

2013

Annual Report



DISTRICT OF TUMBLER RIDGE

FOR THE YEAR ENDING DECEMBER 31, 2013

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DISTRICT OF TUMBLER RIDGE COUNCIL



Left to Right: Councillor Chris Leggett, Councillor Rob Mackay, Councillor Beverly Litster, Mayor Darwin Wren, Councillor Don McPherson, Councillor Tim Snyder, Councillor Mike Caisley

Council holds its Regular Meetings on the first and third Tuesday of every month at 6:00 p.m. in Council Chambers at Town Hall located at 305 Founders Street. Council meeting agendas are posted to the District's website @ www.tumbleridge.ca prior to meetings. The meetings are open to the public and everyone is welcome.

Council is the elected body representing the residents of Tumbler Ridge to provide leadership and to establish policies and priorities for the community.

For more information, contact the Municipal Office at 305 Founders Street, Tumbler Ridge, BC; telephone: 250-242-4242 or by email at tradmin@dtr.ca

GOALS AND OBJECTIVES - 2013

Ensure Tumbler Ridge is a safe and healthy community

- 1.a Help police services meet the needs of the community
- 1.b Create and maintain fire rescue services that are equipped and trained to protect the community and its residents
- 1.c Be stewards of, and advocates for, maintaining and enhancing a high quality of natural environment
- 1.d Ensure emergency plans and response services are created, maintained, and coordinated as a first line of action in keeping the community and its residents safe

Be a sustainable community

- 2.a Maintain and expand infrastructure
- 2.b Be good stewards of our environment
- 2.c Support alternative and renewable energy opportunities
- 2.d Maintain the population base
- 2.e Enhance community identity and pride locally and promote it globally

Diversify economically

- 3.a Create a flourishing climate for new and existing businesses
- 3.b Promote commercial and industrial development
- 3.c Utilize local resources
- 3.d Pursue tourism opportunities
- 3.e Pursue rural opportunities

Maintain the high standards of planning established in the design of the community

- 4.a Continue to build on, and evolve from, the planning principles used to create Tumbler Ridge
- 4.b Maintain the aesthetic quality of the community
- 4.c Gain control over more land within the town site

Enhance the quality of life for residents

- 5.a Encourage and expand volunteerism
- 5.b Enhance outdoor recreation
- 5.c Create more indoor recreation opportunities
- 5.d Provide the best health and dental care possible
- 5.e Promote history, arts, culture, and promote roots
- 5.f Lobby for enhanced educational services
- 5.g Meet the needs of the elderly and special needs people
- 5.h Provide appropriate housing opportunities for everyone

Provide high quality service through outstanding governance

- 6.a Maintain a professional working environment
- 6.b Utilize sound business practices
- 6.c Establish clear direction and priorities through a strategic plan
- 6.d Attract and retain quality staff
- 6.e Be fiscally responsible
- 6.f Be open with the management and operation of the District

GOALS AND OBJECTIVES - 2013

NOW

1. SUSTAINABILITY PLAN
2. HOUSING POLICY
3. ECONOMIC DEVELOPMENT
4. RECREATION MASTER PLAN
5. WATER SOURCE STUDY

NEXT

- INFRASTRUCTURE PRIORITIES
- DAYCARE
- MUSEUM SUPPORT

ADVOCACY
*Seniors Home Care
Services*

OPERATIONAL STRATEGIES

CHIEF ADMINISTRATIVE OFFICER

1. SUSTAINABILITY PLAN
2. HOUSING POLICY
3. Hire four positions
 - Communication Strategy
 - Collective Agreement Negotiations

ADMINISTRATION

1. Policy Review Program
2. Electronic Record Management
3. Electronic Agenda
 - Committee Room Library update
 - Bylaw Review Program

COMMUNITY DEVELOPMENT

1. ECONOMIC DEVELOPMENT STRATEGY
2. 2012 Small Business Engagement Program
3. Investment Readiness Portal
 - Branding Review
 - Website Overhaul

PROTECTIVE SERVICES

1. Annex Building Proposal
2. Ladder Truck Rationale
3. Forest Fuel Reduction Plan
 - Electronic Pre-Fire Plans
 - Junior Firefighter Program

FINANCE

1. Purchasing Policy
2. Grant in Aid Policy
3. Fees and Charges Bylaw
 - GL Structure revamp

PLANNING

1. WATER SOURCE STUDY
2. DCC Bylaw
3. GIS Update
 - Building Bylaw
 - Sustainability Process

OPERATIONS

1. INFRASTRUCTURE PRIORITIES
2. Maintenance Program
3. Water Distribution Collection Study

COMMUNITY SERVICES

1. RECREATION MASTER PLAN
2. Equipment Replacement Program
3. Community Centre Playground
 - Electronic Sign

ADMINISTRATION

The Administration function of the District is managed by the Chief Administrative Officer (CAO), who is also accountable for the overall management and administration of the District of Tumbler Ridge. The CAO reports to the Mayor and Council and supervises the Senior Management Team of the District.

The CAO is responsible to ensure that Council is supported in its work of policy development and general governance of the District. As well, the CAO sets the tone for providing a positive working environment in which senior managers and their staff can implement the policies of Council, manage their budgets, and generally ensure that the directions of Council are carried out with a view to providing a broad and effective range of municipal services.

2013 was another year of positive progress in our municipal organization. Council's greatest priority from their 2012 Strategic Plan, the creation of a "Sustainability Plan", was initiated in 2013. This plan will serve to provide Council with a long-term planning document that incorporates considerable community feedback in the identification of a series of interconnected growth and stabilizing strategies intended to ensure Tumbler Ridge's future as a vibrant, modern community. Although begun in 2013, this plan will not be completed until the latter part of 2014.

Council also commissioned AldrichPears and Associates to develop terms of reference for the Tumbler Ridge Museum and to ensure the deliverables of the museum are consistent with the goals of Council.

In the latter part of 2013, Council purchased the recently vacated Jehovah's Witness Hall on Willow Drive. This facility has now been converted into use as a hall for several of our local community groups, including the Light of the Rockies Lodge #190 and the Forever Young Society.

