



DISTRICT OF MACKENZIE
2025 ANNUAL REPORT



TABLE OF CONTENTS

TABLE OF CONTENTS2

MAYOR’S MESSAGE3

COMMUNITY VISION4

DISTRICT MISSION4

DISTRICT ORGANIZATION CHART5

2022 – 2026 MAYOR AND COUNCIL.....6

COUNCIL PRIORITIES.....7

2025 COUNCIL LIAISON APPOINTMENTS8

COUNCIL REMUNERATION9

RECREATION SERVICES..... 10

FIRE DEPARTMENT.....15

PUBLIC WORKS20

CORPORATE SERVICES24

FINANCIAL SERVICES26

CLIMATE ACTION29

COMMUNITY ECONOMIC DEVELOPMENT31

ACCESS AND INCLUSION35

FIRESMART.....36

2025 GRANT FUNDING37

GRANTS TO ORGANIZATIONS.....39

FUNDING/SUPPORT AGREEMENTS.....39

RENTAL SPACE IN DISTRICT FACILITIES40

PERMISSIVE TAX EXEMPTIONS40

DECLARATION OF DISQUALIFICATIONS41

AUDITED FINANCIAL STATEMENTS41

MAYOR'S MESSAGE

After multiple years of declining industrial activity in the Region and ongoing challenges with a shrinking industrial tax base, 2025 was the year Mackenzie saw incremental growth with multiple announcements and project opportunities.

In early 2025, Enbridge began their engagement process with the District of Mackenzie regarding the "Sunrise Expansion" project that will support the construction and operation of their natural gas pipeline capacity expansion. Although this project was not given final approval until April 2026, many community engagement opportunities occurred in 2025 addressing specific community needs and priorities. We will have Enbridge workers in Mackenzie as early as this fall with the peak construction period occurring in the summer of 2027 when we will see upward of 500 workers in the community.

In October 2025 the BMI Group completed the acquisition of the former Mackenzie Pulp Mill. The Ontario based BMI Group specializes in remediating and transforming dormant industrial sites such as shuttered pulp mills into sustainable community economic hubs. This property has been re-established as "Willmarck Mackenzie" and although at this time the final use for the property has not been determined, it is encouraging to see this large industrial property being refurbished to support industrial development.

In November, East Fraser Fiber (EFF) Company signed a letter of intent with Calgary based Expander Energy Inc to establish a Bio-Synfuel facility in Mackenzie that would annually utilize 84,000 dry tonnes of forestry wood waste to produce a low carbon fuel. East Fraser Fiber will provide the biomass feedstock and land located on a portion of the old Canfor mill site now owned by EFF. The Mackenzie Biofuel Project will become the first-of-a-kind low carbon clean fuel production in BC and Canada and is one of three projects currently being supported by Natural Resources Canada (NR Can) through the Clean Fuels program. The Final Investment Decision will be made by end of 2026 and looks very promising.

And in late 2025, IREN (formerly IRIS) began retrofitting its Mackenzie facility and upgrading equipment to support AI computing, moving away from cryptocurrency operations. This expansion will result in the workforce at the facility tripling within the next 12 months.

So, 2025 has been an exciting year as we work to re-establish a strong industrial tax base. Mackenzie continues to be a safe, affordable place to live, work and play and we truly appreciate your support and commitment to making our community the best place to be!

Sincerely,

Mayor Joan Atkinson

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.



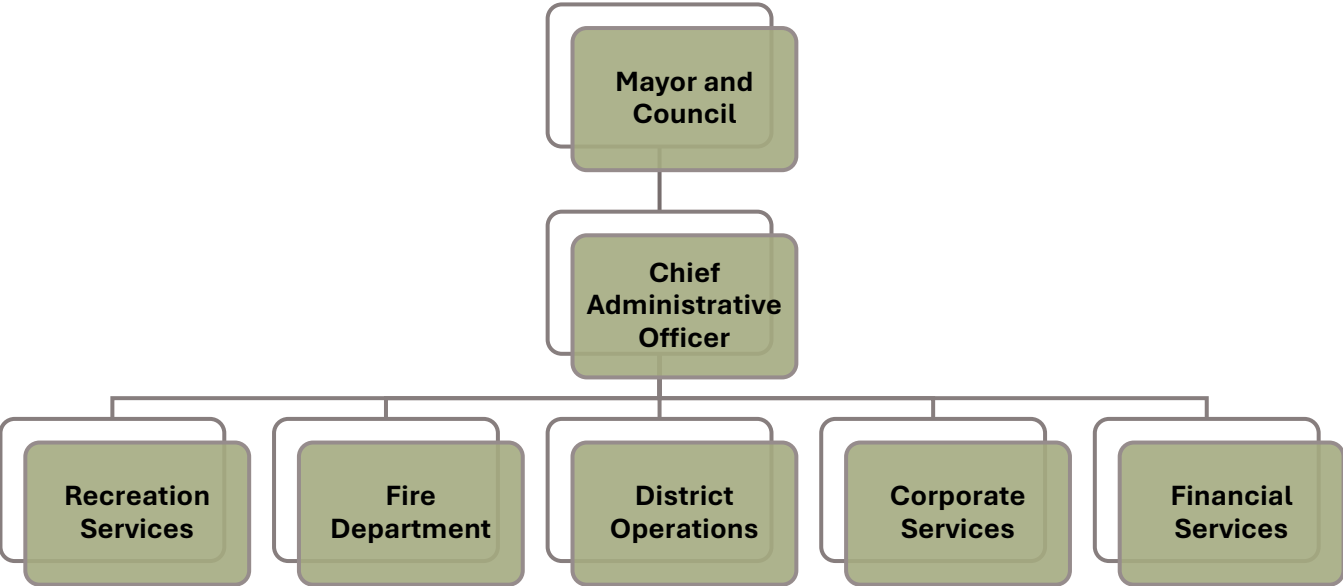
Photo Credit: Darrin Rigo

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.

DISTRICT ORGANIZATION CHART



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.

Mayor and Council



Mayor Joan Atkinson



**Councillor
Andy Barnes**



**Councillor
Viktor Brumovsky**



**Councillor
Peter Kyla**



**Councillor
Raye McMeeken**



**Councillor
Kyle Tapper**



**Councillor
Jesse Wright**

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.



2025 COUNCIL LIAISON APPOINTMENTS

Committee/Position	Elected Official
Deputy Mayors	Councillors Barnes, McMeeken, Tapper and Wright
Access and Inclusion Advisory Committee	Liaison: Councillor McMeeken Alternate: Councillor Kylo
Agricultural Opportunities and Food Security	Liaison: Councillor Tapper Alternate: Councillor Brumovsky
BC Hydro Peace River/Williston Advisory Committee	Liaison: Mayor Atkinson
Chamber of Commerce	Liaison: Councillor McMeeken Alternate: Councillor Wright
CityWest	Liaison: Councillor Brumovsky Liaison: Chief Administrative Officer Smith
Climate Action Liaison	Liaison: Councillor Wright Alternate: Councillor Tapper
CNC Advisory Group	Liaison: Councillor Barnes Alternate: Councillor Tapper
Emergency Executive Committee	Liaison: Mayor Atkinson Alternate: Councillor McMeeken
Education and Youth Liaison	Liaison: Councillor Wright Alternate: Councillor Brumovsky
Forestry Liaison	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: Councillor Brumovsky
McLeod Lake Mackenzie Community Forest (MLMCF)	Liaison: Councillor Barnes
Mental Health and Addictions Liaison	Liaison: Councillor Wright
Mining Liaison	Liaisons: Councillor Barnes Alternate: Councillor Wright
Municipal Library	Liaisons: Councillor Tapper Alternate: Councillor Brumovsky
Northern Development Initiative Trust – Prince George Regional Advisory Committee	Liaison: Mayor Atkinson Alternate: Councillor Wright
Prince George Treaty Advisory Committee	Liaison: Councillor Barnes Alternate: Councillor Wright
Regional District of Fraser-Fort George	Director: Mayor Atkinson Alternate: Councillor Wright
Williston Lake Elders Society	Liaison: Councillor McMeeken Alternate: Councillor Wright

COUNCIL REMUNERATION

Mayor Atkinson	\$31,169
Councillor Barnes	\$13,745
Councillor Brumovsky	\$13,211
Councillor Kylo	\$13,211
Councillor McMeeken	\$13,745
Councillor Tapper	\$13,745
Councillor Wright	\$13,745



