

# Regional District of Bulkley-Nechako



## Statement of Financial Information Year Ended December 31, 2019

**Regional District of Bulkley-Nechako  
Statement of Financial Information**

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## Regional District of Bulkley-Nechako

### STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned, as authorized by the Financial Information Regulation, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the Financial Information Act.

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John Illes  
Chief Financial Officer  
Date

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Gerry Thiessen  
Chair of the Board of Directors  
Date



37, 3RD AVE PO Box 820  
BURNS LAKE, BC  
VOJ 1E0

REGIONAL DISTRICT  
OF BULKLEY-NECHAKO  
"A WORLD OF OPPORTUNITIES WITHIN OUR REGION"

## REGIONAL DISTRICT OF BULKLEY-NECHAKO MANAGEMENT REPORT 2019

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with generally accepted accounting principles or stated accounting principles, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

These controls include:

- An organizational structure providing for effective segregation of responsibilities, delegation of authority, personal accountability and careful selection and training of personnel;
- The application of financial, accounting, information technology and administrative policies and procedures necessary for internal control over transactions, assets and records; and
- Systematic financial review and analysis of operating results.

The Board of Directors of the Regional District is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control and exercises this responsibility through meeting with the external auditors during the annual audit process.

The external auditors, Beswick, Hildebrandt Lund, CPA, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Act. Their examination includes a review and evaluation of the corporation's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to the Board of Directors.

On behalf of the Regional District of Bulkley-Nechako

John Illes, CPA, CGA  
Chief Financial Officer  
June 19, 2020

[www.rdbn.bc.ca](http://www.rdbn.bc.ca)

#### MUNICIPALITIES:

SWITZER F1-ST. JAMES  
VANDERHOOF FRASER LAKE  
HOUSTON TELUKA  
BURNS LAKE GRANBLE

#### ELECTORAL AREAS:

A-SMITHS RURAL F-VANDERHOOF RURAL  
B-BURNS LAKE RURAL E-FRANCOIS & OOSTA LAKES  
C-FORT ST. JAMES RURAL G-HOUSTON RURAL  
D-FRASER LAKE RURAL

PH: 250-692-319  
FX: 250-692-3301  
TF: 800-320-3331



37, 3RD AVE PO Box 820  
BURNS LAKE, BC  
VOJ 1E0

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## Management's Responsibility for the Financial Statements

The financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all of the notes to the financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Board of Directors are responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Board. The Board reviews internal financial statements on a quarterly basis and external audited financial statements yearly. The Board also discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The external auditors, Beswick Hildebrandt Lund Chartered Professional Accountants, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on the financial statements. The external auditors have full and free access to financial management of Regional District of Bulkley-Nechako and meet when required. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the financial statements.

On behalf of Regional District of Bulkley-Nechako

John Illes  
Chief Financial Officer

Gerry Thiessen  
Chairperson



CHARTERED PROFESSIONAL ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Regional District of Bulkley-Nechako

### Opinion

We have audited the financial statements of Regional District of Bulkley-Nechako (the Entity), which comprise the statement of financial position as at December 31, 2019, and the statements of operations, changes in net financial assets and cash flows 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 Entity as at December 31, 2019, and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standard.

### 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 Entity 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.

### Comparative Information

The financial statements of the Entity for the year ended December 31, 2018 were audited by another auditor who expressed an unmodified opinion on those statements on May 2, 2019.

### 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 PSAS, 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.

Partners  
Allison Beswick CPA, CA  
Norm Hildebrandt CPA, CA  
Robin Lund CPA, CGA

Director  
Kristin Glannotti CPA, CGA

Beswick Hildebrandt Lund CPA  
556 North Nechako Road, Suite 10,  
Prince George BC, Canada V2K 1A1  
T: +1 250 564 2515, F: +1 250 562 8722



CHARTERED PROFESSIONAL ACCOUNTANTS

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

Those charged with governance are responsible for overseeing the Entity'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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 Entity to cease to continue as a going concern.



CHARTERED PROFESSIONAL ACCOUNTANTS

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

*Beswick Hildebrandt Lund*

Chartered Professional Accountants

Prince George, British Columbia

May 7, 2020



## REGIONAL DISTRICT OF BULKLEY-NECHAKO

## STATEMENT OF FINANCIAL POSITION

December 31, 2019

	<u>2019</u>	<u>2018</u>
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 16,481,561	\$ 8,448,228
Accounts receivable	460,733	511,124
Grants receivable	393,671	2,008,402
Investments (Note 3)	89	89
Debt Reserve Fund - Municipal Finance Authority (Note 4)	168,247	183,005
Debentures recoverable from municipalities (Note 5)	<u>9,065,323</u>	<u>9,442,795</u>
	<u>26,569,624</u>	<u>20,593,643</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6, 10 and 11)	4,167,098	4,487,177
Deferred revenue (Note 7)	9,987,829	4,075,354
Debt Reserve Fund - Municipal Finance Authority (Note 4)	168,247	161,145
Debentures issued for municipalities (Note 5)	9,065,323	9,442,795
Debentures issued for the Regional District (Note 9)	<u>821,397</u>	<u>1,293,593</u>
	<u>24,199,894</u>	<u>19,460,064</u>
<b>NET FINANCIAL ASSETS</b>	<u>2,369,730</u>	<u>1,133,579</u>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Schedule 3)	18,019,980	17,641,299
Prepaid expenses	<u>86,877</u>	<u>72,506</u>
	<u>18,106,857</u>	<u>17,713,805</u>
<b>ACCUMULATED SURPLUS (Note 13)</b>	<u>\$ 20,476,687</u>	<u>\$ 18,847,384</u>

**CONTINGENCIES (Note 10)**

Approved by the Board:

 Chairperson

 Chief Financial Officer

See notes to the consolidated financial statements.