Considerable renovations were undertaken at the Municipal Office building including improvements to lighting, carpets and our IT systems.

Several land development projects began or continued in 2013. A small multi-family residential development began on Willow Drive and the HD Mining housing project progressed at the South end of town. In 2013, a total of 93 building permits were issued for a total value of \$2,722,200.00. These are encouraging statistics that continue to demonstrate the growth of our community.

During 2013, a number of staff changes occurred. Aleen Torraville rejoined the organization as the District's new Administrative Services Manager. Angie Collison left the organization to become the new Deputy Corporate Officer for the City of Penticton, and Jeanette McDougall assumed our Deputy Corporate Officer role in the latter part of the year. As well, Jason Collison resigned as the Community Services Department Facilities Manager and Peggy Holden left her position as one of our Community Services Administrative Assistants. Restructuring of staff responsibilities is now underway in the Community Services Department.

PROTECTIVE SERVICES

2013 was another busy year for the Tumbler Ridge Fire Department, with the TRFD responding to 198 calls, compared to 208 in 2012. These included 117 first responder calls, 38 reports of fire alarms ringing, 13 motor vehicle incidents, four reports of fire, four reports of smoke, three bush fires, three other fires, three gas leaks/reports of a gas smell, and two ATV incidents. The TRFD performed fire safety inspections at 88 commercial and residential properties as well as completing 21 woodstove inspections.

2013 was also a milestone for some members of the TRFD. Fire Chief Matt Treit completed his twentieth year of service with the Tumbler Ridge Fire Department. Chief Treit was presented with the Governor General of Canada's Fire Service Exemplary Service Medal by Acting Mayor Rob Mackay in recognition of this service. Dustin Curry and Brandon Braam completed the Fire Officer 1 program through the Justice Institute of British Columbia. Brandon Braam was promoted to Lieutenant and Dustin Curry was promoted to Captain. Dustin Curry is the first member of the fire department since 2001 to achieve the rank of Captain.

In addition to the regularly scheduled training, members of the TRFD participated in an elevator rescue course in 2013. There were also three members of the TRFD who travelled to Fort St. James for Live Fire training, and two officers attended the BC Fire Training Officer's Association Conference.

Members of the TRFD provided CPR training to students at Tumbler Ridge Secondary School. Members also participated in the Tumbler Ridge Fire Truck Pull, in support of United Way Northern BC, and provided a fireworks display for Canada Day celebrations. The Tumbler Ridge Firefighters fundraised for Muscular Dystrophy Canada throughout the year. The annual Muscular Dystrophy Boot Drive held during the August long weekend raised \$1249.40, and the MD auction held during the Firefighter's Association AGM raised over \$1,600.00 towards finding a cure for neuromuscular disorders.

In October, the Fire Chief, Sparky and firefighters participated in Fire Prevention Week at Tumbler Ridge Elementary. They gave a presentation to each class from Kindergarten to Grade 3, and took time to discuss ATV safety with the older kids, focusing particularly on riding within one's skill level, and the importance of wearing a proper helmet. All kindergarten students were given smoke alarms to take home. Eva Zhydkykh was the "Fire Chief for the Day" and was given a ride to and from school that day in a fire truck.

2013 Statistics

- ✓ Firefighters trained for a combined total of 1,938 hours
- ✓ 198 Calls
- ✓ Most calls between 8:00 and 9:00 pm
- ✓ Most calls in December
- ✓ Most calls on Tuesday

OPERATIONS – PUBLIC WORKS AND ENGINEERING

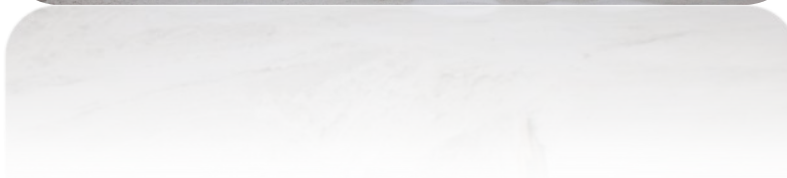
The Public Works department provides efficient and effective maintenance of all aspects of the District's infrastructure. This is achieved through short and long term planning to identify and address where new infrastructure and improvements are required.

IN 2013 THE FOLLOWING OBJECTIVES AND PROJECTS WERE PLANNED AND/OR IMPLEMENTED:

- Water Treatment Plant Refurbishment which required substantial modifications and repairs to our existing infrastructure, replacement of filter media, new piping and new additions to the operating system.
- Changes to the Landfill area included a gate that will ensure the District has full control of what is being deposited into our landfill area for the safety of the environment and the public.
- The bulk water and sanitary dump station modifications which included a self-contained structure for the sanitary dump, control units for both systems that allow more users and improved data collection for billing and reports
- Equipment has been purchased to assist Public Works with maintaining and repairing the streets which involves recycling asphalt and utilizing hot mix asphalt for the repairs, this process will increase the repair life and also gives Public Works the ability to do the repairs when required.
- Commercial meters have been purchased for installation in all Industrial, Commercial and Institutional (ICI) buildings, this program will continue into 2014
- Chamberlain Park was completed with all new Playground Equipment and is a welcomed addition to the area; another Park will be scheduled for replacement upon approval in 2014.
- Hazard tree mitigation is a priority in 2013; due to the Pine Beetle devastation and other factors, the hazard tree mitigation will target areas of public interaction such as trails, roads, parks and move on to areas that target private property from District lands. There is a substantial amount of work but the goal is to minimize the hazard the best we can.
- The Airport has had a substantial amount of work done this year, brushing and mulching along the clearways and endways, over the years brush has compromised the safety of the airfield, ditching along the roadway to improve security of the airfield to prevent unauthorized vehicles on the runway and the edge way lighting has been repaired
- Recycling and Solid waste will be seeing some changes in how we recycle with the implementation of Multi Materials of BC (MMBC) recycling program, the changes will continue into 2014.
- Restructuring the Public Works Utility and Roads divisions has been completed and has proven to be successful so far with each Foreman able to provide more focus on their areas of responsibility.
- Public Works continues to do all the tasks required on a regular basis for the upkeep and maintenance of our community, our employees take great pride in doing the work that enhances and keeps our community safe.

