

REGIONAL DISTRICT OF BULKLEY-NECHAKO

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2014

RHB SCHMITZ de GRACE

Chartered Accountants

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- Denotes professional corporation

INDEPENDENT AUDITORS' REPORT

To the Directors of Regional District of Bulkley-Nechako

We have audited the accompanying financial statements of the Regional District of Bulkley-Nechako, which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statements of financial activities, change in financial assets, and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Regional District of Bulkley-Nechako as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Local Government Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

March 4, 2015
Prince George, BC



Chartered Accountants

REGIONAL DISTRICT OF BULKLEY-NECHAKO
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2014

	2014	2013
FINANCIAL ASSETS		
Cash and temporary investments	\$ 8,691,602	\$ 8,016,388
Accounts receivable	315,923	689,197
Grants receivable	91,469	76,314
MFA Debt Reserve Fund (Note 2)	141,382	146,136
Due from Municipalities for debt (Note 3)	5,064,577	5,023,685
	14,304,953	13,951,720
LIABILITIES		
Unearned grants (Note 14)	3,895,542	3,401,552
Accounts payable and accruals (Note 8 and 9)	3,107,672	3,128,302
Debentures issued for the Regional District (Note 5)	1,004,905	1,218,344
Debentures issued for Municipalities (Note 3)	5,064,577	5,023,685
MFA Debt Reserve Fund (Note 2)	116,062	112,359
	13,188,758	12,884,242
NET FINANCIAL ASSETS	1,116,195	1,067,478
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 1, Schedule 3)	12,932,443	13,478,357
Prepaid expenses	60,919	70,771
	12,993,362	13,549,128
ACCUMULATED SURPLUS	\$ 14,109,557	\$ 14,616,606

CONTINGENCIES (Note 6)

Approved by the Board:

_____ Chairperson

_____ Financial Administrator

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Chartered Accountants

See notes to the consolidated financial statements.

REGIONAL DISTRICT OF BULKLEY-NECHAKO
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2014

	2014		2013
	<u>Budget</u> (unaudited) (Note 11)	<u>Actual</u>	<u>Actual</u>
REVENUE			
Property tax requisition			
Municipal	\$ 3,018,779	\$ 3,020,199	\$ 2,897,337
Electoral Area	4,813,898	4,812,489	4,629,198
	<u>7,832,677</u>	<u>7,832,688</u>	7,526,535
Federal grants - conditional	1,018,307	392,053	543,334
Municipal debt payments (Note 3)	985,138	814,005	929,884
Grants in lieu of taxes	846,481	881,975	855,175
Fees and permits	639,955	697,706	872,754
Emergency expenditure recoveries	300,000	187,986	5,500
Provincial grants - unconditional	122,432	122,431	122,432
Other grants - conditional	121,987	106,349	191,509
Sundry	59,640	89,894	71,481
Municipal cost sharing	89,558	89,558	92,686
Administration recoveries	38,256	37,766	47,006
Interest	13,500	93,429	50,587
Debt Sinking Fund actuarial earnings (Note 4)	-	52,296	43,807
Donations	-	1,575	15,225
	<u>12,067,931</u>	<u>11,399,711</u>	<u>11,367,915</u>
EXPENSES (Schedule 1)			
Environmental Services	4,627,879	3,826,574	3,809,291
Government - General, Rural and Local Commission	3,071,772	2,308,541	2,314,074
Recreation and Culture	1,884,791	1,831,926	1,997,871
Fire Protection and Emergency Response	1,842,987	1,662,640	1,361,899
Building Inspection, Building Numbering, Planning and Development Services	956,097	834,957	795,053
Municipal debt payments (Note 3)	985,138	814,005	929,884
Economic development	678,524	414,859	474,637
Sewer and water	147,947	106,874	121,466
Street Lighting and Transportation	108,528	106,384	103,702
	<u>14,303,663</u>	<u>11,906,760</u>	<u>11,907,877</u>
ANNUAL (DEFICIT) SURPLUS	(2,235,732)	(507,049)	(539,962)
SURPLUS AT BEGINNING OF THE YEAR	<u>14,616,606</u>	<u>14,616,606</u>	<u>15,156,568</u>
SURPLUS AT END OF THE YEAR	<u>\$ 12,380,874</u>	<u>\$ 14,109,557</u>	<u>\$ 14,616,606</u>
Comprised of			
Operating		\$ 2,887,315	\$ 3,000,541
Reserves		3,104,007	2,653,056
Capital		(4,875,127)	(4,586,119)
Non-Financial assets		12,993,362	13,549,128
		<u>\$ 14,109,557</u>	<u>\$ 14,616,606</u>

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See notes to the consolidated financial statements.