## REGIONAL DISTRICT OF BULKLEY-NECHAKO

## STATEMENT OF OPERATIONS

For the year ended December 31, 2019

	2019		2018
	Budget (Note 14)	Actual	Actual
<b>REVENUE</b>			
Property tax requisition			
Electoral area	\$ 6,420,230	\$ 6,422,148	\$ 5,879,723
Municipal	3,957,248	3,955,280	3,707,588
	10,377,478	10,377,398	9,587,311
Grants-in-lieu of taxes	992,040	1,081,160	1,026,862
Federal grants - conditional	1,336,558	977,941	723,795
Fees and permits	771,934	898,553	921,624
Municipal debt payments (Note 5)	959,436	813,443	743,366
Provincial grants - northern capital	-	803,898	-
Provincial grants - unconditional	185,000	317,554	195,000
Other grants - conditional	410,410	313,117	479,004
Emergency expenditure recovers	-	235,859	1,396,851
Provincial grants - conditional	-	227,502	2,751,624
Interest	43,500	219,089	143,417
Municipal cost sharing	196,812	178,098	162,991
Sundry	23,635	133,867	135,246
Administration recoveries	617,762	18,484	17,855
Donations	40,000	54,773	8,829
Debt sinking fund actuarial earnings (Note 9)	-	40,724	59,500
Investment income	-	12,680	25,360
	15,954,565	16,704,140	16,378,435
<b>EXPENSES (Schedule 1) (Note 16)</b>			
Environmental services	3,933,378	4,282,381	5,314,781
Government - general, rural and local commission	3,568,888	3,349,216	2,622,512
Recreation and culture	2,580,305	2,442,718	2,231,049
Fire protection and emergency response	2,451,055	2,019,249	3,206,484
Building inspection, building numbering, planning and development services	1,164,614	1,094,434	988,264
Economic development	867,464	560,444	680,793
Municipal debt payments (Note 5)	-	813,443	743,366
Street lighting and transportation	383,944	336,222	370,043
Sewer and water	146,391	176,830	199,665
	15,094,139	15,074,937	16,236,957
<b>ANNUAL SURPLUS</b>	860,426	1,629,203	2,141,478
<b>ACCUMULATED SURPLUS - BEGINNING OF YEAR</b>	18,847,384	18,847,384	16,705,906
<b>ACCUMULATED SURPLUS - END OF YEAR (Note 13)</b>	\$ 19,707,810	\$ 20,476,587	\$ 18,847,384

See notes to the consolidated financial statements.

**REGIONAL DISTRICT OF BULKLEY-NECHAKO**  
**STATEMENT OF CHANGES IN NET FINANCIAL ASSETS**

For the year ended December 31, 2019

	<u>2019</u>		<u>2018</u>
	<u>Budget</u> (Note 14)	<u>Actual</u>	<u>Actual</u>
<b>ANNUAL SURPLUS</b>	\$ 860,426	\$ 1,629,203	\$ 2,141,478
Acquisition of tangible capital assets	(1,896,557)	(1,543,988)	(4,401,882)
Loss on sale of tangible capital assets	-	(1,660)	(27,751)
Proceeds on sale of tangible capital assets	-	21,000	96,000
Amortization of tangible capital assets	<u>1,180,685</u>	<u>1,145,967</u>	<u>1,093,337</u>
	144,554	1,250,522	(1,098,818)
Net use of (addition to) prepaid expenses	<u>-</u>	<u>(14,371)</u>	<u>(6,567)</u>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	144,554	1,236,151	(1,105,385)
<b>NET FINANCIAL ASSETS AT BEGINNING OF THE YEAR</b>	<u>1,133,579</u>	<u>1,133,579</u>	<u>2,238,964</u>
<b>NET FINANCIAL ASSETS AT END OF THE YEAR</b>	<u>\$ 1,278,133</u>	<u>\$ 2,369,730</u>	<u>\$ 1,133,579</u>

See notes to the consolidated financial statements.

## REGIONAL DISTRICT OF BULKLEY-NECHAKO

## STATEMENT OF CASH FLOWS

For the year ended December 31, 2019

	<u>2019</u>	<u>2018</u>
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 1,629,203	\$ 2,141,478
Add: Non-cash items		
Debt sinking fund actuarial earnings (Note 9)	(40,724)	(17,655)
Amortization of tangible capital assets	1,145,967	1,093,337
Loss (gain) on sale of tangible capital assets	(1,660)	(27,751)
	<u>2,732,786</u>	<u>3,189,409</u>
Changes in non-cash working capital:		
Accounts receivable	50,391	(192,697)
Grants receivable	1,614,731	(1,819,957)
Accounts payable and accrued liabilities	(330,079)	1,589,098
Deferred revenue	5,912,475	(606,419)
Prepaid expenses	(14,371)	(6,567)
	<u>9,965,933</u>	<u>2,152,867</u>
<b>FINANCING ACTIVITIES</b>		
Repayments from Debt Reserve Fund - Municipal Finance Authority	21,860	8,696
Debt repayments	(431,472)	(523,899)
	<u>(409,612)</u>	<u>(515,203)</u>
<b>CAPITAL ACTIVITIES</b>		
Purchase of tangible capital assets	(1,543,988)	(4,401,882)
Proceeds on disposal of tangible capital assets	21,000	96,000
	<u>(1,522,988)</u>	<u>(4,305,882)</u>
<b>INCREASE (DECREASE) DURING THE YEAR</b>	<b>8,033,333</b>	<b>(2,668,218)</b>
<b>CASH AT BEGINNING OF THE YEAR</b>	<b>8,448,228</b>	<b>11,116,446</b>
<b>CASH AT END OF THE YEAR</b>	<b><u>\$ 16,481,561</u></b>	<b><u>\$ 8,448,228</u></b>

See notes to the consolidated financial statements.

**REGIONAL DISTRICT OF BULKLEY-NECHAKO**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2019**

The Regional District of Bulkley-Nechako ("the Regional District") was incorporated as a Regional District on February 1, 1966 under the Municipal Act (replaced by the Local Government Act) of British Columbia. The Regional District provides a political and administrative framework for region-wide, inter-municipal and sub-regional services and acts as the local government for electoral areas.

**1. SIGNIFICANT ACCOUNTING POLICIES**

Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards (PSAS).

Funds and reserves

Certain amounts, as approved by the Board of Directors, through a bylaw, are set aside in accumulated surplus for future operating and capital purposes. Transfers to/from funds and reserves are an adjustment to the respective fund when approved.

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development improvement or betterment of the asset. Costs include overhead directly attributable to construction and development but exclude interest costs directly attributable to the acquisition or construction of the asset.

Contributed tangible capital assets are recorded into revenues at their fair market value on the date of donation, except in circumstances where there are stipulations on their use or where fair value cannot be reasonably determined, in which case they are recognized at a nominal value.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over the estimated useful life of the asset.

Buildings	40-50 years
Water and waste systems	50 years
Heavy vehicles	10-20 years
Passenger vehicles	6-10 years
Other equipment	5-10 years

Tangible capital assets are written down when conditions indicate that they no longer contribute to the Regional District's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

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

**REGIONAL DISTRICT OF BULKLEY-NECHAKO****NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2019****1. SIGNIFICANT ACCOUNTING POLICIES, continued****Revenue recognition**

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

Tax revenue from local government requisitions are recognized in the year levied, provided that the effective date of tax has passed and the related bylaws have been approved by the Board of Directors.

