

REGIONAL DISTRICT OF BULKLEY-NECHAKO
CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2011

RHN SCHMITZ de GRACE

Chartered Accountants

Partners

- Lynn Ross CA
- Norm Hildebrandt BBA, CA
- Allison Twiss BComm, CA

1116 Sixth Avenue
Prince George, BC, V2L 3M6
Tel. (250) 564-2515
Fax (250) 562-8722
E-mail: office@rhngroup.ca

- 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, 2011, 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

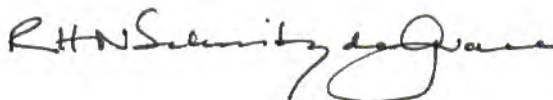
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain 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, 2011, 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.



April 16, 2012
Prince George, BC

Chartered Accountants

REGIONAL DISTRICT OF BULKLEY-NECHAKO
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2011

| | 2011 | 2010 |
|--|----------------------|----------------------|
| FINANCIAL ASSETS | | |
| Cash and temporary investments (Note 10) | \$ 7,334,680 | \$ 7,203,955 |
| Accounts receivable | 743,311 | 395,487 |
| Grants receivable | 57,920 | 95,915 |
| MFA Debt Reserve Fund (Note 2) | 165,082 | 160,400 |
| Due from Municipalities for debt (Note 3) | 5,788,936 | 5,624,647 |
| | 14,089,929 | 13,480,404 |
| LIABILITIES | | |
| Unearned grants | 9,318 | 275,769 |
| Accounts payable and accruals | 3,065,891 | 3,327,207 |
| Debentures issued for the Regional District (Note 5) | 1,693,503 | 1,952,394 |
| Debentures issued for Municipalities (Note 3) | 5,788,936 | 5,624,647 |
| MFA Debt Reserve Fund (Note 2) | 125,063 | 160,400 |
| | 10,682,711 | 11,340,417 |
| NET FINANCIAL ASSETS | 3,407,218 | 2,139,987 |
| NON FINANCIAL ASSETS | | |
| Property, Plant, Equipment and Infrastructure, at cost (Note 1, Schedule 3) | 14,173,780 | 14,144,930 |
| Prepaid expenses | 42,900 | 41,272 |
| | 14,216,680 | 14,186,202 |
| ACCUMULATED SURPLUS | \$ 17,623,898 | \$ 16,326,189 |

CONTINGENCIES (Note 6)

Approved by the Board:

_____ Chairperson

_____ Financial Administrator

RHN 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, 2011

| | 2011 | 2010 |
|---|------------------------------|--------------------------------|
| | <u>Budget</u> (unaudited) | <u>Actual</u> <u>Actual</u> |
| REVENUE | | |
| Property tax requisition | | |
| Municipal | \$ 3,095,308 | \$ 3,097,905 |
| Electoral Area | 4,103,902 | 4,047,340 |
| | 7,199,210 | 7,147,687 |
| Federal grants - conditional | 888,699 | 888,699 |
| Municipal debt payments (Note 3) | 1,031,669 | 869,091 |
| Grants in lieu of taxes | 751,120 | 798,322 |
| Fees and permits | 341,892 | 685,588 |
| Other grants - conditional | 472,925 | 365,396 |
| Provincial grants - unconditional | 126,000 | 173,397 |
| Emergency expenditure recoveries | 300,000 | 110,814 |
| Provincial grants - conditional | 59,000 | 81,194 |
| Sundry | 131,477 | 76,095 |
| Interest | 13,500 | 72,353 |
| Municipal cost sharing | 52,192 | 58,978 |
| Debt Sinking Fund actuarial earnings (Note 4) | - | 49,921 |
| Administration recoveries | 16,116 | 15,605 |
| Gain on disposal of tangible capital assets | - | 130 |
| Donations | - | - |
| | 11,383,800 | 11,444,840 |
| EXPENSES (Schedule 1) | | |
| Environmental Services | 4,448,736 | 3,189,940 |
| Government - General, Rural and Local Commission | 2,917,622 | 2,392,804 |
| Recreation and Culture | 1,763,084 | 1,692,386 |
| Fire Protection and Emergency Response | 1,261,082 | 977,901 |
| Municipal debt payments (Note 3) | 1,171,671 | 869,091 |
| Building Inspection, Building Numbering, Planning and Development Services | 915,524 | 815,997 |
| Sewer and water | 133,978 | 108,613 |
| Street Lighting and Transportation | 110,015 | 100,399 |
| | 12,721,712 | 10,147,131 |
| ANNUAL SURPLUS (DEFICIT) | (1,337,912) | 1,297,709 |
| SURPLUS AT BEGINNING OF THE YEAR | 16,326,189 | 16,326,189 |
| SURPLUS AT END OF THE YEAR | \$ 14,988,277 | \$ 17,623,898 |
| Comprised of | | |
| Operating | | \$ (28,330) |
| Reserves | | 4,396,480 |
| Capital | | (2,228,163) |
| Non-Financial assets | | 14,186,202 |
| | | \$ 17,623,898 |
| | | \$ 16,326,189 |