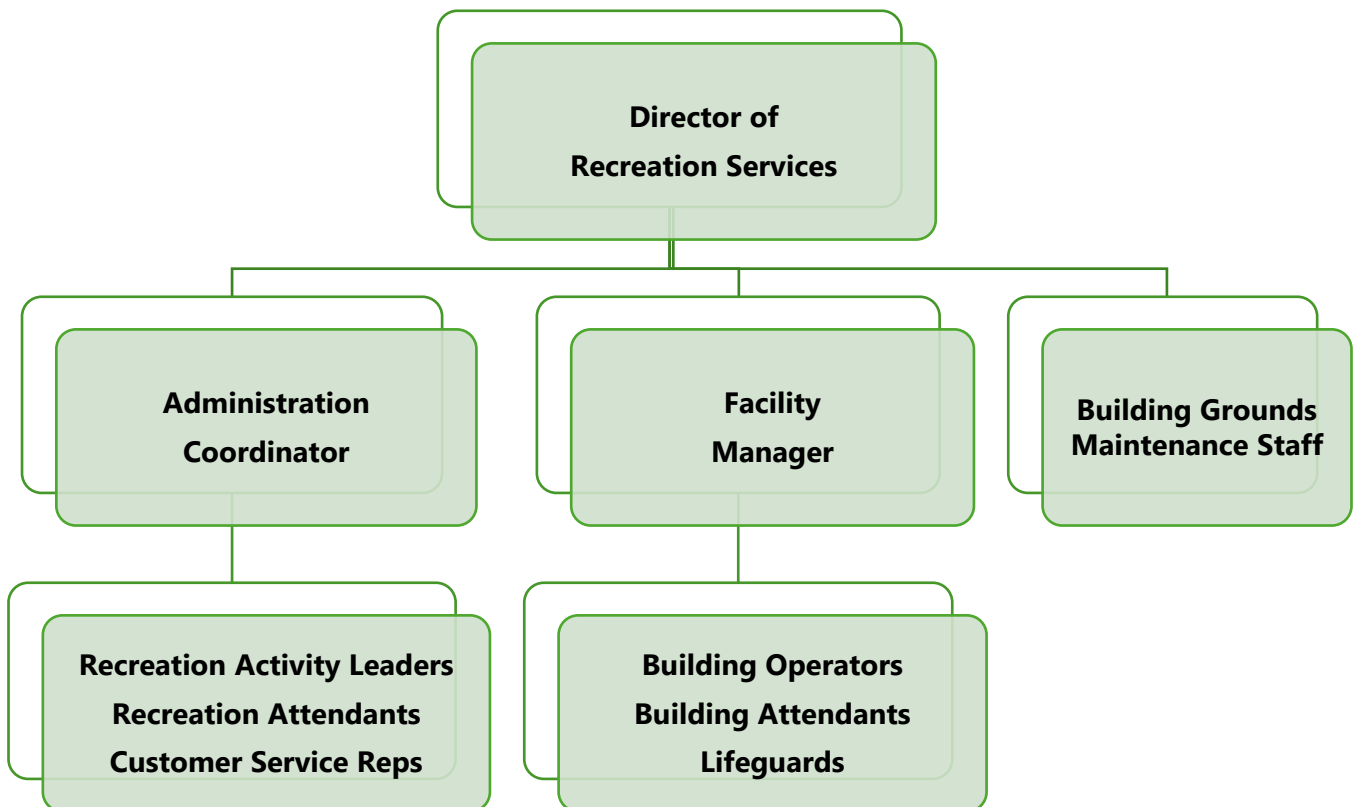
Photo Credit: Grant Erb



RECREATION SERVICES

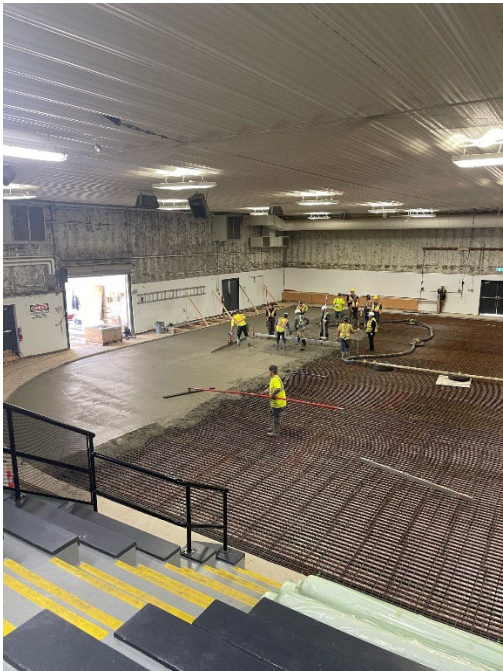
RECREATION SERVICES

The Recreation Services Department oversees the operation and maintenance of the Recreation 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.



Annual Report 2025

2025 Recreation Centre Utilization	
Recreation Centre Activities	Number of Bookings (vs 2024)
Fitness Centre	15,631 (+1,926)
Skating	1,656 (+1,035)
Aquafit	796 (-122)
Swimming	10,972 (+1,558)
Curling	105 (+54)
Climbing	105 (-232)
Pickleball	362 (-70)
Ski Hill	416 (+217)
Junior Pathway (Intro to Multisport for Youth)	725 (+281)
Sport Court	1186 (+122)
School Use	2,083 (-70)
Total Number of Bookings	34,084 (+4,752)

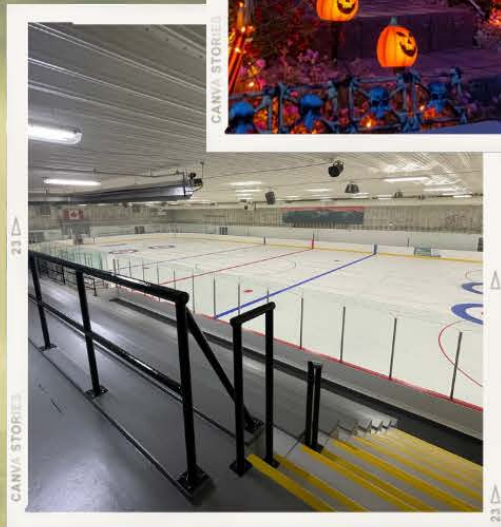
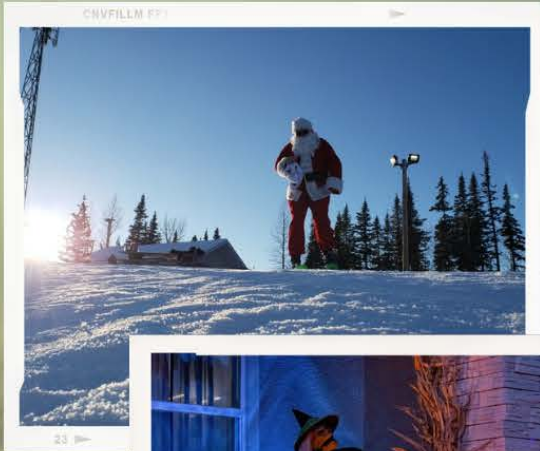


Annual Report 2025

RECREATION SERVICES ACTION PLANNING

Actions completed in 2025	Action Plan for 2026
Hosted 5th Annual WinterQuest 2025, ice carvers and trail light-up festival.	Host 6th Annual WinterQuest 2026, wood carvers and trail light-up festival.
Hosted our 3rd Annual Rockin' the Ridgeline festival.	Host our 4th Annual Rockin' the Ridgeline festival.
Hosted Summer Concert Series in the Park.	Host Summer Concert Series in the Park.
Hosted Canada Day, Holiday Parade and Recreation Fair community events.	Host Canada Day, Holiday Parade and Recreation Fair community events.
Worked with Directors to finalize a plan and demolish EBCC.	Work with Directors and Council to determine the next steps as it relates to priority work and grant funding applications.
Completed flooring and lobby bathroom accessibility upgrades - part of the pool and accessibility upgrade project	Complete outstanding work such as slide upgrade – part of the pool and accessibility upgrade project.
Coordinated with PW to complete outstanding work in new park, which included pathway, earth and seeding.	Continue to develop programs which fill gaps in the community.
Finalized repairs of deficiencies for arena slab replacement and green energy upgrades project.	Finalize repairs of deficiencies for pool flooring project.
Reduced operating budget and staffing levels due to reduced revenue for the District.	Maintain a similar budget to 2025 and staffing level numbers for the District.



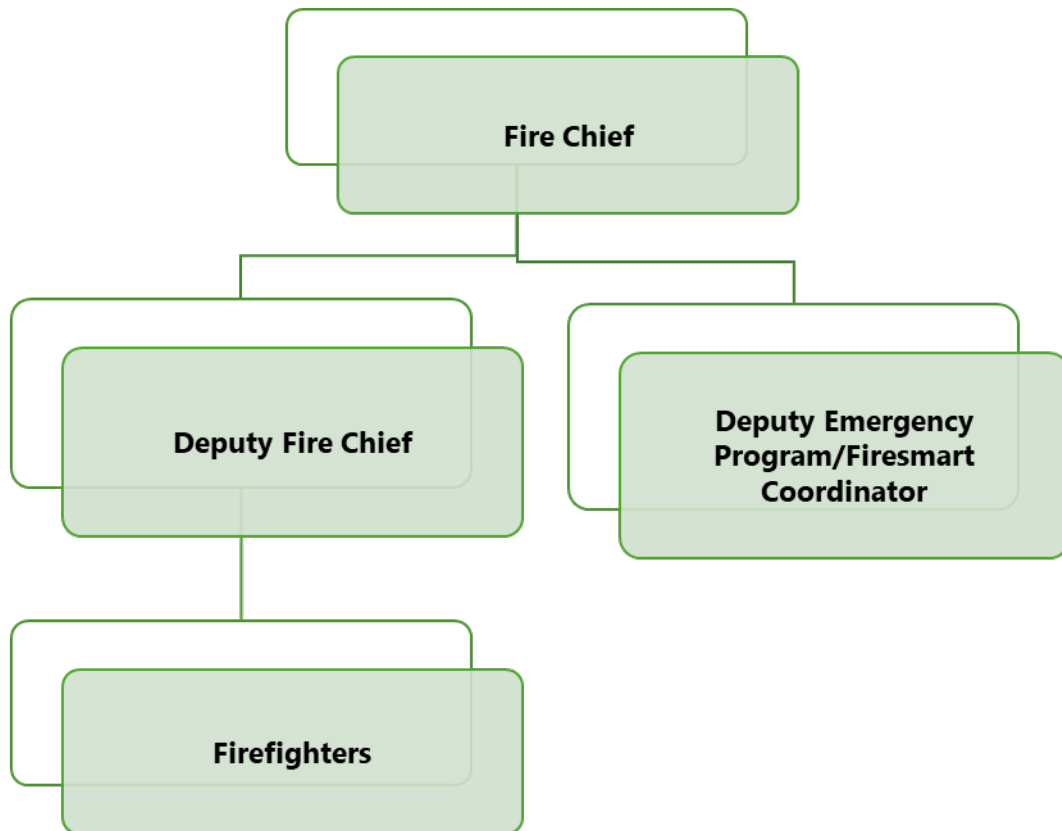




FIRE DEPARTMENT

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. The Department also actively participates in the FireSmart program, working with residents and stakeholders to reduce wildfire risks through community education, mitigation initiatives, and strategic planning.



