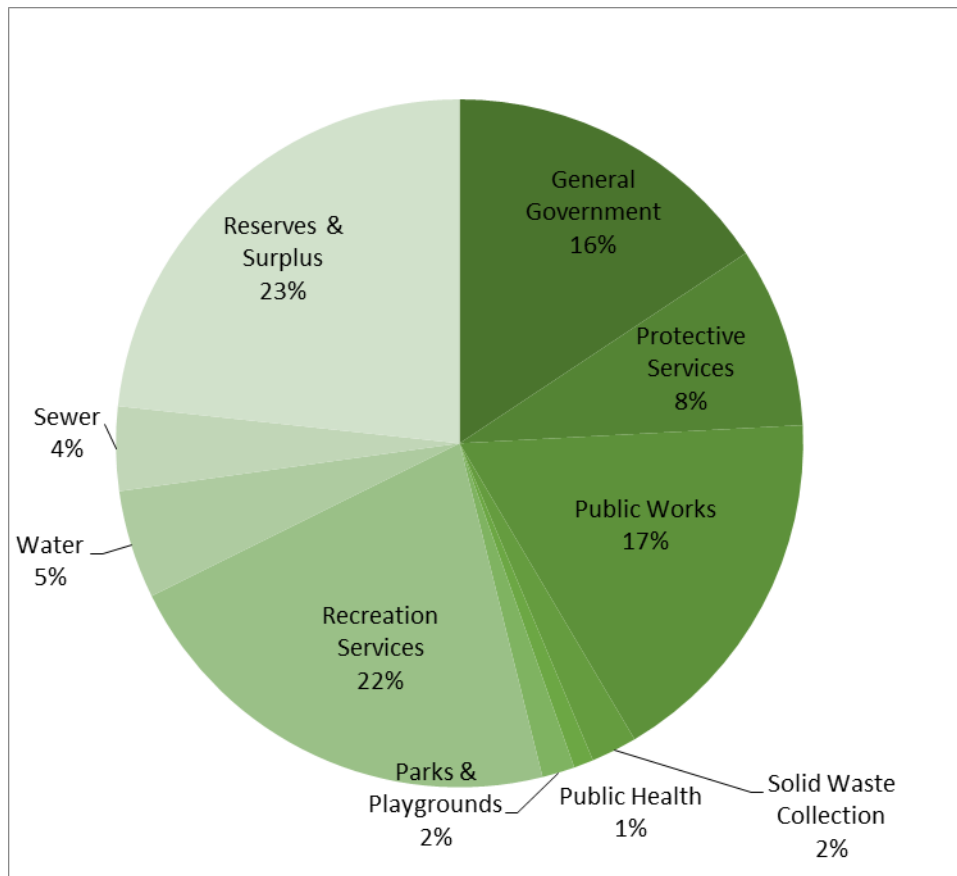
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2023 Final Budget Revenue Sources



Revenue Source	Amount
Property Taxes & Taxes in Lieu	\$8,194,654
Sales of Service/User Fees	\$1,243,983
Transfers from Other Governments	\$3,017,674
Other Revenue	\$367,624
Water	\$823,236
Sewer	\$638,664
Reserves & Surplus	\$1,874,715
Total Budgeted Revenue	<u>\$16,160,550</u>

2023 Final Budget Expenditures



Expenditures by Department

Department	Amount
General Government	\$2,532,816
Protective Services	\$1,371,317
Public Works	\$2,801,163
Solid Waste Collection	\$349,111
Public Health	\$150,099
Parks & Playgrounds	\$248,532
Recreation Services	\$3,484,552
Water Operations	\$823,236

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Sewer Operations	\$638,664
Reserves and Surplus	\$3,761,060
Total Budgeted Expenditure	<u>\$16,160,550</u>

Finance Action Planning

Actions Completed in 2023	Action Plan for 2024
Hosted public engagement sessions and survey regarding the 2023 budget.	Review and update Human Resources procedures and processes.
Further developed the 10-year capital plan to ensure projects and asset replacements are identified.	Create policy and procedures for asset retirement obligations.
Updated authorized spending limits in the Purchasing/Procurement Policy.	Review and update finance and personnel policies to reflect current day practices.



2023 GRANT FUNDING

The District applies for numerous grants each year. The grants allow the District to access additional funding and reduce the burden on the taxpayer. Below is the list of grants the District applied for and the status of the applications for 2023.

Project Name	Funder	Approval/Status	Grant Amount
Walk to Mexico Celebration	The College of New Caledonia	Approved	\$2,560
Economic Development Capacity 2023	NDIT	Approved	\$50,000
2023 BC Hydro Regreening Program	BC Hydro	Approved	\$7,500
Ski/Bike Runs & Little Mac Upgrades	The College of New Caledonia	Pending	
Fitness Centre Senior Training	The College of New Caledonia	Approved	\$3,300
Relocation Materials Project	NDIT	Approved	\$9,360
Relocation Materials Project	South Peace Mackenzie Trust	Approved	\$14,440
FireSmart and Fuel Mitigation	UBCM	Approved	\$200,000
Asset Management – Building Assessments	Province of BC	Approved	\$10,000
Wood Smoke Reduction Program	Province of BC	Approved	\$13,400
Arena Slab and Energy Upgrades Project	South Peace Mackenzie Trust	Pending	
Arena Slab and Energy Upgrades Project	NDIT	Pending	
2024 Business Façade Improvement Program	NDIT	Approved	\$20,000
Accessible Park Assets Pilot Program	Northern Health	Approved	\$10,000
New Shop Local Program	NDIT	Pending	
DOM Airport Master Plan	Province of BC	Pending	
Total Funding Applied For	\$1,313,598.31		
Total Funding Approved	\$340,560		
Total Funding Pending	\$973,938.31		
Total Funding Denied	\$0		

2023 GOVERNMENT TRANSFERS

The District receives provincial and federal grant transfers every year. These transfers help to offset the cost of services and aid in funding capital projects.

