

REGIONAL DISTRICT OF BULKLEY-NECHAKO

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2015



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, 2015, 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 public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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, 2015, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards. 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.

Other Matter

The financial statements of the Regional District of Bulkley Nechako for the year ended December 31, 2014 were audited by another auditor who expressed an unmodified opinion on these statements on March 4, 2015.

March 8, 2016
Prince George, BC

PricewaterhouseCoopers LLP

Chartered Professional Accountants

REGIONAL DISTRICT OF BULKLEY-NECHAKO
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2015

	<u>2015</u>	<u>2014</u>
FINANCIAL ASSETS		
Cash and temporary investments (Note 16)	\$ 9,357,028	\$ 8,691,602
Accounts receivable	456,877	315,923
Grants receivable	88,377	91,469
MFA Debt Reserve Fund (Note 2)	121,941	141,382
Due from Municipalities for debt (Note 3)	<u>4,641,176</u>	<u>5,064,577</u>
	<u>14,665,399</u>	<u>14,304,953</u>
LIABILITIES		
Unearned grants (Note 14)	4,152,132	3,895,542
Accounts payable and accruals (Note 6, 8 and 9)	3,494,919	3,107,672
Debentures issued for the Regional District (Note 5)	2,302,304	1,004,905
Debentures issued for Municipalities (Note 3)	4,641,176	5,064,577
MFA Debt Reserve Fund (Note 2)	<u>95,973</u>	<u>116,062</u>
	<u>14,686,504</u>	<u>13,188,758</u>
NET FINANCIAL ASSETS	<u>(21,105)</u>	<u>1,116,195</u>
NON-FINANCIAL ASSETS		
Tangible Capital Assets (Note 1, Schedule 3)	14,700,382	12,932,443
Prepaid expenses	<u>61,850</u>	<u>60,919</u>
	<u>14,762,232</u>	<u>12,993,362</u>
ACCUMULATED SURPLUS (Note 15)	<u>\$ 14,741,127</u>	<u>\$ 14,109,557</u>

CONTINGENCIES (Note 6)

Approved by the Board:

_____ Chairperson

_____ Financial Administrator

REGIONAL DISTRICT OF BULKLEY-NECHAKO
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2015

	2015		2014
	Budget	Actual	Actual
	(Note 11)		
REVENUE			
Property tax requisition			
Municipal	\$ 3,432,656	\$ 3,430,933	\$ 3,020,199
Electoral Area	5,315,245	5,316,987	4,812,489
	8,747,901	8,747,920	7,832,688
Grants in lieu of taxes	849,907	907,364	881,975
Fees and permits	706,171	732,564	697,706
Federal grants - conditional	953,699	602,953	392,053
Municipal debt payments (Note 3)	713,618	592,680	814,005
Provincial grants - unconditional	185,000	191,886	122,431
Provincial grants - conditional	76,000	70,350	-
Sundry	137,000	175,322	89,894
Emergency expenditure recoveries	300,000	141,548	187,986
Interest	15,500	140,470	93,429
Other grants - conditional	221,492	131,466	106,349
Municipal cost sharing	94,542	94,542	89,558
Administration recoveries	39,582	42,392	37,766
Debt Sinking Fund actuarial earnings (Note 4)	-	38,343	52,296
Donations	-	1,841	1,575
	13,040,412	12,611,641	11,399,711
EXPENSES (Schedule 1)			
Environmental Services	4,760,081	3,955,208	3,826,574
Government - General, Rural and Local Commission	3,009,026	2,362,389	2,308,541
Recreation and Culture	1,923,299	1,825,406	1,831,926
Fire Protection and Emergency Response	1,902,523	1,575,712	1,662,640
Building Inspection, Building Numbering, Planning and Development Services	1,033,667	829,087	834,957
Municipal debt payments (Note 3)	713,618	592,680	814,005
Economic development	997,931	622,607	414,859
Sewer and water	168,908	112,192	106,874
Street Lighting and Transportation	109,671	104,790	106,384
	14,618,724	11,980,071	11,906,760
ANNUAL (DEFICIT) SURPLUS	(1,578,312)	631,570	(507,049)
ACCUMULATED SURPLUS - BEGINNING OF YEAR	14,109,557	14,109,557	14,616,606
ACCUMULATED SURPLUS - END OF YEAR (Note 15)	\$ 12,531,245	\$ 14,741,127	\$ 14,109,557