THE PUBLIC WORKS HAS SEVERAL OVERRIDING OBJECTIVES AND RESPONSIBILITIES THAT INCLUDE:

- Communicating and cooperating with all other departments within the District.
- Continued training and development of our Public Works employees to insure we have the appropriate personal to oversee our infrastructure and facilities.
- Continue to deliver exceptional service to our residents and business and to adapt to the demand as our community grows and expands.
- Meet the needs of Council, administration and residents in assisting developers, other agencies and District staff where development plans have been approved.
- Strive to be more efficient, effective and to bring the best value to the taxpayer of our community.
- Work with regulatory agencies to be compliant and proactive in our constant goal of being environmentally responsible and improve where we can.
- Continue working towards a clean and safe community we all take pride in.
- Continue to expand and improve our delivery of recycling initiatives and programs.



COMMUNITY DEVELOPMENT

Tumbler Ridge Community Forest Corp.

In July 2012 the Tumbler Ridge Community Forest became a corporation with the sole proprietor being the District of Tumbler Ridge. A 5 year "Forest Stewardship Plan" was approved as a guide for the operation and management of the Community Forest. The objectives of the Community Forest are ecological sustainability, economic development and social benefits to the community of Tumbler Ridge. Although the Community Forest will be managed for a multitude of resource values, the production of timber will be the prime management focus and source of revenue for the next 25 years.

Northeast BC Community Coal & Energy Forum

The 9th annual Northeast BC Community Coal & Energy Forum was held in Tumbler Ridge at the Trend Mountain Conference Centre. Tumbler Ridge and Chetwynd alternate hosting this event which highlights current and upcoming coal and energy activities in our two communities. The forum featured businesses and presentations focused on current industry trends. The event was well attended by delegates from our resource industries, governments, key stakeholders and the general public.

TOURISM MARKETING & DEVELOPMENT

Tourism in Tumbler Ridge continues to have a huge potential for growth. Opportunities are countless in regards to our outdoor recreation options. Guided tours and rentals are one of the most frequent inquiries at the Visitor Centre every summer – ATV, snowmobile, horseback riding, kayaking and hiking. With our spectacular scenery, natural attractions and fossils we are the envy of many northern communities. Annual initiatives were upheld in print, radio, TV and web marketing ventures. The District continues to work with local recreational groups to enhance visitor's experiences in Tumbler Ridge.



RECREATION SERVICES

The Recreation Services Department is managed by the Community Centre. It is responsible for the Aquatic Centre, Weight Room, and all recreational programs offered by the Community Centre. Our goal is to provide a wide range of sport and leisure activities to all residents and visitors alike to assist them in leading healthy, active and productive lives.



IN 2013 THE RECREATION SERVICES DEPARTMENT ACHIEVED NUMEROUS GOALS AND OBJECTIVES:

- Worked with the TR Days Society to put on the Grizfest Music Festival that celebrated its 12th anniversary;
- Maximized the use of the Community Centre through programs, user groups and businesses;
- Operated the Community Centre efficiently and effectively;
- Operated tourism effectively through front desk during VIC closure;
- Improved flooring in hockey hallways and locker rooms;
- Hosted a successful Volunteer Appreciation BBQ in September;
- Recreation department worked with United Way to host their first Annual Fire Truck Pull;
- Hosted Canada Day;
- Installation of electronic sign;
- New flooring installed at the indoor playground;
- Aquatic annual shut-down (April) – contractors tiled family, women's and men's change rooms;
- Aquatic staff painted change rooms, mural on main pool wall and disable change room;
- Maintenance department grouted whirl pool, installed new railing on pool deck and climbing wall during pool shut down;
- Maintenance renovated room 5 concession;
- Building generator installation began;
- Maintenance helped with renovations of Community Centre restaurant;
- Hosted successful Winter Carnival Event;
- Hosted successful Holly Jolly Community Christmas Event;
- Organized successful Pitch-In Week;
- Renovations complete at Willow Hall;
- Upgraded playground surface at Children's Centre.

The Department remains committed to having qualified staff, maintaining and improving infrastructure, operating efficiently and economically, increasing usage within all areas of the Community Centre by offering great recreational and sports programs to all age groups.



FINANCE

The Finance department manages the financial transactions for the District. The department ensures that all monies are received, bills are paid and reporting requirements are fulfilled. The main objective of the Finance department is to provide accurate and timely financial information in order for Mayor and Council to make informed decisions.

The activities of Finance include: annual budget development, long term financial planning, investments, payroll and accounting for municipal modules (eg. property value taxation), cash management, collections, purchasing, information technology management, preparation of the annual consolidated financial statements, and statutory reporting.

TANGIBLE CAPITAL ASSETS

During 2013 the Finance Department worked with Engineering in review of the tangible capital asset inventory, with particular attention to the District's infrastructure and land.

MUNICIPAL HALL RENOVATIONS

The municipal hall renovations completed including lighting in offices and ceiling tiles in council chambers, and other general updates.

IT UPGRADES

Software licensing was updated and selected workstations and printers were replaced under the District's computer replacement plan.

THE FINANCE DEPARTMENT HAS SEVERAL KEY GOALS AND OBJECTIVES:

- To provide accurate and timely information so that Council and key stakeholders can make informed decisions;
- To improve financial procedures and internal controls through continuous review of policies and procedures and consultations with colleagues;
- To provide ongoing training and professional development of Finance staff;
- To improve the internal and external financial reporting.

STATEMENT OF 2013 PROPERTY TAX EXEMPTIONS

In accordance with Section 224 of the Community Charter, Council provides the following permissive property tax exemptions in the District of Tumbler Ridge.

Registered Owner	Roll Number	Civic Address	Exempt Municipal Tax Value
Grizzly Valley Saddle Club	624.000	Mackenzie Way	\$ 49.41
TR Branch Royal Canadian Legion	645.000	380 Pioneer Loop	\$ 8.97
TR Sportsman's Association of Outdoor Gun Range	50066.000	Crown Land File #8003743	\$ 5,145.78

In accordance with Section 226 of the *Community Charter*, Council provides the following revitalization property tax exemptions in the District of Tumbler Ridge.

