



REGIONAL DISTRICT of Fraser-Fort George



2014 Consolidated Financial Statements

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REPORT FROM THE GENERAL MANAGER OF FINANCIAL SERVICES

April 7, 2015

TO: Chairperson Art Kaehn and the Directors
of the Regional District of Fraser-Fort George

The financial report and statements for the Regional District of Fraser-Fort George for the year ended December 31, 2014, are submitted pursuant to the requirements of the *Local Government Act*.

The enclosed information includes the Consolidated Financial Statements of the Regional District along with supplementary information in schedule format. The consolidated statements have been prepared in accordance with the Public Sector Accounting Board (PSAB) recommendations for statement presentation. The objective of the statements is to fairly present the financial position of the Regional District. The firm of Deloitte LLP is responsible to report to the Board with the results of their audit. Their audit letter, with an unqualified opinion, is included in these statements.

HIGHLIGHTS OF THE YEAR

The Regional District of Fraser-Fort George delivers 86 services ranging from small local services such as a series of street lights in a rural area to large and complex region wide services such as Solid Waste Management and 9-1-1 Emergency Communications. These services are delivered through a number of business units within the Regional District: Community Services, Corporate Services, Development Services, Environmental Services and Financial Services. The following is an overview of the focus and accomplishments of these business units.

Corporate Services

Corporate Services manages the Regional District's corporate records (including FOI requests), provides support for Board operations and directors, and processes a large variety of requests for information and assistance from staff and the general public.

In 2014, Corporate Services managed a number of processes on behalf of the Regional District, including:

- ◆ liaising with the Auditor General for Local Government and facilitating the audit process for the operational procurement audit theme
- ◆ implementation of Year 6 of the Golden Raven Cultural Marketing Program to promote regional cultural facilities
- ◆ continuation of the annual cultural report, reporting on the performance of the cultural facilities that receive funding from the Regional District
- ◆ continued relationship building with First Nations with Lheidli T'enneh First Nation, McLeod Lake Indian Band and the Simpcw First Nation



- ◆ continuation of the Regional Report, a quarterly external newsletter highlighting recent initiatives and projects underway within the Regional District
- ◆ assisting with Eastline Activity Centre and Giscome School replacement project
- ◆ legislative support in the preparation of bylaws
- ◆ oversight in policy and contract development
- ◆ ongoing support for Community Consultation Committees
- ◆ installation of upgrades to Boardroom audio-visual system
- ◆ management of General Local Election
- ◆ continued implementation of the Regional District of Fraser-Fort George Communications Plan
- ◆ development of a strategy for implementation of the Regional District's Corporate Climate Change Action Plan; and
- ◆ working in partnership with the Villages of McBride and Valemount to implement strategies from the Robson-Canoe Valley Economic Opportunities Plan, including the development and implementation of a new brand to promote the Robson Valley corridor.

Community Services

Community Services Administration assist community groups in the development and ongoing service delivery for the long term sustainability for their community in bringing services the community supports, through the provision of public safety services, as well as, the administration of the Community and Recreation Grant-in-Aid programs.

In 2014, Community Services Administration's focus was on:

- ◆ establishment of the East Line Community Facilities Service
- ◆ development of a community use agreement for the East Line Activity Centre with School District No. 57
- ◆ establishment of the Fraser-Fort George Endowment Funds Committee and related policies
- ◆ project management of the Tete Jaune Community Hall improvement project
- ◆ continuation of land approval processes for Tete Jaune Community Cemetery property
- ◆ investigating and applying for external grants for Willow River Sewer and Water Project
- ◆ organizing a successful Community Association Workshop; and
- ◆ negotiating property use agreements with Regional District community groups.

Grants

Each year, the Regional District provides community grants to organizations in the electoral areas that will benefit the residents. In 2014, \$702,870 was provided through 98 Community

Grants-in-Aid requests, and \$59,757 through 24 Recreation Grants-in-Aid requests to various organizations within the Regional District.

9-1-1 Emergency Response

The 9-1-1 Emergency Response service budget supports the administration and operation of the primary 9-1-1 call answer function and the centralized fire/rescue dispatch communication system. E-Comm 9-1-1 and the City of Prince George provide these operational services by way of agreements to the Regional District. The 2014 budget for this service was \$5,111,480.

The 9-1-1 service area covers 290,310 square kilometres representing 30.7% of the Province of British Columbia.

The Regional District maintains and operates an extensive fire/rescue radio dispatch and communications system that serves 23 fire/rescue agencies in the Regional District of Fraser-Fort George and North Cariboo areas. There are an additional 56 fire/rescue agencies dispatched over a telephone interconnect network for a total of 79 agencies being dispatched from the Fire Operations Communications Centre (FOCC).

In 2014, Public Safety Administration's focus was on:

- ◆ testing and monitoring the new backbone radio communications system before cutting over to the new system
- ◆ completed assembling, programming and the delivery of the new equipment to the Regional District volunteer fire/rescue agencies and the Mackenzie Fire Department radio communications system
- ◆ hosting a Fire/Rescue Users meeting for all the agencies dispatched by the FOCC
- ◆ ensuring the continued operation of the fire/rescue agencies' field radio system and the dispatch radio console at the FOCC
- ◆ providing expertise to radio contractors working on the field radio systems in the Cariboo, Kitimat-Stikine and Bulkley-Nechako Regional Districts; and
- ◆ continue to encourage use of the records management system by providing on-site training for fire/rescue personnel.

Fire Services Coordinator

The Fire Services Coordinator oversees the Regional District's fire and rescue services to help ensure high service levels; that the standards are implemented, followed, and maintained; and that required training and certification is readily available and affordable.

In 2014, the focus was on:

- ◆ fire hall expansion and upgrade projects for Ferndale/Tabor, Pineview and Ness Lake Fire Halls
- ◆ implementation of strategic fire/rescue budget plans
- ◆ assisting Hixon and Bear Lake Volunteer Fire Departments with development of training programs and administration of service; and

- ◆ inspections and audits recommendations including implementation of:
 - training standards for interior firefighting operations and fire officer level one
 - structure fire response operational guideline providing for safer response procedures for interior firefighting operations
 - operational guideline defining limited personnel risk; and
 - operational health and safety template forms for safety meetings and implemented standardized strategy of sharing minutes of lessons learned.

Emergency Preparedness Service

The Emergency Response and Recovery Plan was adopted by the Board in January 2006. In support of the plan, over 50 local community emergency plans were completed to accommodate the specific needs of individual communities and their residents.

Currently there are 28 staff members trained to work in the Emergency Operations Centre (EOC). The partnership with RCMP victim services and 10 Emergency Social Services (ESS) volunteers support the Regional District's ESS program.