REGIONAL DISTRICT OF BULKLEY-NECHAKO
CONSOLIDATED STATEMENT OF CHANGE IN FINANCIAL ASSETS

For the year ended December 31, 2014

	2014		2013
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
ANNUAL (DEFICIT) SURPLUS	\$ (2,235,732)	\$ (507,049)	\$ (539,962)
Acquisition of tangible capital assets	(291,121)	(193,559)	(237,980)
(Gain) loss on sale of tangible capital assets	-	(9,890)	(15,676)
Proceeds on sale of tangible capital assets	-	29,890	55,021
Amortization of tangible capital assets	748,900	719,473	703,761
	(1,777,953)	38,865	(34,836)
Net (addition to) use of prepaid expenses	-	9,852	(10,353)
CHANGE IN NET FINANCIAL ASSETS	(1,777,953)	48,717	(45,189)
NET FINANCIAL ASSETS AT BEGINNING OF THE YEAR	1,067,478	1,067,478	1,112,667
NET FINANCIAL ASSETS AT END OF THE YEAR	\$ (710,475)	\$ 1,116,195	\$ 1,067,478

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See notes to the consolidated financial statements.

REGIONAL DISTRICT OF BULKLEY-NECHAKO
CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended December 31, 2014

	<u>2014</u>	<u>2013</u>
OPERATING ACTIVITIES		
Annual (Deficit) Surplus	\$ (507,049)	\$ (539,962)
Add: Non-cash items		
Amortization of tangible capital assets	719,473	703,761
(Gain) on sale of tangible capital assets	(9,890)	(15,676)
Changes in non-cash working capital:		
Accounts receivable	373,271	(135,142)
Grants receivable	(15,155)	(7,381)
Accounts payable and accruals	(20,630)	133,633
Unearned grants	493,990	371,201
Prepaid expenses	9,852	(10,353)
	<u>1,043,862</u>	<u>500,081</u>
FINANCING ACTIVITIES		
Actuarial earnings on Debt Sinking Fund	(52,296)	(43,807)
MFA Debt Reserve Fund	8,457	(1,570)
Debt repayments	(161,143)	(161,024)
	<u>(204,982)</u>	<u>(206,401)</u>
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(193,559)	(237,980)
Proceeds on disposal of tangible capital assets	29,890	55,021
	<u>(163,669)</u>	<u>(182,959)</u>
INCREASE DURING THE YEAR	675,214	110,721
CASH AND TEMPORARY INVESTMENTS AT BEGINNING OF THE YEAR	<u>8,016,388</u>	<u>7,905,667</u>
CASH AND TEMPORARY INVESTMENTS AT END OF THE YEAR	<u><u>\$ 8,691,602</u></u>	<u><u>\$ 8,016,388</u></u>

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See notes to the consolidated financial statements. Chartered Accountants

REGIONAL DISTRICT OF BULKLEY-NECHAKO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

The Regional District uses Canadian generally accepted accounting principles for governments, as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Basis of Presentation

The consolidated financial statements include all the funds of the Regional District. Inter-fund transactions and balances have been eliminated.

Budget figures disclosed throughout the financial statements have been extracted from the 2014 final budget, adopted in March 20, 2014.

Basis of Accounting

A full accrual basis of accounting is used.

Tangible Capital Assets

Tangible Capital Assets are recorded at cost less accumulated amortization.

Amortization

The Regional District amortizes tangible capital assets on a straight line basis over the estimated useful life of the asset.

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

Reserves

Reserves consist of funds set aside for future use from current and prior year's operations.

Revenue Recognition

The Regional District recognizes revenue as follows:

Revenue generated by property taxes and utility user fees is recognized in the period to which it relates.

Unrestricted revenue from government and other grants is recognized in the year in which it is approved by the funders.

REGIONAL DISTRICT OF BULKLEY-NECHAKO
NOTES TO THE CONSOLIDATE FINANCIAL STATEMENTS

For the year ended December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES, continued

Revenue Recognition, continued

Grants received for specific projects or purposes are recognized as the related expenditures are incurred.

Grants received from the Federal Gas Tax Agreement are contributed to a federal gas tax reserve and recorded as revenue in the year amounts are expended on qualifying projects.

Revenue from sales and services is recognized at the point of sale or when service is provided

Use of Estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant areas requiring management estimates are the determination of capital assets, their useful life, and closure and post closure costs of the regional districts landfills. Actual results may vary from the estimates and adjustments will be reported and reflected in operations as additional information becomes available.