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, 2015

	2015		2014
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
ANNUAL (DEFICIT) SURPLUS	\$ (1,578,312)	\$ 631,570	\$ (507,049)
Acquisition of tangible capital assets	(2,882,850)	(2,693,839)	(193,559)
(Gain) loss on sale of tangible capital assets	-	(10,845)	(9,890)
Proceeds on sale of tangible capital assets	-	35,844	29,890
Amortization of tangible capital assets	787,900	900,901	719,473
	(3,673,262)	(1,136,369)	38,865
Net (addition to) use of prepaid expenses	-	(931)	9,852
CHANGE IN NET FINANCIAL ASSETS	(3,673,262)	(1,137,300)	48,717
NET FINANCIAL ASSETS AT BEGINNING OF THE YEAR	1,116,195	1,116,195	1,067,478
NET FINANCIAL ASSETS AT END OF THE YEAR	<u>\$ (2,557,067)</u>	<u>\$ (21,105)</u>	<u>\$ 1,116,195</u>

See notes to the consolidated financial statements.

REGIONAL DISTRICT OF BULKLEY-NECHAKO
CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended December 31, 2015

	2015	2014
OPERATING ACTIVITIES		
Annual (Deficit) Surplus	\$ 631,570	\$ (507,049)
Add: Non-cash items		
Amortization of tangible capital assets	900,901	719,473
(Gain) on sale of tangible capital assets	(10,845)	(9,890)
Changes in non-cash working capital:		
Accounts receivable	(140,957)	373,274
Grants receivable	3,093	(15,155)
Accounts payable and accruals	387,246	(20,630)
Unearned grants	256,590	493,990
Prepaid expenses	(931)	9,852
	2,026,667	1,043,865
FINANCING ACTIVITIES		
Actuarial earnings on Debt Sinking Fund	(38,343)	(52,296)
MFA Debt Reserve Fund	(648)	8,457
Debt proceeds	1,547,000	-
Debt repayments	(211,258)	(161,143)
	1,296,751	(204,982)
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(2,693,839)	(193,559)
Proceeds on disposal of tangible capital assets	35,844	29,890
	(2,657,995)	(163,669)
INCREASE DURING THE YEAR	665,426	675,214
CASH AND TEMPORARY INVESTMENTS AT BEGINNING OF THE YEAR	8,691,602	8,016,388
CASH AND TEMPORARY INVESTMENTS AT END OF THE YEAR (Note 16)	\$ 9,357,028	\$ 8,691,602

See notes to the consolidated financial statements.

REGIONAL DISTRICT OF BULKLEY-NECHAKO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

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 2015 final budget, adopted in March 20, 2015.

Basis of Accounting

Restricted Fund 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, 2015

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, 2015

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			2015	2014
Environmental Services	2008	677,000	2018	4.65%	231,631	302,980
Environmental Services	2010	729,517	2020	3.73%	400,410	471,493
Burns Lake Arena	1999	200,000	2019	6.20%	56,222	68,789
Fort Fraser Sewer	2001	30,000	2016	5.93%	2,753	5,374
Fort Fraser Fire Protection	2004	147,140	2019	5.30%	50,267	61,374
Luck Bay Fire Protection	2006	125,000	2026	4.67%	80,576	86,321
Luck Bay Fire Protection	2010	10,000	2030	3.73%	8,181	8,574
Environmental Services	2015	1,547,000	2020	1.34%	1,472,264	-
		<u>\$ 3,465,657</u>			<u>\$ 2,302,304</u>	<u>\$ 1,004,905</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
2016	\$ 439,896	\$ 102,555	\$ 542,451	\$ 45,542
2017	441,630	97,840	539,470	51,537
2018	445,452	78,277	523,729	59,199
2019	392,934	54,768	447,702	40,096
2020	303,178	34,641	337,819	33,409

REGIONAL DISTRICT OF BULKLEY-NECHAKO
NOTES TO THE CONSOLIDATE FINANCIAL STATEMENTS
For the year ended December 31, 2015

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:

	2015	2014
Demand Notes Outstanding:		
Borrowing on behalf of member Municipalities	\$ 206,156	\$ 303,688
Borrowing for Regional District purposes	92,270	92,061
	\$ 298,426	\$ 395,749

Employee Sick Leave

The Regional District is contingently liable to pay its employees sick leave. The total value of the accumulated sick time is \$415,005 at December 31, 2015 (2014 - \$492,330). As at year-end an amount of \$224,687 (2014 - \$245,940) 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 \$218,412 at December 31, 2015 (2014 - \$209,942). As at year-end an amount of \$197,106 (2014 - \$177,903) 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 trusteed 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 185,000 active members and approximately 80,000 retired members. Active members include approximately 36 contributors for The Regional District of Bulkey-Nechako.

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

For the year ended December 31, 2015

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 expenses 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 \$227,714 (2014 - \$220,770) for employer contributions to the Plan in fiscal 2015.