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Chartered Accountants

See notes to the consolidated financial statements.

REGIONAL DISTRICT OF BULKLEY-NECHAKO
CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended December 31, 2011

| | 2011 | 2010 |
|--|---------------------|---------------------|
| OPERATING ACTIVITIES | | |
| Annual Surplus | \$ 1,297,709 | \$ 1,016,302 |
| Add: Non-cash items | | |
| Amortization on tangible capital assets | 678,473 | 609,770 |
| Gain on sale of tangible capital assets | (130) | (1,773) |
| Changes in non-cash working capital: | | |
| Accounts receivable | (347,824) | (183,539) |
| Grants receivable | 37,995 | (42,544) |
| Accounts payable and accruals | (261,316) | (195,835) |
| Unearned grants | (266,451) | (187,468) |
| Prepaid expenses | (1,628) | (1,670) |
| | 1,136,828 | 1,013,243 |
| FINANCING ACTIVITIES | | |
| Repayment of short-term financing | - | (180,000) |
| Debentures issued | - | 739,517 |
| Actuarial earnings on Debt Sinking Fund | (49,921) | (43,492) |
| MFA Debt Reserve Fund | (40,019) | - |
| Debt repayments | (208,970) | (152,486) |
| Capital lease repayments | - | (1,190) |
| | (298,910) | 362,349 |
| INVESTING ACTIVITIES | | |
| Purchase of Property, Plant, Equipment and Infrastructure | (729,021) | (837,026) |
| Disposals during the year | 21,828 | 12,773 |
| | (707,193) | (824,253) |
| INCREASE DURING THE YEAR | 130,725 | 551,339 |
| CASH AND TEMPORARY INVESTMENTS AT BEGINNING OF THE YEAR | 7,203,955 | 6,652,616 |
| CASH AND TEMPORARY INVESTMENTS AT END OF THE YEAR | \$ 7,334,680 | \$ 7,203,955 |

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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, 2011

| | <u>2011</u> | | <u>2010</u> |
|--|------------------------------|----------------------------|---------------------|
| | <u>Budget</u> (unaudited) | <u>Actual</u> | <u>Actual</u> |
| ANNUAL SURPLUS | \$ (1,337,912) | \$ 1,297,709 | \$ 1,016,302 |
| Acquisition of tangible capital assets | (1,251,006) | (729,021) | (837,026) |
| Gain on sale of tangible capital assets | - | (130) | (1,773) |
| Proceeds on sale of tangible capital assets | - | 21,828 | 12,773 |
| Amortization of tangible capital assets | 609,771 | 678,473 | 609,770 |
| | (1,979,147) | 1,268,859 | 800,046 |
| Net (acquisition) consumption of prepaid expenses | - | (1,628) | (1,670) |
| CHANGES IN NET FINANCIAL ASSETS | (1,979,147) | 1,267,231 | 798,376 |
| NET FINANCIAL ASSETS AT BEGINNING OF THE YEAR | 2,139,987 | 2,139,987 | 1,341,611 |
| NET FINANCIAL ASSETS AT END OF THE YEAR | <u>\$ 160,840</u> | <u>\$ 3,407,218</u> | <u>\$ 2,139,987</u> |

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Chartered Accountants

See notes to the consolidated financial statements.