2. MFA DEBT RESERVE FUND

The Regional District issues debt instruments through the Municipal Finance Authority of B.C., 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 the Municipal Finance Authority in excess of the debt borrowed. The demand notes are contingent in nature and are not reported in the Financial Statements (see note 6).

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.

3. MUNICIPAL DEBENTURE DEBT

When a member Municipality within the Regional District wishes to issue debenture debt through the Municipal Finance Authority of B.C., the borrowing is done through the Regional District. The Regional District is therefore responsible for repayment of the debt to the Authority. When payments (interest and sinking fund or principal) are made on this debt, the Regional District pays the Authority 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. Municipal debt payments are shown as revenue and an offsetting expenditure.

REGIONAL DISTRICT OF BULKLEY-NECHAKO

NOTES TO THE CONSOLIDATE FINANCIAL STATEMENTS

For the year ended December 31, 2014

4. SINKING FUND ACTUARIAL EARNINGS

The majority of issues of debt instruments through the Municipal Finance Authority of B.C. are sinking fund debentures. The Authority uses a 4-5% internal rate of return when it sets the annual sinking fund payments required. The actuarial earnings on Debt Sinking Funds reported on the Consolidated Statement of Financial Position are computed at this 4-5% rate of return.

5. DEBENTURES ISSUED FOR THE REGIONAL DISTRICT

The Regional District's long term debt is in the form of Debentures issued by the Municipal Finance Authority of BC. These are all sinking fund debentures, stated and repayable in Canadian funds as shown below:

Service borrowing was incurred for:	Originally Borrowed		Year of Maturity	Current Rate of Interest	Net Debt Outstanding	
	Year	Amount			2014	2013
Environmental Services	2008	677,000	2018	4.65%	302,980	371,585
Environmental Services	2010	729,517	2020	3.73%	471,493	539,842
Burns Lake Arena	1999	500,000	2014	6.15%	-	45,485
Burns Lake Arena	1999	200,000	2019	6.20%	68,789	80,813
Fort Fraser Sewer	2001	30,000	2016	5.93%	5,374	7,870
Fort Fraser Fire Protection	2004	147,140	2019	5.30%	61,374	71,952
Luck Bay Fire Protection	2006	125,000	2026	4.67%	86,321	91,845
Luck Bay Fire Protection	2010	10,000	2030	3.73%	8,574	8,952
		<u>\$ 2,418,657</u>			<u>\$ 1,004,905</u>	<u>\$ 1,218,344</u>

Scheduled principal, interest, total debt payments, and actuarial earnings projected on the sinking funds over the next 5 years are:

	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>	<u>Actuarial Earnings</u>
2015	\$ 136,523	\$ 86,867	\$ 223,390	\$ 38,343
2016	\$ 136,523	\$ 85,978	\$ 222,501	\$ 45,542
2017	\$ 135,132	\$ 85,088	\$ 220,220	\$ 51,537
2018	\$ 135,132	\$ 69,347	\$ 204,479	\$ 59,199
2019	\$ 78,744	\$ 49,708	\$ 128,452	\$ 40,096

REGIONAL DISTRICT OF BULKLEY-NECHAKO
NOTES TO THE CONSOLIDATE FINANCIAL STATEMENTS

For the year ended December 31, 2014

6. CONTINGENCIES

MFA Issues

The Regional District is contingently liable to the Municipal Finance Authority of B.C. in excess of the amounts borrowed under the terms of demand notes issued to the Authority. Member Municipalities have signed offsetting demand notes to the Regional District for borrowing made on their behalf:

	2014	2013
Demand Notes Outstanding:		
Borrowing on behalf of member Municipalities	\$ 303,688	\$ 338,580
Borrowing for Regional District purposes	92,061	113,770
	\$ 395,749	\$ 452,350

Employee Sick Leave

The Regional District is contingently liable to pay its employees sick leave. The total value of the accumulated sick time is \$492,330 at December 31, 2014 (2013 - \$405,636). As at year-end an amount of \$245,940 (2013 - \$225,584) has been accrued as an estimate of the liability.

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 \$209,942 at December 31, 2014 (2013 - \$172,213). As at year-end an amount of \$177,903 (2013 - \$145,985) has been accrued as an estimate of the liability.

7. MUNICIPAL PENSION PLAN

The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 182,000 active members and approximately 75,000 retired members. Active members include approximately 36 contributors from The Regional District of Bulkley-Nechako.

REGIONAL DISTRICT OF BULKLEY-NECHAKO
NOTES TO THE CONSOLIDATE FINANCIAL STATEMENTS

For the year ended December 31, 2014

7. MUNICIPAL PENSION PLAN, continued

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. 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 accrues assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocation the obligation, assets and cost to the individual employers participating in the Plan.