Registered Owner	Roll Number	Civic Address	Exempt Municipal Tax Value
1058887 Alberta Ltd.	517.051	#1-320 Founders St.	\$ 2,695.70
1058887 Alberta Ltd.	517.052	#2-320 Founders St.	\$ 8,514.37
Ambyon Holdings Inc.	517.053	#3-320 Founders St.	\$ 2,505.25
0889108 BC Ltd.	620.100	108 Mesa Place	\$ 26,250.00
Southpaw Rentals & Sales Inc.	620.105	120 Mesa Place	\$ 26,530.31
Triple K Safety Inc.	620.113	136 Mesa Place	\$ 8,182.66

In accordance with the *BC Assessment Act*, the following church properties receive statutory property tax exemptions in the District of Tumbler Ridge.

Registered Owner	Roll Number	Civic Address	Exempt Municipal Tax Value
TR Fellowship Baptist Church	543.001	115 Commercial Park	\$ 2,658.27

Pentecostal Assemblies of Canada	575.525	275 Murray Drive	\$ 6,364.15
Roman Catholic Episcopal Corporation	590.100	103 Commercial Park	\$ 6,201.60
Seventh Day Adventist	637.001	107 Commercial Park	\$ 1,224.83
TR Congregation of Jehovah's Witness	647.100	419 Willow Drive	\$ 2,358.29

2013 AUDITED FINANCIAL STATEMENTS

**DISTRICT OF TUMBLER RIDGE
CONSOLIDATED FINANCIAL STATEMENTS**

December 31, 2013



**DISTRICT OF TUMBLER RIDGE
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For the year ended December 31, 2013**

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DISTRICT OF TUMBLER RIDGE

MANAGEMENT RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying financial statements of the District of Tumbler Ridge (the "District") are the responsibility of management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board of The Canadian Institute of Chartered Accountants. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The District's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Mayor and Council meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the District. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the District's consolidated financial statements.

Barry Elliott,
Chief Administrative Officer/Corporate Officer/Finance Officer



KPMG LLP
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT

To the Mayor and Council

Report on Financial Statements

We have audited the accompanying consolidated financial statements of the District of Tumbler Ridge (the "District"), which comprise the consolidated statement of financial position as at December 31, 2013 and the consolidated statements of financial activities and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 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 an audit to obtain reasonable assurance about whether the consolidated 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 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 District'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 District'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 District as at December 31, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Comparative Information

Without modifying our opinion, we draw attention to Note 17 to the consolidated financial statements which indicate that the comparative information presented as at and for the year ended December 31, 2012 has been restated and the comparative information presented as at January 1, 2012, has been derived from the consolidated financial statements as at and for the year ended December 31, 2011

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of the District taken as a whole. The supplementary information included in the Schedule of Federal Gas Tax Funds Receipts and Disbursements is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a single horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Accountants

September 16, 2014

Prince George, Canada



DISTRICT OF TUMBLER RIDGE
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 December 31, 2013 with comparative information for 2012

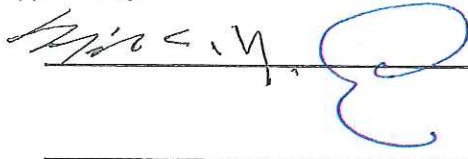
	2013	2012
		(restated - note 17)
FINANCIAL ASSETS		
Cash and investments (note 2)	\$ 17,486,647	\$ 14,516,270
Accounts receivable (note 3)	1,375,029	1,090,898
Municipal Finance Authority deposit	26,928	25,676
Land held for resale	1,369,803	1,425,588
Investment in Tumbler Ridge Community Forest Corp. (Note 4)	176,299	160,729
	20,434,706	17,219,161
LIABILITIES		
Accounts payable and accrued liabilities (note 5)	1,037,258	1,230,866
Deferred revenue (note 6)	346,447	727,070
Deposits and holdbacks (note 7)	378,691	304,461
Long-term debt, net of sinking fund assets (Note 8)	1,790,620	1,922,057
	3,553,016	4,184,454
NET FINANCIAL ASSETS	16,881,690	13,034,707
NON-FINANCIAL ASSETS		
Inventory	48,790	38,305
Prepaid expenses	57,019	216,232
Tangible capital assets (note 9)	46,487,665	45,132,148
	46,593,474	45,386,685
ACCUMULATED SURPLUS (note 10)	\$ 63,475,164	\$ 58,421,392

Commitments (note 11)

Contingencies (note 12)

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

Approved by:



ACTING
Mayor

Chief Administrative Officer/Corporate Officer/Finance Officer



DISTRICT OF TUMBLER RIDGE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES AND ACCUMULATED SURPLUS
For the year ended December 31, 2013, with comparative information for 2012

	2013 Budget	2013 Actual	2012 Actual
			(restated - note 17)
REVENUE			
Taxation, net (note 15)	\$ 9,933,749	\$ 9,928,392	\$ 8,768,024
Grants in lieu of taxes	121,303	120,984	28,005
Sale of services and other income	614,275	978,391	643,889
Licences, fines, and rentals	554,450	340,461	557,220
Return on investment	110,800	107,721	114,911
Government transfers (note 16)	1,677,580	2,050,899	2,708,920
Water and sewer	930,995	974,643	625,456
Gain on sale of assets	-	-	264,808
Equity in earnings (loss) of Tumbler Ridge Community Forest Corp. (note 4)	-	15,570	(39,271)
	<u>13,943,152</u>	<u>14,517,061</u>	<u>13,671,962</u>
EXPENSES			
General Government Services	1,828,297	1,750,577	1,419,362
Protective Services	558,361	509,950	512,369
Transportation Services	1,501,403	1,372,545	1,623,242
Environmental Health Services	347,726	366,213	359,710
Economic Development Services	421,478	377,994	448,518
Recreational and Cultural Services	2,469,492	2,184,216	2,309,683
Sanitary Sewer Services	163,962	148,537	135,903
Water Services	369,400	305,171	304,179
Grants to community organizations	350,400	340,478	584,947
Cemetery care	814	2,189	772
Interest	29,050	129,638	116,357
Loss on disposal of assets	-	-	499
Amortization	1,935,900	1,975,781	1,803,066
	<u>9,976,283</u>	<u>9,463,289</u>	<u>9,618,607</u>
ANNUAL SURPLUS	3,966,869	5,053,772	4,053,355
ACCUMULATED SURPLUS, BEGINNING OF YEAR:			
As originally reported	54,107,491	54,107,491	50,015,698
Restatement (note 17)	4,313,901	4,313,901	4,352,339
As restated	<u>58,421,392</u>	<u>58,421,392</u>	<u>54,368,037</u>
ACCUMULATED SURPLUS, END OF YEAR	<u>\$ 62,388,261</u>	<u>\$ 63,475,164</u>	<u>\$ 58,421,392</u>