Grant Source	Amount	Total
Provincial Grants Total		\$3,808,078
Conditional	\$3,584,001	
Unconditional	\$224,077	
Federal Grants Total		\$283,429
Unconditional	\$283,429	
TOTAL GOVERNMENT TRANSFERS		\$4,091,507



Mugaha Marsh

Photo Credit: Natalie Scrochenski

GRANTS TO ORGANIZATIONS

Council has adopted a Community Grants Policy to provide financial and in-kind support to community associations and other community organizations. This support is in recognition of these groups as a valuable resource in assisting the municipality to provide a strong community focus.

Cash and In-Kind Grants

Organization	Project	Grant (\$)
Curl Mackenzie	Set-up and take down of curling ice prep, hacks, and rocks.	\$4,141
Mackenzie Alpine Riders	Snow removal and sanding of roads	\$2,300
Mackenzie Fish and Game Association	Snow removal and garbage collection	\$2,632
Mackenzie Counselling Services	Funding towards office renovations	\$2,000
Mackenzie Nordiques Cross-Country Ski Club	Operational grant, outhouse pumping 4x per year, waive lagoon dumping fees.	\$2,650
Mackenzie Figure Skating Club	Waiver of ice rental fees for Ice Show.	\$1,500
BC Summer Swimming Association	Waive Pool Rental Fees for Swim Meet	\$2,625
Mackenzie Secondary School	Student Bursary	\$500
Mackenzie Secondary School Dry Grad	Rec. Centre Fees Waiver	\$1,500
Mackenzie Chamber of Commerce	Youth Rec. Passes for Spring Expo	\$630
Mackenzie Community Arts Centre	Hire artists for pop-up art exhibit in July	\$1,450
Mackenzie Nature Observatory	Use of showers (campground/Rec. Centre), garbage bin, grading of road 2x to Mugaha Marsh, and installing barricades at road.	\$3,295
St. Peter's Pantry	Purchase of food and supplies.	\$5,000
The 92	Snow removal in parking lot.	\$1,000
TOTAL:		\$31,223

Fee for Service Agreements

The District provides fee-for-service agreements to organizations for on-going operational support. This agreement may be considered when the recipient is a not-for-profit organization delivering a service or program that extends the reach of the District programs and services.

Organization	Funding Use	Amount
Mackenzie Autumn Lodge Society	Staffing and Operations	\$25,000
Mackenzie & District Museum	Staffing and Operations	\$12,000

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Organization	Funding Use	Amount
Mackenzie Chamber of Commerce	Staffing and Operations	\$43,600
Mackenzie Community Arts Centre	Staffing and Operations	\$28,000
Mackenzie Golf and Country Club	General Operations	\$15,000
Mackenzie Outdoor Routes and Trails Association	Trails Maintenance	\$5,000
TOTAL:		\$128,600

Rental Space in District Facilities

The District provides accommodation or equipment storage space free of charge to non-profit or sports organizations that are presently allocated space in the Recreation Services Complex, the Ernie Bodin Community Centre, and Fire Hall #1 and 2 subject to availability. Following is a list of organizations that received this benefit in 2023, throughout the year or temporarily:

CHMM Radio Station	Mackenzie Community Arts Council	Old Timers Hockey
CUPE Local 3706	Mackenzie Figure Skating Club	Rainbow Swim Club
Curl Mackenzie	Mackenzie Nordiques	Rocky Mountain Riders
Figure Skating Club	Mackenzie Outdoor Routes and Trails Association	Speed Skating Club
Girl Guides of Canada	Mackenzie Search & Rescue	
Hospital Auxiliary Thrift Store	Mackenzie Autumn Lodge Society	
Mackenzie & District Museum	Minor Lacrosse	
Minor Hockey Association	Notable Expressions	

PERMISSIVE TAX EXEMPTIONS

In accordance with Section 98(2) (b) of the *Community Charter*, the following properties in the District of Mackenzie were provided permissive property tax exemptions for 2023 by Council:

Organization	2023 Value of Exemption
Canadian Baptists of Western Canada	\$1,840.32
Living Joy Christian Centre	\$1,181.15
Mackenzie Alpine Riders Horse Club (300 Mill Road)	\$4,466.28
Mackenzie Alpine Riders Horse Club (651 Mill Road)	\$1,499.93
Mackenzie Community Arts Council	\$1,674.11
Mackenzie Elks Lodge #547	\$2,434.67
Organization	2023 Value of Exemption

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Organization	2023 Value of Exemption
Mackenzie Fish and Game Association	\$1,317.02
Mackenzie Golf & Country Club	\$4,855.11
Mackenzie Nordiques Cross-Country Ski Club	\$596.23
Roman Catholic Episcopal Church	\$3,040.83
Royal Canadian Legion	\$1,183.94
Trustees Congregation of Jehovah's Witnesses	\$569.23
Youth for Christ Prince George	\$1,717.71

DECLARATION OF DISQUALIFICATIONS

There were no declarations of disqualifications made in 2023.

AUDITED FINANCIAL STATEMENTS

The 2023 District of Mackenzie Consolidated Financial Statements are attached to the end of this report.

Consolidated Financial Statements of



DISTRICT OF MACKENZIE

And independent Auditor's Report thereon

Year ended December 31, 2023

Management Responsibility for the Consolidated Financial Statements

Independent Auditor's Report

Consolidated Financial Statements

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DISTRICT OF MACKENZIE

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the District of Mackenzie (the "District") are the responsibility of the District's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated 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 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.