Annual Report 2025

FIRE DEPARTMENT ACTION PLANNING

2025 FIRE CALLS

Nature of Call	# of Calls
Assist other Agency	34
Burn Complaint	16
Carbon Monoxide alarm	2
Electrical Hazard	2
False Alarm	40
Motor Vehicle Incident	33
Public Service	11
Electrical Fire	6
Structure Fire	5
Vehicle Fire	3
Aircraft Emergency	1
Gas Leak	2
TOTAL	155

2025 FIRE FIGHTERS

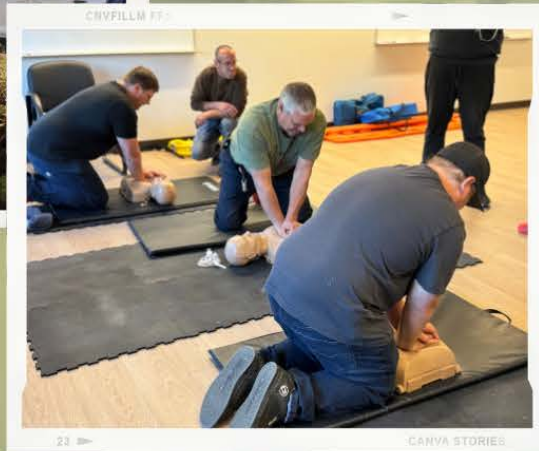
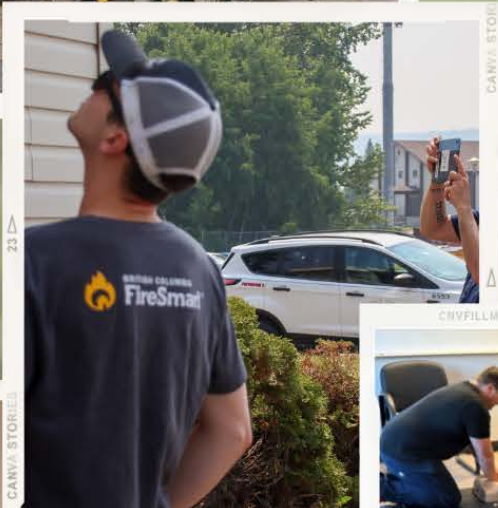
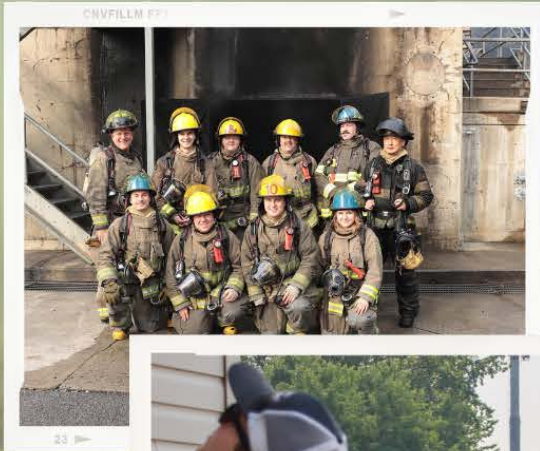
Position	Number
Fire Chief	1
Deputy Fire Chief	1
Assistant Chiefs	1
Training Officers	2
Captains	2
Lieutenants	2
Engineers	2
Fire Fighters	9
Fire Fighters (Probationary)	11
Junior Fire Fighters	2
TOTAL	33



Annual Report 2025

Actions Completed in 2025	2026 Priorities
Finalized landscaping & paving for Fire Hall #1.	Ongoing asset management and preventative maintenance to hall, equipment and apparatus's.
Completed grant-funded Live Fire, First Aid, Auto Extrication, and Wildfire/Structure Protection training; six members achieved Firefighter 1 & 2 certification.	Deliver ongoing in-house training, including engineer, swift water, and Wildfire FF1* Train-the-Trainer.
Updated Mutual Aid Agreement with Mcleod Lake Indian Band.	Update Mutual Aid Agreement with Mount Milligan.
Purchased new radios.	Purchase new boots and helmets.
Outfitted Wildland 11 for deployment; certified two Structure Protection Units and 14 members.	All wildfire units/personnel to be operationally ready and certified through BC Wildfire.
Participated in wildfire deployments at Kelly Lake and One Island Lake; deployed an SPU* to Chetwynd.	Reevaluate and update the District of Mackenzie Emergency Management Bylaw.
Hired a Junior FireSmart Coordinator (BCAA Community Outreach Grant).	Focus on recruitment and retention.
Submitted UBCM* EOC* and ESS* grant applications for equipment and training.	Submit UBCM* EOC* and ESS* grant applications.
Managed fuel treatment in the tree crusher area.	Upgrade Fire Hall #2 to support joint training with the Tse'Khene Fire Department.
Launch Mackenzie specific Public Alerting System.	Create new Fire Service Bylaw.
Purchased a trailer and equipment to initiate SPU* #3 (CRI* Grant).	Continuing Phase #3 of the SPU* #3 purchasing and equipment.
Completed an Emergency Management gap analysis.	Update District's Hazard Risk and Vulnerability Assessment.
Trained staff in Fire Inspections and Investigations	Establish a policy for designated Fire Inspectors and Investigators
57 FireSmart Home Assessments completed.	Promote FireSmart assessments at community events.
Completed four Critical Infrastructure FireSmart assessments.	Work with critical infrastructure operators to assess non-municipally owned buildings.
Trained three new Wildfire Mitigation Specialists.	Continue cross training staff and firefighters in FireSmart and wildfire prevention.
The Fuel Treatment project around town commenced.	Complete the Fuel Treatment Project.

* Acronyms: CRI – Community Resiliency Investment, EOC – Emergency Operations Centre, ESS - Emergency Support Services, FF1 – Firefighter Type 1, SPU – Structure Protection Unit, UBCM – Union of British Columbia Municipalities

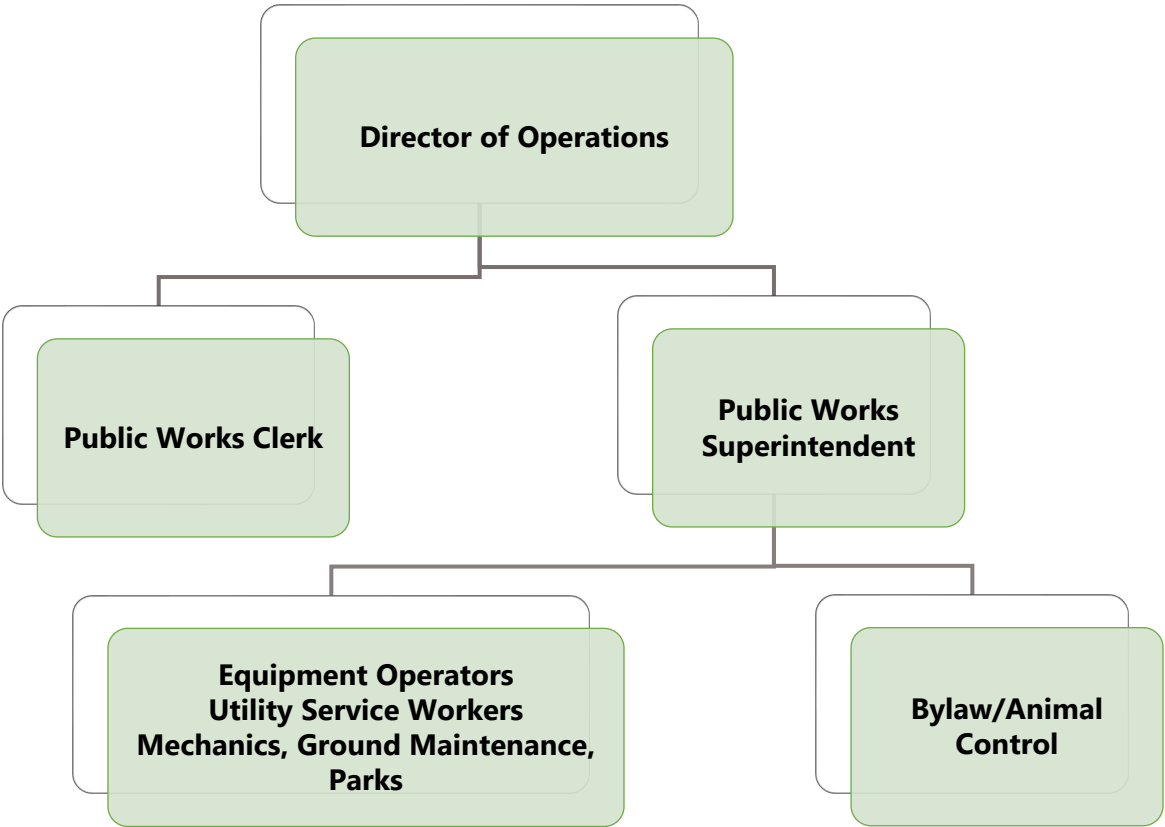




PUBLIC WORKS

PUBLIC WORKS

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, facilities maintenance, sewage, and water systems, as well as maintaining the Municipal Airport.



PUBLIC WORKS ACTION PLANNING

2025 By the Numbers	
Water pumped from the Town pump house (Imperial Gallons) *	131,700,279
Water pumped from the Gantahaz pump house (Imperial Gallons)	6,617,712
Commercial Garbage Collected (kg)	708,120
Residential Garbage Collected (kg)	590,900
Total number of Fixed Wing Landings	394
Total number of Helicopter Landings	251
Fuel Purchases	505

*The numbers for in town are high because our recording keeping is becoming more comprehensive. In addition, there were several leaks in the system, one on Gagnon (repaired), two on Centennial Drive and four in Morfee Trailer Court. The required repairs are in progress.

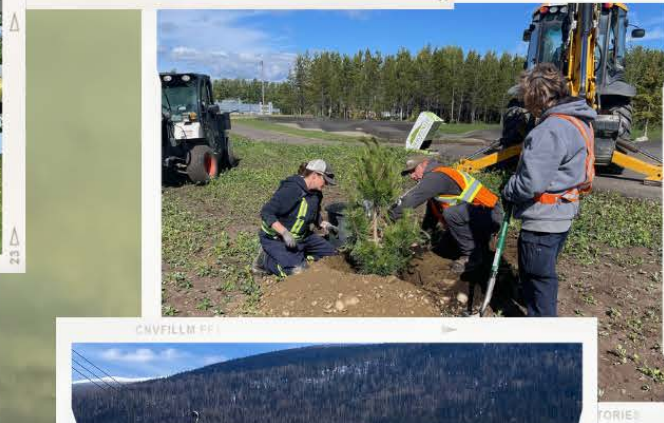
Bylaw & Animal Control	
Animals Impounded	33
Animals Adopted	5
Number of Tickets Issued	1
Dog Licenses Purchased	480

Permits & Licenses	
Business Licenses Awarded	262
Plumbing Permits Awarded	2
Building Permits Awarded	25



Annual Report 2025

Actions Completed in 2025	Action Plan for 2026
Installed curb and Lego blocks at Nation Pressure Reduction Valve station.	Complete additional Pressure Reduction Valve station on Little Cloud Maker Road.
Obtained quotes for Confined Space Program audit.	Continue audit of the Confined Space Entry Policy, including hazard assessments and safe work procedures at ~25 locations.
Moved and refurbished carvings; staff trained.	Complete future carving refurbishments in place.
Second Year Pavement Rehabilitation Plan completed.	Implement third year of a five-year this summer.
Advanced accessibility improvements town-wide, including Morfee Beach.	Focus on improving access to Morfee Beach.
Completed Emergency Operations Centre training.	Continue Emergency Operations Centre training for management and employees.
Delivered sand and topsoil for Bike Park.	Stabilize jump track hills to prevent erosion.
Gathered quotes for a pre-trip inspection booklet to generate mechanical work orders.	Finalize design; purchase and implement booklet.
Water and Sewer Rehabilitation Plan Developed	First year of water and sewer plan implemented.
Select Statutory Right-of-Way roads were cleared in preparation for repairs.	Consulted with the Fire Hall to prioritize repairs for the summer.
Completed Fire Hall landscaping and flagpole installation.	Continuing Fire Hall landscaping improvements.
Completed asset management activities and training.	Continuing Asset Management Activities and Training.
Moved Pac Pit gravel to town stockpile.	Use pea gravel to improve Municipal RV Park.
Installed removable traffic barriers near Morfee Elementary.	Install additional barriers if proven effective.
Commissioned the Gantahaz Water Treatment Facility.	Resolve facility issues with contractors and engineers.
Completed Six Fire Hydrant replacements.	Audit hydrants and prioritize replacements.
Hired one Public Works employee.	Continue employee equipment training.
Replaced three-valve system on Babine/Stuart Drive.	Provide shoring training for similar work.
Identified need for Sewer Lagoon backup power.	Complete backup power installation.
Identified catch basins requiring repair.	Complete catch basin repairs.