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



DISTRICT OF TUMBLER RIDGE
CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
For the year ended December 31, 2013, with comparative information for 2012

	2013 Budget	2013 Actual	2012 Actual
			(restated - note 17)
ANNUAL SURPLUS	\$ 3,966,869	\$ 5,053,772	\$ 4,053,355
Tangible Capital Assets:			
Acquisition	(7,292,452)	(3,331,298)	(1,568,707)
Gain on sale	-	-	(264,808)
Proceeds on sale	-	-	276,156
Write-offs	-	-	59,420
Amortization	1,935,900	1,975,781	1,803,066
	\$ (1,389,683)	\$ 3,698,255	\$ 4,358,482
Non-Financial Assets:			
Acquisition of inventory	-	(10,485)	(4,732)
Consumption (acquisition) of prepaid expenses	-	159,213	(66,795)
	\$ -	\$ 148,728	\$ (71,527)
CHANGE IN NET FINANCIAL ASSETS	(1,389,683)	3,846,983	4,286,955
NET FINANCIAL ASSETS AT BEGINNING OF THE YEAR:			
As originally reported	11,774,712	11,774,712	7,487,757
Restatement (note 17)	1,259,995	1,259,995	1,259,995
As restated	13,034,707	13,034,707	8,747,752
NET FINANCIAL ASSETS AT END OF THE YEAR	\$ 11,645,024	\$ 16,881,690	\$ 13,034,707

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



**DISTRICT OF TUMBLER RIDGE
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2013, with comparative information for 2012**

	2013	2012
		(restated - note 17)
Cash and cash equivalents, provide by (used in)		
Operating activities:		
Annual surplus	\$ 5,053,772	\$ 4,053,355
Items not involving cash:		
Amortization of tangible capital assets	1,975,781	1,803,066
Loss (earnings) on Tumbler Ridge Community Forest Corp	(15,570)	39,272
Actuarial adjustment on debt	(17,232)	(12,190)
Write off of tangible capital assets, net	-	59,420
Gain on sale of assets	-	(264,808)
Loss on disposal of assets	-	499
	\$ 6,996,751	\$ 5,678,614
Changes in non-cash operating assets and liabilities		
Accounts receivable	(284,131)	391,203
MFA cash deposits	(1,252)	(753)
Land held for resale	55,785	-
Accounts payable and accrued liabilities	(193,608)	454,941
Deferred revenue	(380,623)	121,748
Deposits and holdbacks	74,230	248,454
Inventory	(10,485)	(4,732)
Prepaid expense	159,213	(66,795)
	\$ (580,871)	\$ 1,144,066
Capital activities:		
Acquisition of tangible capital assets	(3,331,298)	(1,568,707)
Proceeds on sale of tangible capital assets	-	276,156
Purchase of shares in Tumbler Ridge Community Forest Corp	-	(200,000)
	\$ (3,331,298)	\$ (1,492,551)
Financial activities:		
Repayment of long-term debt	(114,206)	(114,206)
	\$ (114,206)	\$ (114,206)
Increase in cash and cash equivalents	\$ 2,970,376	\$ 5,215,923
Cash and cash equivalents, beginning of year	14,516,270	9,300,347
Cash and cash equivalents, end of year	\$ 17,486,647	\$ 14,516,270

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



**DISTRICT OF TUMBLER RIDGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2013

The District of Tumbler Ridge (the "District") is a municipality that was incorporated on April 9, 1981 as a District Municipality under the Community Charter, formerly the Municipal Act, a statute of the Province of British Columbia. Its principal activities include the provision of local government services to residents in the incorporated area. These include administrative, protective, transportation, environmental, recreational, water, sanitary sewer and fiscal services.

1. SIGNIFICANT ACCOUNTING POLICIES:

The District prepares its consolidated financial statements in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board ('PSAB') of the Canadian Institute of Chartered Accountants. Significant accounting policies adopted by the District are as follows:

(a) Basis of consolidation:

(i) Consolidated entities

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all local boards accountable for the administration of their financial affairs and resources to the District and which are owned and controlled by the District except for the District's government business enterprise which is accounted for on the modified equity basis of accounting.

The organization included in the District's financial statement is the Tumbler Ridge Public Library.

Inter-departmental and inter-organizational transactions and balances between related entities and organizations have been eliminated.

(ii) Investment in Government Business Enterprise

The District's investment in the Tumbler Ridge Community Forest Corp. a wholly-owned subsidiary, is accounted for on a modified equity basis, consistent with Canadian generally accepted accounting principles as recommended by PSAB. Under the modified equity basis, the Tumbler Ridge Community Forest Corp.'s accounting policies are not adjusted to conform to those of the District and inter-organizational transactions and balances are not eliminated. The District recognized its equity interest in the annual earnings or loss of the Tumbler Ridge Community Forest Corp. in its consolidated statement of operations and accumulated surplus, with a corresponding increase or decrease in its investment asset account. Any dividends that the District may receive from the Tumbler Ridge Community Forest Corp. will be reflected as reductions in the investment asset account.