In 2014, the focus was on:

- ◆ monitoring and recording river levels from the gauges installed at Foreman Flats, Shelley Boat Launch, Hixon, and Sinclair Mills. These gauges are to help provide river level readings that will be used to assist the EOC during Spring freshets
- ◆ additional work around the Farmed Animal Mass Carcass Emergency Disposal Plan by identifying areas within the Regional District where mass carcass burial could take place
- ◆ developing an Emergency Preparedness Information pamphlet that provides information to residents on what to do in the event of interface fires, flooding or power outages
- ◆ coordinating an Emergency Management Committee stakeholders meeting
- ◆ working with the City of Prince George in updating supplier agreements with businesses in the area that will provide goods and services in the event of an emergency; and
- ◆ training for the EOC Team with a tabletop exercise.

Development Services

Land Use Planning

Regional District's Land Use Service is a region wide service fulfilling the obligations of land use planning under Part 26 of the *Local Government Act*. Planning is an integral part of Development Services which also includes Civic Addressing, Building Inspection and Bylaw Compliance. Development Services works closely with Community Services, the Geographic Information System and outside agencies, such as the Northern Health Authority; the Ministries of Transportation and Infrastructure, Community, Sport and Cultural Development; Environment; Forest, Lands and Natural Resource Operations; and the Provincial Agricultural Land Commission in order to provide efficient public service.

Throughout 2014, the Regional District received and processed a total of 82 Land Use Applications and 78 provincial referrals. These totals are slightly lower than in 2013.

Other referrals received by the Regional District included 60 Crown Land Applications, 17 Subdivision Applications, 1 Telecommunication Tower and 1 Special Occasion licence.

The new comprehensive Zoning Bylaw No. 2892, 2014 replaced Zoning Bylaw No. 833, 1986. Development Applications Procedure Bylaw No. 2776, 2012 was adopted, as were zoning changes to regulate medical marijuana production. A new Integrated Community Sustainability Planning Policy was also adopted.

Other long-term planning projects that are still underway include development of Signs Regulation, and reviewing a possible Agricultural initiative. For 2015, some new initiatives include a review of the Hixon-Woodpecker Rural Land Use Bylaw, the Salmon River-Lakes Official Community Plan and several updates to the new zoning bylaw.

Building Inspection

2014 building permit activity was similar to 2013. The total number of permits were down slightly (3.5%), the number of new homes was down by 21%, but the value of permits were only down by 2.2% over 2013. These are on top of increases in 2013 over 2012.

Building activity for 2015 is expected to exceed that of 2014.

In addition, the Building Bylaw is in the process of being reviewed to reflect the new BC Building Code.

Environmental Services

Solid Waste Management

The programs and policies introduced by the Regional District through its Regional Solid Waste Management Plan have resulted in considerable success towards waste diversion. In 2008, the Plan was updated to further enhance waste diversion and provide an updated long-term vision of solid waste management throughout the Regional District. Significant progress has also been made in the area of environmental protection through consolidation of landfill operations and enhancement of the regional transfer station network. Landfill gas and groundwater monitoring programs continue to be advanced with the ongoing ground water monitoring wells at Foothills Boulevard Regional Landfill and monitoring, maintenance and the commissioning of 2 previously installed horizontal collection pipes.

In 2014, there was 89,319 tonnes of municipal solid waste generated within the Regional District; this includes both residential and business activity. This reflects a decrease of 1.8% compared to 2013. We have seen an 18% increase in the amount of material received for composting. Over 500 cubic meters of finished compost was delivered to the Robson Valley making the product available to local residents and businesses.

The region saw a decrease in Demolition, Land clearing and Construction waste (DLC) in 2014. Landfilling of DLC waste decreased by 5.3% compared to 2013.

The short term fill plan for the facility was updated in 2014. The plan was conducted to optimize the existing waste footprint and fill plan, as well as to plan out the connection of the 2 new horizontal gas wells to the main landfill gas collection system. This project was completed during the summer of 2014. Landfill gas operation, maintenance, and successful verification continued in 2014 with an increase in the capture of greenhouse gases being emitted from the Foothills Boulevard Regional Landfill.

Regional Parks

The Regional District operates and maintains 11 regional parks located throughout the Regional District encompassing a total of 330 hectares of land. In addition to routine maintenance work, a number of improvement projects were completed at a variety of parks. Improvement work included the construction of a second viewing platform at George Hicks Regional Park, initial execution of a shoreline repair plan at Ness Lake Regional Park and trail repairs at various Regional Parks. Also, 2015 saw an increase in vandalism at a few parks, incurring repair costs above regular maintenance.

Utilities

The Regional District operated 2 small community water systems and 5 community sewer systems in 2014. The Regional District operated these utilities in accordance with provincial regulatory requirements to meet public health, safety, and environmental protection objectives. Operational needs are increasing on the sewer systems as the number of active users increase.

FINANCIAL MANAGEMENT AND CONTROL

Beginning in 2003, the Regional District's Board of Directors adopt five-year financial plans for each service. These plans provide the budget for the current year, the financial plan for the next four years, and incorporate both operating and capital components. The budget process commences in the fall, and the financial plan bylaw must be adopted by March 31.

The management staff is responsible for the preparation, monitoring and management of their operating and capital budgets. There were 86 operating budgets prepared in 2014 for the various services offered by the Regional District.

Financial Services is responsible for overseeing the Information Technology service including providing GIS and IT support to the District of Mackenzie, compiling the budgets and preparing the financial plan for presentation to the Board. This department is also responsible for analysing the budget and making recommendations to the Administrator.

The Regional District has established an accounting system and internal controls to provide reasonable assurance for the safekeeping of assets and the reliability of the financial records. The financial management system allows all departments ready access to current financial and budget information. Authorized users have on-line access to a wide variety of financial information that is pertinent to their duties, such as payroll information, accounts payable, accounts receivable and general account and budget detail. In addition to information that is available on-line, all departments have access to printed reports at the end of each accounting period. The reports show expenditures to date, outstanding commitments, the annual budget and the variance from the budget.

SIGNIFICANT ACTIVITIES

- 1) **Reserve Fund:** Each year the Regional District budgets for annual contributions to be made into the Reserve Funds. This allows the Regional District to internally finance for specific purposes, such as the purchase of capital equipment and landfill closure costs. These funds are accounted for separately for each service and the monies are invested until such time as it is required. In 2014, \$2,460,849 was contributed from the Operating Funds to the Reserve Funds. During the year, \$1,105,595 was transferred from reserves to fund the 9-1-1 Radio Equipment Upgrade, the expansion of the Pineview Fire Hall, Ness Lake Fire Hall renovation, Beverly Fire/Rescue pumper truck and upgrades to the Canoe Valley Recreation Centre. At December 31, 2014, the total in the Reserve Funds is \$19,774,411.

 - 2) **Debt:** The Regional District borrows on behalf of the Municipalities within its boundaries as well as for its own use. Debentures are issued to the Municipal Finance Authority of British Columbia for these funds. Although the Regional District is ultimately responsible for the retirement of the debenture debt, the Municipalities are responsible for repayment to the Regional District of their share of this liability. Each year, principal payments are made from the Operating Funds to repay the Regional District's portion of the debenture debt. Of the \$90,291,715 in debenture debt, the Municipalities (City of Prince George and the Villages of McBride and Valemount) are responsible for the retirement of \$88,574,892.