Mayor and Council meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

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

Mrs. Diane Smith, *Chief Administrative Officer*

Mrs. Kerri Borne, *Chief Financial Officer*



KPMG LLP
177 Victoria Street, Suite 400
Prince George BC V2L 5R8
Canada
Tel 250 563 7151
Fax 250 563 5693

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of District of Mackenzie

Opinion

We have audited the consolidated financial statements of District of Mackenzie (the "District"), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the District as at December 31, 2023 and its consolidated results of operations, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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 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.

Emphasis of Matter - Restatement of Financial Statements

We draw attention to Note 16 to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated.

Note 16 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect to this matter.



Other Information

Management is responsible for the other information. The other information comprises:

- Information, other than the financial statements and the auditor's report thereon, included in Schedule 1 - Northern Capital Planning Reserve, Schedule 2 - COVID-19 Safe Restart Grant and Schedule 3 - Growing Communities Reserve Fund

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

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

We obtained the Information, other than the financial statements and the auditor's report thereon, included in Schedule 1 - Northern Capital Planning Reserve, Schedule 2 - COVID-19 Safe Restart Grant and Schedule 3 - Growing Communities Reserve Fund as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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.



Page 3

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 District's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the District's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. Below the signature is a long, horizontal, slightly wavy line.

Chartered Professional Accountants

Prince George, Canada

May 15, 2024



DISTRICT OF MACKENZIE

Consolidated Statement of Financial Position

December 31, 2023, with comparative information for 2022

	2023	2022 (restated - note 16)
Financial assets:		
Cash and cash equivalents	\$ 2,079,579	\$ 2,717,968
Accounts receivable (note 2)	1,856,846	1,315,842
Investments (note 3)	23,828,776	21,054,027
Investment in government business entities (note 4)	4,222,804	3,483,036
	<u>31,988,005</u>	<u>28,570,873</u>
Financial liabilities:		
Accounts payable and accrued liabilities (note 5)	1,835,973	1,592,973
Deferred revenue	581,605	461,936
Asset retirement obligation (note 14)	1,062,000	1,062,000
	<u>3,479,578</u>	<u>3,116,909</u>
Net financial assets	28,508,427	25,453,964
Non-financial assets:		
Tangible capital assets (note 6)	48,056,607	46,132,292
Assets held for resale (note 7)	1,555,819	1,601,866
Inventory	72,753	103,074
Prepaid expenses	372,960	292,534
	<u>50,058,139</u>	<u>48,129,766</u>
Commitments and contingencies (note 8)		
Accumulated surplus (note 9)	\$ 78,566,566	\$ 73,583,730

See accompanying notes to consolidated financial statements.

A handwritten signature in black ink that reads "Joan Atkinson".

Mayor

A handwritten signature in blue ink that reads "Kerri Borne".

Chief Financial Officer

DISTRICT OF MACKENZIE

Consolidated Statement of Operations and Accumulated Surplus

Year ended December 31, 2023, with comparative information for 2022

	Budget (note 12)	2023	2022 (restated - note 16)
Revenue (note 13):			
Net taxation revenue (note 10)	\$ 5,431,959	\$ 5,427,493	\$ 5,070,517
Sale of services	1,484,837	559,762	361,171
Government transfers (note 11)			
Provincial	5,291,936	5,330,749	3,808,078
Federal	-	151,496	283,429
Other	-	1,467,686	581,036
Investments and penalties	-	1,211,095	610,704
Other	1,776,058	315,502	212,546
Licenses and permits	77,725	69,424	84,268
User fees	1,699,933	1,861,872	1,699,553
Income from investments in government business entities and partnerships	-	989,769	9,974
	15,762,448	17,384,848	12,721,276
Expenses (note 13):			
Community services	3,550,383	4,282,317	3,996,704
Garbage and waste collection	416,521	314,696	361,703
General government	2,662,861	2,512,159	2,171,627
Protective services	1,665,422	1,301,007	1,177,987
Environmental and public health	150,099	86,639	139,885
Sewer system	420,248	373,950	392,956
Transportation services	2,899,862	2,950,260	2,803,771
Water utility	570,865	580,984	556,972
	12,336,261	12,402,012	11,601,605
Annual surplus	3,426,187	4,982,836	1,119,671
Accumulated surplus, beginning of year	73,583,730	73,583,730	73,147,899
Adjustment on adoption of the asset retirement obligation standard	-	-	(683,840)
Accumulated surplus, end of year	\$ 77,009,917	\$ 78,566,566	\$ 73,583,730

See accompanying notes to consolidated financial statements.

DISTRICT OF MACKENZIE

Consolidated Statement of Change In Net Financial Assets

Year ended December 31, 2023, with comparative information for 2022

	Budget (note 12)	2023	2022 (restated - note 16)
Annual surplus	\$ 3,426,187	\$ 4,982,836	\$ 1,119,671
Acquisition of tangible capital assets	(7,230,783)	(5,036,745)	(2,901,509)
Amortization of tangible capital assets	1,802,308	1,943,294	1,859,548
Loss on sale of tangible capital assets	-	1,169,136	64,711
Gain on sale of assets held for sale	-	46,047	-
Proceeds on sale of assets held for sale	-	-	-
	(5,428,475)	(1,878,268)	(977,250)
Acquisition of inventory	-	(72,753)	(103,074)
Acquisition of prepaid expenses	-	(372,960)	(292,534)
Consumption of inventory	-	103,074	70,731
Use of prepaid expenses	-	292,534	264,878
	-	(50,105)	(59,999)
Change in net financial assets	(2,002,288)	3,054,463	82,422
Net financial assets, beginning of year	25,453,964	25,453,964	26,433,542
Adjustment on adoption of the asset retirement obligation standard	-	-	(1,062,000)
Net financial assets, end of year	\$ 23,451,676	\$ 28,508,427	\$ 25,453,964

See accompanying notes to consolidated financial statements.