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

For the year ended December 31, 2011

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 2011 final budget, adopted in March 2011.

Basis of Accounting

A full accrual basis of accounting is used.

Property, Plant, Equipment and Infrastructure

Purchased land, buildings, vehicles, machinery and equipment, and engineered structures are recorded at cost.

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 from current and prior year's operations as well as third party contributions and are available for future years' expenditures.

Revenue Recognition

The Regional District recognizes revenue as follows:

Revenue generated by property taxes and utilities 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 BULKELY-NECHAKO
NOTES TO THE CONSOLIDATE FINANCIAL STATEMENTS

For the year ended December 31, 2011

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 received.

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 expenditures 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 BULKELY-NECHAKO
NOTES TO THE CONSOLIDATE FINANCIAL STATEMENTS

For the year ended December 31, 2011

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 | | | 2011 | 2010 |
| Environmental Services | 2002 | 438,000 | 2012 | 5.37% | \$ 54,022 | \$ 105,471 |
| Environmental Services | 2008 | 677,000 | 2018 | 4.65% | 500,979 | 561,969 |
| Environmental Services | 2010 | 729,517 | 2020 | 3.73% | 668,755 | 729,517 |
| Bulkley Valley Pool and Recreation Centre | 2002 | 150,000 | 2012 | 5.37% | 18,502 | 36,120 |
| Burns Lake Arena | 1999 | 500,000 | 2014 | 6.15% | 130,629 | 170,455 |
| Burns Lake Arena | 1999 | 200,000 | 2019 | 6.20% | 103,321 | 113,850 |
| Fort Fraser Sewer | 2001 | 30,000 | 2016 | 5.93% | 12,513 | 14,670 |
| Fort Fraser Sewer | 2002 | 10,000 | 2012 | 5.37% | 1,233 | 2,408 |
| Fort Fraser Fire Protection | 2004 | 147,140 | 2019 | 5.30% | 91,621 | 100,759 |
| Luck Bay Fire Protection | 2006 | 125,000 | 2026 | 4.67% | 102,264 | 107,175 |
| Luck Bay Fire Protection | 2010 | 10,000 | 2030 | 3.73% | 9,664 | 10,000 |
| | | <u>\$ 3,071,657</u> | | | <u>\$ 1,693,503</u> | <u>\$ 1,952,394</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 |
|------|-----------------------|----------------------|-------------------|-----------------------|
| 2012 | \$ 208,971 | \$ 147,656 | \$ 356,627 | \$ 61,356 |
| 2013 | 161,427 | 111,771 | 273,198 | 43,405 |
| 2014 | 161,427 | 111,771 | 273,198 | 52,012 |
| 2015 | 136,523 | 86,867 | 223,390 | 38,343 |
| 2016 | 136,523 | 85,978 | 222,501 | 45,542 |

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

For the year ended December 31, 2011

6. CONTINGENCIES

a) 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:

| | 2011 | 2010 |
|--|-------------------|-------------|
| Demand Notes Outstanding: | | |
| Borrowing on behalf of member Municipalities | \$ 373,795 | \$ 359,980 |
| Borrowing for Regional District purposes | 147,887 | 147,887 |
| | \$ 521,682 | \$ 507,867 |

b) Employee Sick Leave

The Regional District is contingently liable to pay its employees sick leave. The total value of the accumulated sick time is \$395,778 at December 31, 2011 (2010 - \$348,852). As at the year-end management has accrued \$228,265 (2010 - \$168,140) as an estimate of the expected payable.

c) 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 \$146,136 at December 31, 2011 (2010 - \$137,392). As at year end, management has accrued \$100,186 (2010 - \$95,558) as an estimate of the expected payable.

7. MUNICIPAL PENSION PLAN

The Regional District 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 the management of the pension plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 173,000 active members and approximately 63,000 retired members. Active members include approximately 35,000 contributors from local governments.

The latest valuation as at December 31, 2011 indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. Defined contribution plan accounting is applied to the pension plan as the plan exposes participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, the pension plan assets and cost to individual entries participating in the pension plan.

