

REGIONAL DISTRICT OF BULKLEY-NECHAKO

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2013

RHB SCHMITZ de GRACE

Chartered Accountants

Partners

- Lynn Ross, CPA, CA
- Norm Hildebrandt, CPA, CA
- Allison Beswick, CPA, CA

Associate

Josh Benham, CPA, CGA

10 - 556 North Nechako Rd.
Prince George, BC, V2K 1A1
Tel. (250) 564-2515
Fax (250) 562-8722
E-mail: office@rhbcpa.ca

INDEPENDENT AUDITORS' REPORT

- Denotes professional corporation

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, 2013, 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, 2013, 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, 2014
Prince George, BC

Chartered Accountants

REGIONAL DISTRICT OF BULKLEY-NECHAKO
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2013

	2013	2012
		(Note 14)
FINANCIAL ASSETS		
Cash and temporary investments	\$ 8,016,388	\$ 7,905,667
Accounts receivable	689,197	554,055
Grants receivable	76,314	68,933
MFA Debt Reserve Fund (Note 2)	146,136	161,049
Due from Municipalities for debt (Note 3)	5,023,685	5,174,932
	13,951,720	13,864,636
LIABILITIES		
Unearned grants (Note 15)	3,401,552	3,030,351
Accounts payable and accruals (Note 8 and 9)	3,128,302	2,994,669
Debentures issued for the Regional District (Note 5)	1,218,344	1,423,175
Debentures issued for Municipalities (Note 3)	5,023,685	5,174,932
MFA Debt Reserve Fund (Note 2)	112,359	128,842
	12,884,242	12,751,969
NET FINANCIAL ASSETS	1,067,478	1,112,667
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 1, Schedule 3)	13,478,357	13,983,483
Prepaid expenses	70,771	60,418
	13,549,128	14,043,901
ACCUMULATED SURPLUS	\$ 14,616,606	\$ 15,156,568

CONTINGENCIES (Note 6)

Approved by the Board:

_____ Chairperson

_____ Financial Administrator

RHB SCHMITZ de GRACE

See notes to the consolidated financial statements. Chartered Accountants

REGIONAL DISTRICT OF BULKLEY-NECHAKO
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2013

	2013		2012
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
	(unaudited)		(Note 14)
	(Note 11)		
REVENUE			
Property tax requisition			
Municipal	\$ 2,897,338	\$ 2,897,337	\$ 3,076,001
Electoral Area	4,589,436	4,629,198	4,223,356
	7,486,774	7,526,535	7,299,357
Municipal debt payments (Note 3)	962,578	929,884	875,997
Fees and permits	629,175	872,754	821,532
Grants in lieu of taxes	817,381	855,175	825,820
Federal grants - conditional	1,020,366	543,334	643,703
Other grants - conditional	611,488	191,509	110,005
Provincial grants - unconditional	122,432	122,432	261,954
Municipal cost sharing	86,768	92,686	83,136
Sundry	18,470	71,481	88,929
Interest	13,500	50,587	53,960
Administration recoveries	47,502	47,006	12,273
Debt Sinking Fund actuarial earnings (Note 4)	-	43,807	61,358
Donations	10,000	15,225	20,000
Emergency expenditure recoveries	-	5,500	50,806
	11,826,434	11,367,915	11,208,830
EXPENSES (Schedule 1)			
Environmental Services	4,784,162	3,809,291	3,466,374
Government - General, Rural and Local Commission	3,563,071	2,619,982	2,737,011
Recreation and Culture	2,057,080	1,997,871	1,680,427
Fire Protection and Emergency Response	1,719,469	1,361,899	1,326,577
Building Inspection, Building Numbering, Planning and Development Services	1,160,913	963,782	876,419
Municipal debt payments (Note 3)	962,578	929,884	875,997
Street Lighting and Transportation	104,628	103,702	101,595
Sewer and water	148,504	121,466	98,523
	14,500,405	11,907,877	11,162,923
ANNUAL (DEFICIT) SURPLUS	(2,673,971)	(539,962)	45,907
SURPLUS AT BEGINNING OF THE YEAR	15,156,568	15,156,568	15,110,661
SURPLUS AT END OF THE YEAR	\$ 12,482,597	\$ 14,616,606	\$ 15,156,568
Comprised of			
Operating		\$ 3,000,541	\$ 3,191,994
Reserves		2,653,056	2,341,992
Capital		(4,586,119)	(4,421,319)
Non-Financial assets		13,549,128	14,043,901
		\$ 14,616,606	\$ 15,156,568

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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, 2013