DISTRICT OF MACKENZIE

Consolidated Statement of Cash Flows

Year ended December 31, 2023, with comparative information for 2022

	2023	2022 (restated - note 16)
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 4,982,836	\$ 1,119,671
Items not involving cash:		
Amortization of tangible capital assets	1,943,294	1,859,548
Loss on sale of tangible capital assets	1,169,136	64,711
(Income) loss from investments in government business entities	(989,769)	(9,974)
Gain on sale of assets held for resale	46,047	-
Changes in non-cash operating working capital:		
Accounts receivable	(541,004)	382,914
Inventory	30,321	(32,343)
Accounts payable and accrued liabilities	243,000	(482,579)
Deferred revenue	119,669	(220,603)
Prepaid expenses	(80,425)	(27,656)
Net change in cash from operating activities	6,923,105	2,653,689
Investing activities:		
Investment purchases	(2,774,749)	(4,903,365)
Acquisition of tangible capital assets	(5,036,745)	(2,901,509)
Distribution from government business partnership	250,000	350,000
	(7,561,494)	(7,454,874)
Decrease in cash and cash equivalents	(638,389)	(4,801,185)
Cash and cash equivalents, beginning of year	2,717,968	7,519,153
Cash and cash equivalents, end of year	\$ 2,079,579	\$ 2,717,968

See accompanying notes to consolidated financial statements.



DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements

Year ended December 31, 2023

District of Mackenzie (the "District") is a municipality that was created in 1966 under the Community charter, formerly the Municipal Act, a statute of the Province of British Columbia. The District's principal activities include the provision of local government services to residents of the incorporated area. These services include administrative, protective, transportation, environmental, recreational, water, waste water and fiscal services.

1. Significant accounting policies:

These consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. Significant accounting policies adopted by the District are as follows:

(a) Basis of consolidation:

(i) Consolidated entities:

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the District and which are owned or controlled by the District.

Included in these consolidated financial statements is the Mackenzie Public Library which is controlled by the District.

(ii) Accounting for Region and School Board transactions:

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the Region and the School District are not reflected in these consolidated financial statements.

(iii) Trust funds:

Trust funds and their operations administered by the District are not included in these consolidated financial statements.

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

(iv) Investment in government business entities:

The District records its investments in government business enterprises ("GBEs") and government business partnerships ("GBPs") on a modified equity basis. Under the modified equity basis, the GBEs and GBPs accounting policies are not adjusted to conform with those of the District and inter-organizational transactions and balances are not eliminated. The District recognizes its equity interest in the annual earnings or loss of the GBEs and GBPs in its consolidated statement of operations and accumulated surplus with a corresponding increase or decrease in its investment asset account. Any dividends or other cash distributions are recorded as a reduction to the investment asset account. The GBEs and GBPs account for their transactions under accounting standards for private enterprises due to the fact that management believes that the difference between accounting standards from private enterprises and public sector accounting standards are not significant.

The District's investment in government business enterprises and partnerships consist of:

- | | |
|--|-----|
| • McLeod Lake Mackenzie Community Forest Corporation | 50% |
| • McLeod Lake Mackenzie Community Forest Limited Partnership | 50% |

(b) Basis of accounting:

The District follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods and services and/or the creation of a legal obligation to pay.

(c) Revenue recognition:

Taxation and user fee revenues are recognized in accordance with the provisions of the Community Charter. The District is required to act as the agent for the collection of certain taxes and fees imposed by other authorities. Collections for other authorities are excluded from the District's taxation revenues.

Revenue unearned in the current period is reported on the consolidated statement of financial position as deferred revenue or deposits.

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(d) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding government or related Act, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance.

(e) Cash equivalents:

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition which are readily convertible into a known amount of cash.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value as at the reporting date. All other financial instruments are subsequently measured at cost or amortized cost, unless the District has elected to carry the instruments at fair value. The District has not elected to carry any such financial instruments at fair value.

Unrealized changes in fair value would be recognized on the consolidated statement of remeasurement gains and losses. They are recorded in the consolidated statement of operations when they are realized. There are no unrealized changes in fair value as at December 31, 2023 and December 31, 2022. As a result, the District does not have a consolidated statement of remeasurement gains and losses.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. Transaction costs incurred on the acquisition of financial instruments recorded at cost or amortized cost are included in the cost.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the consolidated statement of operations.

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(g) Investments:

Investments are recorded at cost, adjusted for amortization of premiums or discounts. Provisions for losses are recorded when they are considered to be other than temporary.

(h) 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, are amortized on a straight-line basis over their estimate useful lives as follows:

Asset	Useful life - years
Buildings	40 - 75 years
Building improvements, equipment and IT	4 - 40 years
Drainage and transportation infrastructure	10 - 100 years
Machinery, equipment and vehicles	5 - 20 years
Water infrastructure	10 - 100 years
Sewer infrastructure	10 - 100 years

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(h) Non-financial assets (continued):

(i) Tangible capital assets (continued):

Annual amortization is charged in the year that an asset becomes available for productive use and in the year of disposal.

Assets under construction are not amortized until the asset is available for productive use.

(ii) 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.

(iii) Interest capitalization:

The District does not capitalize interest costs associated with the acquisition or construction of a tangible capital assets.

(iv) Land held for resale:

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.

(i) Inventory:

Inventory consist of supplies, repairs parts and materials consumed in operations and capital projects. Inventory is recorded at cost which is determined on a weighted average basis.