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

For the year ended December 31, 2011

7. MUNICIPAL PENSION PLAN, continued

The Regional District of Bulkley-Nechako paid \$ 160,418 (2010 - \$133,514) for employer contributions to the plan in fiscal 2011.

8. UNFUNDED LIABILITY FOR LANDFILL CLOSURE COSTS

Accounts payable and accruals include \$ 2.20 million of liabilities at December 31, 2011 (\$2.34 million at December 31, 2010) 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 and are not recorded as accounting transactions during 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 \$1,058,314 as at December 31, 2011 (2010 - \$1,232,351).

9. 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.

a) 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.

b) Interest Rate Risk

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

c) 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.

10. 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 1.0% (2010 - 1.0%).

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

For the year ended December 31, 2011

11. 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, wastewater, solid waste and capacity buildings projects, as specified in the funding agreements.

| | <u>2011</u> | <u>2010</u> |
|-----------------------------------|----------------------------|----------------------------|
| Opening balance | <u>\$ 1,979,906</u> | <u>\$ 1,712,530</u> |
| Add: Amounts received in the year | <u>838,699</u> | 838,790 |
| Interest earned | <u>21,652</u> | <u>11,243</u> |
| | <u>860,351</u> | <u>850,033</u> |
| Less: Amounts spent in the year | <u>(327,020)</u> | <u>(582,657)</u> |
| | <u><u>\$ 2,513,237</u></u> | <u><u>\$ 1,979,906</u></u> |

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

For the year ended December 31, 2011

| | 2011 | | 2010 |
|--|------------------------------|----------------------|----------------------|
| | <u>Budget</u> (unaudited) | <u>Actual</u> | <u>Actual</u> |
| Purchased services and supplies | \$ 4,618,463 | \$ 2,830,648 | \$ 2,922,778 |
| Staff remuneration and benefits | 2,687,348 | 2,517,594 | 2,423,325 |
| Payments to Societies | 1,547,225 | 1,513,630 | 1,408,079 |
| Municipal debt payments | 1,131,671 | 869,091 | 1,000,119 |
| Payments to Municipalities | 778,093 | 778,093 | 856,442 |
| Directors' remuneration | 309,914 | 273,064 | 253,465 |
| Interest on debentures | 149,730 | 149,298 | 126,103 |
| Insurance and permits | 129,769 | 110,534 | 123,470 |
| Electoral Area Grants in Aid | 434,377 | 192,360 | 104,359 |
| Directors' travel and expenses | 123,912 | 110,783 | 90,546 |
| Staff travel, upgrading and conference | 59,350 | 53,007 | 51,752 |
| Elections and referendums | 76,132 | 28,824 | 42,180 |
| Memberships and dues | 35,702 | 32,644 | 30,414 |
| Interest | 6,502 | 3,309 | 11,831 |
| Volunteer benefits | 3,753 | 3,307 | 3,527 |
| Bad debts | - | 2,472 | - |
| Debenture issue costs | - | - | 11,832 |
| Treaty Advisory Committee | 20,000 | - | - |
| Amortization | 609,771 | 678,473 | 609,770 |
| | <u>\$ 12,721,712</u> | <u>\$ 10,147,131</u> | <u>\$ 10,069,992</u> |

See notes to the consolidated financial statements.