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

Contributions from other sources are deferred when restrictions are placed on their use by the contributor and are recognized as revenue when used for the specific purpose. Restricted contributions that must be maintained in perpetuity are recorded as revenue when received or receivable and are presented as non-financial assets in the statement of financial position.

Grants received from the Federal Gas Tax Agreement and Northern Capital Planning Grant Agreement are each contributed to a designated reserve and recorded as revenue in the year amounts are expended on qualifying projects.

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

**Unfunded landfill liability**

The landfill for closure of operational sites and post-closure care has been recognized based on estimated future expenses, estimated for inflation and the usage of the sites capacity during the year. The change in this liability during the year is recorded as a charge to operations. These estimates are reviewed and adjusted annually.

**Measurement uncertainty**

The preparation of the financial statements in accordance with Canadian PSAS 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 amount of revenues and expenses during the year. These estimates and assumptions are based on management's judgement and the best information available at the time of preparation and may differ significantly from actual results. Estimates are reviewed periodically or as new information becomes available, by management, and as adjustments become necessary, they are reported in earnings in the period in which they become known. Significant estimates include the determination of the useful life of tangible capital assets, valuation of the landfill closure and post-closure obligation, and provisions for contingencies.

**REGIONAL DISTRICT OF BULKLEY-NECHAKO****NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2019****1. SIGNIFICANT ACCOUNTING POLICIES, continued****Non-financial assets**

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

**Financial instruments*****Measurement of financial instruments***

The Regional District initially measures its financial assets and financial liabilities at fair value. The Regional District subsequently measures all its financial assets and financial liabilities at cost.

Financial assets measured at cost include cash and cash equivalents, accounts receivable, cash deposits included in the debt reserve fund – Municipal Finance Authority, investments, and debentures recoverable from municipalities.

Financial liabilities measured at cost include accounts payable and accrued liabilities, debentures issued for municipalities, debentures issued for the Regional District, and financial liabilities included in the debt reserve fund –Municipal Finance Authority.

***Impairment***

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

***Transaction costs***

The Regional District recognizes its transaction costs in net income in the period incurred. However, the carrying amount of the financial instruments that will not be subsequently measured at fair value is reflected in the transaction costs that are directly attributable to their origination, issuance or assumption.

**Investments**

Investments are reported at cost or amortized cost less any write-downs associated with a loss in value that is other than a temporary decline.

## REGIONAL DISTRICT OF BULKLEY-NECHAKO

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019

## 2. CASH AND CASH EQUIVALENTS

	<u>2019</u>	<u>2018</u>
Bank accounts	\$ 8,706,458	\$ 1,833,501
Petty cash	650	650
Guaranteed investment certificates	<u>7,774,453</u>	<u>6,614,077</u>
	<u>\$ 16,481,561</u>	<u>\$ 8,448,228</u>

Cash and cash equivalents consist unrestricted cash and fixed income guaranteed investment certificates, which have a maturity of one year or less, and are carried at market value which approximates cost. For the year ended December 31, 2019, the guaranteed investment certificate interest rates ranged between 2.45% to 2.71% (2018 – ranged between 2.20% to 2.85%).

## 3. INVESTMENTS

The Regional District has a 9% interest in the Chinook Comfor Limited Partnership and Chinook Comfor Ltd.

## 4. DEBT RESERVE FUND – MUNICIPAL FINANCE AUTHORITY

The Regional District issues debt instruments through the Municipal Finance Authority of British Columbia ("MFA"), and as a condition of borrowing, one percent of the debenture proceeds is withheld as a debt reserve fund. The Regional District also executes demand notes in connection with each debenture whereby the Regional District could be required to pay certain amounts to MFA in excess of the debt borrowed. The demand notes are contingent in nature, and it is unlikely that they will be called; therefore, a liability has not been reported in the financial statements (see note 10).

The Regional District reports the debt reserve fund balances for both debts issued on its behalf, and on behalf of member municipalities, as a financial asset. Because all debt reserve fund refunds received on behalf of Municipal borrowing are repayable to those Municipalities, the Municipal portion of the Debt Reserve Fund balances are also reported as a financial liability.

## 6. DEBT RECOVERABLE FROM MUNICIPALITIES

When a member Municipality within the Regional District wishes to issue debenture debt through the Municipal Finance Authority of British Columbia ("MFA"), the borrowing is done through the Regional District. The Regional District is therefore responsible for repayment of the debt to MFA. When payments (interest and sinking fund or principal) are made on this debt, the Regional District pays MFA and is in turn reimbursed by the Municipality.

The Regional District therefore reports the net outstanding debt borrowed on behalf of Municipalities as both a financial liability and a financial asset.



## REGIONAL DISTRICT OF BULKLEY-NECHAKO

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019

## 5. DEBT RECOVERABLE FROM MUNICIPALITIES, continued

Service borrowing was incurred for:	Year	Originally	Year of	Current	Net Debt	
		Borrowed			Maturity	Rate of
		Amount		Interest	2019	2018
Vanderhoof Issue 145	2018	1,000,000	2038	3.15%	962,784	1,000,000
Smithers Issue 142	2017	3,000,000	2037	3.15%	2,773,358	2,888,353
Vanderhoof Issue 142	2017	2,000,000	2037	3.15%	1,848,904	1,925,569
Smithers Issue 127	2013	650,000	2034	3.30%	531,772	557,308
Fort St. James Issue 124	2013	304,879	2033	3.15%	236,968	249,425
Smithers Issue 124	2012	147,639	2033	3.15%	114,753	120,785
Fort St. James Issue 124	2013	121,952	2028	3.15%	81,554	88,964
Smithers Issue 116	2011	800,000	2026	4.20%	431,865	484,440
Smithers Issue 110	2010	17,172	2020	4.50%	2,036	3,993
Smithers Issue 105	2009	23,093	2019	4.90%	-	2,738
Houston Issue 99	2006	2,407,125	2032	1.75%	1,446,097	1,538,636
Fraser Lake Issue 85	2004	350,000	2019	2.00%	-	32,114
Smithers Issue 81	2004	500,000	2024	2.40%	173,704	203,643
Smithers Issue 81	2004	38,824	2019	2.40%	-	3,562
Smithers Issue 79	2003	500,000	2023	2.10%	142,268	173,704
Smithers Issue 77	2002	500,000	2022	1.75%	109,260	142,268
Burns Lake Issue 71	1999	363,850	2019	2.10%	-	27,293
Granisle 149	2019	210,000	2029	2.24%	210,000	-
		<u>\$ 12,934,534</u>			<u>\$ 9,065,323</u>	<u>\$ 9,442,795</u>