8. ACCOUNTS PAYABLE AND ACCRUALS

As at year-end, accounts payable and accruals include \$327,559 (2014 - \$254,957) of unused employee vacation entitlement.

9. UNFUNDED LIABILITY FOR LANDFILL CLOSURE COSTS

Accounts payable and accruals include \$ 2.19 million of liabilities at December 31, 2015 (\$2.11 million at December 31, 2014) 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. In management's opinion the closure cost liability and expense could change within a range of +/- 10% (minimum of 1.97 million to a max of 2.41 million). As at December 31, 2015 the required length of time for post closure core is 25 years. However, it is expected to increase to 30 years as the Ministry of Environment is proposing changes to landfill legislation that could come into effect in 2016. The Knockholt site is expected to last until the year 2076 and the Clearview site was built with a 100 year expected life span lasting until the year 2106. 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 \$423,302 as at December 31, 2015 (2014 - \$626,779).

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

For the year ended December 31, 2015

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.

	<u>2015</u>	<u>2014</u>
Opening balance	<u>\$ 3,887,455</u>	<u>\$ 3,388,364</u>
Add: Amounts received in the year	852,181	852,181
Interest earned	<u>62,365</u>	<u>38,820</u>
	<u>914,546</u>	<u>891,001</u>
Less: Amounts spent in the year	<u>(665,317)</u>	<u>(391,910)</u>
Closing balance	<u>\$ 4,136,684</u>	<u>\$ 3,887,455</u>

REGIONAL DISTRICT OF BULKLEY-NECHAKO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

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:

	2015
Budgeted deficit per statement of financial activities	<u>\$ (1,578,312)</u>
Less: Capital expenditures	(2,882,850)
Debt principal payments	(210,703)
Contributions to reserves	(1,529,396)
Prior year net deficitis	<u>(21,886)</u>
	<u>(4,644,835)</u>
Add: Prior years net surplus	1,844,881
Withdrawal from capital reserves	2,023,549
Transfer from equity in tangible capital assets	787,900
Debenture issue	<u>1,566,817</u>
	<u>6,223,147</u>
Surplus in the Financial Plan	<u><u>\$ -</u></u>

REGIONAL DISTRICT OF BULKLEY-NECHAKO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

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 1.6% (2014 – 1.3%).

14. UNEARNED GRANTS

Unearned grants is comprised of:

	<u>2015</u>	<u>2014</u>
Federal Gas Tax reserve	\$ 4,136,684	\$ 3,887,455
Provincial	1,989	1,989
Other	<u>13,459</u>	<u>6,098</u>
	<u>\$ 4,152,132</u>	<u>\$ 3,895,542</u>

REGIONAL DISTRICT OF BULKLEY-NECHAKO
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2015

15. FUND ALLOCATION

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

	<u>2015</u>	<u>2014</u>
Operating Reserves	\$ 3,518,558	\$ 2,887,315
Capital	2,888,805	3,104,007
Non-Financial Assets	(6,428,468)	(4,875,127)
	<u>14,762,232</u>	<u>12,993,362</u>
	<u>\$ 14,741,127</u>	<u>\$ 14,109,557</u>

16. CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments are allocated as:

	<u>2015</u>	<u>2014</u>
Cash	\$ 422,238	\$ 847,934
Temporary Investments	<u>8,934,790</u>	<u>7,843,668</u>
	<u>\$ 9,357,028</u>	<u>\$ 8,691,602</u>

Temporary investments consists of GIC's from Raymond James Ltd. reaching maturity during 2016 and ranging from 1.40%-1.55%

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

For the year ended December 31, 2015

	<u>2015</u>		<u>2014</u>
	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Purchased services and supplies	\$ 5,587,044	\$ 3,606,514	\$ 3,734,050
Staff remuneration and benefits	3,497,430	3,339,928	3,147,694
Payments to Societies	2,077,017	1,921,278	1,869,382
Payments to Municipalities	710,287	704,651	722,456
Municipal debt payments	713,618	592,680	814,005
Directors' remuneration	354,867	318,113	264,776
Electoral Area Grants in Aid	342,569	130,815	166,570
Insurance and permits	139,438	129,669	124,584
Interest on debentures	92,662	91,945	116,753
Directors' travel and expenses	140,406	87,071	84,964
Staff travel, upgrading and conferences	90,210	86,235	78,783
Memberships and dues	39,276	35,515	38,339
Bad debts	-	15,316	-
Interest	7,317	11,328	2,606
Elections, referenda and studies	25,386	5,120	19,499
Volunteer benefits	3,297	2,991	2,826
First Nations dialogue	10,000	-	-
Amortization	787,900	900,901	719,473
	<u>\$ 14,618,724</u>	<u>\$ 11,980,070</u>	<u>\$ 11,906,760</u>

See notes to the consolidated financial statements.