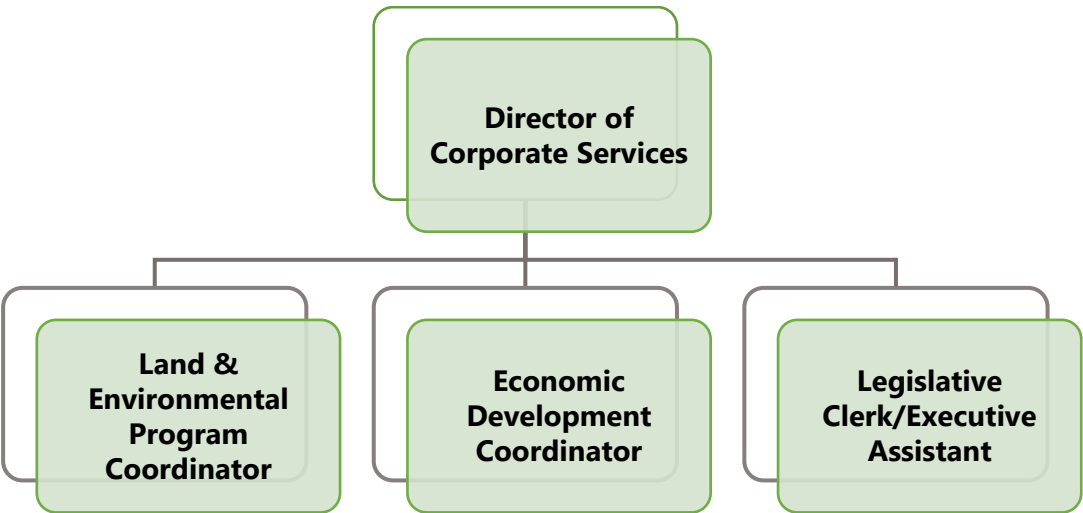


**CORPORATE
& FINANCIAL SERVICES**

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.



Annual Report 2025

CORPORATE SERVICES ACTION PLANNING

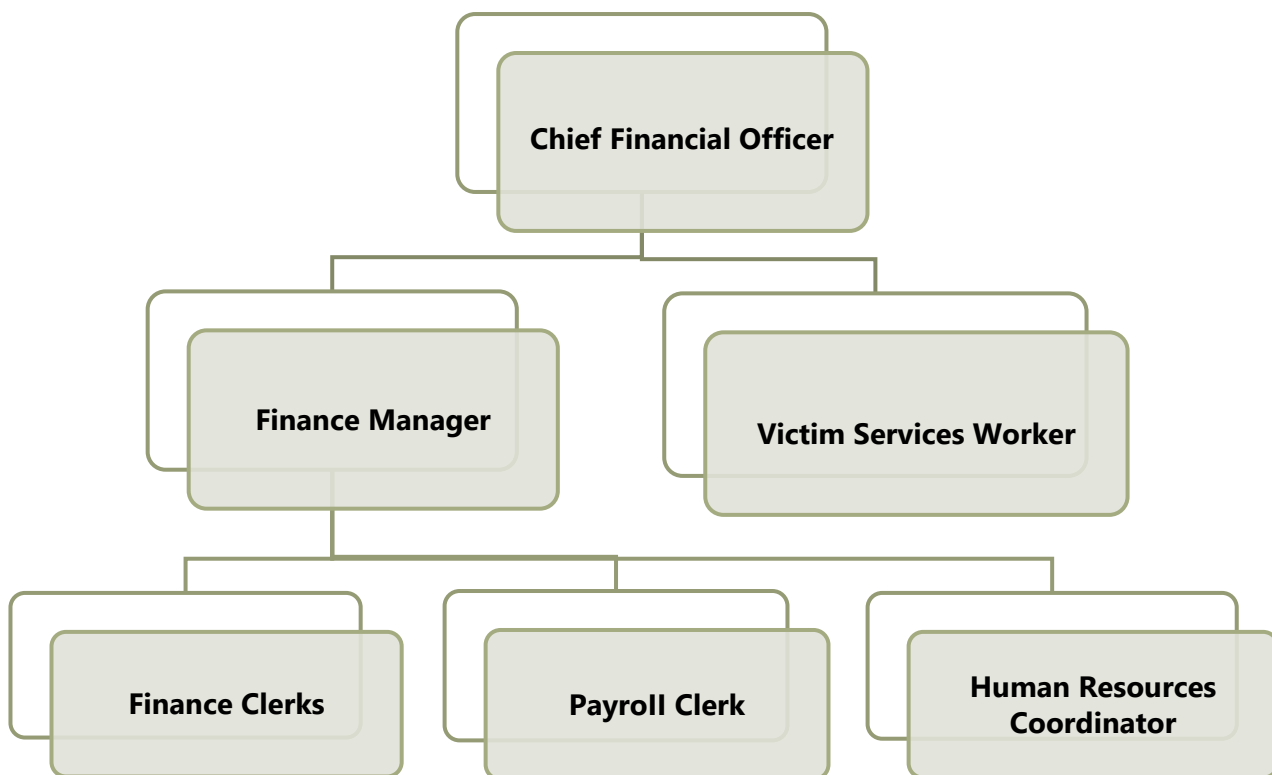
Actions Completed in 2025	Action Plan for 2026
Began preparations for 2026 Election.	Administer 2026 General Local Election
Improved accessibility features of live streaming and Council meeting attendance.	Finalize accessibility features for Council meeting attendance.
In collaboration with the Access and Inclusion Advisory Committee, continued implementation of the District's Age-Friendly Access and Inclusion Action Plan	Continue to collaborate with the Access and Inclusion Advisory Committee to implement the District's Age-Friendly Access and Inclusion Action Plan.
\$159,790 was included in the budget for the Community Grants program for 2025.	\$174,589 has been included in the budget for the Community Grants program for 2026.
Participated in Northern BC Climate Action Network.	Continue to participate in Northern BC Climate Action Network.
Pursued opportunities to move the District's Corporate Energy Emissions Plans forward.	Continue to pursue opportunities to move the District's Corporate Energy Emissions Plans forward.
Hosted 2nd Annual Agricultural Symposium	Host 3rd Annual Agricultural Symposium
Supported high-speed internet projects in the community and pursue opportunities to extend services.	Continue to support high-speed internet projects in the community and pursue opportunities to extend services.
Participated in regional economic development and tourism committees and marketing campaigns.	Continue to participate in regional economic development and tourism committees and marketing campaigns.
Offered grant writing support services for non-profit organizations and businesses.	Continue offer grant writing support services for non-profit organizations and business.
Completed update to Housing Needs Report and Official Community Plan Amendment to support Provincial Housing Initiatives.	Complete Development Services Review and update Building and Development Procedures Bylaws.
Remaining funds from 2024 Business Façade Improvement Program were allocated.	2026 Business Façade Improvement Program will be open for applications.
Created a community marketing campaign utilizing the new "Explore Mackenzie" brand.	Promote and expand the "Explore Mackenzie" brand.
Applied for funding towards Strategic Marketing Initiative, the Invest in Mackenzie Marketing Initiative, and to hire an additional Economic Development staff person to support these projects.	Complete a new Strategic Marketing Initiative as well as Invest in Mackenzie Marketing Project and hire an additional Economic Development staff member to support projects.
Lead and promote asset management program development across the organization.	Continue to lead and promote asset management program development across the organization.

FINANCIAL SERVICES

The Finance Department is responsible for managing the health of the District's finances as well as the monitoring, managing and allocation of financial resources in order to achieve the District's short and long-term goals and objectives. In addition, the department is also responsible for Information Technology, Human Resources and Victim Services administration.

Finance manages expenditures through the annual budget process, prepares financial reports, administers property taxation, accounts payable, accounts receivable, payroll and IT services. The department is also responsible for ensuring that financial transactions are properly recorded to support financial and grant claim reporting.

Finance produces annual public documents including a Five-Year Financial Plan Bylaw, Tax and Utility Rate Bylaws, Audited Financial Statements, and Statement of Financial Information disclosures.



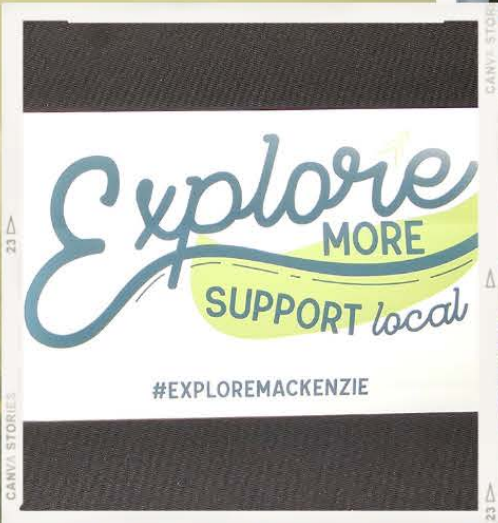
Annual Report 2025

FINANCE ACTION PLANNING

Actions Completed in 2025	Action Plan for 2026
Completed replacement of outdated computer hardware project.	Install new District wide phone system.
Updated 10-year capital plan with condition assessments and work summary reports.	Continue to update 10-year capital plan with new infrastructure assessments.
Updated General Rate Bylaw to include new revenue streams and housekeeping items.	Update the purchasing and procurement policy to reflect current economic climate and business practices.
Implemented new budgeting program for operating budgets.	Implement budgeting program for capital budgets.
Hired, trained and supported a new Victim Services Worker.	Continue to support Victim Services Worker and provide training and networking opportunities.
Researched and planned online payment system for financial services.	Implement online payment system for financial services.
Planned and developed Human Resources Services with a focus on efficient and effective processes and employee safety.	Update and implement new Human Resources policies and procedures, communication and staff training.