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(j) Use of estimates:

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the period. Items subject to such estimates and assumptions include the carrying values of tangible capital assets, inventory and land held for resale, accrued liabilities and collectibility of accounts receivable. Actual results could differ from these estimates.

(k) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- (i) an environmental standards exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the organization is directly responsible or accepts responsibility for the liability;
- (iv) future economic benefits will be given up, and
- (v) a reasonable estimate of liability can be made.

(l) Government transfers:

Government transfers, which include legislative grants, are recognized as revenue in the consolidated financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfer revenue is recognized in the consolidated statements of operations as stipulations for liabilities are settled.

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(m) Asset retirement obligations:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the amortization policies outlined in (h)(i).

2. Accounts receivable:

	2023	2022
Taxation - current	\$ 217,006	\$ 177,656
Taxation - arrears/delinquent	164,374	130,125
Accrued interest	456,877	380,619
Grants	500,603	296,503
Sales tax	71,229	85,840
Utilities	98,714	108,470
Trade and miscellaneous	384,713	161,867
	1,893,516	1,341,080
Less allowance for doubtful accounts	(36,670)	(25,238)
	\$ 1,856,846	\$ 1,315,842

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

3. Investments:

	2023	2022
Term deposits	\$ 23,828,776	\$ 21,054,027

Investment income earned on investments and cash and cash equivalents of \$1,145,780 (2022 – \$558,104) is recognized as revenue on the Consolidated Statement of Operations and Accumulated Surplus as investments and penalties.

4. Investment in government business entities:

	2023	2022
McLeod Lake Mackenzie Community Forest Limited Partnership:		
Investment in shares	\$ 50	\$ 50
Advances	-	83,820
Accumulated earnings	7,351,059	6,368,672
Distributions	(3,181,276)	(3,015,096)
McLeod Lake Mackenzie Community Forest Corporation:		
Investment in shares	99	99
Accumulated earnings	52,872	45,491
Total investment	\$ 4,222,804	\$ 3,483,036

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

4. Investment in government business entities (continued):

The following table provides condensed supplementary financial information for the McLeod Lake Mackenzie Community Forest Limited Partnership, for the year ended December 31:

	2023	2022
(i) Financial position:		
Assets:		
Current	\$ 1,241,452	\$ 601,028
Investments	7,322,656	6,621,659
Restricted cash	1,247,285	1,221,898
Property and equipment	153,491	144,207
Total assets	\$ 9,964,884	\$ 8,588,792
Liabilities:		
Current	\$ 377,933	\$ 501,603
Silviculture obligation - long-term portion	1,247,285	1,212,299
Total liabilities	1,625,218	1,713,902
Equity:		
Share capital	1	1
Partner's equity	8,339,665	6,874,889
Total equity	8,339,666	6,874,890
Total liabilities and equity	\$ 9,964,884	\$ 8,588,792
	2023	2022
(ii) Operations:		
Revenue	\$ 3,193,150	\$ 2,185,336
Expenses	(2,094,493)	(1,648,906)
Other income	866,118	(506,147)
Net income	\$ 1,964,775	\$ 30,283
(iii) Share of net income:		
District's percentage of ownership	50%	50%
District's share of net income	\$ 982,388	\$ 15,142

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

4. Investment in government business entities (continued):

The following table provides condensed supplementary financial information for the McLeod Lake Mackenzie Community Forest Corporation, for the year ended December 31:

	2023	2022
(i) Financial position:		
Assets:		
Current	\$ 172,631	\$ 126,717
Investments	1	1
Total assets	\$ 172,632	\$ 126,718
Liabilities:		
Current	\$ 66,689	\$ 35,537
Total liabilities	66,689	35,537
Equity:		
Share capital	200	200
Retained earnings	105,743	90,981
Total equity	105,943	91,181
Total liabilities and equity	\$ 172,632	\$ 126,718
	2023	2022
(ii) Operations:		
Revenue	\$ 318,000	\$ 216,000
Expenses	(303,238)	(226,335)
Net income (loss)	\$ 14,762	\$ (10,335)
(iii) Share of net income:		
District's percentage of ownership	50%	50%
District's share of net income (loss)	\$ 7,381	\$ (5,168)

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

5. Accounts payable and accrued liabilities:

	2023	2022
Trade payables and accrued liabilities	\$ 1,155,726	\$ 461,987
Wages and related costs	517,771	412,786
Holdback payable	-	489,350
Other payables	147,819	88,575
Government remittances	14,657	140,275
	<hr/>	<hr/>
	\$ 1,835,973	\$ 1,592,973

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

6. Tangible capital assets:

2023	Assets under construction	Land and improvements	Building improvements equipment and IT	Building	Machinery equipment and vehicles	Drainage and transportation infrastructure	Water infrastructure	Sewer infrastructure	Total
Cost:									
Balance, beginning of year	\$ 6,556,148	\$ 7,619,825	\$ 10,911,202	\$ 19,759,182	\$ 11,865,207	\$ 14,260,721	\$ 3,451,691	\$ 4,991,881	\$ 79,415,857
Additions	601,453	-	1,286,396	342,819	2,192,438	415,817	197,822	-	5,036,745
Disposals	(1,102,306)	-	-	(92,172)	(929,570)	-	(7,625)	-	(2,131,673)
Transfers	-	-	-	-	-	-	-	-	-
Balance, end of year	6,055,295	7,619,825	12,197,598	20,009,829	13,128,075	14,676,538	3,641,888	4,991,881	82,320,929
Balance, beginning of year	-	-	4,416,300	6,795,060	8,096,537	9,892,378	1,302,068	2,781,222	33,283,565
Amortization	-	-	560,544	385,806	480,776	381,748	55,235	79,185	1,943,294
Disposals	-	-	-	(47,758)	(911,119)	-	(3,660)	-	(962,537)
Balance, end of year	-	-	4,976,844	7,133,108	7,666,194	10,274,126	1,353,643	2,860,407	34,264,322
Net book value, end of year	\$ 6,055,295	\$ 7,619,825	\$ 7,220,754	\$ 12,876,721	\$ 5,461,881	\$ 4,402,412	\$ 2,288,245	\$ 2,131,474	\$ 48,056,607