## 6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Trade payables	\$ 633,178	\$ 964,686
Vacation accrual	200,123	207,232
Sick leave accrual (Note 10)	303,254	301,217
Retirement accrual (Note 10)	164,624	129,263
Accrued debenture interest	8,884	11,397
Landfill closure cost accrual (Note 12)	2,847,035	2,873,382
	<u>\$ 4,157,098</u>	<u>\$ 4,487,177</u>

## REGIONAL DISTRICT OF BULKLEY-NECHAKO

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019

## 7. DEFERRED REVENUE

	<u>2019</u>	<u>2018</u>
Government transfers - Northern Capital Planning Grant	\$ 4,996,102	\$ -
Government transfers - Federal Gas Tax Reserve	4,969,789	4,058,894
Government transfers - Provincial	1,989	1,989
Government transfers - Municipal	9,949	8,821
Other	10,000	5,650
	<u>\$ 9,987,829</u>	<u>\$ 4,075,354</u>

Government transfers – Federal Gas Tax Reserve

Gas Tax funding is provided by the Government of Canada. The use of the funding is established by funding agreement between the Regional District and the Union of British Columbia Municipalities. Gas Tax funding may be used towards qualifying expenditures as specified in the funding agreement. The Regional District maintains the amounts in a statutory reserve.

	<u>2019</u>	<u>2018</u>
Opening balance	\$ 4,058,894	\$ 3,777,613
Add: Amounts received in the year	1,780,558	922,803
Interest earned	108,278	82,273
	<u>1,888,836</u>	<u>1,005,076</u>
Less: Amounts spent in the year	<u>(977,941)</u>	<u>(723,795)</u>
Closing balance	<u>\$ 4,969,789</u>	<u>\$ 4,058,894</u>

## REGIONAL DISTRICT OF BULKLEY-NECHAKO

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019

## 7. DEFERRED REVENUE, continued

Government transfers – Northern Capital Planning Grant

Northern Capital and Planning funding is provided by the Province of British Columbia. The Northern Capital and Planning funding may be used towards infrastructure and eligible projects include engineering, infrastructure planning, pipes, wells, treatment facilities, building, roads, machinery, equipment, vehicles, and other associated capital that are owned and controlled by the Regional District. This can also include the cost of land associated with developing the above capital investment.

	<u>2019</u>	<u>2018</u>
Opening balance	\$ -	\$ -
Add: Amounts received in the year	5,800,000	-
Interest earned	-	-
	<u>5,800,000</u>	<u>-</u>
Less: Amounts spent in the year	<u>(803,898)</u>	<u>-</u>
Closing balance	<u>\$ 4,996,102</u>	<u>\$ -</u>

The Northern Capital Planning Grant is broken into the following reserves:

<u>Reserve</u>	<u>Initial Allocation</u>	<u>Planning Expenses</u>	<u>Capital Expenses</u>	<u>December 31, 2019 Balance</u>
General Administration	\$ 1,019,248	\$ 208,146	\$ -	\$ 811,102
Clucluz Lake Fire Service	40,000	-	-	40,000
Protective Services	1,325,000	-	-	1,325,000
Glacier Gulch Water Diversion	30,000	-	-	30,000
Round Lake Fires Service	10,000	-	-	10,000
Economic Development	185,273	-	-	185,273
Regional Parks and Trails	370,008	-	-	370,008
Environmental Service	2,394,843	-	595,752	1,799,091
Fort Fraser Water and Sewer Utilities	425,628	-	-	-
	<u>\$ 5,800,000</u>	<u>\$ 208,146</u>	<u>\$ 595,752</u>	<u>\$ 4,996,102</u>

## 8. CREDIT FACILITY

The Regional District has available on an authorized operating line of credit to a maximum of \$400,000. This facility bears interest at prime rate (December 31, 2019 - 2.45%, December 31, 2018 - 3.95%) and is secured by the current borrowing resolution. The facility remained unused at year end.

## REGIONAL DISTRICT OF BULKLEY-NECHAKO

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019

## 9. DEBENTURES ISSUED FOR THE REGIONAL DISTRICT

The Regional District issues debt instruments through the Municipal Finance Authority of British Columbia ("MFA"), pursuant to security issuing bylaws, under authority of the Community Charter, to finance certain capital expenditures. The debt is issued on a sinking fund basis, whereby MFA invests the Regional District's principal payments so that the payments plus investment income, will equal the original outstanding debt amount at the end of the repayment period. Actuarial earnings on debt represent the repayment and/or forgiveness of debt by the MFA using surplus investment income generated by the principal payments. Gross amount of debt and the repayment and actuarial earnings to retire the debt are as follows:

Service borrowing was incurred for:	Originally Borrowed		Year of Maturity	Current Rate of Interest	Repayment & Actuarial Earnings	2019 Principal Repayment	Net Debt Outstanding	
	Year	Amount					2019	2018
Environmental Services	2010	729 517	2020	3.73%	582 272	80 762	86,483	169,639
Burns Lake Arena	1999	200 000	2019	6.20%	193,370	6,630	-	16,000
Round Lake Fire Protection	2017	14 909	2037	3.15%	572	555	13,765	14,384
Fort Fraser Fire Protection	2004	147 140	2019	2.85%	140 321	6,819	-	13,499
Luck Bay Fire Protection	2006	125 000	2026	1.75%	65 597	4,198	55,205	61,924
Luck Bay Fire Protection	2010	10 000	2030	3.73%	3 218	336	6,446	6,904
Environmental Services	2015	1,547 000	2020	2.55%	981 244	308,598	287,168	686,763
Baker Airport	2016	167 625	2021	2.58%	67 050	33,525	67,050	100,673
Topley Rural Fire Protection	2016	366 348	2041	2.10%	21,010	10,048	336,290	345,947
		<u>\$ 3,307,539</u>			<u>\$ 2,054,654</u>	<u>\$ 431,471</u>	<u>\$ 821,397</u>	<u>\$ 1,293,593</u>

**REGIONAL DISTRICT OF BULKLEY-NECHAKO**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended December 31, 2019**

**9. DEBENTURES ISSUED FOR THE REGIONAL DISTRICT, continued**

Scheduled debt repayments may be suspended in the event of excess sinking fund earnings within the MFA.

Principal paid during 2019 was \$431,471 (2018 - \$482,054). Interest paid during 2019 was \$67,167 (2018 - \$91,040).