 - 3) **Water & Sewer Utilities:** The Regional District operates Water and Sewer Utilities on behalf of specific areas. Utilities are owned by the taxpayers in those areas. The exception to this fact is the Blackburn Water Utility which is a segment of a water utility owned by the City of Prince George that extends into the Regional District. In the Blackburn area, the user fees and parcel taxes are collected by the Regional District and submitted to the City of Prince George.

 - 4) **Assistance to Other Boards & Corporations:**
 - a) Fraser-Fort George Regional Museum:

Under the Heritage Conservation service, the Regional District provides operating and capital grants to this museum.

 - b) Prince George Art Gallery Association:

The Regional Grants-in-Aid function provided funds for operating and conditional grants to the Art Gallery.

Each of these organizations, the Fraser-Fort George Regional Museum and the Prince George Art Gallery, is a separate legal entity. As the Regional District provides the majority of the funding for these organizations there is an extraordinary reliance on the Regional District for the continued operation of these entities.
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- 5) The Audit: The Regional District is required by the *Local Government Act* to appoint an external auditor to audit the accounts. The auditor is required to give an opinion as to whether the statements present fairly the financial position of the Regional District at December 31st. The auditors are also required to give their opinion as to whether the results of the operations of the year then ended are in accordance with Canadian accounting principles generally accepted for local governments.

The auditors' role is to examine the statements, procedures, documentation, systems and other matters in order to form an opinion on the Regional District's statements. The financial statements are prepared by, and are the responsibility of, the management of the Regional District of Fraser-Fort George.

Respectfully submitted,

"Natalie Wehner"

Natalie Wehner, CPA, CMA
General Manager of Financial Services



BOARD OF DIRECTORS AS OF DECEMBER 31, 2014

Chairperson..... Art Kaehn
Vice Chairperson..... Terry Burgess

Municipal Directors

City of Prince George Lyn Hall (Mayor)
..... Murry Krause
..... Frank Everitt
..... Albert Koehler

District of Mackenzie Pat Crook (Mayor)

Village of McBride Lorraine Martin (Mayor)

Village of Valemount Jeannette Townsend (Mayor)

Electoral Area Directors

Area A – Salmon River – Lakes Warren Wilson

Area C – Chilako River – Nechako Lara Beckett

Area D – Tabor Lake – Stone Creek..... Bill Empey

Area E – Woodpecker – Hixon..... Art Kaehn

Area F – Willow River – Upper Fraser Kevin Dunphy

Area G – Crooked River – Parsnip..... Terry Burgess

Area H – Robson Valley – Canoe Dannielle Alan

Letters patent were issued in 1967 to create the Regional District of Fraser-Fort George. The Regional District has powers and authority as set out in Part 24 of the *Local Government Act*. The governing board of the Regional District is composed of fourteen directors: four selected by the City of Prince George from amongst its council, one selected by each of the councils of the District of Mackenzie, Village of McBride and Village of Valemount, and seven (7) directors elected from within each of the seven electoral areas which cover the unincorporated portions of the Regional District.



BOARD CHAIRPERSON SINCE INCORPORATION

Paul Klotz	1967
George McAndrew	1968 - 1970
Levi Johnson	1971 - 1973
Len Proppe.....	1974 - 1977
Harold Mann.....	1978 - 1979
Art Stauble	1980 - 1981
George McKnight	1982
Art Stauble	1983 - 1986
Monica Becott	1987 - 1988
Colin Kinsley	1989 - 1992
Bob Headrick.....	1993 - 2000
Colin Kinsley	2001 - 2006
Art Kaehn	2007 - 2014

REGIONAL DISTRICT OFFICERS

Chief Administrative Officer.....	Jim Martin
Corporate Officer.....	Karla Jensen
General Manager of Financial Services	Natalie Wehner



REGIONAL DISTRICT FUNCTIONS

GENERAL GOVERNMENT SERVICES

Administration
Bear Lake Community Commission
Board
Community Services
Electoral Area Administration
Community Grants-in-Aid
Regional Grants-in-Aid

PROTECTIVE SERVICES

Bear Lake Fire Protection
Beverly Fire Protection
Buckhorn Fire Protection
Emergency Preparedness Service
Ferndale/Tabor Fire Protection
Fire Department Coordination
Hixon Fire Protection
Inspection Services
McBride District Fire Protection
Ness Lake Fire Protection
Pilot Mountain Fire Protection
Pineview Fire Protection
Red Rock/Stoner Fire Protection
Salmon Valley Fire Protection
Shell-Glen Fire/Rescue Protection
Unsightly and Untidy Premises
Valemount and District Fire Protection

TRANSPORTATION SERVICES

Bear Lake Street Lighting
Buckhorn Street Lighting
Hixon Street Lighting
McLeod Lake Street Lighting
Pineview Street Lighting
Red Rock Street Lighting
Shelley Street Lighting
Syms Road Street Lighting
Willow River Street Lighting



REGIONAL DISTRICT FUNCTIONS (continued)

ENVIRONMENTAL HEALTH SERVICES

Adams Road Community Sewer System
Azu Water System
Bear Lake Water System
Bendixon Community Sewer System
Blackburn Water System
Buckhorn Community Sewer System
Rural Transfer Station Service
Sewage Service – Holding Tanks
Shelly Riverbank Erosion Protection
Solid Waste Management
Special Events Regulation
Tabor Lake Sewer System
Talus Road Community Sewer System
West Lake Community Sewer System

PUBLIC HEALTH AND WELFARE SERVICES

9-1-1 Emergency Response
Area D Rescue Service
Bear Lake Ambulance Station
Bear Lake Cemetery
Chilako/Nechako Rescue Service
Valemount and District Rescue Service

ENVIRONMENTAL DEVELOPMENT SERVICES

Economic Development Commission
House Numbering
Noise Control
Regional Land Use Planning

FISCAL SERVICES

Debt Charges – Member Municipalities



REGIONAL DISTRICT FUNCTIONS (continued)

RECREATION AND CULTURAL SERVICES

Area H Arenas
Bear Lake Recreation Facility
Canoe Valley Recreation Centre
Dome Creek Recreation Facility
Heritage Conservation
Nukko Lake Community Hall
Prince George/Mackenzie Library
Recreation Programs
Regional Parks
Reid Lake Community Hall
Robson Valley Recreation Centre
Robson Valley TV Rebroadcasting
Robson Valley/Canoe Library
Sinclair Mills Community Hall
Tete Jaune Community Hall
Valemount and District TV Rebroadcasting

OTHER SERVICES

Dome Creek Telephone
Feasibility Studies





Deloitte LLP
500 - 299 Victoria Street
Prince George BC V2L 5B8
Canada

Tel: 250-612-4002
Fax: 250-562-4950
www.deloitte.ca

INDEPENDENT AUDITOR'S REPORT

To the Chairperson and Directors of the Regional District of Fraser-Fort George

We have audited the accompanying consolidated financial statements of Regional District of Fraser-Fort George, which comprise the statement of financial position as at December 31, 2014, and the statements of operations, changes in net financial assets and cash flows 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 Regional District of Fraser-Fort George as at December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Accountants