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

6. Tangible capital assets (continued):

2022 (restated - note 16)	Assets under construction	Land and improvements	Building improvements equipment and IT	Building	Machinery equipment and vehicles	Drainage and transportation infrastructure	Water infrastructure	Sewer infrastructure	Total (restated - note 16)
Cost:									
Balance, beginning of year	\$ 4,348,132	\$ 7,619,825	\$ 10,673,136	\$ 18,764,464	\$ 11,686,959	\$ 14,119,875	\$ 3,451,691	\$ 4,991,881	\$ 75,655,963
Additions	2,257,575	-	222,479	14,989	265,620	140,846	-	-	2,901,509
Adjustment relating to asset retirement obligation	-	-	-	1,062,000	-	-	-	-	1,062,000
Disposal	(49,559)	-	(54,110)	(12,574)	(87,372)	-	-	-	(203,615)
Transfers	-	-	69,697	(69,697)	-	-	-	-	-
Balance, end of year	6,556,148	7,619,825	10,911,202	19,759,182	11,865,207	14,260,721	3,451,691	4,991,881	79,415,857
Balance, beginning of year	-	-	3,956,015	5,743,386	7,727,430	9,500,985	1,249,229	2,702,036	30,879,081
Amortization	-	-	510,337	372,044	453,749	391,393	52,839	79,186	1,859,548
Adjustment relating to asset retirement obligation	-	-	-	683,840	-	-	-	-	683,840
Disposals	-	-	(50,052)	(4,210)	(84,642)	-	-	-	(138,904)
Balance, end of year	-	-	4,416,300	6,795,060	8,096,537	9,892,378	1,302,068	2,781,222	33,283,565
Net book value, end of year	\$ 6,556,148	\$ 7,619,825	\$ 6,494,902	\$ 12,964,122	\$ 3,768,670	\$ 4,368,343	\$ 2,149,623	\$ 2,210,659	\$ 46,132,292

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

7. Assets held for resale:

Land held for resale consists of the bell subdivision, airport subdivision, and other lands. During the year, the District gifted a lot. A loss of \$46,047 was recognized in the Consolidated Statement of Operations as general government expense. In the prior year, the District did not sell any land.

8. Commitments and contingencies:

- (a) The District is responsible, as a member of the Regional District of Fraser-Fort George, for its portion of any operating deficits or capital debt related to functions in which it participates.
- (b) The 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, 2023, the plan has about 240,000 active members and approximately 124,000 retired members. Active members include approximately 43,000 contributors from local governments.

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

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

The District paid \$361,114 (2022 - \$364,229) for employer contributions to the Plan in fiscal 2023.

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

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

8. Commitments and contingencies (continued):

(b) Continued:

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.

(c) The District is obligated to collect and transmit property taxes levied on District of Mackenzie taxpayers in respect of the following bodies:

- Ministry of Education, Province of British Columbia
- Regional District of Fraser-Fort George
- British Columbia Assessment Authority
- Municipal Finance Authority
- Fraser-Fort George Regional Hospital District
- Royal Canadian Mounted Police

(d) The District is a participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible that the District, along with other participants, would be required to contribute towards the deficit. Management does not consider payment under this contingency to be likely and therefore no amounts have been accrued.

(e) The District may be involved from time to time in legal proceedings, claims and litigation that arise in the normal course of business. As at December 31, 2023, there is a claim outstanding that management has determined the outcome to be undeterminable and thus no accrual has been recorded.

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

9. Accumulated surplus:

Accumulated surplus consists of individual fund surpluses and reserve funds as follows:

	2023	2022
Surplus:		
Invested in tangible capital assets	\$ 46,994,607	\$ 45,070,292
General fund	10,772,157	9,562,047
Water utility fund	149,704	147,395
Sewer utility fund	166,145	188,441
Library fund	123,496	101,532
Total surplus	58,206,109	55,069,707
Reserve funds set aside for specific purposes by Council:		
Parkland	43,634	41,538
Gas tax	1,325,702	1,036,232
Fire department vehicle/equipment replacement	647,531	1,581,091
Vehicle/equipment replacement	4,056,261	3,650,010
General capital	4,086,410	4,100,092
Climate action	83,051	40,766
Northern Capital Planning	1,511,924	1,780,730
Capital renewal	2,355,729	2,014,669
Financial stability	2,064,447	2,168,302
Water	1,704,499	1,619,373
Growing Communities Fund	1,766,474	-
Sewer	619,795	386,220
Library - operating	70,000	70,000
Library - relocation allowance	5,000	5,000
Library - contracts	20,000	20,000
Total reserve funds	20,360,457	18,514,023
	\$ 78,566,566	\$ 73,583,730

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

10. Net taxation revenue:

As disclosed in note 8(c), the District is required to collect taxes on behalf of and transfer these amounts to the government agencies below:

	2023	2022
Taxes collected:		
General purposes	\$ 5,427,519	\$ 5,070,497
Collection for other governments	2,293,099	2,168,814
	7,720,618	7,239,311
Transfers to other governments:		
Provincial government	1,424,512	1,171,526
Fraser-Fort George Regional Hospital District	497,922	433,524
Regional District of Fraser-Fort George	325,119	330,132
B.C. Assessment Authority	45,436	44,601
Municipal Finance Authority	136	127
Royal Canadian Mounted Police	-	188,884
	2,293,125	2,168,794
	\$ 5,427,493	\$ 5,070,517