The MFA performs a rate reset on long-term loans each 5 year period beginning after the first 10 year term; therefore, interest rates on long-term debt are subject to change.

Actuarial earnings received during 2019 was \$40,724 (2018 - \$59,500). Future principal payments, including sinking fund additions, on existing debt are as follows:

2020	\$ 366,582
2021	48,662
2022	15,137
2023	15,137
2024	15,137
Thereafter	<u>308,838</u>
	769,493
Actuarial additions	<u>51,904</u>
	<u>\$ 821,397</u>

**10. CONTINGENCIES**

**Municipal Finance Authority Demand Notes**

The Regional District is contingently liable to the Municipal Finance Authority of British Columbia ("MFA") in excess of the amounts borrowed under the terms of demand notes issued to MFA.

Member municipalities have signed offsetting demand notes to the Regional District for borrowing made on their behalf. The amounts are as follows:

	<u>2019</u>	<u>2018</u>
Demand Notes Outstanding:		
Borrowing on behalf of member municipalities	\$ 321,309	\$ 340,875
Borrowing for Regional District purposes	<u>46,278</u>	<u>59,174</u>
	<u>\$ 367,587</u>	<u>\$ 400,049</u>

**REGIONAL DISTRICT OF BULKLEY-NECHAKO****NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2019****10. CONTINGENCIES, continued****Employee Sick Leave**

The Regional District is contingently liable to pay its employees sick leave. The total maximum value of the accumulated sick time is \$487,075 at December 31, 2019 (2018 - \$475,167). As at year end an amount of \$303,254 (2018 - \$301,217) has been recognized as a liability, representing the estimated future usage of accumulated sick days.

**Employee Retiring Allowance**

The Regional District is contingently liable to pay employees one week salary for every year of employment to a maximum of 13 weeks upon normal retirement from the Regional District. The total value of this retiring allowance is \$225,770 at December 31, 2019 (2018 - \$185,064). As at year end an amount of \$164,624 (2018 - \$129,263) has been accrued as an estimate of the liability.

**11. MUNICIPAL PENSION PLAN**

The Regional District and its employees contribute to the Municipal Pension Plan (a jointly trustees 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, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

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

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

The Regional District paid \$309,682 (2018 - \$272,413) for employer contributions to the plan in fiscal 2019.

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

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

**REGIONAL DISTRICT OF BULKLEY-NECHAKO****NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2019****12. UNDERFUNDED LIABILITY FOR LANDFILL CLOSURE COSTS**

British Columbia environmental law requires closure and post-closure care of landfill sites, which includes final covering and landscaping, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspections and maintenance.

The estimated total liability is based on the sum of discounted future cash flows for closure and post closure activities for 30 years after closure using a discount rate of 3.0% which is net of projected annual inflation.

The accrued liability portion is based on the cumulative capacity used at year end compared to the estimated total landfill capacity. Management had a closure cost evaluation completed in the year which resulted in updated information for management's landfill closure cost estimate.

The Knockholt landfill has been divided into six phases with only the first three phases being utilized. The total capacity of the Knockholt landfill is estimated at 1,998,500 cubic metres, with a total usage of 263,162 cubic metres of the first three phases. Phase one and two are at 90% and 93% capacity respectively and are expected to reach capacity by 2020. The capacity of Knockholt landfill was remeasured during the year ended December 31, 2019 and was increased from 420,000 to 469,898 cubic meters. The total capacity of phase three of the Knockholt landfill is estimated at 469,898 cubic meters with a total usage of 34,898 cubic metres. Phase 3B and 3C remain undeveloped. Phase three is expected to reach capacity in 2038. The existing landfill site was originally expected to reach capacity approximately in the year 2076 and has been estimated to last past 2096 because of refined estimates for utilization based on current landfill rates.

The Clearview landfill has been divided into four phases with only the first phase being utilized. The total capacity of the Clearview landfill is estimated at 1,157,600 cubic meters with a total usage of 104,540 cubic metres of the first phase. Phase one has a developed capacity of 238,000 and is expected to reach capacity in 2030. The existing landfill site is expected to reach capacity approximately in the year 2106.

Considerable uncertainty exists with these estimations. The long time span for full site utilization combined with predicting costs that will be paid in far future years relies on a large number of assumptions including the certainty of current environmental legislation, a predictable rate of inflation for costs associated with landfill work and engineering, and an even flow of waste landfilled each year. Landfilling estimates do not include allowances for population change, change in landfilling from industrial sites (such as industrial camps), the possible diversion from recycling programs currently increasing and those being developed, and the diversion potential from composting programs.

## REGIONAL DISTRICT OF BULKLEY-NECHAKO

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019

## 12. UNDERFUNDED LIABILITY FOR LANDFILL CLOSURE COSTS, continued

	<u>2019</u>	<u>2018</u>
<b>Knockholt Landfill Phase One, Two, and Three</b>		
Estimated closure costs	\$ 568,152	\$ 611,791
Estimated post-closure costs	<u>1,157,717</u>	<u>1,168,957</u>
	1,725,869	1,780,748
Estimated capacity used	<u>12%</u>	<u>12%</u>
Accrued liability for Knockholt landfill	<u>204,597</u>	<u>209,938</u>
<b>Clearview Landfill Phase One</b>		
Estimated closure costs	602,707	627,079
Estimated post-closure costs	<u>1,157,717</u>	<u>1,168,957</u>
	1,760,424	1,796,036
Estimated capacity used	<u>21%</u>	<u>17%</u>
Accrued liability for Clearview landfill	<u>369,386</u>	<u>313,420</u>
<b>Inactive sites closure estimates</b>	<u>2,273,052</u>	<u>2,350,024</u>
<b>Total closure and post-closure liability</b>	<u>\$ 2,847,035</u>	<u>\$ 2,873,382</u>

The liability expense of \$2,847,035 is unfunded as at December 31, 2019. The Regional District has established Landfill Closure and Post-Closure Reserve Funds that is restricted for purposes of funding landfill closure and post-closure costs. As at December 31, 2019, the Landfill Closure and Post-Closure Reserve Funds have a balance of \$390,841 (2018 - \$380,687).



## REGIONAL DISTRICT OF BULKLEY-NECHAKO

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2019

**13. ALLOCATION OF ACCUMULATED SURPLUS**

The accumulated surplus at the end of the year is comprised of the following Funds:

	<u>2019</u>	<u>2018</u>
Operating Reserves	\$ 18,169,323	\$ 15,250,464
	<u>4,307,264</u>	<u>3,596,920</u>
	<u>\$ 20,476,587</u>	<u>\$ 18,847,384</u>

**14. BUDGET**

The budget figures included in these financial statements represent the Financial Plan adopted by the Board of Directors on March 21, 2019. Subsequent amendments to the budget bylaw are not reflected in the budget figures.