(iii) Accounting for Regional District and School Board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the Regional District and School Board are not reflected in these consolidated financial statements.



**DISTRICT OF TUMBLER RIDGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES: (continued)

(iv) Trust funds

Trust funds and their related operations, administered by the District are not included in these consolidated financial statements.

(b) Basis of accounting:

The District follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods and services and/or the creation of a legal obligation to pay.

(c) Cash equivalents:

Cash equivalents include short-term highly liquid investments with a term to maturity of 90 days or less at acquisition.

(d) Investments:

Investments are stated at the lower of cost or market value.

(e) Land held for resale:

Land held for resale is valued at the lower of cost or net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.

(f) Deferred revenue:

The District defers revenues that represent licenses, permits and other fees which have been collected, but for which the related services or inspections have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

Receipts restricted by the legislation of senior governments or by agreement with external parties are deferred and are refundable under certain circumstances. When qualifying expenses are incurred, amounts are recognized as revenue at amounts equal to qualifying expenses.

(g) Long-term debt:

Long-term debt is recorded net of related sinking fund balances.



**DISTRICT OF TUMBLER RIDGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES: (continued)

(h) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital assets including transportation, installation, design and engineering, site preparation and any betterment of the asset. Amortization is recorded on the basis of straight-line over the estimated useful life of the tangible capital asset commencing the first year of its productive use as follows:

<u>Asset</u>	<u>Useful Life - Years</u>
Buildings	1 - 80
Engineered infrastructure	1 - 100
Equipment	1 - 20
Furniture and fixtures	3 - 10
IT infrastructure	1 - 7
Land Improvements	10 - 80
Vehicles	1 - 20

(ii) Contributions of tangible capital assets

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

(iii) Natural Resources

Natural resources that have not been purchased are not recognized as assets in the financial statements.

(iv) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(v) Interest capitalization

The District does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.



**DISTRICT OF TUMBLER RIDGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2013

1. SIGNIFICANT ACCOUNTING POLICIES: (continued)

(vi) Inventory

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

(i) Revenue recognition:

Taxation and user fee revenues are recognized in accordance with the provisions of the Community Charter.

The District is required to act as a agent for the collection of certain taxes and fees imposed by other authorities. Collections for other authorities are excluded from the District's taxation revenues.

Investment income is reported as revenue in the period earned. When required by the funding agency or related Act, the income earned on deferred revenue is added to the investment and form part of the deferred revenue balances.

(j) Employee future benefits:

The District provides certain employee benefits which will require funding in future periods. These benefits include accrued wages, vacation, sick leave and benefit under the Worker's Compensation Board. The obligations under these benefit plans are accrued on projected benefits as the employees renders services necessary to earn the future benefits.

The District and its employees participate in a Municipal Pension Plan. The costs of the multi-employer defined contribution pension plan are the employer's contributions due to the plan in the fiscal period.

(k) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. Estimates include assumptions used in estimating grant revenues and receivables, and estimated historical cost and useful lives of tangible capital assets. Actual results could differ from these estimates.

(l) Budget

The budget figures are from the Five Year Financial Plan Bylaw adopted by May 15 of each year. They have been reallocated to conform to PSAB financial statement presentation. Subsequent amendments have been made by Council to reflect changes in the budget as required by law.



**DISTRICT OF TUMBLER RIDGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2013

2. CASH AND CASH EQUIVALENTS

	<u>2013</u>	<u>2012</u>
Lakeview Credit Union		
Internally Restricted	\$ 4,349,040	\$ 2,852,271
Unrestricted	<u>10,588,994</u>	<u>9,143,094</u>
	<u>\$ 14,938,034</u>	<u>\$ 11,995,365</u>
Municipal Finance Authority of British Columbia		
Internally Restricted	<u>2,548,613</u>	<u>2,520,905</u>
	<u>\$ 17,486,647</u>	<u>\$ 14,516,270</u>

3. ACCOUNTS RECEIVABLE

	<u>2013</u>	<u>2012</u>
Federal Government	\$ 168,073	\$ 164,719
Provincial Government	428,684	338,251
Taxation		
Current	473,201	344,183
Arrears/Delinquent	95,529	99,889
Accounts receivable - trade	<u>209,542</u>	<u>143,856</u>
	<u>\$ 1,375,029</u>	<u>\$ 1,090,898</u>



**DISTRICT OF TUMBLER RIDGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2013

4. INVESTMENT IN TUMBLER RIDGE COMMUNITY FOREST CORP.

	2013	2012
Investment		
Investment in shares of the Corporation	\$ 200,000	\$ 200,000
Accumulated deficit	<u>(23,701)</u>	<u>(39,271)</u>
	<u>\$ 176,299</u>	<u>\$ 160,729</u>

The following provides condensed supplementary financial information for the Tumbler Ridge Community Forest Corp. (the 'Corporation') for the year ended December 31:

	2013	2012
(i) Financial position:		
Assets		
Current	\$ 361,639	\$ 194,920
Capital	453	700
	<u>\$ 362,092</u>	<u>\$ 195,620</u>
Liabilities		
Current	\$ 185,793	\$ 34,891
Equity		
Share Capital	200,000	200,000
Deficit	<u>(23,701)</u>	<u>(39,271)</u>
	<u>\$ 176,299</u>	<u>\$ 160,729</u>
Total liabilities and equity	<u>\$ 362,092</u>	<u>\$ 195,620</u>
(ii) Operations:		
Revenue	\$ 362,273	\$ 108
Expenses	<u>346,703</u>	<u>39,379</u>
	<u>15,570</u>	<u>(39,271)</u>

5. ACCOUNTS PAYABLE

	2013	2012
Due to other governments	\$ 104,568	\$ 154,297
Accounts payable - Trade	711,816	821,604
Payroll wages and benefits	197,278	211,066
Taxation	<u>23,596</u>	<u>43,899</u>
	<u>\$ 1,037,258</u>	<u>\$ 1,230,866</u>



**DISTRICT OF TUMBLER RIDGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2013

6. DEFERRED REVENUE

	2013	2012
Federal Gas Tax	\$ 162,130	\$ 536,705
Operational	<u>184,317</u>	<u>190,365</u>
	<u>\$ 346,447</u>	<u>\$ 727,070</u>

7. DEPOSITS AND HOLDBACKS

	2013	2012
Building deposits	\$ 283,875	\$ 286,034
Holdbacks	74,083	8,363
Builders/Performance bonds	1,309	1,309
Land sale deposits	17,639	7,050
Other	<u>1,785</u>	<u>1,705</u>
	<u>\$ 378,691</u>	<u>\$ 304,461</u>

8. LONG-TERM DEBT

The District issues its debt instruments through the Municipal Finance Authority of British Columbia ("MFA"), pursuant to security issuing bylaws under authority of the Community Charter, to finance certain capital expenditures. Sinking Fund balances, managed by the MFA, are used to reduce long-term debt.