	2013	2012
		(Note 14)
OPERATING ACTIVITIES		
Annual (Deficit) Surplus	\$ (539,962)	\$ 45,907
Add: Non-cash items		
Amortization on tangible capital assets	703,761	698,942
(Gain) loss on sale of tangible capital assets	(15,676)	16,142
Changes in non-cash working capital:		
Accounts receivable	(135,142)	189,256
Grants receivable	(7,381)	(11,013)
Accounts payable and accruals	133,633	(71,222)
Unearned grants	371,201	507,796
Prepaid expenses	(10,353)	(17,518)
	500,081	1,358,290
FINANCING ACTIVITIES		
Actuarial earnings on Debt Sinking Fund	(43,807)	(61,358)
MFA Debt Reserve Fund	(1,570)	7,812
Debt repayments	(161,024)	(208,970)
	(206,401)	(262,516)
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(237,980)	(558,792)
Proceeds on disposal of tangible capital assets	55,021	34,005
	(182,959)	(524,787)
INCREASE DURING THE YEAR	110,721	570,987
CASH AND TEMPORARY INVESTMENTS AT BEGINNING OF THE YEAR	7,905,667	7,334,680
CASH AND TEMPORARY INVESTMENTS AT END OF THE YEAR	\$ 8,016,388	\$ 7,905,667

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See notes to the consolidated financial statements. Chartered Accountants

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

For the year ended December 31, 2013

	<u>2013</u>		<u>2012</u>
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u> (Note14)
ANNUAL SURPLUS	\$ (2,673,971)	\$ (539,962)	\$ 45,907
Acquisition of tangible capital assets	(826,862)	(237,980)	(558,792)
(Gain) loss on sale of tangible capital assets	-	(15,676)	16,142
Proceeds on sale of tangible capital assets	-	55,021	34,005
Amortization of tangible capital assets	<u>712,900</u>	<u>703,761</u>	<u>698,942</u>
	(2,787,933)	(34,836)	236,204
Net acquisition of prepaid expenses	<u>-</u>	<u>(10,353)</u>	<u>(17,518)</u>
CHANGE IN NET FINANCIAL ASSETS	(2,787,933)	(45,189)	218,686
NET FINANCIAL ASSETS AT BEGINNING OF THE YEAR	<u>1,112,667</u>	<u>1,112,667</u>	<u>893,981</u>
NET FINANCIAL ASSETS AT END OF THE YEAR	<u><u>\$ (1,675,266)</u></u>	<u><u>\$ 1,067,478</u></u>	<u><u>\$ 1,112,667</u></u>

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See notes to the consolidated financial statements.

REGIONAL DISTRICT OF BULKLEY-NECHAKO
NOTES TO THE CONSOLIDATE FINANCIAL STATEMENTS
For the year ended December 31, 2013

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 2013 final budget, adopted in March 2013.

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, 2013

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 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 generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of sales and expenses during the year. Actual results could differ from management's best estimates as additional information becomes available in the future.

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, 2013

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			2013	2012
Environmental Services	2008	677,000	2018	4.65%	371,585	437,551
Environmental Services	2010	729,517	2020	3.73%	539,842	605,562
Burns Lake Arena	1999	500,000	2014	6.15%	45,485	89,000
Burns Lake Arena	1999	200,000	2019	6.20%	80,813	92,316
Fort Fraser Sewer	2001	30,000	2016	5.93%	7,870	10,249
Fort Fraser Fire Protection	2004	147,140	2019	5.30%	71,952	82,025
Luck Bay Fire Protection	2006	125,000	2026	4.67%	91,845	97,157
Luck Bay Fire Protection	2010	10,000	2030	3.73%	8,952	9,315
		<u>\$ 2,418,657</u>			<u>\$ 1,218,344</u>	<u>\$ 1,423,175</u>

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

	Principal Payments	Interest Payments	Total Payments	Actuarial Earnings
2014	\$ 161,427	\$ 117,617	\$ 279,044	\$ 52,012
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

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

For the year ended December 31, 2013

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:

	2013	2012
Demand Notes Outstanding:		
Borrowing on behalf of member Municipalities	\$ 338,580	\$ 373,795
Borrowing for Regional District purposes	113,770	113,770
	\$ 452,350	\$ 487,565

Employee Sick Leave

The Regional District is contingently liable to pay its employees sick leave. The total value of the accumulated sick time is \$405,636 at December 31, 2013 (2012- \$437,814). As at year-end an amount of \$226,584 (2012 - \$199,967) 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 upon normal retirement from the Regional District. The total value of this retiring allowance is \$172,213 at December 31, 2013 (2012 - \$159,585). As at year-end an amount of \$145,985 (2012 - \$114,704) 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 administrative of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 36 contributors from The Regional District of Bulkley-Nechako.

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.