The Financial Plan adopted by the Board of Directors was prepared on a modified accrual basis while the financial statements are prepared on a full accrual basis as required by PSAS. The Financial Plan anticipated the use of surpluses accumulated in prior years to supplement current year revenues. In addition, the Financial Plan expensed tangible capital asset expenditures, debt re-payments and reserve transfers.

The following is a reconciliation between the budgeted amounts approved in the Financial Plan and presented in the financial statements:

	<u>2019</u>
Budgeted surplus per statement of financial activities	<u>\$ 860,426</u>
Less: Capital expenditures	(1,896,577)
Debt principal repayments	(1,467,271)
Amortization	(1,180,685)
Prior year net deficits	<u>(10,284)</u>
	<u>(3,694,391)</u>
Add: Prior year net surplus	2,312,553
Withdrawals from capital reserves	(498,847)
Transfer from equity in tangible capital assets	1,180,685
Debenture issue	<u>700,000</u>
	<u>3,694,391</u>
	<u>\$ -</u>

**REGIONAL DISTRICT OF BULKLEY-NECHAKO****NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2019****15. FINANCIAL INSTRUMENTS**

The Regional District's financial instruments are comprised of cash, temporary investments, accounts receivable, debt reserve funds –Municipal Finance Authority, debentures recoverable from municipalities, accounts payable and accrued liabilities, debentures issued for municipalities, and debentures issued for the Regional District.

**Liquidity risk**

Liquidity risk is the risk that the Regional District will encounter difficulty in meeting obligations associated with financial liabilities. The Regional District is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, debentures issued for municipalities and debentures issued for the Regional District. The Regional District manages this risk by holding a sufficient amount of funds in highly liquid investments, and closely monitoring cash flows.

**Credit risk**

Credit risk is the risk that the Regional District will incur financial losses if a debtor fails to make payments when due. The Regional District is exposed to credit risk on its debenture recoverable from municipalities and accounts receivable. Risk in respect to the debentures recoverable from municipalities is managed primarily by the policies put in place by the Municipal Finance Authority of British Columbia ("MFA"). The maximum exposure to credit risk in respect to accounts receivable is limited to the carrying amount of accounts receivable, which is managed by credit policies such as limiting the amount of credit extended and obtaining security deposits where appropriate.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Regional District is mainly exposed to interest rate risk.

**Interest Rate Risk**

Interest rate risk is the risk that the Regional District's debt servicing costs and the value of certain investments will fluctuate due to changes in interest rates. In respect of debt servicing costs, the risk is minimal as all of the Regional District's long-term debentures are fixed rate, and is usually refinanced every five to ten years as that is when most underlying debentures issued by the MFA mature. Investments subject to interest rate risk include guaranteed investment certificates (Note 3). The amount of risk is minimal due to the short terms of the investments.

**16. SEGMENT REPORTING**

The Regional District provides services to its members, that have been grouped into related departmental functions or service areas for segment reporting purposes. The various segments are as follows:

**REGIONAL DISTRICT OF BULKLEY-NECHAKO****NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2019****16. SEGMENT REPORTING, continued****Environmental Services**

This segment administers services including solid and liquid waste management, recycling, invasive plant control and developing the Regional District's Corporate Energy and Emissions Plan.

**Government – general, rural and local commission**

This segment administers services that relate to the legislative function as well as the administrative and financial management of the Regional District.

**Recreation and culture**

This segment administers services that relate to recreational and cultural, activities and organizations within the Regional District.

**Fire protection and emergency response**

This segment administers services related to rural fire protection and rescue services, 9-1-1 services, emergency preparedness and support services, and health and safety planning.

**Building inspection, building numbering, planning and development services**

This segment administers services related to long range and current community planning, geographical information services, building inspections, and bylaw enforcement.

**Economic Development**

This segment provides economic and community development services including assisting local community groups in accessing funding opportunities for community and economic initiatives.

**Municipal Debt Payments**

This segment is comprised of debenture debt payments to the Municipal Finance Authority on behalf of other Regional District members.

**Street Lighting and Transportation**

This segment is comprised of services for street lighting and transportation within the Regional District.

**Sewer and Water**

This segment is comprised of services for sewer and water treatment within the Regional District.

**REGIONAL DISTRICT OF BULKLEY-NECHAKO****NOTES TO THE FINANCIAL STATEMENTS****For the year ended December 31, 2019****17. RELATED PARTY TRANSACTIONS**

The Regional District of Bulkley-Nechako and the Regional Hospital District share the same management team but operate under the governance of a different board of directors.

During the year, the Regional District of Bulkley-Nechako provided administration and accounting services of \$18,600 (2018 - \$16,200) to the Regional Hospital District.

As of December 31, 2019, there was an account receivable of \$27,625 (2018 - \$25,193) from the Regional Hospital District to the Regional District of Bulkley-Nechako.

This amount is unsecured, non-interest bearing, with no specific terms of repayment.

**18. COMPARATIVE FIGURES**

Certain prior year figures, presented for comparative purposes, have been reclassified to conform to the current year's financial statement presentation. Cash and temporary investments have been combined into Note 2 cash and cash equivalents.

## REGIONAL DISTRICT OF BULKLEY-NECHAKO

## SCHEDULE OF EXPENSES BY OBJECT

For the year ended December 31, 2019

	2019		2018
	Budget (Note 14)	Actual	Actual
Staff remuneration and benefits	\$ 4,646,402	\$ 4,575,966	\$ 4,365,165
Purchased services and supplies	4,564,177	3,991,725	5,729,671
Payments to societies	3,346,631	2,621,823	2,417,801
Municipal debt payments	-	813,443	743,366
Payments to municipalities	920,967	774,371	848,208
Directors' remuneration	449,119	421,624	325,708
Insurance and permits	217,032	201,578	183,540
Electoral area grants-in-aid	412,003	156,589	117,811
Staff travel, upgrading and conferences	287,815	121,144	100,011
Directors' travel and expenses	155,362	107,236	116,859
Interest on debentures	-	66,878	91,040
Memberships and dues	45,143	40,141	43,486
Interest	2,000	28,308	34,478
Elections, referenda and studies	31,923	-	13,883
Bad debts	-	4,189	9,426
Volunteer benefits	3,765	3,300	3,267
First nations dialogue	12,000	-	-
Amortization	-	1,146,622	1,093,337
	<b>\$ 15,094,139</b>	<b>\$ 16,074,937</b>	<b>\$ 16,236,957</b>

See notes to the consolidated financial statements.