Photo Credit: Grant Erb



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	Ongoing	Research Required
1.1	Build energy efficient buildings	X	X	
1.2	Build energy efficient infrastructure	X	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	X	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 ¹	X	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 ²	X	X	
4.4	Assess renewable fuels for corporate fleet			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	
5.1	Have dedicated staff person or department for plan implementation	X		
5.2	Allocate funds for plan implementation	X	X	
5.3	Develop Key Performance Indicators, monitor and track for progress	X		
5.4	Demonstrate leadership on corporate waste and water	X	X	
5.5	Join Partners in Climate Protection	X		

¹ 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.

² 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 was installed in the community in 2024

Annual Report 2025



OFFICIAL COMMUNITY PLAN BYLAW NO. 1528, 2025

In 2025, the District of Mackenzie adopted a new Official Community Plan (Bylaw No. 1528), shaped by extensive community engagement. The Plan provides long-term direction for land use, infrastructure, environmental stewardship, and community development, ensuring future growth aligns with local values and sustainability objectives.



DISTRICT RECEIVES COMMUNITY LEADERSHIP AWARD

In 2025, the District of Mackenzie proudly received a Community Leadership Award for Environmental Stewardship from the North Central Local Government Association for the Arena Slab and Energy Upgrades Project. The project included major arena system upgrades, solar panels, and heat recovery, delivering estimated annual energy savings of 27% and a reduction of 158 tonnes of greenhouse gas emissions. The District thanks its funding partners, staff, as well as community and corporate partners for making this achievement possible.



WASTE REDUCTION – FOODCYCLER

In 2025, the District of Mackenzie successfully concluded its FoodCycler Pilot Programme, completing two rounds of the initiative to encourage household food-waste diversion. The pilot helped residents explore practical ways to reduce organic waste and support local sustainability efforts. The pilot provided valuable insight into community interest and participation in organics diversion initiatives.

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	

Annual Report 2025

ACTION		Complete	In Progress	Ongoing	Research Required
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	
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	Host 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	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	X	
C2	Work with Province to promote and facilitate forestry innovation and emerging technology (e.g. value-added forestry products)			X	X

Annual Report 2025

ACTION		Complete	In Progress	Ongoing	Research Required
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		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	X	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 a new exciting 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 that support these actions.



Annual Report 2025



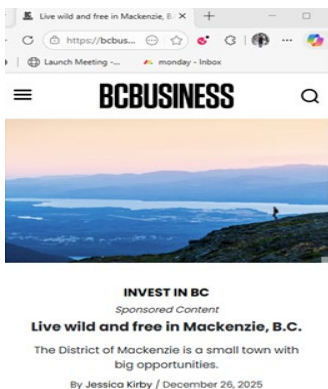
TOURISM MARKETING & PROMOTION

In 2025, the Tourism Guide was refreshed to reflect new tourism assets developed in 2024, including the Community Park zipline, Bongo Park at Morfee Lake, and the Little Mac Ski Hill gazebo. Updates included a new cover image and refreshed imagery throughout. Distribution expanded through the installation of a tourism stand at Powder King Ski Resort in winter 2025.



MARKETING PLAN DEVELOPMENT

In 2025, the District completed a three-year Marketing Plan focused on tourism, investment, and resident attraction. Developed with public engagement, the plan establishes a dedicated campaign that complements the District's corporate identity. It provides a strategic framework to guide targeted marketing and support long-term growth, while positioning the District to pursue major external funding opportunities, including Rural Economic Diversification and Infrastructure and CanExport programmes.



INVESTMENT ATTRACTION

In 2025, the District of Mackenzie expanded its external marketing reach through a half-page advertisement and community feature in BCBusiness magazine, supported by digital banner advertising. This initiative promoted Mackenzie as a place to visit, invest, and live, reaching a province-wide audience of business leaders and decision-makers. The combined print and digital campaign strengthened the District's economic development and investment attraction efforts.



NORTHERN ROOTS SYMPOSIUM

In 2025, the second annual Northern Roots Symposium expanded into a more interactive event, introducing a vendor market, hands-on activities, and friendly competitions. Event space was tripled to support increased participation and create opportunities for networking and connection around agriculture.

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. Full details of their activities to date, current initiatives, and resources, can be found on the Accessibility and Inclusion webpage here:

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



ACCESSIBLE EVEN IN WINTER

For the second year in a row, the Access and Inclusion Advisory Committee offered accessible trail rides at the annual Mountain Magic Winterquest event in February. Residents who may have difficulty with mobility on the snow-covered trails were invited to register for guided side by side tours to experience the magic of this annual event.



MORFEE LAKE ACCESSIBLE FOR ALL

In 2025, the Access and Inclusion Advisory Committee secured funding through Northern Health's IMAGINE Grants to provide access for all at Morfee Lake First Beach. This initiative will feature accessible upgrades to the washrooms including the installation of Access Trax and a Mobi Mat that will allow residents with strollers, wagons, or mobility devices to access both the water and the dock. In 2026 the Mobi Mat and Access Trax were installed.



PUBLIC ENGAGEMENT

The Access and Inclusion Advisory Committee attended the 2025 Spring Expo with an informational display on Hidden Disabilities. The display supported community awareness and education efforts and was well received by those who attended. The Committee also took part in the annual Seniors Week and Recreation Fair.

2025 Committee Membership

Chair: Elizabeth Blackburn

Kymberly Grywinski (until May 2025)

Joy Davy

Amy Coates

Council Liaison: Raye McMeeken

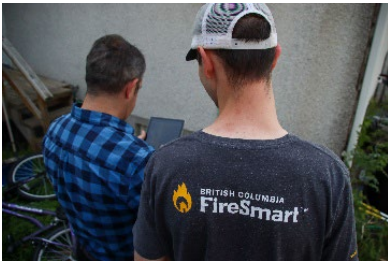


FIRESMART



FIRESMART STAFFING

In May 2025, we received funding from FireSmart BC and the BCAA through the Community Outreach Grant to hire a Junior FireSmart Coordinator for 12 weeks. In August, we were offered additional funding to keep the Junior FireSmart Coordinator on for an additional 4 weeks. During employment, our summer student assisted with records management, public education at the Community Market, and other community events. They were also able to complete the Wildfire Mitigation Specialist course and assist with FireSmart Home Assessments and Critical Infrastructure Assessments.



WILDFIRE MITIGATION PROGRAM

In 2025, FireSmart Staff completed 57 Home Assessments, 4 Critical Infrastructure Assessments, and 3 new Wildfire Mitigation Specialists were trained. In April 2025, our FireSmart Coordinator completed the Wildfire Mitigation Specialist Instructor Course through FireSmart BC, which allows him to teach the Wildfire Mitigation Specialist course in Mackenzie. He has also been asked to teach in neighbouring communities on behalf of FireSmart BC, and taught 2 courses in Prince George this past year.



FIRESMART REBATE PROGRAM

In 2025, the District of Mackenzie launched its first FireSmart Rebate Program for homeowners. This program allowed homeowners that received a FireSmart Assessment to apply for a 50% rebate to complete eligible activities outlined in the home assessment, up to \$1000 per property each year. The Rebate Program was open for applications from May 1st to October 31st, and received 6 applications to the program, totaling \$3,100.00 of rebates given out.

2025 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 2025.

Project/Program (Funder)	Amount	Total
Approved Projects		\$508,978
Tourism Photography (Northern BC Tourism Association)	\$1,000	
2025 Emergency Support Services (Union of BC Municipalities)	\$39,026	
Fire Hall Beautification (BC Hydro)	\$8,000	
Grant Writing Support Services 2025 (Northern Development Initiative Trust)	\$8,000	
Economic Development Capacity (Northern Development Initiative Trust)	\$50,000	
Accessible Municipal Website (Social Planning and Research Council of BC)	\$25,000	
2025 Emergency Operations Centre (Union of BC Municipalities)	\$39,890	
Fire Department First Aid Training (Enbridge)	\$9,875	
Accessible Municipal Website (South Peace Mackenzie Trust)	\$40,000	
Rockin' The Ridgeline (Enbridge)	\$3,000	
Airport Access & Security Upgrade (BC Air Access)	\$46,269	
Junior FireSmart Coordinator (BCAA/FireSmart BC)	\$17,141	
First Beach Access for All (Northern Health)	\$10,000	
Invest in Mackenzie – Pilot Program (South Peace Mackenzie Trust)	\$73,900	
Apparatus Driver & Pump Training (IREN)	\$10,000	
Emergency Scene Management Training (Prov. of BC)	\$3,335	
Advanced Supervisor Essentials (Prov. of BC)	\$563	
BCEDA Leadership Learning Exchange (Prov. of BC)	\$1,161	
Psychosocial Resilience in Disaster (Prov. of BC)	\$221	
Intro to Business Continuity Management (Prov. of BC)	\$3,335	
Business Façade Improvement 2026 (Northern Development Initiative Trust)	\$20,000	
Mountain Magic Winterquest (Enbridge)	\$1,000	
Workforce, Business Landscape & Service Gap Assessment (Northern Development Initiative Trust)	\$47,250	

Annual Report 2025

Project/Program (Funder)	Amount	Total
Pending Projects		\$281,096
Explore Mackenzie	\$281,096	
Denied Projects		\$223,991
Accessible Municipal Website (Northern Development Initiative Trust)	\$20,000	
Accessible Municipal Website (CNC Research Forestry Society)	\$60,000	
Accessible Municipal Website (Outdoor Recreation Council of BC)	\$10,000	
Airport Perimeter Safety & Fire Mitigation (BC Air Access)	\$19,258	
DOM Strategic Marketing Initiatives Plan (Northern Development Initiative Trust)	\$17,500	
Airport Security & Access Upgrades (South Peace Mackenzie Trust)	\$71,233	
Mackenzie Fire Rescue Promotional Video (Northern Development Initiative Trust)	\$6,000	
Mackenzie Wildfire Risk Reduction (Wawanesa)	\$20,000	
Total Funding Applied For		\$1,014,065