REGIONAL DISTRICT OF BULKLEY-NECHAKO
NOTES TO THE CONSOLIDATE FINANCIAL STATEMENTS
For the year ended December 31, 2013

7. MUNICIPAL PENSION PLAN, continued

The Regional District of Bulkley-Nechako paid \$200,113 (2012 - \$190,693) for employer contributions to the Plan in fiscal 2013.

8. ACCOUNTS PAYABLE AND ACCRUALS

As at year-end, accounts payable and accruals include \$254,957 (2012 - \$242,926) of unused employee vacation entitlement.

9. UNFUNDED LIABILITY FOR LANDFILL CLOSURE COSTS

Accounts payable and accruals include \$ 1.97 million of liabilities at December 31, 2012 (\$1.8 million at December 31, 2012) 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 \$571,698 as at December 31, 2013 (2012 - \$779,059).

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 designated public transit, community energy, water, waste water, solid waste and capacity buildings projects, as specified in the funding agreements. The Regional District maintains the amounts in a statutory reserve.

	2013	2012
Opening balance	\$ 2,933,354	\$ 2,513,237
Add: Amounts received in the year	838,331	838,699
Interest earned	33,413	27,760
	871,744	866,459
Less: Amounts spent in the year	(416,734)	(446,342)
Closing balance	\$ 3,388,364	\$ 2,933,354

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

For the year ended December 31, 2013

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:

	2013
Budgeted deficit per statement of financial activities	\$ 2,673,971
Less: Capital expenditures	(340,000)
Debt principal payments	(161,426)
Contributions to reserves	(1,629,398)
	(2,130,824)
Add: Prior years net surplus	2,614,308
Withdrawal from capital reserves	1,477,587
Transfer from equity in tangible capital assets	712,900
	4,804,795
Surplus in the Financial Plan	\$ -

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.

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

For the year ended December 31, 2013

13. INVESTMENTS

The Regional District holds investments in Municipal Finance Authority money market funds at varying interest rates throughout the year. The average interest rate for the year was 1.1% (2012 – 1.0%).

- 14.** Effective January 1, 2013, the Regional District Bulkley-Nechako changed its' method of accounting for funds received under the Federal Gas Tax Agreement according to the new recommendation of the CICA Public Sector Accounting Board section 3410. Previously amounts received were recorded as contributions to the Federal Gas Tax reserve. The current policy records amounts received as deferred revenue until all conditions and stipulations are met. The change has been applied retroactively.

	2013	2012
STATEMENT OF FINANCIAL ACTIVITIES		
Federal grants - conditional	\$ -	\$ (392,357)
Interest	-	(27,760)
	-	(420,117)
Decrease in surplus	-	(420,117)
STATEMENT OF FINANCIAL POSITION		
Unearned grants	-	2,933,354
Accumulated surplus	-	(2,933,354)
	-	-
	-	-
BEGINNING BALANCE OF ACCUMULATED SURPLUS		
Accumulated surplus, beginning of the year as previously reported	18,089,922	17,623,898
Change in accounting for unearned grants	2,933,354	2,513,237
	15,156,568	15,110,661
ACCUMULATED SURPLUS AT BEGINNING OF YEAR, RESTATED	15,156,568	15,110,661
ANNUAL SURPLUS (DEFICIT)	(539,962)	45,907
ACCUMULTAED SURPLUS AT END OF THE YEAR, RESTATED	\$ 14,616,606	\$ 15,156,568

REGIONAL DISTRICT OF BULKLEY-NECHAKO
NOTES TO THE CONSOLIDATE FINANCIAL STATEMENTS
For the year ended December 31, 2013

15. UNEARNED GRANTS

Unearned grants is comprised of:

	<u>2013</u>	<u>2012</u> (Note 14)
Federal Gas Tax revenue	\$ 3,388,364	\$ 2,933,354
Provincial	4,500	64,166
Other	<u>8,688</u>	<u>32,831</u>
	<u>\$ 3,401,552</u>	<u>\$ 3,030,351</u>

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

For the year ended December 31, 2013

	<u>2013</u>		<u>2012</u>
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
Purchased services and supplies	\$ 5,699,478	\$ 3,647,180	\$ 3,293,460
Staff remuneration and benefits	3,060,727	3,023,537	2,932,256
Payments to Societies	2,174,535	2,147,208	1,642,246
Municipal debt payments	962,578	929,884	875,997
Payments to Municipalities	611,430	565,124	795,819
Directors' remuneration	313,163	257,687	272,894
Electoral Area Grants in Aid	376,047	180,987	165,293
Interest on debentures	116,753	116,753	148,866
Insurance and permits	126,920	111,722	106,172
Directors' travel and expenses	164,868	88,761	98,065
Staff travel, upgrading and conferences	70,399	70,479	75,303
Memberships and dues	36,646	36,512	32,861
Elections, referenda and studies	44,640	22,289	10,492
Volunteer benefits	3,321	2,665	2,703
Interest	6,000	3,221	982
First Nations dialogue	20,000	106	10,572
Amortization	712,900	703,762	698,942
	<u>\$ 14,500,405</u>	<u>\$ 11,907,877</u>	<u>\$ 11,162,923</u>

See notes to the consolidated financial statements.