**REGIONAL DISTRICT OF BULKLEY-NECHAKO**  
**SCHEDULE OF CONTINUITY OF RESERVE FUNDS**

For the year ended December 31, 2019

	<u>2019</u>	<u>2018</u>
<b>BALANCE AT BEGINNING OF THE YEAR</b>	<b>\$ 7,655,814</b>	<b>\$ 7,416,208</b>
Contribution to funds	8,257,049	1,721,827
Interest earned on funds	211,313	169,039
Withdrawals from funds	<u>(1,851,021)</u>	<u>(1,651,260)</u>
<b>BALANCE AT END OF THE YEAR</b>	<b>14,273,155</b>	<b>7,655,814</b>
Less reserves recorded as deferred revenue (Note 7)		
Federal Gas Tax	4,969,789	4,058,894
Northern Capital Planning Grant	<u>4,996,102</u>	<u>-</u>
	<b>9,965,891</b>	<b>4,058,894</b>
	<b><u>\$ 4,307,264</u></b>	<b><u>\$ 3,596,920</u></b>
<b>REPRESENTED BY THE FOLLOWING RESERVE FUNDS</b>		
911 Capital	\$ 809,930	\$ 587,177
911 Vehicle	5,997	4,291
Administrative Equipment	29,701	43,943
Administration/Planning Vehicle	75,612	54,523
Building	122,272	94,482
Building Inspection Vehicle	40,395	21,824
Bulkley Valley Pool	1,758,007	1,404,395
Burns Lake Arena	137	14,349
Burns Lake Rural Fire Protection	190	185
Burns Lake TV Rebroadcasting	41,050	25,216
Election	46,229	43,059
Emergency Prep	62,817	51,250
Environmental Services Vehicle	24,030	23,406
Federal Gas Tax	4,969,789	4,058,894
Fort Fraser Sewer	241,377	194,741
Fort Fraser Rural Fire Protection	100,720	92,688
Fort Fraser Water	63,768	12,905
Fort St James Rural Fire Protection	64,423	43,164
Glacier Gulch Water Diversion	7,424	2,308
Houston Rural Fire Protection	16,171	15,751
Insurance	49,242	33,181
Lakes District Airport	84,819	48,157
Landfill Capital	390,841	360,667
Luck Bay Rural Fire Protection	28,544	19,729
Northern Capital Planning Grant	4,996,102	-
Planning Plotter	26,614	21,994
Round Lake Rural Fire Protection	1,516	-
Smithers Rural Fire Protection	156,762	142,835
Southside Rural Fire Protection	127,078	126,983
Topley Fire Department	9,816	8,084
Teikwa Rural Fire Protection	62,789	45,510
Vanderhoof Pool	46,885	15,158
Vanderhoof Rural Fire Protection	38,231	37,237
Weed Control Vehicle	<u>6,067</u>	<u>5,909</u>
	<b>14,273,155</b>	<b>7,655,814</b>
Less reserves recorded as deferred revenue (Note 13)		
Federal Gas Tax	4,969,789	4,058,894
Northern Capital Planning Grant	<u>4,996,102</u>	<u>-</u>
	<b>9,965,891</b>	<b>4,058,894</b>
	<b><u>\$ 4,307,264</u></b>	<b><u>\$ 3,596,920</u></b>

See notes to the consolidated financial statements.

Schedule 3

Regional District of Bulkley-Nechako  
STATEMENT OF TANGIBLE CAPITAL ASSETS  
For the year ended December 31, 2018

	Land	Building	Equipment / Vehicles	Engineered Structures			Transfer Stations	2018 Total	2017 Total
				Water	Sewer	Landfills			
<b>COST</b>									
Opening Balance	\$ 294,505	\$ 6,909,517	\$ 6,588,069	\$ 4,527,801	\$ 718,501	\$ 4,615,346	\$ 4,617,250	\$ 29,470,879	\$ 24,495,165
Add: Additions	-	148,719	606,707	298,718	-	118,404	376,440	1,843,988	4,401,882
Less: Disposals	-	-	58,703	-	-	-	-	58,703	428,168
Less: Write-downs	-	-	-	-	-	-	-	-	-
Closing Balance	294,505	7,058,236	7,138,073	4,824,319	718,501	4,731,750	5,192,890	29,959,164	28,470,879
<b>ACCUMULATED AMORTIZATION</b>									
Opening Balance	-	2,691,949	3,309,237	831,280	394,211	1,816,808	1,787,095	10,820,580	10,094,162
Add: Amortization	-	181,688	579,775	94,301	15,196	168,973	126,034	1,148,967	1,093,337
Less: Acc. Amortization on Disposals	-	-	37,383	-	-	-	-	37,383	357,819
Closing Balance	-	2,853,637	3,851,649	925,581	409,407	1,982,781	1,915,129	11,938,184	10,820,580
<b>Net Book Value for year ended December 31, 2018</b>	<b>\$ 294,505</b>	<b>\$ 4,204,609</b>	<b>\$ 3,286,424</b>	<b>\$ 3,898,738</b>	<b>\$ 309,094</b>	<b>\$ 2,748,969</b>	<b>\$ 3,277,761</b>	<b>\$ 18,019,980</b>	
<b>Net Book Value for year ended December 31, 2017</b>	<b>\$ 294,505</b>	<b>\$ 4,217,564</b>	<b>\$ 3,278,634</b>	<b>\$ 3,696,321</b>	<b>\$ 324,291</b>	<b>\$ 2,789,539</b>	<b>\$ 3,030,155</b>		<b>\$ 17,641,299</b>

See notes to the consolidated financial statements.