Prince George, British Columbia
March 30, 2015

Consolidated Statement of Financial Position

as at December 31, 2014

	2014	2013
FINANCIAL ASSETS		
Cash and temporary investments (Note 3)	\$ 35,075,121	\$ 30,673,964
Receivables (Note 4)	991,982	2,238,917
Deposits - Municipal Finance Authority (Note 5)	7,346,122	6,978,290
Debt recoverable - member municipalities (Note 6)	<u>88,574,893</u>	<u>86,797,934</u>
	131,988,118	126,689,105
LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	2,860,150	3,246,750
Unfunded liabilities (Note 8)	19,299,738	13,581,955
Deferred revenue	54,600	75,960
Reserve - Municipal Finance Authority (Note 5)	7,346,122	6,978,290
Long term debt (Note 9)	<u>91,116,868</u>	<u>89,722,150</u>
	<u>120,677,478</u>	<u>113,605,105</u>
NET FINANCIAL ASSETS	<u>11,310,640</u>	<u>13,084,000</u>
NON-FINANCIAL ASSETS		
Capital projects in progress (Note 11)	1,012	1,012
Tangible capital assets (Schedule 3)	35,077,615	34,505,005
Prepaid expenses	<u>88,642</u>	<u>95,645</u>
	<u>35,167,269</u>	<u>34,601,662</u>
ACCUMULATED SURPLUS (Note 12)	<u>\$ 46,477,909</u>	<u>\$ 47,685,662</u>
Commitments (Note 16)		

"Natalie Wehner"

Natalie Wehner, CPA,CMA, General Manager of Financial Services

The accompanying notes and schedules are an integral part of these financial statements.

Consolidated Statement of Operations

<i>for the year ended December 31, 2014</i>	2014 Budget (Note 13)	2014	2013
REVENUES			
Requisition and parcel taxes	\$ 17,844,010	\$ 17,845,112	\$ 17,591,452
Municipal debt recovery	12,282,780	11,520,179	12,328,373
Sale of services, utilities and rentals	6,647,670	7,020,008	6,322,236
Government transfers - operating	330,280	1,389,359	985,564
Government transfers - capital	-	-	861,852
Grants-in-lieu	890,000	1,008,627	998,000
Permit fees	187,950	179,755	188,266
Return on investments	28,380	499,361	485,771
Gain on disposal of tangible capital assets	-	2,015	7,770
Other revenue	340,690	393,017	385,376
	<u>38,551,760</u>	<u>39,857,433</u>	<u>40,154,660</u>
EXPENSES			
General government services	6,200,180	6,028,382	4,813,706
Protective services	4,439,070	2,844,926	2,784,783
Transportation services	70,190	65,594	70,508
Environmental health services	11,060,920	12,867,843	8,719,326
Public health and welfare services	5,529,160	3,460,393	3,467,966
Environmental development services	734,230	614,578	641,379
Fiscal services	12,282,780	11,520,179	12,328,373
Recreation, cultural, and other services	4,305,210	3,983,811	3,820,762
	<u>44,621,740</u>	<u>41,385,706</u>	<u>36,646,803</u>
LESS: Internal charges	<u>(299,020)</u>	<u>(320,520)</u>	<u>(299,470)</u>
	<u>44,322,720</u>	<u>41,065,186</u>	<u>36,347,333</u>
ANNUAL (DEFICIT) SURPLUS	<u>\$ (5,770,960)</u>	<u>(1,207,753)</u>	<u>3,807,327</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>47,685,662</u>	<u>43,878,335</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>\$ 46,477,909</u>	<u>\$ 47,685,662</u>

The accompanying notes and schedules are an integral part of these financial statements.

Consolidated Statement of Changes in Net Financial Assets

<i>for the year ended December 31, 2014</i>	2014 Budget (Note 13)	2014	2013
ANNUAL (DEFICIT) SURPLUS	\$ (5,799,200)	\$ (1,207,753)	\$ 3,807,327
Acquisition of tangible capital assets	(2,754,410)	(1,812,431)	(2,709,682)
Decrease in capital projects in progress	-	-	253,681
Proceeds on disposal of tangible capital assets	-	5,015	15,770
Amortization of tangible capital assets	-	1,236,821	1,218,854
Gain on disposal of tangible capital assets	-	(2,015)	(7,770)
Decrease in prepaid expenses	-	7,003	40,817
	<u>(2,754,410)</u>	<u>(565,607)</u>	<u>(1,188,330)</u>
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	(8,553,610)	(1,773,360)	2,618,997
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>13,084,000</u>	<u>13,084,000</u>	<u>10,465,003</u>
NET FINANCIAL ASSETS, END OF YEAR	<u><u>\$ 4,530,390</u></u>	<u><u>\$ 11,310,640</u></u>	<u><u>\$ 13,084,000</u></u>

The accompanying notes and schedules are an integral part of these financial statements.

Consolidated Statement of Cash Flows
for the year ended December 31, 2014

	2014	2013
OPERATING		
Annual (deficit) surplus	\$(1,207,753)	\$ 3,807,327
Non-cash items included in annual surplus:		
Amortization of tangible capital assets	1,236,821	1,218,854
Gain on disposal of tangible capital assets	(2,015)	(7,770)
Increase in unfunded liabilities	5,717,783	1,658,948
Non-cash charges to operations (net change):		
Decrease in receivables	1,246,935	1,510,461
Decrease in prepaid expenses	7,003	40,817
Decrease in accounts payable and accrued liabilities	(386,600)	(939,765)
(Decrease) increase in deferred revenue	<u>(21,360)</u>	<u>18,610</u>
Cash provided by operating transactions	<u>6,590,814</u>	<u>7,307,482</u>
CAPITAL		
Acquisition of tangible capital assets	(1,812,431)	(2,709,682)
Decrease in capital projects in progress	-	253,681
Proceeds from disposal of tangible capital assets	<u>5,015</u>	<u>15,770</u>
Cash applied to capital transactions	<u>(1,807,416)</u>	<u>(2,440,231)</u>
INVESTING		
Increase in temporary investments	<u>(3,123,616)</u>	<u>(5,919,179)</u>
Cash applied to investing transactions	<u>(3,123,616)</u>	<u>(5,919,179)</u>
FINANCING		
Loan proceeds	-	123,887
Repayment of long term debt	(382,241)	(388,419)
Increase in debt recoverable from other local governments	(1,776,959)	(6,246,273)
Proceeds of long term debt for other local governments	<u>1,776,959</u>	<u>6,246,273</u>
Cash applied to financing transactions	<u>(382,241)</u>	<u>(264,532)</u>
NET CASH DECREASE	1,277,541	(1,316,460)
CASH, BEGINNING OF YEAR	<u>(344,258)</u>	<u>972,202</u>
CASH, END OF YEAR (Note 3)	<u>\$ 933,283</u>	<u>\$ (344,258)</u>

The accompanying notes and schedules are an integral part of these financial statements.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

GENERAL

The Notes to the Consolidated Financial Statements are an integral part of the statements. They explain the significant accounting and reporting policies, and the principles that form the basis for these statements. The Notes also provide important supplementary information and explanations, which cannot be conveniently integrated into the Consolidated Financial Statements.