Debt principal is reported net of Sinking Fund balances and accrued actuarial gains.

(i) Terms, gross and net debt are as follows:

MFA issue #	Date	Term	Rate	Gross debt	Sinking Fund Assets	Net debt 2013	Net debt 2012
542	2009	15	4.85%	\$ 2,286,804	\$ 26,928	\$ 1,790,620	\$ 1,922,057
Purpose: Community Center envelope project							

(ii) The total principal payment for the next five years by the District are as follows:

2014	\$ 114,205
2015	114,205
2016	114,205
2017	114,205
2018	<u>114,205</u>



**DISTRICT OF TUMBLER RIDGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2013

9. TANGIBLE CAPITAL ASSETS

	Cost, beginning of year	Additions	Disposals	Cost, end of year	Accumulated amortization beginning of year	Amortization expense	Accumulated amortization end of year	Net carrying amount end of year
Land	\$ 5,421,219	\$ 95,410	\$ -	\$ 5,516,629	\$ -	\$ -	\$ -	5,516,629
Land Improvements	2,103,998	158,285	-	2,262,283	1,518,599	43,975	1,562,574	699,709
Buildings	31,807,831	848,329	-	32,656,160	16,896,483	814,005	17,710,488	14,945,672
Engineered Structures	35,427,854	794,137	-	36,221,991	13,452,991	652,732	14,105,723	22,116,268
Vehicles	3,779,243	100,287	-	3,879,530	2,522,893	166,134	2,689,027	1,190,503
Equipment	2,279,934	1,070,976	-	3,350,910	1,563,196	205,151	1,768,347	1,582,563
IT Infrastructure	765,046	200,259	-	965,305	711,079	54,923	766,002	199,303
Furniture and Fixtures	414,133	63,615	-	477,748	201,869	38,861	240,730	237,018
	<u>\$ 81,999,258</u>	<u>\$ 3,331,298</u>	<u>\$ -</u>	<u>\$ 85,330,556</u>	<u>\$ 36,867,110</u>	<u>\$ 1,975,781</u>	<u>\$ 38,842,891</u>	<u>\$ 46,487,665</u>

Supplemental Information:

Tangible capital assets under construction and not yet subject to amortization	\$ 848,763
Contributed tangible capital assets received during the current year	\$ -



**DISTRICT OF TUMBLER RIDGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2013

10. ACCUMULATED SURPLUS

Accumulated Surplus consists of individual fund surplus and reserve funds as follows:

	2013	2012
Surplus:		
Investment in tangible capital assets	\$ 44,697,045	\$ 43,210,091
General Fund	12,369,067	8,918,114
	57,066,112	52,128,205
 Reserve funds designated for specific purposes by Council:		
Stabilization	1,321,500	1,309,010
Equipment replacement	2,014,772	2,159,171
Land sales	489,389	277,723
Municipal buildings	27,978	27,713
RCMP building	87,983	87,152
Drainage	857,771	849,664
Parking	14,000	-
Water	515,200	510,331
Sewer	1,081,400	1,071,179
Cemetery maintenance	(941)	1,244
	6,409,052	6,293,187
	\$ 63,475,164	\$ 58,421,392

11. COMMITMENTS

The District has entered into capital leases for certain office equipment. The equipment is leased at \$1,450 per month under leases expiring in 2016.

Additionally, the District has also entered into a capital lease for a backup generator for the community centre with repayment commencing in 2014. The generator is leased at \$4,388 per month expiring in 2019.

The minimum annual lease payments for the next five years are as follows:

2014	\$	52,505
2015		70,057
2016		61,357
2017		52,657
2018		52,657
	\$	289,233



DISTRICT OF TUMBLER RIDGE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2013

12. CONTINGENT LIABILITIES

(i) Peace River Regional District

The District is responsible as a member of the Regional District for its proportional share of operating deficits related to functions in which it participates. Under the provisions of the Local Government Act, the Regional District's debt is a joint and several liability of the Regional District and each of its member municipalities including the District of Tumbler Ridge. Management does not consider payment under this contingency to be likely and therefore no amounts have been accrued.

(ii) Municipal Finance Authority

The District issues debt instruments through the MFA. As a condition of these borrowings, the MFA requires that 1% of gross proceeds are deposited by the District into a debt reserve fund. The District is also required to execute demand notes in connection with each debenture whereby the District may be required to loan certain amounts to the MFA. These demand notes are contingent in nature and are not reflected in the accounts. The demand notes issued at December 31, 2013 totaled \$90,701 (2012 - \$90,701).

(iii) Municipal Insurance Association

The District is a participant in the Municipal Insurance Association of British Columbia. Should the Association pay out claims in excess of premiums received, it is possible that the District, along with the other participants, would be required to contribute towards the deficit. Management does not consider external payment under this contingency to be likely and therefore no amounts have been accrued.

(iv) Legal Claims

The District is the defendant in various lawsuits. In the opinion of management, the overall estimation of loss is not determinable. These claims have not been provided for in the financial statements. Settlement, if any, made with respect to these actions would be expected to be expensed in the period in which realization is known.

(v) Pension Liability

The municipality and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing 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 based on a formula. The Plan has about 179,000 active members and approximately 71,000 retired members. Active members include approximately 34 contributors from the District of Tumbler Ridge.