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 (\$)
Mackenzie Alpine Horse Riders Club	Snow removal and sanding of club roads	\$2,300
Curl Mackenzie	Cover cost of set up and take down of curling ice preparation, hacks and rocks on the ice surface	\$4,500
Mackenzie Community Arts Council	Help recover cost of 2024 Haunted Maze	\$1000
St. Peter's Church	Purchase food and supplies for St. Peter's Pantry to help residents in times of need	\$5,000
Mackenzie Figure Skating Club	Waiver of Ice rental fees for Ice Show	\$1,064
Mackenzie Fish & Game Association	Request for snow removal at the range entrance	\$2,632
Mackenzie Nature Observatory	Use of showers (Campground/Rec. Centre), garbage bin, grading of road to Mugaha Marsh,	\$3,295
Mackenzie Rainbows Swim Club	Help offset cost of 2025 Swim Meet	\$2,625
Mackenzie Nordiques Cross Country Ski Club	Use of PistenBully groomer for trails maintenance	\$13,000
TOTAL:		\$35,416

FUNDING/SUPPORT 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 Auxiliary Hospital Thrift	Staffing and Operations	\$5,850
Mackenzie & District Museum	Staffing and Operations	\$18,239
Mackenzie Chamber of Commerce	Staffing and Operations	\$28,000
Mackenzie Community Arts Centre	Staffing and Operations	\$28,000
Mackenzie Golf and Country Club	General Operations	\$15,000
TOTAL:		\$120,089

Annual Report 2025

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, and Fire Hall #2 subject to availability. Following is a list of organizations that received this benefit in 2025, throughout the year or temporarily:

CUPE Local 3706	Mackenzie Search and Rescue
Curl Mackenzie	Minor Lacrosse
Figure Skating Club	Old Timers Hockey
Gymnastics Club	Rainbow Swim Club
Minor Hockey Association	Mackenzie Baseball
Hospital Auxiliary Thrift Store	Speed Skating Club
Mackenzie Nordiques	Mackenzie Outdoor Routes and Trails Association

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 2025 by Council:

Organization	2025 Value of Exemption
Canadian Baptists of Western Canada	\$ 2,234.51
Living Joy Christian Centre	\$ 1,431.20
Mackenzie Alpine Riders Horse Club (300 Mill Road)	\$ 5,303.82
Mackenzie Alpine Riders Horse Club (651 Mill Road)	\$ 1,844.04
Mackenzie Community Arts Council	\$ 1,885.07
Mackenzie Fish and Game Association	\$ 2,173.09
Mackenzie Golf & Country Club	\$ 4,994.28
Mackenzie Nordiques Cross-Country Ski Club	\$ 680.36
Roman Catholic Episcopal Corporation	\$ 3,484.85
Royal Canadian Legion	\$ 1,585.31
Trustees Congregation of Jehovah's Witness	\$ 696.83
Youth for Christ Prince George	\$ 1,764.62
	\$28,077.98

DECLARATION OF DISQUALIFICATIONS

There were no declarations of disqualifications made in 2025.

AUDITED FINANCIAL STATEMENTS

The 2025 District of Mackenzie Consolidated Financial Statements are attached to the end of this report.

District of Mackenzie
Consolidated Financial Statements
December 31, 2025

District of Mackenzie

Contents

For the year ended December 31, 2025

Page

Management's Responsibility

Independent Auditor's Report

Consolidated Financial Statements

Consolidated Statement of Financial Position..... 1

Consolidated Statement of Operations and Accumulated Surplus..... 2

Consolidated Statement of Change in Net Financial Assets..... 3

Consolidated Statement of Cash Flows..... 4

Notes to the Consolidated Financial Statements..... 5

Schedules

Schedule 1 - Consolidated Schedule of Tangible Capital Assets..... 17

Schedule 2 - Consolidated Schedule of Segment Disclosure..... 18

Management's Responsibility

To the Mayor and Council of District of Mackenzie:

Management is responsible for the preparation and presentation of the accompanying financial statements in accordance with Canadian public sector accounting standards. This responsibility includes the selection and application of appropriate accounting principles and methods, the use of significant accounting judgments and estimates, and making decisions affecting the measurement of transactions in which objective judgment is required. Management is also responsible for ensuring that all information contained in the annual report is consistent with the consolidated financial statements.

In discharging its responsibilities for the integrity and fair presentation of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

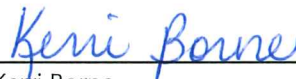
The Council is composed entirely of members who are neither management nor employees of the District of Mackenzie (the "District"). The Council is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements and the financial information included in the annual report. The Council fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Council is also responsible for recommending the appointment of the District's external auditors.

MNP LLP is appointed by the Council to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Council and management to discuss their audit findings.

May 11, 2026



Diane Smith
Chief Administrative Officer



Kerri Borne
Chief Financial Officer

To the Mayor and Council of the District of Mackenzie:

Opinion

We have audited the financial statements of the District of Mackenzie (the "District"), which comprise the statement of financial position as at December 31, 2025, and the statements of operations and accumulated surplus, changes in net financial assets, cash flows and the related schedules for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2025, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statement for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on May 5, 2025.

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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the District as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Prince George, British Columbia

May 11, 2026

MNP LLP

Chartered Professional Accountants

District of Mackenzie

Consolidated Statement of Financial Position

As at December 31, 2025

	2025	2024
Financial assets		
Cash and cash equivalents	1,341,438	1,644,423
Accounts receivable (Note 3)	4,856,411	5,948,458
Investments (Note 4)	20,704,249	19,234,306
Investment in government business entities and partnerships (Note 5)	4,595,353	4,325,485
	31,497,451	31,152,672
Liabilities		
Accounts payable and accruals (Note 6)	1,948,418	2,485,495
Deferred revenue (Note 7)	677,407	982,614
Asset retirement obligations (Note 8)	953,000	1,101,000
	3,578,825	4,569,109
Net financial assets	27,918,626	26,583,563
Non-financial assets		
Tangible capital assets (Schedule 1)	55,988,043	55,639,981
Inventory	117,744	131,472
Prepaid expenses	349,367	418,808
Assets held for sale	11,320	57,640
	56,466,474	56,247,901
Accumulated surplus (Note 9)	84,385,100	82,831,464

Commitments and contingencies (Note 16)



Chief Financial
Officer



Mayor

The accompanying notes are an integral part of these consolidated financial statements

District of Mackenzie
Consolidated Statement of Operations and Accumulated Surplus
For the year ended December 31, 2025

	2025 Budget (Note 17)	2025	2024
Revenue (Schedule 2)			
Government transfers (Note 12)	3,913,009	5,411,802	7,305,023
Net taxation revenue (Note 13)	4,807,326	4,805,346	5,876,568
User fees	2,044,321	2,064,101	1,921,383
Investments and penalties	-	1,236,276	1,647,403
Sale of services	736,696	432,056	536,451
Other	1,499,685	316,252	329,335
Licenses and permits	62,200	80,841	96,754
Income from investments in government business entities and partnerships (Note 5)	-	569,868	502,681
	13,063,237	14,916,542	18,215,598
Expenses (Schedule 2)			
Community services	3,565,644	4,004,376	4,429,391
General government	2,468,008	3,371,245	3,328,214
Transportation	3,059,789	2,863,447	3,219,213
Protective services	1,492,440	1,603,408	1,444,699
Water system	733,505	687,908	635,310
Sewer system	498,989	419,014	473,513
Garbage and waste collection	321,295	247,530	285,548
Public health	142,362	165,978	134,812
	12,282,032	13,362,906	13,950,700
Annual surplus	781,205	1,553,636	4,264,898
Accumulated surplus, beginning of year	82,831,464	82,831,464	78,566,566
Accumulated surplus, end of year	83,612,669	84,385,100	82,831,464

The accompanying notes are an integral part of these consolidated financial statements

District of Mackenzie
Consolidated Statement of Change in Net Financial Assets
For the year ended December 31, 2025

	2025 Budget (Note 17)	2025	2024
Annual surplus	781,205	1,553,636	4,264,898
Acquisition of tangible capital assets	(4,232,538)	(3,295,784)	(8,590,629)
Amortization of tangible capital assets	1,885,036	2,482,185	2,240,036
Loss on disposal of tangible capital assets	-	465,535	224,202
Write-down of assets held for sale	-	46,320	41,196
	(2,347,502)	(301,744)	(6,085,195)
Acquisition of inventories	-	(117,744)	(131,472)
Acquisition of prepaid expenses	-	(349,367)	(418,808)
Consumption of inventories	-	131,472	72,753
Use of prepaid expenses	-	418,810	372,960
	-	83,171	(104,567)
Increase (decrease) in net financial assets	(1,566,297)	1,335,063	(1,924,864)
Net financial assets, beginning of year	26,583,563	26,583,563	28,508,427
Net financial assets, end of year	25,017,266	27,918,626	26,583,563

The accompanying notes are an integral part of these consolidated financial statements

District of Mackenzie
Consolidated Statement of Cash Flows
For the year ended December 31, 2025

	2025	2024
Operating activities		
Annual surplus	1,553,636	4,264,898
Non-cash items		
Amortization	2,482,185	2,240,036
Loss on disposal of capital assets	465,535	224,202
Loss on disposal of assets held for sale	46,320	-
Earnings (loss) from investment in business entities	(569,868)	(502,681)
Loss on write-down on assets held for sale	-	41,196
	3,977,808	6,267,651
Changes in working capital accounts		
Accounts receivable	1,092,046	(4,091,612)
Inventory	13,728	(58,719)
Prepaid expenses	69,441	(45,848)
Accounts payable and accruals	(537,073)	649,522
Deferred revenue	(305,207)	401,009
Asset retirement obligation	(148,000)	39,000
	4,162,743	3,161,003
Capital activities		
Purchases of tangible capital assets	(3,295,784)	(8,590,629)
Investing activities		
Purchase of short-term investments	(1,469,944)	-
Proceeds from disposal of short-term investments	-	4,594,470
Distribution from government business partnership	300,000	400,000
	(1,169,944)	4,994,470
Decrease in cash resources	(302,985)	(435,156)
Cash resources, beginning of year	1,644,423	2,079,579
Cash resources, end of year	1,341,438	1,644,423

The accompanying notes are an integral part of these consolidated financial statements

1. Operations of District of Mackenzie

The District of Mackenzie (the "District") is a municipality that was formed 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.