The Regional District of Bulkley-Nechako paid \$220,770 (2013 - \$200,113) for employer contributions to the Plan in fiscal 2014.

8. ACCOUNTS PAYABLE AND ACCRUALS

As at year-end, accounts payable and accruals include \$279,192 (2013 - \$254,957) of unused employee vacation entitlement.

9. UNFUNDED LIABILITY FOR LANDFILL CLOSURE COSTS

Accounts payable and accruals include \$ 2.11 million of liabilities at December 31, 2014 (\$1.97 million at December 31, 2013) which the Public Sector Accounting and Auditing Board stipulates be recognized in the financial statements but which are not included in the Regional District's budgets but are recorded as accounting adjustments at the end of the year. These amounts represent management's best estimate of the future closure and post-closure costs of both active and inactive landfill sites in the Regional District. Additional costs will be recognized in future years during the life of active landfill sites in proportion to the waste capacity used up in each year. A reserve created to fund closure and post-closure monitoring costs held a balance of \$626,779 as at December 31, 2014 (2013 - \$571,698).

REGIONAL DISTRICT OF BULKLEY-NECHAKO
NOTES TO THE CONSOLIDATE FINANCIAL STATEMENTS

For the year ended December 31, 2014

10. FEDERAL GAS TAX AGREEMENTS

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.

	2014	2013
Opening balance	\$ 3,388,364	\$ 2,933,354
Add: Amounts received in the year	852,181	838,331
Interest earned	38,820	33,413
	891,001	871,744
Less: Amounts spent in the year	(391,910)	(416,734)
Closing balance	\$ 3,887,455	\$ 3,388,364

11. BUDGET

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 Canadian Public Sector Accounting Standards. 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 budget figures included in these Financial Statements represent the Financial Plan adopted by the Board of Directors with adjustments as follows:

	2014
Budgeted deficit per statement of financial activities	\$ (2,235,732)
Less: Capital expenditures	(291,121)
Debt principal payments	(161,426)
Contributions to reserves	(1,367,532)
	(1,820,079)
Add: Prior years net surplus	2,281,997
Withdrawal from capital reserves	1,024,914
Transfer from equity in tangible capital assets	748,900
	4,055,811
Surplus in the Financial Plan	\$ -

REGIONAL DISTRICT OF BULKLEY-NECHAKO
NOTES TO THE CONSOLIDATE FINANCIAL STATEMENTS

For the year ended December 31, 2014

12. FINANCIAL INSTRUMENTS

The Regional District's financial instruments are comprised of cash, temporary investments, grants receivable, accounts receivable, due from Municipalities, accounts payable, accrued liabilities, debentures issued for the Regional District and debentures issued for Municipalities.

Credit Risk

The Regional District provides credit to its clients in the normal course of business and carries out specific procedures to minimize the risk. Credit risk is minimal.

Interest Rate Risk

The Regional District is exposed to interest rate risk arising from fluctuating interest rate on borrowing and investments.

Fair Value

The carrying value for primary instruments approximates fair value, due to their short-term maturities. The carrying value of non-current instruments approximates fair value because it is based upon interest rates currently available to entities in similar circumstances.

13. INVESTMENTS

The Regional District holds investments in Guaranteed Investment Certificates at varying interest rates throughout the year. The average interest rate for the year was 1.3% (2013 – 1.1%).

14. UNEARNED GRANTS

Unearned grants is comprised of:

	2014	2013
Federal Gas Tax reserve	\$ 3,887,455	\$ 3,388,364
Provincial	1,989	4,500
Other	6,098	8,688
	\$ 3,895,542	\$ 3,401,552

REGIONAL DISTRICT OF BULKLEY-NECHAKO
SCHEDULE OF CONSOLIDATED EXPENSES BY OBJECT

For the year ended December 31, 2014

	2014		2013
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
Purchased services and supplies	\$ 5,426,374	\$ 3,734,050	\$ 3,647,180
Staff remuneration and benefits	3,173,146	3,147,694	3,023,537
Payments to Societies	1,968,680	1,869,382	2,147,208
Municipal debt payments	985,138	814,005	929,884
Payments to Municipalities	737,456	722,456	565,124
Directors' remuneration	305,158	264,776	257,687
Electoral Area Grants in Aid	348,186	166,570	180,987
Insurance and permits	127,567	124,584	111,722
Interest on debentures	116,753	116,753	116,753
Directors' travel and expenses	145,469	84,964	88,761
Staff travel, upgrading and conferences	82,943	78,783	70,479
Memberships and dues	43,033	38,339	36,512
Elections, referenda and studies	74,739	19,499	22,289
Volunteer benefits	3,321	2,826	2,665
Interest	6,800	2,606	3,221
First Nations dialogue	10,000	-	106
Amortization	748,900	719,473	703,762
	<u>\$ 14,303,663</u>	<u>\$ 11,906,760</u>	<u>\$ 11,907,877</u>

See notes to the consolidated financial statements.