1. DESCRIPTION OF BUSINESS

The Regional District of Fraser – Fort George was incorporated by Letters Patent of the Province of British Columbia on March 8, 1967. It provides local services to the residents of the unincorporated areas within the Regional District. It also acts on behalf of the municipalities within the Regional District with respect to debenture issues through the Municipal Finance Authority of British Columbia.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Consolidated Financial Statements of the Regional District are the representations of management prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants. The Consolidated Financial Statements reflect the combined results and activities of the Regional District's Operating, Capital, and Reserve Funds. The purpose of these funds is as below:

- i) Operating Funds – These funds include the General, Water, and Sewer operations of the Regional District. Operating funds are used to record the costs associated with providing Regional District services.
- ii) Capital Funds – These funds include the General, Water, and Sewer Capital Funds. These funds track the acquisition costs of various tangible capital assets and the funding of these assets including related long-term debt.
- iii) Reserve Funds – Under the *Local Government Act* of British Columbia, the Board of Directors of the Regional District may, by bylaw, establish Reserve Funds for specific purposes. Money in a Reserve Fund and interest thereon must be used only for the purpose for which the fund was established. If the amount in a Reserve Fund is greater than required, the Board of Directors may, by bylaw, transfer all or part of the balance to another Reserve Fund.

Basis of accounting

The Regional District uses the accrual basis of accounting.

The accrual basis recognizes revenues and expenses as they become reasonably certain and are measurable.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Taxation revenues in the form of local government requisitions are recognized when received from the Province of British Columbia and member Municipalities in August of each year. Interest and operating grants are recognized as earned. Capital grants and developer contributions are recognized as revenues in the year in which related expenditures are incurred. Sale of services and user fee revenues are recognized when the service or product is provided by the Regional District.

Government transfers are recognized as revenues in the period in which events giving rise to the transfer occur in accordance with PS 3410. PS 3410 requires recognition when a transfer is authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made. Grants in lieu of taxes are recorded on an accrual basis when it is possible to reasonably estimate the amounts receivable.

Investment earnings

A portion of the return on investments is allocated to all the functions based on the average function balances throughout the year.

Financial instruments

All financial assets except derivatives are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the statement of operations. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Debt recoverable, deposits and other financial assets are measured at amortized cost less any amount for valuation allowance. Valuation allowances are made to reflect loans receivable at the lower of amortized cost and the net recoverable value, when collectability and risk of loss exists. Changes in valuation allowance are recognized in the statement of operations. Interest is accrued on loans receivable to the extent it is deemed collectable. Debt and other financial liabilities are recorded at cost or amortized cost. Transaction costs are a component of cost of financial instruments measured using cost or amortized cost.

Financial instruments consist of cash and temporary investments, receivables, deposits, debt recoverable, accounts payable and accrued liabilities, reserve and long term debt. Unless otherwise noted, it is management's opinion that the Regional District is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Deferred revenue

Revenues received in advance of expenses that will be incurred in a later period are deferred until they are earned by being matched against those expenses.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents include cash and short term investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Tangible capital assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	100 years
Buildings	20 - 50 years
Equipment	5 - 35 years
Engineering structures	50 years
Historical artifacts	not amortized
Sewer systems	50 years
Water systems	50 years

Full annual amortization is charged in the year of acquisition and none in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

Equity in tangible capital assets

Equity in tangible capital assets reflects the accumulated historical cost of tangible capital assets for which there is no outstanding debt, less accumulated amortization.

Capital leases

Leases meeting the criteria of capital leases under public sector accounting standards are capitalized. The asset acquired and corresponding debt obligations are recorded in the capital fund.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates

The preparation of the Consolidated 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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the reporting period. Significant areas requiring the use of management estimates relate to the landfill closure and post closure costs, determination of accrued sick benefits and vacation liability, collectibility of accounts receivable, and provisions for contingencies. Actual results could differ from estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

Pension liability

The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusted pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the 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 defined. The Plan has about 182,000 active members, and approximately 75,000 retired members. Active members include approximately 74 contributors from the Regional District of Fraser-Fort George.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1.37 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 accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual entities participating in the plan. The Regional District of Fraser-Fort George paid \$429,280 (2013 - \$441,565) for employer contributions while employees contributed \$369,210 (2013 - \$387,643) to the plan in fiscal 2014.

This note represents the most current information at the time of the financial audit.

Future accounting policy changes

Contaminated sites

The Public Sector Accounting Standards Board introduced section PS3260 – “Contaminated Sites” in 2010, and the standard is applicable for years beginning on or after April 1, 2014. Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Future accounting policy changes (continued)

A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- i) an environmental standard exists;
- ii) contamination exceeds the environmental standard;
- iii) the Regional District is directly responsible or accepts responsibility; and
- iv) a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring.

At this time, the Regional District has not identified any contaminated sites and does not anticipate that the application of this standard will have a material impact on the financial statements.

3. CASH AND TEMPORARY INVESTMENTS

Cash and temporary investments is comprised of cash balances plus short-term investments held with the Municipal Finance Authority in money market and intermediate pooled investment funds. These investments are carried at market value which approximates cost.

	2014	2013
Cash (cheques issued in excess of funds on hand)	\$ 933,283	\$ (344,258)
Short term investments	34,141,838	31,018,222
Total	\$ 35,075,121	\$ 30,673,964

4. RECEIVABLES

Accounts receivable consist of the following:

	2014	2013
Federal Government	\$ 154,922	\$ 186,452
Province of British Columbia	(2,089)	963,758
Local Governments	275,475	288,247
Trade accounts receivable, net of allowances	563,674	800,460
Total receivables	\$ 991,982	\$ 2,238,917

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

5. MUNICIPAL FINANCE AUTHORITY

Capital funds are raised for both municipalities within the Regional District and for the Regional District's own purposes by issue of debentures through the Municipal Finance Authority of British Columbia ("MFA").