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

11. Government transfers:

The government transfers reported on the consolidated statement of operations and accumulated surplus are:

	2023	2022
Provincial grants:		
Unconditional	\$ 533,311	\$ 224,077
Conditional	2,092,405	1,040,296
Grants in lieu	11,523	-
BC Hydro	2,693,510	2,543,705
Subtotal provincial grants	5,330,749	3,808,078
Federal grants:		
Conditional	142,424	221,340
Grants in lieu	9,072	-
Miscellaneous	-	62,089
Subtotal federal grants	151,496	283,429
Other grants:		
Conditional	630,720	-
Unconditional	23,016	-
Fortis BC	27,062	128,893
Miscellaneous	786,888	452,143
Subtotal other grants	1,467,686	581,036
Total government transfers	\$ 6,949,931	\$ 4,672,543

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

12. Budget data:

The budget data presented in the consolidated financial statements is based upon the 2023 operating and capital budgets approved by Council on May 8, 2023. The table below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget amount
Revenue:	
Operating budget	\$ 25,164,242
Less:	
Other capital revenue	(1,286,837)
Transfer from reserve funds	(5,943,946)
Transfer from surplus funds	(368,703)
Transfer from invested in tangible capital assets	(1,802,308)
Total revenues	15,762,448
Expenses:	
Operating budget	25,164,242
Less:	
Transfers to reserve funds	(5,265,013)
Transfer to general fund	(332,185)
Capital expenditures	(7,230,783)
Total expenses	12,336,261
Annual surplus	\$ 3,426,187

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

13. 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 consolidated financial statements. Certain lines of service that have been separately disclosed in the segmented information are as follows:

(a) General Government:

The general government operations provides the functions of corporate administration and legislative services and any other functions categorized as non-departmental in the District. It also administers economic development projects and provides grants to various community groups that provide recreational opportunities in the District.

(b) Protective Services:

Protective services is comprised of emergency management and regulatory services.

(c) Transportation Services:

Transportation services is responsible for a wide variety of services including the development and maintenance of the District's roadway systems through the Public Works department, snow removal and street lighting.

(d) Environmental and Public Health:

Environmental and public health provides the dental centre, mosquito control and maintenance of the cemetery to the residents of the District.

(e) Garbage and Waste Collection:

Garbage and waste collection provides garbage collection and disposal services to residents and businesses in the District.

(f) Community Services:

Community services is responsible for the construction and maintenance of the District's parks and green spaces. It provides for the operation of the community centre, library and recreation centre.

(g) Water Utility:

The water utility installs and maintains water wells, pump stations and the water reservoir. The treatment and distribution of water in the District through Public Works is included in this segment.

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

13. Segmented information (continued):

(h) Sewer System:

The sewer system installs and maintains sewer mains, lift stations and the sewage lagoon. The collection and treatment of sewage in the District through Public Works is included in this segment.

The following statement provides additional information for the foregoing functions. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in note 1.

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

13. Segmented information (continued):

2023	General Government	Protective Services	Transportation Services	Environmental and Public Health	Garbage and Waste Collection	Community Services	Water Utility	Sewer System	Total
Revenue:									
Taxation	\$ 5,427,493	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5,427,493
User fees and licenses and permits	-	-	93,559	-	455,785	69,424	760,940	551,588	1,931,296
Sales of services	113,351	-	55,625	-	-	390,786	-	-	559,762
Government transfers	4,266,132	847,688	(11,765)	1,795,973	-	51,903	-	-	6,949,931
Other revenues	195,721	-	42,928	1,161	-	75,692	-	-	315,502
Income from investments in government business enterprises and partnerships	989,769	-	-	-	-	-	-	-	989,769
Investments and penalties	1,211,095	-	-	-	-	-	-	-	1,211,095
Total revenue	12,203,561	847,688	180,347	1,797,134	455,785	587,805	760,940	551,588	17,384,848
Expenses:									
Operating	750,446	592,814	981,320	30,689	-	936,316	312,306	183,106	3,786,997
Salaries, wages & employee benefits	1,306,687	483,283	1,192,139	13,573	175,347	2,495,781	179,218	90,287	5,936,315
Legislature	186,963	-	-	-	-	-	-	-	186,963
Amortization	68,157	190,936	699,179	42,192	-	775,566	79,490	87,774	1,943,294
Interest	4,131	-	-	-	-	-	-	-	4,131
Insurance	53,238	23,410	77,622	185	-	69,154	9,970	12,783	246,362
Professional services	142,537	10,564	-	-	-	5,500	-	-	158,601
Garbage disposal	-	-	-	-	139,349	-	-	-	139,349
Loss from investments government business enterprises and partnerships	-	-	-	-	-	-	-	-	-
Total expenses	2,512,159	1,301,007	2,950,260	86,639	314,696	4,282,317	580,984	373,950	12,402,012
Annual surplus (deficit)	\$ 9,691,402	\$ (453,319)	\$ (2,769,913)	\$ 1,710,495	\$ 141,089	\$ (3,694,512)	\$ 179,956	\$ 177,638	\$ 4,982,836