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards and including the following significant accounting policies:

Basis of presentation

Sources of revenue and expenses are recorded on the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it becomes available and measurable; expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

Consolidation basis

(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.

Financial instruments

The District recognizes its financial instruments when the District becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the District may irrevocably elect to subsequently measure any financial instrument at fair value. The District has not made such an election during the year.

The District subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the consolidated statement of remeasurement gains and losses. The District has not presented a consolidated statement of remeasurement gains and losses as it does not have any items giving rise to remeasurement gains (losses). Interest income is recognized in the consolidated statement of operations and accumulated surplus. Investments in equity instruments not quoted in an active market are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the consolidated statement of operations and accumulated surplus. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

All financial assets are tested annually for impairment. Management considers whether the investee has experienced continued losses for a period of years in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the consolidated statement of operations and accumulated surplus. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the consolidated statement of remeasurement gains and losses.

Cash and cash equivalents

Cash and cash equivalent include balances with banks and short-term investments with maturities of three months or less.

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.

Investment in Government Business Partnership

The District records its investments in its government business enterprises ("GBE") and its government business partnerships ("GBP") on a modified equity basis. Under the modified equity basis, the GBE and GBP 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 GBE and GBP 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 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% |

Tangible capital assets

Tangible capital assets are initially recorded at cost based on historical cost accounting records. The cost includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. Contributed tangible assets are recorded at their fair value at the date of contribution. Assets under construction are not amortized until the asset is available for productive use.

When conditions indicate that a tangible capital asset no longer contributes to the District's ability to provide goods and services, or that the value of future economic benefits associated with a tangible capital asset is less than its net book value, the District reduces the cost of the asset to reflect the decline in it's value. Write-downs of tangible capital assets are not reversed.

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

2. Significant accounting policies *(Continued from previous page)*

Tangible capital assets *(Continued from previous page)*
Amortization

Tangible capital assets are amortized annually using the straight line at rates intended to amortize the cost of the assets over their estimated useful lives:

	<i>Method</i>	<i>Rate</i>
Buildings	straight-line	40 - 75 years
Building improvements, equipment and IT	straight-line	4 - 40 years
Drainage and transportation infrastructure	straight-line	10 - 100 years
Machinery, equipment and vehicles	straight-line	5 - 20 years
Water infrastructure	straight-line	10 - 100 years
Sewer infrastructure	straight-line	10 - 100 years

Liability for contaminated site

A liability for remediation of a contaminated site is recognized at the best estimate of the amount required to remediate the contaminated site when contamination exceeding an environmental standard exists, the District is either directly responsible or accepts responsibility, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount is determinable. The best estimate of the liability includes all costs directly attributable to remediation activities and is reduced by expected net recoveries based on information available at December 31, 2025.

At each financial reporting date, the District reviews the carrying amount of the liability. Any revisions required to the amount previously recognized is accounted for in the period revisions are made. The District continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

Asset retirement obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the District to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at December 31, 2025. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

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

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

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

Revenue recognition

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.

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition *(Continued from previous page)*

Externally restricted revenue

The District recognizes externally restricted inflows as revenue in the period the resources are used for the purpose specified in accordance with an agreement or legislation. Until this time, the District records externally restricted inflows in deferred revenue.

Tax revenue

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.

The District is entitled to collect interest and penalties on overdue taxes. This revenue is recorded in the period the interest and penalties are levied.

Tax revenue is initially measured at management's best estimate of the amount resulting from the original taxable event in accordance with tax legislation. The related tax receivable is initially recognized at its realizable value at the date of acquisition. At each financial statement date, the District evaluates the tax receivable for collectability and records a valuation allowance to reflect the tax receivable at its net recoverable amount, if necessary.

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.

Revenue from transactions with performance obligations, such as sale of services, licenses, and permits, user fees, and other revenue is recognized when the District satisfies a performance obligation by providing the promised goods or services to a payor. The performance obligation is evaluated as being satisfied either over a period of time or at a point in time.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Items subject to such estimates and assumptions include the carrying values of tangible capital assets, inventory, accrued liabilities, asset retirement obligation and collectibility of accounts receivable.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

Asset classification

Assets are classified as either financial or non-financial. Financial assets are assets that could be used to discharge existing liabilities or finance future operations. Non-financial assets are acquired, constructed or developed assets that do not normally provide resources to discharge existing liabilities but are employed to deliver government services, may be consumed in normal operations and are not for resale in the normal course of operations. Non-financial assets include tangible capital assets, prepaid expenses and inventory.

District of Mackenzie
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

3. Accounts receivable

	2025	2024
Taxation - current	2,606,329	1,780,470
Taxation - arrears/delinquent	859,557	157,895
Grants	473,614	2,888,086
Accrued interest	422,667	442,876
Trade and miscellaneous	258,934	429,245
Sales tax	146,695	153,419
Utilities	130,728	133,242
	4,898,524	5,985,233
Less: Allowance for doubtful accounts	42,113	36,775
	4,856,411	5,948,458

4. Investments

	2025	2024
Term deposits	20,704,249	19,234,306

Investment income earned on investments and cash and cash equivalents of \$848,822 (2024 – \$1,305,809) is recognized as revenue on the consolidated statement of operations and accumulated surplus as investments and penalties. The term deposits mature between April 30, 2026 to September 13, 2027 with interest rates ranging from 2.48% - 4.60%.

5. Investments in government business partnerships and entities

On January 15, 2008, McLeod Lake Mackenzie Community Forest Corporation was incorporated. McLeod Lake Mackenzie Community Forest Corporation was formed for the purpose of providing management services to the McLeod Lake Mackenzie Community Forest Limited Partnership.

The District is a 49.5% Limited Partner of McLeod Lake Mackenzie Community Forest Limited Partnership, and has 50% ownership of the 200 issued shares of McLeod Lake Mackenzie Community Forest Corporation.

The District's investment in McLeod Lake Mackenzie Community Forest Limited Partnership and McLeod Lake Mackenzie Community Forest Corporation are recorded on a modified equity basis. Under this method, the District's equity is adjusted by the annual profits and losses and declared dividends of the Partnership and Corporation, if any.

The District investments in these entities are as follows:

				2025
	<i>Investment in shares</i>	<i>Cumulative share of earnings</i>	<i>Distributions</i>	<i>Total investment</i>
McLeod Lake Mackenzie Community Forest Limited Partnership - 49.5%	50	8,415,965	(3,881,276)	4,534,739
McLeod Lake Mackenzie Community Forest Corporation - 50%	100	60,514	-	60,614
	150	8,476,479	(3,881,276)	4,595,353

District of Mackenzie
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

5. Investments in government business partnerships and entities *(Continued from previous page)*

				2024
	<i>Investment in shares</i>	<i>Cumulative share of earnings</i>	<i>Distributions</i>	<i>Total investment</i>
McLeod Lake Mackenzie Community Forest Limited Partnership - 49.5%	50	7,843,720	(3,581,276)	4,262,494
McLeod Lake Mackenzie Community Forest Corporation - 50%	100	62,891	-	62,991
	150	7,906,611	(3,581,276)	4,325,485

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

	2025	2024
Assets	10,840,123	10,450,502
Liabilities	(1,770,648)	(1,925,513)
Partner's equity	(9,069,475)	(8,524,989)
Revenues	2,596,679	2,299,655
Expenses	(2,811,732)	(2,732,455)
Other income	1,359,540	1,418,123
Net earnings	1,144,487	985,323

The District's share of net earnings in the current year was \$572,244 (2024 - \$492,661),

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

	2025	2024
Assets	187,304	182,717
Liabilities	(66,074)	(56,735)
Equity	(121,230)	(125,982)
Revenues	444,000	444,000
Expenses	(448,752)	(423,961)
Net earnings (loss)	(4,752)	20,039

The District's percentage of net earnings (loss) in the current year was \$(2,376) (2024 - \$10,020).

District of Mackenzie
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

6. Accounts payable and accruals

	2025	2024
Trade payables and accrued liabilities	976,178	1,345,037
Government remittances	498,951	429,673
Wages and related costs	464,130	641,349
Other payables	9,159	69,436
	1,948,418	2,485,495

7. Deferred revenue

The following table represents changes in the deferred revenue balance attributable to each major category of external restrictions:

	<i>Balance, beginning of year</i>	<i>Contributions received</i>	<i>Transferred to revenue</i>	<i>Balance, end of year</i>
Licenses and permits	46,230	-	4,550	41,680
User fees	36,395	100,031	99,144	37,282
Other	9,413	4,073	6,995	6,491
Property taxes	120,300	130,515	120,300	130,515
Federal transfers	15,304	-	-	15,304
Provincial transfers	616,689	86,103	370,819	331,973
Other transfers	138,283	236,826	260,947	114,162
	982,614	557,548	862,755	677,407

8. 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.

	2025	2024
Balance, beginning of year	1,101,000	1,062,000
Liabilities incurred	-	100,000
Liabilities settled	(148,000)	(61,000)
Balance, end of year	953,000	1,101,000

District of Mackenzie
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

9. Accumulated surplus

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

	2025	2024
Surplus:		
Invested in tangible capital assets	53,578,060	53,081,998
General fund	12,779,430	12,018,810
Water utility fund	40,758	187,382
Sewer utility fund	107,746	142,659
Library fund	139,777	132,259
	66,645,771	65,563,108
Reserve funds set aside for specific purposes by Council:		
Parkland	47,846	46,052
Gas tax	255,358	36,966
Fire department vehicle/equipment replacement	866,426	836,902
Vehicle/equipment replacement	3,190,505	2,779,877
General capital	3,375,389	4,053,488
Climate action	167,843	122,831
Growing communities fund (Note 10)	1,936,995	1,864,377
Northern capital planning (Note 11)	740,994	980,853
Capital renewal	2,708,680	2,106,014
Financial stability	2,031,792	2,053,746
Water	1,183,140	1,426,414
Sewer	1,131,501	869,859
Library - operating	76,757	73,880
Library - relocation allowance	5,483	5,277
Library - contracts	20,620	11,820
	17,739,329	17,268,356
	84,385,100	82,831,464

10. Growing Communities Reserve Fund

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.