MFA debt reserve

As a condition of these borrowings, a portion of the debenture proceeds is withheld by MFA as a debt reserve fund. The Regional District also executes demand notes in connection with each debenture whereby the Regional District may be required to loan certain amounts to MFA. Upon full payment of the related debt, the cash withheld, including interest earned thereon, is paid to the Regional District and the demand note expired. Offsetting Municipal Finance Authority Deposits and Reserves consist of the following:

	<u>2014</u>	<u>2013</u>
Member municipalities		
- Cash deposits	\$ 2,313,852	\$ 2,150,347
- Demand notes	4,722,368	4,521,118
Regional district		
- Cash deposits	109,246	106,169
- Demand notes	200,656	200,656
Total deposits and reserves with MFA	<u>\$ 7,346,122</u>	<u>\$ 6,978,290</u>

The MFA has confirmed to its members that the fair market value of the debt reserve fund cash position is 1.002 times the reported book value as at December 31, 2014. This results in a fair market valuation on the above deposits and reserves of \$7,360,814 which is \$14,692 more than book value.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

6. DEBT RECOVERABLE - MEMBER MUNICIPALITIES

The liability in the Consolidated Financial Statements reflects the total debenture debt offset by the principal payments made to date. The Regional District's portion of the debenture debt will be retired by future contributions from the general operating fund, funded through tax requisitions. The debenture debt liability on behalf of the member municipalities is offset by a corresponding receivable from the municipalities:

	2014	2013
Debt recoverable from other local governments		
City of Prince George	\$ 87,698,723	\$ 85,875,714
Village of Valemount	876,170	922,220
Total debt recoverable	\$ 88,574,893	\$ 86,797,934

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2014	2013
Regional and local governments	\$ -	\$ 196,017
Accrued debt interest	31,589	32,195
Accounts payable	2,828,561	3,018,538
	\$ 2,860,150	\$ 3,246,750

8. UNFUNDED LIABILITIES

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

The estimated total liability is based on the sum of discounted future cash flows for closure and post-closure activities for 25 years after closure using discount rates ranging from 1.1% - 3.4% which are net of projected annual inflation.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

8. UNFUNDED LIABILITIES (continued)

The accrued liability portion is based on the cumulative capacity used at year end compared to the estimated total landfill capacity. The Regional District reviewed the integrated landfill management plan and revised the estimate based on the revised projected expenditures and timing of those expenditures. The difference has been accounted as a change in estimate for the 2014 fiscal year. The total capacity of the site is estimated at 4 million cubic metres. The estimated remaining capacity of the landfill site is 1.456 (2013 – 1.671) million cubic metres. The existing landfill site is expected to reach capacity in approximately the year 2032.

	2014	2013
Estimated closure costs	\$ 25,651,993	\$ 17,586,223
Estimated post-closure costs	2,570,865	2,690,338
	<u>28,222,858</u>	<u>20,276,561</u>
Estimated capacity used	<u>63.6 %</u>	<u>60.6 %</u>
Accrued liability for Foothills Regional Landfill	17,949,738	12,281,955
Accrued liability for Mackenzie Landfill	<u>1,350,000</u>	<u>1,300,000</u>
Total accrued liability	<u>\$ 19,299,738</u>	<u>\$ 13,581,955</u>

The liability and expense of \$19,299,738 (2013 - \$13,581,955) is unfunded as at December 31, 2014. The Regional District has established a Landfill Closure Reserve Fund that is restricted for purposes of funding landfill closure and post-closure costs. As at December 31, 2014, the Landfill Closure Reserve Fund has a balance of \$8,699,668 (2013 - \$7,548,518). The Regional District proposes to fund the balance of the above closure costs using a combination of funds from the Environmental Services Capital Equipment Reserve fund (balance at December 31, 2014 is \$391,792 (2013 – \$386,430) included in Vehicle/Equipment Replacement Reserve Fund balance) and from operating surplus. The Regional District has not designated assets for settling closure and post-closure liabilities.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

9. LONG TERM DEBT

Long term debt is made up of the following obligations:

	<u>2014</u>	<u>2013</u>
General capital fund		
Municipal Finance Authority debenture debt		
- borrowing on behalf of member municipalities	\$88,574,893	\$86,797,934
- borrowing for Regional District purposes	1,716,822	2,016,287
Interim financing		
MFA Interim Financing	<u>206,807</u>	<u>271,187</u>
	<u>90,498,522</u>	<u>89,085,408</u>
Sewer capital fund		
Municipal Finance Authority debenture debt		
West Lake Community Sewer	211,272	218,653
Adams Road Sewer System	328,732	337,627
Tallus Road Sewer System	<u>78,342</u>	<u>80,462</u>
	<u>\$91,116,868</u>	<u>\$89,722,150</u>

a. Obligations

The following capital lease and finance contract obligations form a part of the outstanding long term debt in the General Capital Fund.

	Start Date	Term (years)	Effective Annual Interest Rate	Principal & Interest	Payments Remaining	Final Principal Payment
MFA Interim Financing						
Shell Glen VFD	18-Dec-12	5	1.73	\$ 3,500	36	\$ 3,300
Ness Lake VFD	11-Dec-13	5	1.72	\$ 2,200	48	\$ 2,065

The carrying amount of assets held under interim financing are:

Shell Glen VFD \$107,700
Ness Lake VFD \$99,107

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

9. LONG TERM DEBT (continued)
b. Principal payments

Future principal payments due as a result of borrowing on behalf of member municipalities will be recovered by requisition from the municipalities (see note 6 – Debt Recoverable).

Principal payments required over the next 5 years on the remaining long term debt obligations are as follows:

	MFA Borrowing for R.D. purposes	Other Long Term Debt Obligations	Total Principal Payments
2015	\$ 175,830	\$ 64,380	\$ 240,210
2016	109,296	64,380	173,676
2017	104,004	53,280	157,284
2018	104,004	24,767	128,771
2019	104,004	-	104,004
	<u>\$ 597,138</u>	<u>\$ 206,807</u>	<u>\$ 803,945</u>

10. CREDIT FACILITY

The Regional District of Fraser-Fort George has available an authorized operating line of credit to a maximum of \$1,000,000. This facility bears interest at prime rate (December 31, 2014 – 3.0%) and is secured by the current borrowing resolution. This facility remained unused at year end.

11. CAPITAL PROJECTS IN PROGRESS

Work in progress represents capital works at year-end for which funding has not yet been drawn.

	2014	2013
General Capital Fund		
Longworth Telephone	\$ 1,012	\$ 1,012
Total Capital Projects in Progress	<u>\$ 1,012</u>	<u>\$ 1,012</u>



Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

12. ACCUMULATED SURPLUS

	2014	2013
Reserve funds (Schedule 1)	\$ 19,774,411	\$ 17,521,378
Operating funds	13,416,127	12,152,972
	33,190,538	29,674,350
Equity - Unfunded liabilities (Note 8)	(19,299,738)	(13,581,955)
	13,890,800	16,092,395
Equity in Tangible Capital Assets (Schedule 2)	32,587,109	31,593,267
TOTAL ACCUMULATED SURPLUS	\$ 46,477,909	\$ 47,685,662

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

13. BUDGET INFORMATION

The budget data presented in these consolidated financial statements is based upon the 2014 financial plan bylaw approved by the Board of Directors on March 20, 2014. The legislative requirements for the Financial Plan are that the cash inflows for the period must equal cash outflows.

Cash inflows and outflows include such items as: debt proceeds, transfer to and from reserves and surplus, debt principal repayment and asset purchases and sale proceeds. These items are not recognized as revenues and expenses in the Statement of Operations as they do not meet the public sector accounting standard requirements. PSAB requires that budget figures be presented on the same basis of accounting as actual figures.

In addition, the financial plan anticipated use of surpluses accumulated in previous years to balance against current year expenditures in excess of current year revenues. These prior year surpluses do not appear on the current year Statement of Operations.