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

For the year ended December 31, 2015

	<u>2015</u>	<u>2014</u>
BALANCE AT BEGINNING OF THE YEAR	\$ 6,991,462	\$ 6,041,420
Contribution to funds	1,541,879	1,379,962
Interest earned on funds	116,033	71,139
Withdrawals from funds	<u>(1,623,885)</u>	<u>(501,059)</u>
BALANCE AT END OF THE YEAR	7,025,489	6,991,462
Less: Federal Gas Tax recorded as deferred revenue (Note 10)	<u>4,136,684</u>	<u>3,887,455</u>
	<u>\$ 2,888,805</u>	<u>\$ 3,104,007</u>
REPRESENTED BY THE FOLLOWING RESERVE FUNDS		
911 Capital	\$ 392,500	\$ 336,682
911 Vehicle	867	-
Administrative equipment	48,073	63,887
Administration/Planning vehicle	60,265	79,608
Building	45,866	30,290
Building Inspection vehicle	55,359	46,549
Bulkley Valley Pool	530,241	405,943
Burns Lake Arena	97,522	17,340
Burns Lake Rural Fire Protection	48	47
Election	37,859	31,244
Emergency Prep	36,527	50,209
Environmental Services vehicle	61,359	45,531
Federal Gas Tax	4,136,684	3,887,455
Fort Fraser Sewer	114,183	96,507
Fort Fraser Rural Fire Protection	77,809	33,734
Fort Fraser Water	393,031	327,318
Fort St. James Rural Fire Protection	59,243	48,393
Glacier Gulch Water Diversion	2,192	2,157
Houston Rural Fire Protection	12,505	11,066
Insurance	2,161	44,710
Lakes District Airport	117,692	66,344
Landfill capital	461,752	1,162,220
Luck Bay Rural Fire Protection	6,093	3,028
Planning plotter	36,017	29,499
Smithers Rural Fire Protection	106,428	94,810
Southside Rural Fire Protection	66,547	17,242
Telkwa Rural Fire Protection	25,678	19,328
Vanderhoof Rural Fire Protection	35,374	34,798
Weed Control vehicle	<u>5,614</u>	<u>5,523</u>
	7,025,489	6,991,462
Less: Federal Gas Tax reserve recorded as deferred revenue (Note 10)	<u>4,136,684</u>	<u>3,887,455</u>
	<u>\$ 2,888,805</u>	<u>\$ 3,104,007</u>

See notes to the consolidated financial statements.

Regional District of Bulkley-Nechako
CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS
For the year ended December 31, 2015

	Engineered Structures							2015 Total	2014 Total
	Land	Building	Equipment / Vehicles	Water	Sewer	Landfills	Transfer Stations		
COST									
Opening Balance	\$ 261,291	\$ 6,466,869	\$ 3,410,292	\$ 1,109,807	\$ 718,501	\$ 3,832,473	\$ 4,656,502	\$ 20,455,735	\$ 20,363,689
Add: Additions	-	75,111	2,420,735	-	-	197,993	-	2,693,839	193,559
Less: Disposals	-	-	107,694	-	-	-	-	107,694	101,513
Less: Write-downs	-	-	-	-	-	-	-	-	-
Closing Balance	261,291	6,541,980	5,723,333	1,109,807	718,501	4,030,466	4,656,502	23,041,880	20,455,735
ACCUMULATED AMORTIZATION									
Opening Balance	-	2,079,521	1,855,398	648,699	333,427	1,256,192	1,350,055	7,523,292	6,885,332
Add: Amortization	-	137,514	488,801	28,045	15,196	123,203	108,142	900,901	719,473
Less: Acc. Amortization on Disposals	-	-	82,895	-	-	-	-	82,895	81,513
Closing Balance	-	2,217,035	2,261,504	676,744	348,623	1,379,395	1,458,197	8,341,498	7,523,292
Net Book Value for year ended									
December 31, 2015	\$ 261,291	\$ 4,324,945	\$ 3,461,829	\$ 433,063	\$ 369,878	\$ 2,651,071	\$ 3,198,305	\$ 14,700,382	
Net Book Value, year ended									
December 31, 2014	\$ 261,291	\$ 4,387,348	\$ 1,554,894	\$ 461,108	\$ 385,074	\$ 2,576,281	\$ 3,306,447		\$ 12,932,443

See notes to the consolidated financial statements.