RHN SCHMITZ de GRACE
Chartered Accountants

REGIONAL DISTRICT OF BULKLEY-NECHAKO

SCHEDULE OF CONTINUITY OF RESERVE FUNDS

For the year ended December 31, 2011

| | <u>2011</u> | <u>2010</u> |
|--|----------------------------|----------------------------|
| BALANCE AT BEGINNING OF THE YEAR | \$ 4,396,480 | \$ 4,197,020 |
| Contribution to funds | 1,112,845 | 1,066,547 |
| Interest earned on funds | 47,549 | 26,799 |
| Withdrawals from funds to operations | <u>(573,121)</u> | <u>(893,886)</u> |
| BALANCE AT END OF THE YEAR | <u>\$ 4,983,753</u> | <u>\$ 4,396,480</u> |
| REPRESENTED BY THE FOLLOWING RESERVE FUNDS | | |
| Administrative equipment | \$ 59,452 | \$ 58,844 |
| Administration/Planning/Development Services Vehicle | 43,145 | 31,283 |
| Building Inspection vehicle | 15,574 | 35,210 |
| Bulkley Valley Pool Capital Reserve | 188,999 | 87,758 |
| Burns Lake Arena | 56,269 | 52,403 |
| Burns Lake Rural Fire Protection | 45 | 45 |
| Election | 8,105 | 32,097 |
| Environmental Services vehicle | (147) | 14,702 |
| Fort Fraser Sewer Capital | 46,236 | 29,874 |
| Fort Fraser Rural Fire Protection | 22,826 | 19,613 |
| Fort Fraser Water Capital | 146,869 | 92,733 |
| Fort St. James Rural Fire Protection | 20,869 | 795 |
| Gas tax capital projects (Note 11) | 2,513,237 | 1,979,906 |
| Glacier Gulch Water Diversion | 2,087 | 2,066 |
| Houston Rural Fire Protection | 7,025 | 5,711 |
| Insurance | 61,031 | 53,868 |
| Landfill Phase Development | 429,120 | 385,006 |
| Landfill closure costs | 1,058,314 | 1,232,351 |
| Landfill post closure and monitoring costs | 129,038 | 127,717 |
| Luck Bay Capital | 3,104 | 93 |
| Planning plotter | 20,730 | 16,546 |
| Smithers Rural Fire Protection | 62,277 | 51,709 |
| Southside Capital | 12,203 | 12,079 |
| Telkwa Rural Fire Protection | 1,021 | 1,010 |
| Vanderhoof Pool | - | - |
| Vanderhoof Rural Fire Protection | 35,900 | 33,050 |
| Weed Control vehicle | <u>40,424</u> | <u>40,011</u> |
| | <u>\$ 4,983,753</u> | <u>\$ 4,396,480</u> |

RHN 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, 2011

| | Land | Engineered Structures | | | | | | 2010 Total | |
|-------------------|------------|-----------------------|-------------------------|--------------|------------|--------------|----------------------|---------------|---------------|
| | | Building | Equipment / Vehicles | Water | Sewer | Landfills | Transfer Stations | | |
| COST | | | | | | | | | |
| Opening Balance | \$ 261,291 | \$ 6,349,796 | \$ 2,601,153 | \$ 1,109,807 | \$ 718,501 | \$ 3,503,021 | \$ 4,614,786 | \$ 19,158,355 | \$ 18,444,158 |
| Add: Additions | - | 43,031 | 656,142 | - | - | 21,142 | 8,706 | 729,021 | 837,026 |
| Less: Disposals | - | - | 113,244 | - | - | - | - | 113,244 | 122,829 |
| Less: Write-downs | - | - | - | - | - | - | - | - | - |
| Closing Balance | 261,291 | 6,392,827 | 3,144,051 | 1,109,807 | 718,501 | 3,524,163 | 4,623,492 | 19,774,132 | 19,158,355 |

ACCUMULATED AMORTIZATION

| | | | | | | | | | |
|--------------------------------------|---|-----------|-----------|---------|---------|---------|-----------|-----------|-----------|
| Opening Balance | - | 1,549,905 | 931,506 | 536,519 | 272,643 | 803,731 | 919,121 | 5,013,425 | 4,515,484 |
| Add: Amortization | - | 131,287 | 293,089 | 28,045 | 15,196 | 103,374 | 107,482 | 678,473 | 609,770 |
| Less: Acc. Amortization on Disposals | - | - | 91,546 | - | - | - | - | 91,546 | 111,829 |
| Closing Balance | - | 1,681,192 | 1,133,049 | 564,564 | 287,839 | 907,105 | 1,026,603 | 5,600,352 | 5,013,425 |

**Net Book Value for year ended
December 31, 2011**

\$ 261,291 \$ 4,711,635 \$ 2,011,002 \$ 545,243 \$ 430,662 \$ 2,617,058 \$ 3,596,889 \$ 14,173,780

Net Book Value, year ended
December 31, 2010

\$ 261,291 \$ 4,799,891 \$ 1,669,647 \$ 573,288 \$ 445,858 \$ 2,699,290 \$ 3,695,665 \$ 14,144,930

See notes to the consolidated financial statements.