The legislation does not require the funding of non-cash items such as amortization or liability accruals to provide for future cash requirements, thus there is no legislative requirement to include these items in the Financial Plan. However, these items are recognized as expenses in the Statement of Operations.

Amortization was not contemplated on the development of the approved 2014 Financial Plan and as such, has not been included. The chart below illustrates how the legislative requirement for a balanced Financial Plan has been met.

	Budget Amount
Financial plan bylaw, surplus for the year	\$ -
Adjust for budgeted cash items not included in Statement of Operations	
Acquisition of Tangible Capital Assets	2,754,410
Principal payments	241,840
Debt Proceeds	(30,996)
Transfer from reserves	(4,960,540)
Transfer from operating surplus	(3,601,950)
Grants carried forward from prior years	(173,724)
Budgeted Annual Deficit	<u><u>\$ (5,770,960)</u></u>

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

14. SEGMENTED INFORMATION

The Regional District of Fraser-Fort George is a diversified local government providing a wide range of services to almost 100,000 residents, including parks, recreation centres, community halls, fire protection, water and sewer services. As a requirement of the Local Government Act, separate financial records must be kept for each service providing detailed allocation of assets and liabilities, revenues and expenses, information concerning reserve funds and other pertinent financial details. For each reported segment, revenues and expenses represent amounts that are directly attributable to the segment and also amounts that are allocated on a reasonable basis.

Segmentation has been determined on a functional basis with consideration to service delivery and department accountabilities. The following is a description of the types of services included in each of the main service segments of the Regional District's financial statement. A detailed summary of the 2014 revenues and expenses can be found in Schedule 4, with 2013 comparative information in Schedule 5.

General Government

General government is comprised of member municipality and electoral area governance, general administration which includes legislative services, finance, human resources and information systems, community services and grants in aid.

Protective Services

Protective services include volunteer fire departments, emergency programs, building inspection and various bylaw compliance services.

Transportation

Transportation services include street lighting.

Environmental Health

The environmental health service is responsible for regional solid waste management through collection disposal services, waste reduction and education programs. Water and sewer systems are also included in this service.

Public Health and Welfare

Public health and welfare service includes 9-1-1 emergency response, cemetery service and search and rescue.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2014

14. SEGMENTED INFORMATION (continued)

Environmental Development

Environmental development service includes regional land use planning, economic development, noise control and house numbering.

Recreation, Cultural, and Other Services

Recreation and cultural services include recreation facilities and programs, regional parks, community halls, TV rebroadcasting and contributions towards libraries.

Other services include telephone, natural gas and feasibility studies.

Fiscal Services

Fiscal services provides for debenture interest and principal repayment on debt taken out by the member municipalities.

15. CAPITAL MANAGEMENT

The Regional District's objectives when managing capital are:

1. To safeguard the Regional District's ability to operate as a going concern; and
2. To maintain a flexible capital structure.

The Regional District's credit facilities are reviewed annually to ensure sufficient funds are available to meet operational needs.

16. COMMITMENTS

In 2012 the Regional District of Fraser-Fort George received a conditional grant of \$525,000 from the Federation of Canadian Municipalities, acting in its capacity as Trustee of the Green Municipal Fund. The funds were to assist the Regional District in installing, upgrading and operating a landfill gas capture system for the purpose of reducing GHG emissions and transferring the emission reduction rights to the Green Municipal Corporation for resale. A condition of the agreement is that net proceeds from the initial transfer and resale of GHG emission reductions be applied against the \$525,000 grant.



Schedule 1 - Reserve Funds

	<u>2014</u>	<u>2013</u>
General Capital		
Equipment replacement reserve	\$ 5,160,878	\$ 4,828,538
Truck replacement reserve	1,491,888	1,096,290
Office accomodation	1,060,990	1,210,496
Landfill closure	8,699,668	7,548,518
Park development	274,601	160,376
Feasibility study	148,193	154,960
Budget revenue stabilization	359,265	-
Park land acquisition	75,166	61,136
Region wide fire protection	47,708	47,056
Cultural endowment	1,279,298	1,212,359
Exploration Place building	327,046	322,571
	<u>18,924,701</u>	<u>16,642,300</u>
Water		
Bear Lake Water - equipment	513,007	546,983
Azu Water - equipment	41,463	40,896
	<u>554,470</u>	<u>587,879</u>
Sewer		
Tabor Lake Sewer - equipment	2,115	2,086
Buckhorn Sewer - equipment	13,282	13,101
Bendixon Sewer - equipment	5,330	5,257
West Lake Sewer - equipment	64,168	63,289
Adams Rd Sewer - equipment	148,047	146,021
Tallus Rd Sewer - equipment	62,298	61,445
	<u>295,240</u>	<u>291,199</u>
Total reserve funds	<u><u>\$ 19,774,411</u></u>	<u><u>\$ 17,521,378</u></u>



Schedule 2 - Equity, Tangible Capital Assets

	General	Water	Sewer	Consolidated
Balance, beginning of the year	\$ 27,156,637	\$ 885,127	\$ 3,551,503	\$ 31,593,267
Contributions to capital assets				
Operating funds	31,203	9,136	-	40,339
Reserve funds	1,368,725	-	-	1,368,725
Government grant	221,977	101,837	48,557	372,371
Debt funded	30,996	-	-	30,996
	<u>1,652,901</u>	<u>110,973</u>	<u>48,557</u>	<u>1,812,431</u>
Debt repayment and asset disposals				
Actuarial adjustments	139,966	-	2,063	142,029
Debt principal repaid	222,337	-	16,333	238,670
Interfund advance	-	-	40,533	40,533
Disposal of capital assets	(3,000)	-	-	(3,000)
Amortization of capital assets	<u>(1,094,693)</u>	<u>(30,460)</u>	<u>(111,668)</u>	<u>(1,236,821)</u>
	<u>(735,390)</u>	<u>(30,460)</u>	<u>(52,739)</u>	<u>(818,589)</u>
Balance, end of year	<u><u>\$ 28,074,148</u></u>	<u><u>\$ 965,640</u></u>	<u><u>\$ 3,547,321</u></u>	<u><u>\$ 32,587,109</u></u>