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

For the year ended December 31, 2014

	<u>2014</u>	<u>2013</u>
BALANCE AT BEGINNING OF THE YEAR	\$ 6,041,420	\$ 5,275,346
Contribution to funds	1,379,962	2,008,406
Interest earned on funds	71,139	94,829
Withdrawals from funds	<u>(501,059)</u>	<u>(1,337,161)</u>
BALANCE AT END OF THE YEAR	6,991,462	6,041,420
Less: Federal Gas Tax recorded as deferred revenue (Note 10)	<u>3,887,455</u>	<u>3,388,364</u>
	<u>\$ 3,104,007</u>	<u>\$ 2,653,056</u>
REPRESENTED BY THE FOLLOWING RESERVE FUNDS		
911 Capital	\$ 336,682	\$ 332,882
Administrative equipment	63,887	47,444
Administration/Planning vehicle	79,608	53,237
Building	30,290	15,055
Building Inspection vehicle	46,549	36,095
Bulkley Valley Pool	405,943	285,198
Burns Lake Arena	17,340	6,772
Burns Lake Rural Fire Protection	47	46
Election	31,244	42,592
Emergency Prep	50,209	19,847
Environmental Services vehicle	45,531	30,125
Federal Gas Tax	3,887,455	3,388,364
Fort Fraser Sewer	96,507	79,532
Fort Fraser Rural Fire Protection	33,734	29,878
Fort Fraser Water	327,318	264,052
Fort St. James Rural Fire Protection	48,393	61,688
Glacier Gulch Water Diversion	2,157	2,132
Houston Rural Fire Protection	11,066	9,699
Insurance	44,710	60,070
Lakes District Airport	66,344	32,975
Landfill capital	1,162,220	1,061,382
Luck Bay Rural Fire Protection	3,028	8,234
Planning plotter	29,499	25,195
Smithers Rural Fire Protection	94,810	83,812
Southside Rural Fire Protection	17,242	12,085
Telkwa Rural Fire Protection	19,328	13,163
Vanderhoof Rural Fire Protection	34,798	34,406
Weed Control vehicle	<u>5,523</u>	<u>5,460</u>
	6,991,462	6,041,420
Less: Federal Gas Tax reserve recorded as deferred revenue (Note 10)	<u>3,887,455</u>	<u>3,388,364</u>
	<u>\$ 3,104,007</u>	<u>\$ 2,653,056</u>

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See notes to the consolidated financial statements.

Chartered Accountants

**Regional District of Bulkley-Nechako
CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS**

For the Year Ended December 31, 2014

	Engineered Structures							2013 Total
	Land	Building	Equipment / Vehicles	Water	Sewer	Landfills	Transfer Stations	
COST								
Opening Balance	\$ 261,291	\$ 6,429,041	\$ 3,394,137	\$ 1,109,807	\$ 718,501	\$ 3,810,095	\$ 4,640,817	\$ 20,204,432
Add: Additions	-	37,828	117,668	-	-	22,378	15,685	237,980
Less: Disposals	-	-	101,513	-	-	-	-	78,723
Less: Write-downs	-	-	-	-	-	-	-	-
Closing Balance	261,291	6,466,869	3,410,292	1,109,807	718,501	3,832,473	4,656,502	20,363,689

ACCUMULATED AMORTIZATION

Opening Balance	-	1,945,627	1,621,315	620,654	318,231	1,137,592	1,241,913	6,220,948
Add: Amortization	-	133,894	315,596	28,045	15,196	118,600	108,142	703,762
Less: Acc. Amortization on Disposals	-	-	81,513	-	-	-	-	39,378
Closing Balance	-	2,079,521	1,855,398	648,699	333,427	1,256,192	1,350,055	6,885,332

Net Book Value for year ended

December 31, 2014 \$ 4,387,348 \$ 1,554,894 \$ 461,108 \$ 385,074 \$ 2,576,281 \$ 3,306,447 \$ 12,932,443

Net Book Value, year ended

December 31, 2013 \$ 4,483,414 \$ 1,772,822 \$ 489,153 \$ 400,270 \$ 2,672,503 \$ 3,398,904 \$ 13,478,357

See notes to the consolidated financial statements.