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

13. Segmented information (continued):

2022	General Government	Protective Services	Transportation Services	Environmental and Public Health	Garbage and Waste Collection	Community Services	Water Utility	Sewer System	Total (restated - note 16)
Revenue:									
Taxation	\$ 5,070,517	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5,070,517
User fees and licenses and permits	-	-	77,488	-	427,823	84,268	666,237	528,005	1,783,821
Sales of services	1,010	1,143	42,033	502	-	316,483	-	-	361,171
Government transfers	4,049,902	255,424	221,340	67,082	-	78,795	-	-	4,672,543
Other revenues	660,439	82,658	39,173	-	-	40,980	-	-	823,250
Income from investments in government business enterprises and partnerships	9,974	-	-	-	-	-	-	-	9,974
Total revenue	9,791,842	339,225	380,034	67,584	427,823	520,526	666,237	528,005	12,721,276
Expenses:									
Operating	628,550	401,542	908,468	72,656	-	841,370	285,322	210,266	3,348,174
Salaries, wages & employee benefits	1,200,997	605,690	1,113,689	18,288	173,445	2,358,273	186,601	82,903	5,739,886
Legislature	155,729	-	-	-	-	-	-	-	155,729
Amortization	56,198	140,691	703,263	48,763	-	732,831	76,308	87,774	1,845,828
Interest	1,135	-	-	-	-	-	-	-	1,135
Insurance	48,476	30,064	78,351	178	-	59,230	8,741	12,013	237,053
Professional Services	80,542	-	-	-	-	5,000	-	-	85,542
Garbage disposal	-	-	-	-	188,258	-	-	-	188,258
Loss from disposal fixed assets	-	-	-	-	-	-	-	-	-
Loss from investments in government business enterprises and partnerships	-	-	-	-	-	-	-	-	-
Total expenses	2,171,627	1,177,987	2,803,771	139,885	361,703	3,996,704	556,972	392,956	11,601,605
Annual surplus (deficit)	\$ 7,620,215	\$ (838,762)	\$ (2,423,737)	\$ (72,301)	\$ 66,120	\$ (3,476,178)	\$ 109,265	\$ 135,049	\$ 1,119,671

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

14. Asset retirement obligation

The District owns and operates several buildings that are known to have hazardous material, which represents a health hazard upon demolition or removal of the assets and there is a legal obligation to remove it. Following the adoption of PS 3280 - Asset Retirement Obligations, the District recognized an obligation relating to the removal and post-removal care of the hazardous materials in these assets as estimated at January 1, 2022 in the amount of \$1,062,000.

The transition and recognition of the asset retirement obligations involved an accompanying increase to tangible capital assets and the restatement of prior year numbers (note 16).

15. Significant taxpayers:

The District derives a significant portion of its taxation revenue from the major industry taxpayers. Any changes in this sector could have an impact on the ongoing operations of the District.

DISTRICT OF MACKENZIE

Notes to Consolidated Financial Statements (continued)

Year ended December 31, 2023

16. Change in accounting policy:

On January 1, 2022, the District adopted Public Sector Accounting Standard PS 3280 - Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associate with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The standard was adopted on the modified retrospective basis at the date of adoption. Under the modified retrospective method the assumptions used on initial recognition are those as of the date of adoption of the standard.

The District recognized an asset retirement obligation related to several buildings, sewer and water infrastructure owned by the District that contained hazardous material. The liability was measured as of the date of when the Hazardous Materials Act was enacted in Canada in 1989 and asbestos was banned. In accordance with the provisions of this new standard, the District reflected the following adjustments at January 1, 2022:

	As previously reported	Increase (Decrease)	As restated
Asset retirement obligation	\$ -	\$ 1,062,000	\$ 1,062,000
Tangible capital assets	45,767,852	364,440	46,132,292
Net financial assets	26,515,964	(1,062,000)	25,453,964
Opening accumulated surplus	73,147,899	(683,840)	72,464,059
Community services	3,984,197	12,507	3,996,704
Transportation	2,802,558	1,213	2,803,771

17. Comparative information:

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2023 financial statements. The changes do not affect prior year annual surplus.

DISTRICT OF MACKENZIE

Schedule 1 - Northern Capital Planning Grant

Year ended December 31, 2023, with comparative information for 2022
(Unaudited)

In fiscal 2020, the District was the recipient of \$2,459,000 under the Northern Capital and Planning Grant (NCPG) program from the Province of British Columbia.

	2023	2022
Opening balance of reserve	\$ 1,780,730	\$ 2,954,695
Reserve used	(349,841)	(1,234,941)
Interest	81,035	60,976
	\$ 1,511,924	\$ 1,780,730

DISTRICT OF MACKENZIE

Schedule 2 - COVID-19 Safe Restart Grant

Year ended December 31, 2023, with comparative information for 2022
(Unaudited)

In November 2020, the District was the recipient of a \$1,244,000 grant under the COVID-19 Safe Restart for Local Government program from the Province of BC. As the conditions for use of this grant funding allow local governments to use this funding where the greatest need arises, the entire \$1,244,000 amount received was recognized as revenue in 2020 and included in grant revenue on the Consolidated Statement of Operations and Accumulated Surplus. The District utilized \$124,238 within 2023 to cover operational costs and overall pandemic response expenses incurred since the beginning of the pandemic in the spring of 2020.

		2023
Balance of COVID-19 Safe Restart grant funds at December 31, 2022	\$	124,238
Less amount utilized in 2023		
Audio visual upgrades		64,100
Computer and technology		8,962
General government		51,176
		<u>124,238</u>
Remaining COVID-19 Safe Restart Grant	\$	<u>-</u>

DISTRICT OF MACKENZIE

Schedule 3 - Growing Communities Reserve Fund

Year ended December 31, 2023, with comparative information for 2022
(Unaudited)

The Province of British Columbia distributed conditional Growing Communities Fund (GCF) grants to communities at the end of March 2023 to help local governments build community infrastructure and amenities to meet the demands of population growth. The GCF provided a one-time total of \$1 billion in grants to all 161 municipalities and 27 regional districts in British Columbia.

The District received \$1,723,000 of GCF funding in March 2023.

	2023	2022
Growing Communities Fund	\$ 1,723,000	\$ -
Other:		
Interest income	43,474	-
	\$ 1,766,474	\$ -