REGIONAL DISTRICT of Fraser-Fort George

Schedule 3 - 2014 Tangible Capital Assets

	Land and Improvements	Buildings	Equipment	Engineering Structures	Historical Artifacts	Sewer Systems	Water Systems	Total 2014
Cost								
Balance, beginning of year	\$ 5,952,541	\$ 21,338,563	\$ 11,770,483	\$ 4,024,019	\$ 231,596	\$ 5,289,617	\$ 1,412,048	\$ 50,018,867
Add: Additions	12,665	936,192	704,044	-	-	48,557	110,973	1,812,431
Less: Disposals	-	-	(125,055)	-	-	-	-	(125,055)
Balance, end of year	5,965,206	22,274,755	12,349,472	4,024,019	231,596	5,338,174	1,523,021	51,706,243
Accumulated amortization								
Balance, beginning of year	10,749	6,682,482	6,814,532	741,142	-	738,036	526,921	15,513,862
Add: Amortization	599	516,027	496,222	81,845	-	111,668	30,460	1,236,821
Less: Accumulated amortization on disposals	-	-	(122,055)	-	-	-	-	(122,055)
Balance, end of year	(11,348)	(7,198,509)	(7,188,699)	(822,987)	-	(849,704)	(557,381)	(16,628,628)
Net book value	5,953,858	15,076,246	5,160,773	3,201,032	231,596	4,488,470	965,640	35,077,615
<i>2013 net book value, beginning of year</i>	<i>5,495,504</i>	<i>13,935,297</i>	<i>4,468,762</i>	<i>3,319,254</i>	<i>231,596</i>	<i>4,658,396</i>	<i>913,368</i>	<i>33,022,177</i>
<i>2013 net book value, end of year</i>	<i>\$ 5,941,792</i>	<i>\$ 14,656,081</i>	<i>\$ 4,955,951</i>	<i>\$ 3,282,877</i>	<i>\$ 231,596</i>	<i>\$ 4,551,581</i>	<i>\$ 885,127</i>	<i>\$ 34,505,005</i>



REGIONAL DISTRICT of Fraser-Fort George

Schedule 4 - 2014 Segmented Information

December 31, 2014	General Government	Protective Services	Transportation	Environmental Health	Public Health & Welfare	Environmental Development	Recreation, Culture & Other	Fiscal Services	2014 TOTAL	2014 BUDGET
Revenues										
Requisition and parcel taxes \$	3,920,350	\$ 2,870,620	\$ 61,680	\$ 4,319,692	\$ 2,674,460	\$ 475,650	\$ 3,522,660	\$ -	\$ 17,845,112	\$ 17,844,010
Municipal debt recovery	-	-	-	-	-	-	-	11,520,179	11,520,179	12,282,780
Sale of services	85,847	48,276	-	5,247,885	1,570,638	-	67,362	-	7,020,008	6,647,670
Government grants and transfers	1,735,583	124,676	2,538	177,497	21,709	161,000	174,983	-	2,397,986	1,220,280
Other revenue	488,198	243,151	1,339	188,469	35,965	32,744	84,282	-	1,074,148	557,020
	<u>6,229,978</u>	<u>3,286,723</u>	<u>65,557</u>	<u>9,933,543</u>	<u>4,302,772</u>	<u>669,394</u>	<u>3,849,287</u>	<u>11,520,179</u>	<u>39,857,433</u>	<u>38,551,760</u>
Expenses										
Staff salaries and benefits	2,173,496	582,828	-	1,407,786	650,689	436,239	851,157	-	6,102,195	6,807,600
Debt charges - Regional District	-	13,965	-	103,751	13,808	-	104,335	-	235,859	207,790
Debt charges - Municipal	-	-	-	-	-	-	-	11,520,179	11,520,179	12,282,780
Amortization	150,681	458,137	-	240,104	157,812	3,214	226,873	-	1,236,821	-
Other expenses	3,704,205	1,789,996	65,594	11,116,202	2,638,084	175,125	2,801,446	-	22,290,652	25,323,570
	<u>6,028,382</u>	<u>2,844,926</u>	<u>65,594</u>	<u>12,867,843</u>	<u>3,460,393</u>	<u>614,578</u>	<u>3,983,811</u>	<u>11,520,179</u>	<u>41,385,706</u>	<u>44,621,740</u>
Internal charges	(6,000)	-	-	(116,000)	-	(15,500)	(183,020)	-	(320,520)	(299,020)
	<u>6,022,382</u>	<u>2,844,926</u>	<u>65,594</u>	<u>12,751,843</u>	<u>3,460,393</u>	<u>599,078</u>	<u>3,800,791</u>	<u>11,520,179</u>	<u>41,065,186</u>	<u>44,322,720</u>
Annual surplus (deficit)	<u>\$ 207,596</u>	<u>\$ 441,797</u>	<u>\$ (37)</u>	<u>\$ (2,818,300)</u>	<u>\$ 842,379</u>	<u>\$ 70,316</u>	<u>\$ 48,496</u>	<u>\$ -</u>	<u>\$ (1,207,753)</u>	<u>\$ (5,770,960)</u>



REGIONAL DISTRICT of Fraser-Fort George

Schedule 5 - 2013 Segmented Information

December 31, 2013	General Government	Protective Services	Transportation	Environmental Health	Public Health & Welfare	Environmental Development	Recreation, Culture & Other	Fiscal Services	2013 TOTAL	2013 BUDGET
Revenues										
Requisition and parcel taxes \$	3,827,150	\$ 2,928,820	\$ 54,310	\$ 4,319,692	\$ 2,504,440	\$ 460,570	\$ 3,496,470	\$ -	\$ 17,591,452	\$ 17,590,350
Municipal debt recovery	-	-	-	-	-	-	-	12,328,373	12,328,373	12,687,550
Sale of services	85,587	2,292	-	4,591,361	1,571,943	-	71,053	-	6,322,236	6,525,520
Government grants and transfers	1,073,000	985,874	2,536	553,277	-	120,000	110,729	-	2,845,416	1,356,610
Other revenue	468,555	330,390	11,651	157,325	8,576	36,904	53,782	-	1,067,183	514,980
	<u>5,454,292</u>	<u>4,247,376</u>	<u>68,497</u>	<u>9,621,655</u>	<u>4,084,959</u>	<u>617,474</u>	<u>3,732,034</u>	<u>12,328,373</u>	<u>40,154,660</u>	<u>38,675,010</u>
Expenses										
Staff salaries and benefits	2,347,973	629,664	-	1,506,895	640,605	475,149	806,011	-	6,406,297	6,718,040
Debt charges - RD	-	10,530	-	96,222	11,300	-	89,915	-	207,967	175,840
Debt charges - Municipal	-	-	-	-	-	-	-	12,328,373	12,328,373	12,687,550
Amortization	143,101	446,357	-	257,584	155,501	3,214	213,097	-	1,218,854	-
Other expenses	2,322,632	1,698,232	70,508	6,858,625	2,660,560	163,016	2,711,739	-	16,485,312	25,768,210
	<u>4,813,706</u>	<u>2,784,783</u>	<u>70,508</u>	<u>8,719,326</u>	<u>3,467,966</u>	<u>641,379</u>	<u>3,820,762</u>	<u>12,328,373</u>	<u>36,646,803</u>	<u>45,349,640</u>
Internal charges	(6,000)	-	-	(94,950)	-	(15,500)	(183,020)	-	(299,470)	(299,670)
	<u>4,807,706</u>	<u>2,784,783</u>	<u>70,508</u>	<u>8,624,376</u>	<u>3,467,966</u>	<u>625,879</u>	<u>3,637,742</u>	<u>12,328,373</u>	<u>36,347,333</u>	<u>45,049,970</u>
Annual surplus (deficit)	\$ 646,586	\$ 1,462,593	\$ (2,011)	\$ 997,279	\$ 616,993	\$ (8,405)	\$ 94,292	\$ -	\$ 3,807,327	\$ (6,374,960)



REGIONAL DISTRICT
of Fraser-Fort George

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