The most recent actuarial valuation as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and 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 the individual employers participating in the Plan.

The District of Tumbler Ridge paid \$217,212 (2012 - \$210,473) for employer contributions while employees contributed \$181,370 (2012 - \$178,568) to the plan in fiscal 2013.



**DISTRICT OF TUMBLER RIDGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2013

12. CONTINGENT LIABILITIES (continued)

(vi) Other government authorities

The District is obligated to collect and transmit property taxation levied on District of Tumbler Ridge taxpayers in respect of the following bodies:

- Ministry of Education, Province of British Columbia
- Peace River Regional Hospital District
- Peace River Regional District
- British Columbia Assessment Authority
- Municipal Finance Authority of British Columbia
- Royal Canadian Mounted Police

(vii) Revenue stabilization

The District of Tumbler Ridge has a large natural resource based property taxation base. As such, the natural resource markets can affect the taxation base substantially and can impact the District's ongoing operations in economic downturns. The District has established a stabilization reserve that could provide short term assistance in the event of such circumstances.

The largest three property taxation accounts provides 45% of the District's property taxation revenue, whereas the largest ten property taxation accounts provides 60% of the District's property taxation revenue.

13. OBJECT REPORTING

Classification of expenses by object:

	2013	2012
Salaries, wages and employee benefits	\$ 3,837,957	\$ 3,866,438
Materials, goods, supplies and utilities	1,556,989	2,907,932
Contracted and other services	1,962,924	924,814
Interest and finance charges	129,638	116,357
Amortization	1,975,781	1,803,066
Total expense by object	9,463,289	9,618,607



**DISTRICT OF TUMBLER RIDGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2013

14. TRUST FUNDS

The District of Tumbler Ridge administers the Alaska Challenge Snowmobile Safari '92 account funds on behalf of the Ridge Riders Snowmobile Club. The fund was created by excess revenue generated by the Alaska Challenge ride in 1992, organized by the Ridge Riders Snowmobile Club and the District of Tumbler Ridge. The fund is to be used to pay for groomer repairs and maintenance. The fund balance has not been incorporated into the consolidated financial statements of the District.

The District holds in trust the Cemetery Perpetual Care Fund as required by the Cremation, Interment and Funeral Services Act. The fund balance has not been incorporated into the consolidated financial statements of the District.

	2013	2012
Alaska Challenge account	\$ 3,652	\$ 5,150
Cemetery Perpetual Care account	281	280
	\$ 3,933	\$ 5,430

15. NET TAXATION REVENUE

The District is required to collect taxes on behalf of and transfer these amounts to the government agencies below:

	2013	2012
Taxes collected		
General purpose	\$ 9,928,392	\$ 8,768,024
Collection for other governments	3,539,863	2,700,815
	\$ 13,468,255	\$ 11,468,839
Transfer to other governments		
Ministry of Education, Province of British Columbia	2,098,584	1,597,365
Peace River Regional Hospital District	598,915	454,886
Peace River Regional District	457,365	360,544
British Columbia Assessment Authority	100,966	73,594
Municipal Finance Authority of British Columbia	203	156
Royal Canadian Mounted Police	283,830	214,270
	\$ 3,539,863	\$ 2,700,815
	\$ 9,928,392	\$ 8,768,024



**DISTRICT OF TUMBLER RIDGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2013

16. GOVERNMENT TRANSFERS

The District recognizes the transfer of government funding as expenses or revenues in the period that the events giving rise to the transfer occurred. The Government transfers reported on the Statement of Financial Activities and Accumulated Surplus are as follows:

	<u>2013</u>	<u>2012</u>
Revenue:		
Provincial grants:		
Stimulus	\$ 1,098,762	\$ 1,503,913
Unconditional	241,931	517,635
Miscellaneous	78,783	460,620
	<u>1,419,476</u>	<u>2,482,168</u>
Federal grant:		
Gas tax	528,574	158,414
Miscellaneous	22,457	3,300
	<u>551,031</u>	<u>161,714</u>
Regional District:		
Waste management	80,392	65,038
Total revenue	<u>\$ 2,050,899</u>	<u>\$ 2,708,920</u>



**DISTRICT OF TUMBLER RIDGE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended December 31, 2013

17. RESTATEMENT

During the year, management determined that land held for resale and certain tangible capital assets were not recorded at their historical cost and certain tangible capital assets were not being amortized. As a result, the prior year financial statements have been restated on a retroactive basis. The effect of the restatement is as follows:

	As Previously Reported	Increase (Decrease)	As restated
Statement of Financial Position			
Land held for resale	\$ 165,593		
Adjustment for historical cost		\$ 1,259,995	\$ 1,425,588
Tangible capital assets	\$ 42,078,242		
Adjustment for historical cost		\$ 4,560,640	
Accumulated amortization on tangible capital assets		\$ (1,506,734)	\$ 45,132,148
Statement of Operations and Accumulated Surplus			
Amortization	1,764,628	38,438	1,803,066
Annual surplus	4,091,793	38,438	4,053,355
Accumulated Surplus, Opening	50,015,698		
Adjustment for historical cost		5,820,635	
Accumulated amortization on tangible capital assets		(1,468,296)	54,368,037
Accumulated Surplus, Closing	\$ 54,107,491	\$ 4,390,777	\$ 58,421,392

18. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the current year financial presentation.



DISTRICT OF TUMBLER RIDGE
Consolidated Schedule of Federal Gas Tax Funds Receipts and Disbursements

For the year ended December 31, 2013

Federal Gas Tax	<u>2013</u>	<u>2012</u>
Balance, beginning of year	536,705	540,690
Add: Amount received during year	148,879	148,925
Interest earned during year	<u>5,120</u>	<u>5,504</u>
	<u>690,704</u>	695,119
Less: Amount spent during year	(528,574)	(158,414)
Balance, end of year	<u>\$ 162,130</u>	<u>\$ 536,705</u>

Gas Tax funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the District and the Union of British Columbia Municipalities. Gas Tax funding may be used towards designated public transit, community energy, water, waste water, solid waste and capacity building projects, as defined in the funding agreement.