	2025	2024
Growing Communities Fund	1,864,377	1,766,474
Interest income	72,618	97,903
	1,936,995	1,864,377

District of Mackenzie
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

11. Northern Capital Planning Grant Reserve

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.

	2025	2024
Opening balance of reserves	980,853	1,511,924
Reserves used	(272,752)	(598,287)
Interest income	32,893	67,216
	740,994	980,853

12. Government transfers

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

	2025	2024
Provincial grants:		
Unconditional	654,546	619,241
Conditional	876,059	171,275
Grants in lieu	13,566	12,198
BC Hydro	3,071,137	2,569,086
	4,615,308	3,371,800
Federal grants:		
Conditional	212,808	2,417,272
Grants in lieu	10,829	9,783
	223,637	2,427,055
Other grants:		
Conditional	403,052	865,606
Unconditional	11,100	427,492
Fortis BC	31,428	34,342
Miscellaneous	127,277	178,728
	572,857	1,506,168
	5,411,802	7,305,023

District of Mackenzie
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

13. Net taxation revenue

As disclosed in note 16(b), the District is required to collect taxes on behalf of and transfer these amounts to the government agencies below:

	2025	2024
Taxes collected:		
General purposes	4,805,372	5,876,538
Collection for other governments	2,475,313	2,454,010
	7,280,685	8,330,548
Transfers to other governments:		
Provincial government	(1,614,732)	(1,527,229)
Fraser-Fort George Regional Hospital District	(497,745)	(529,060)
Regional District of Fraser-Fort George	(326,682)	(350,461)
B.C. Assessment Authority	(36,044)	(47,086)
Municipal Finance Authority	(136)	(144)
	(2,475,339)	(2,453,980)
	4,805,346	5,876,568

14. Municipal Pension Plan

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, 2024, the plan has about 273,000 active members and approximately 133,000 retired members. Active members include approximately 47,000 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, 2024, indicated a \$2,675 million funding surplus for basic pension benefits on a going concern basis.

The District paid \$359,019 (2024 - \$383,275) for employer contributions to the Plan in fiscal 2025.

The next valuation will be as at December 31, 2027, with results available in 2028. 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.

15. Segments

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:

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.

Protective Services: Protective services is comprised of emergency management and regulatory services.

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.

Public Health: Public health provides the dental centre, mosquito control and maintenance of the cemetery to the residents of the District.

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

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.

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.

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 segmented information included in the Schedule of Segment Disclosure by Service 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.

16. 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 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

(c) 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.

(d) 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, 2025, there are claims outstanding that management has determined the outcome to be undeterminable and thus no accrual has been recorded.

District of Mackenzie
Notes to the Consolidated Financial Statements
For the year ended December 31, 2025

17. Budget Information

The disclosed budget information represents the Financial Plan Bylaw 1524 that was adopted by the Mayor and Council of the District of Mackenzie on May 5, 2025. The financial plan forms the basis for taxation, fees, and charges rates which may be required for a particular year.

Revenues:	19,710,852
Other capital revenue	(743,240)
Transfer from reserve funds	(3,489,298)
Transfer from accumulated surplus	(397,504)
Transfer from surplus funds	(132,537)
Transfer from invested in tangible capital assets	(1,885,036)
	13,063,237
Expenses:	19,710,852
Transfer to reserve funds	(2,857,757)
Transfer to general fund	(338,525)
Capital expenditures	(4,232,538)
	12,282,032
Annual surplus	781,205

18. Trust Funds

The District operates a cemetery and maintains a cemetery perpetual care fund in accordance with the Cremation, Interment and Funeral Services Act. The trust fund assets and liabilities are not included in the consolidated financial statements. As at December 31, 2025, the balance of funds held in trust was \$20,694 (2024 - \$18,817).

19. Financial Instruments

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

Credit Risk

Credit risk is the risk that the District will incur a loss due to the failure by its debtors to meet their contractual obligations. Financial instruments that potentially subject the District to credit risk consist primarily of cash and cash equivalents, term deposits, and accounts receivable. The District has an investment policy to ensure investments are managed appropriately to secure the preservation of capital and the availability of liquid funds. The District invests surplus funds in accordance with its investment policy. The majority of receivables are due from federal and provincial agencies as well as taxpayers. Amounts due from taxpayers are effectively secured by the property due to the collection method under the tax sale legislation.

Liquidity Risk

Liquidity risk is the risk that the District will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivery of cash or another financial asset.

The District manages the liquidity risk by monitoring its operating requirements. The District prepares budgets to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2024.

20. Comparative figures

Certain comparative figures have been reclassified to conform with current year's presentation.

Schedule 1

District of Mackenzie
Consolidated Schedule of Tangible Capital Assets
As at December 31, 2025

	Assets under construction	Land and Improvements	Buildings improvements equipment and IT	Building	Machinery equipment and vehicles	Drainage and transportation infrastructure	Water infrastructure	Sewer infrastructure	2025	2024
Cost										
Opening Balance	347,048	9,076,808	16,614,876	25,881,361	15,439,314	16,254,791	4,076,374	3,906,232	91,596,804	83,777,912
Add:										
Additions	47,894	87,481	176,263	150,531	652,188	1,226,777	953,029	1,621	3,295,784	8,590,629
Less:										
Disposals	(347,048)	-	(18,530)	(390,305)	(35,795)	-	(6,151)	(719)	(798,548)	(771,738)
Ending Balance	<u>47,894</u>	<u>9,164,289</u>	<u>16,772,609</u>	<u>25,641,587</u>	<u>16,055,707</u>	<u>17,481,568</u>	<u>5,023,252</u>	<u>3,907,134</u>	94,094,040	91,596,803
Accumulated Amortization										
Opening Balance	-	-	6,576,112	7,467,870	7,989,775	10,509,915	1,410,283	2,026,919	35,980,874	34,264,322
Add:										
Amortization	-	-	736,252	503,614	676,780	431,311	81,271	52,957	2,482,185	2,240,036
Less:										
Disposals	-	-	(17,960)	(299,428)	(35,793)	-	(3,507)	(374)	(357,062)	(547,536)
Ending Balance	<u>-</u>	<u>-</u>	<u>7,294,404</u>	<u>7,672,056</u>	<u>8,630,762</u>	<u>10,941,226</u>	<u>1,488,047</u>	<u>2,079,502</u>	38,105,997	35,956,822
Net Book Value	<u>47,894</u>	<u>9,164,289</u>	<u>9,478,205</u>	<u>17,969,531</u>	<u>7,424,945</u>	<u>6,540,342</u>	<u>3,535,205</u>	<u>1,827,632</u>	55,988,043	55,639,981

Schedule 2

District of Mackenzie
Consolidated Schedule of Segment Disclosure
For the year ended December 31, 2025

	General Government Services	Protective Services	Transportation Services	Environmental and Public Health	Garbage and Waste Collection	Community Services	Water Utility	Sewer System	2025 Actual
Revenue									
Taxation	4,805,346	-	-	-	-	-	-	-	4,805,346
User fees and licenses and permits	-	-	67,050	-	506,016	80,840	873,366	617,670	2,144,942
Sales of services	2,697	-	75,083	-	-	354,276	-	-	432,056
Government transfers	4,396,348	160,390	263,742	234,004	-	150,561	206,756	-	5,411,801
Other revenues	142,404	-	46,209	555	-	127,084	-	-	316,252
Income from investments in government business enterprises and partnerships	569,868	-	-	-	-	-	-	-	569,868
Investments and penalties	1,236,276	-	-	-	-	-	-	-	1,236,276
	11,152,939	160,390	452,084	234,559	506,016	712,761	1,080,122	617,670	14,916,542
Expenses									
Operating	968,914	659,067	662,405	23,306	-	697,600	341,913	233,167	3,586,372
Salaries, wages & employee benefits	1,232,510	534,179	1,274,590	38,430	116,684	2,274,317	223,528	102,640	5,796,878
Legislature	175,746	-	-	-	-	-	-	-	175,746
Amortization	77,946	374,170	807,259	104,106	-	940,688	106,667	71,349	2,482,185
Interest	3,393	-	-	-	-	-	-	-	3,393
Insurance	61,335	35,992	110,267	136	-	81,581	15,800	11,858	316,969
Professional services	851,401	-	8,926	-	-	10,190	-	-	870,517
Garbage disposal	-	-	-	-	130,846	-	-	-	130,846
	3,371,245	1,603,408	2,863,447	165,978	247,530	4,004,376	687,908	419,014	13,362,906
Annual surplus (deficit)	7,781,694	(1,443,018)	(2,411,363)	68,581	258,486	(3,291,615)	392,214	198,656	1,553,636

	General Government Services	Protective Services	Transportation Services	Environmental and Public Health	Garbage and Waste Collection	Community Services	Water Utility	Sewer System	2024 Actual
Revenue									
Taxation	5,876,568	-	-	-	-	-	-	-	5,876,568
User fees and licenses and permits	-	-	77,816	-	482,628	96,754	790,622	570,317	2,018,137
Sales of services	186,415	-	58,394	-	-	291,642	-	-	536,451
Government transfers	6,798,515	184,187	2,782	107,393	-	73,915	138,231	-	7,305,023
Other revenues	158,497	-	45,711	1,453	-	123,674	-	-	329,335
Income from investments in government business enterprises and partnerships	502,681	-	-	-	-	-	-	-	502,681
Investments and penalties	1,647,403	-	-	-	-	-	-	-	1,647,403
	15,170,079	184,187	184,703	108,846	482,628	585,985	928,853	570,317	18,215,598
Expenses									
Operating	1,517,929	584,163	1,039,849	38,944	-	840,166	355,460	258,244	4,634,755
Salaries, wages & employee benefits	1,333,901	538,511	1,350,964	23,693	144,676	2,609,535	178,935	114,035	6,294,250
Legislature	171,132	-	-	-	-	-	-	-	171,132
Amortization	79,183	291,234	737,876	72,027	-	883,702	88,240	87,774	2,240,036
Interest	4,883	-	-	-	-	-	-	-	4,883
Insurance	58,055	30,477	90,524	148	-	85,768	12,675	13,460	291,107
Professional services	163,131	314	-	-	-	10,220	-	-	173,665
Garbage disposal	-	-	-	-	140,872	-	-	-	140,872
	3,328,214	1,444,699	3,219,213	134,812	285,548	4,429,391	635,310	473,513	13,950,700
Annual surplus (deficit)	11,841,865	(1,260,512)	(3,034,510)	(25,966)	197,080	(3,843,406)	293,543	96,804	4,264,898