## Regional District of Bulkley-Nechako

Schedule of Remuneration & Expenses: Employees  
For the Year Ended December 31, 2019

Name	Position	Remuneration	Expenses	Total
Anderson, Cheryl	Manager of Administrative Services	119,656.01	12,857.97	132,513.98
Berlin, Jason	Chief Building Inspector	91,991.58	3,307.51	95,299.09
Blackwell, Jason	Regional Fire Chief	76,923.10	3,528.77	80,451.87
Demarce, Lenard	Landfill Operator 2	88,051.75	9,772.44	97,824.19
Derksen, Janette	Deputy Director of Environmental Services	81,965.72	3,617.05	85,582.77
Helgesen, Curtis	Chief Administrative Officer	78,017.62	12,811.66	90,829.28
Illes, John	Chief Financial Officer	117,265.49	2,639.68	119,905.17
Llewellyn, Jason	Director of Planning	122,805.43	4,480.31	127,285.74
McKenzie, Rory	Director of Environmental Services	114,754.44	3,813.81	118,568.25
O'Meara, Laura	Senior Financial Assistant	76,191.37	4,083.45	80,274.82
Rensby, Kristi	Finance/Administration Coordinator	75,371.86	2,658.70	78,030.56
Rodriguez, Rebecca	Acting Protective Services Manager	79,512.15	2,957.06	82,469.21
Sandberg, Maria	Planner	76,938.64	3,350.42	80,289.06
Sherwood, Charlie	Operations Foreman	96,739.34	2,658.70	99,398.04
Wainwright, Richard	Chief Building Inspector	111,862.74	3,350.42	115,213.16
<b>Total for Employees &gt; \$75,000</b>		<b>\$ 1,408,047.24</b>	<b>\$ 75,887.95</b>	<b>\$ 1,483,935.19</b>
Total of Employees with remuneration of \$75,000 or less		\$ 2,229,070.62	\$ 45,256.06	\$ 2,274,326.68
<b>Total Employee Remuneration</b>		<b>\$ 3,637,117.86</b>	<b>\$ 121,144.00</b>	<b>\$ 3,758,261.86</b>

Schedule of Remuneration & Expenses: Directors  
For the Year Ended December 31, 2019

Name	Position	Remuneration	Expenses	Total
Atrill, Gladys	Board Member	4,939.00	-	4,939.00
Bachrach, Taylor	Board Member	13,794.25	2,291.71	16,085.96
Brienen, Shane	Board Member	15,492.00	3,088.92	18,580.92
Bysouth, Doug	Alternate Board Member	235.00	-	235.00
Fisher, Mark	Board Member	37,167.00	10,688.20	47,855.20
Funk, Delores	Board Member	16,149.00	-	16,149.00
Greenaway, Tom	Board Member	37,645.00	15,460.36	53,105.36
Hill, Darrell	Alternate Board Member	705.00	-	705.00
Hughes, Bob	Alternate Board Member	989.00	-	989.00
Lambert, Clint	Board Member	31,192.50	9,713.10	40,905.60
Lauze, Cynthia	Alternate Board Member	297.50	138.10	435.60
Layton, Brad	Board Member	23,060.00	5,643.04	28,703.04
Lepoidevin, Craig	Alternate Board Member	270.00	-	270.00
Lindstrom, Dwayne	Alternate Board Member	271.25	80.10	351.35
McGuire, Linda	Board Member	15,068.00	2,305.68	17,373.68
Newell, Andrea	Alternate Board Member	1,615.50	-	1,615.50
Newell, Rob	Board Member	33,591.00	19,004.59	52,595.59
Parker, Mark	Board Member	37,107.00	8,929.81	46,036.81
Petersen, Jerry	Board Member	34,844.75	9,047.98	43,892.73
Playfair, Beverly	Board Member	16,456.50	3,963.46	20,419.96
Riis-Christianson, Michael	Board Member	26,541.00	1,149.42	27,690.42
Spooner, Roy	Alternate Board Member	1,025.00	424.23	1,449.23
Thiessen, Gerry	Board Member	41,298.00	13,737.91	55,035.91
Watt-Senner, Kimberly	Board Member	15,970.00	2,053.17	18,023.17
Wray, Frank	Alternate Board Member	306.00	-	306.00
Zayac, Scott	Alternate Board Member	262.50	-	262.50
<b>Total Director Remuneration</b>		<b>\$ 406,616.25</b>	<b>\$ 107,719.78</b>	<b>\$ 495,744.36</b>



## Regional District of Bulkley-Nechako

Schedule of Payments to Suppliers for Goods and Services  
For the Year Ended December 31, 2019

Vendor	Total
Bulkley Valley Aquatic Centre Management Society	37,032.64
BC Hydro	102,387.97
BC Transit	120,378.96
Black Press Group Ltd	28,569.57
Blair Wilson Contracting	42,577.50
Bud's Electric	63,525.00
Bulkley Valley Child Development Centre	27,011.54
Burns Lake Automotive Supply	51,745.15
BV Jet Controls	43,274.87
Capri Insurance	109,176.00
Caro Analytical Services	26,891.03
Cascades Recovery Inc	51,943.16
City Of Prince George	45,318.01
Collabria	208,472.03
Container West Manufacturing Ltd	105,332.52
Davern Enterprises	48,182.93
Dean Wilson Trucking	25,680.38
District Of Vanderhoof	420,558.91
Door2Door Construction	73,996.40
Dynamic Community Planning	38,120.34
Ecoelectric Solutions	45,700.99
Emergency Management & Training Inc	81,327.95
Fraser Lake Bottle Depot	53,303.30
Houston Bottle Depot	41,469.18
Huber Equipment	179,077.42
Immersive Explorers	37,245.60
Industrial Transformers	57,044.59
Infracon Construction Inc	623,002.26
Kal Tire - Burns Lake	84,930.36
Lepka Holdings Ltd.	25,475.10
M 4 Enterprises	58,246.27
Mcelhanney Consulting Services Ltd	30,923.40
Municipal Insurance Association of BC	106,692.72
Pacific Northern Gas Ltd	36,498.93
Parkland Refining (BC) Ltd	56,355.12
Pidherny Contracting Ltd	46,276.65
Price Waterhouse Cooper	25,919.25
Province Of BC	60,548.92
Quarry Ridge Construction	65,540.65
Radley Contracting	35,794.20
Randy Wilson Trucking	68,118.76
Receiver General	300,221.70
Regional District of Fraser-Fort George	136,351.97
SMS Equipment Inc	286,109.18
Stewart Construction Ltd	72,463.77
Stewart Mcdannold Stuart	35,306.86
Sweeping Beauties Janitorial	28,177.35
Tanex Engineering Corporation	77,777.70
Telus Communications Inc	26,880.00
Tower Communications	60,228.74
Town Of Smithers	411,285.76
True Consulting Ltd	34,470.79
Urban Food Strategies	25,200.00
Vanderhoof & Districts Co-Op	239,535.96
Village Of Telkwa	125,000.00
Waste Management Of Canada	65,250.26
Williams Machinery	83,815.34
Work Safe BC	67,543.93
Xerox Canada Ltd	37,992.29
<b>Total of aggregate payments exceeding \$25,000</b>	<b>\$6,634,289.13</b>
Consolidated total for suppliers paid \$25,000 or less	\$1,582,086.45
Consolidated total of grants and contributions exceeding \$25,000	\$3,227,236.00
<b>Total Payments</b>	<b>\$10,443,611.68</b>