RHB SCHMITZ de GRACE
Chartered Accountants

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

For the year ended December 31, 2013

	<u>2013</u>	<u>2012</u> (Note 14)
BALANCE AT BEGINNING OF THE YEAR	\$ 2,341,992	\$ 2,470,516
Contribution to funds	1,170,075	772,955
Interest earned on funds	61,416	54,760
Withdrawals from funds	<u>(920,427)</u>	<u>(956,239)</u>
BALANCE AT END OF THE YEAR	<u>\$ 2,653,056</u>	<u>\$ 2,341,992</u>
 REPRESENTED BY THE FOLLOWING RESERVE FUNDS		
911 Capital	\$ 332,882	\$ -
Administrative equipment	47,444	55,144
Administration/Planning vehicle	53,237	42,731
Building	15,055	-
Building Inspection vehicle	36,095	25,775
Bulkley Valley Pool	285,198	320,525
Burns Lake Arena	6,772	59,543
Burns Lake Rural Fire Protection	46	45
Election	42,592	25,253
Emergency Prep vehicle	19,847	-
Environmental Services vehicle	30,125	14,906
Fort Fraser Sewer	79,532	62,784
Fort Fraser Rural Fire Protection	29,878	26,079
Fort Fraser Water	264,052	201,617
Fort St. James Rural Fire Protection	61,688	41,163
Glacier Gulch Water Diversion	2,132	2,109
Houston Rural Fire Protection	9,699	8,354
Insurance	60,070	66,603
Lakes District Airport	32,975	-
Landfill Phase Development	489,684	473,812
Landfill closure costs	571,698	648,653
Landfill post closure and monitoring costs	-	130,406
Luck Bay Rural Fire Protection	8,234	7,152
Planning plotter	25,195	20,950
Smithers Rural Fire Protection	83,812	72,973
Southside Rural Fire Protection	12,085	7,983
Telkwa Rural Fire Protection	13,163	7,053
Vanderhoof Rural Fire Protection	34,406	14,978
Weed Control vehicle	<u>5,460</u>	<u>5,401</u>
	<u>\$ 2,653,056</u>	<u>\$ 2,341,992</u>

RHB SCHMITZ de GRACE

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, 2012

	Engineered Structures							2013 Total	2012 Total
	Land	Building	Equipment / Vehicles	Water	Sewer	Landfills	Transfer Stations		
COST									
Opening Balance	\$ 261,291	\$ 6,402,527	\$ 3,372,014	\$ 1,109,807	\$ 718,501	\$ 3,716,800	\$ 4,623,492	\$ 20,204,432	\$ 19,774,132
Add: Additions	-	26,514	100,846	-	-	93,295	17,325	237,980	558,792
Less: Disposals	-	-	78,723	-	-	-	-	78,723	128,492
Less: Write-downs	-	-	-	-	-	-	-	-	-
Closing Balance	261,291	6,429,041	3,394,137	1,109,807	718,501	3,810,095	4,640,817	20,363,689	20,204,432
ACCUMULATED AMORTIZATION									
Opening Balance	-	1,812,964	1,358,145	592,609	303,035	1,020,111	1,134,085	6,220,949	5,600,352
Add: Amortization	-	132,663	302,548	28,045	15,196	117,481	107,828	703,761	698,942
Less: Acc. Amortization on Disposals	-	-	39,378	-	-	-	-	39,378	78,345
Closing Balance	-	1,945,627	1,621,315	620,654	318,231	1,137,592	1,241,913	6,885,332	6,220,949
Net Book Value for year ended									
December 31, 2013	<u>\$ 261,291</u>	<u>\$ 4,483,414</u>	<u>\$ 1,772,822</u>	<u>\$ 489,153</u>	<u>\$ 400,270</u>	<u>\$ 2,672,503</u>	<u>\$ 3,398,904</u>	<u>\$ 13,478,357</u>	
Net Book Value, year ended									
December 31, 2012	<u>\$ 261,291</u>	<u>\$ 4,589,563</u>	<u>\$ 2,013,869</u>	<u>\$ 517,198</u>	<u>\$ 415,466</u>	<u>\$ 2,696,689</u>	<u>\$ 3,489,407</u>		<u>\$ 13,983,483</u>

See notes to the consolidated financial statements.