

2012

Annual Report



**DISTRICT OF TUMBLER RIDGE**

FOR THE YEAR ENDING DECEMBER 31, 2012

# Message from the Mayor



## 2012

With the first full year of your elected Council complete, we have a great deal to report. The enormous interest by developers in 2011 has translated into new unprecedented development in 2012 with even more in the works for 2013. 46 new residential dwellings were put in place with an overall value in excess of 10 million dollars. We have seen new businesses start and look forward to more.

In the fall of 2012, Capital Power officially went into operation of its 79 Megawatt Wind Farm. During 2012 we also saw Teck Mining begin to ramp up their preparations for the re-opening of the Quintette mine. Both Walter Energy and Peace River Coal continue to operate their mines providing excellent employment opportunities for residents. The community forest will be actively harvesting in 2013 which will not only generate revenue for the District but also be an important piece in the diversification of our economy.

Council developed a comprehensive strategic plan for the District with a focus on sustainability and building a community of choice for families to live in. Some of the celebrated highlights are the replacement of the Community Centre indoor playground equipment, development of the sledding hill and warming shelter and the outdoor skating area. Council remains committed to building on our recreation and leisure opportunities and we can look forward to the start of the replacement of our outdoor playground equipment, a potential bowling alley and preliminary work on the feasibility of a ski hill. We continue to support our seniors and having them age in place. This remains a priority for 2013.

Long-time resident and elected official Doug Beale resigned from Council in the fall of 2012 to assume the position as the District of Tumbler Ridge Operations Manager. A by-election was held January 2013 at which time we welcomed back Councillor Don McPherson.

We appreciate your feedback and comments. Council remains committed to community engagement and in November 2012 hosted the most successful and well attended open house to date. Planning is in the works for another open house for 2013.

Tumbler Ridge is thriving and growing. We are proud to serve as the elected officials for the District of Tumbler Ridge and will continue to govern in a way that reflects our citizens' interests, values and goals.

A handwritten signature in black ink, appearing to read "Darwin Wren".

Mayor Darwin Wren

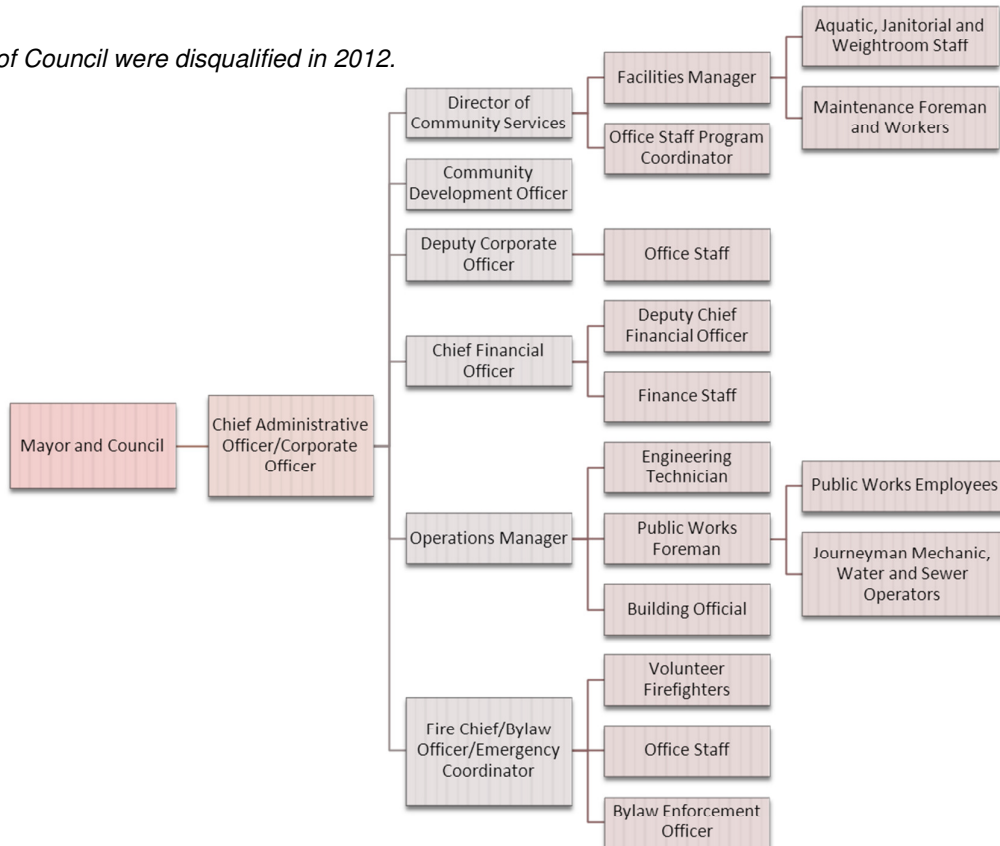
## DISTRICT OF TUMBLER RIDGE COUNCIL



From left to right: Councillor Tim Snyder, Councillor Aleen Torrville, Councillor Sherri-Lynn Hewitt, Mayor Darwin Wren, Councillor Rob Mackay, Councillor Doug Beale, Councillor Mike Caisley

*Councillor Beale resigned November 6, 2012.*

No members of Council were disqualified in 2012.



## GOALS AND OBJECTIVES - 2012

### *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.

*A number of success stories were realized in 2012. After an in-depth public consultation process, and a significant engineering/planning review, Council adopted the District's new Official Community Plan and Zoning Bylaw. These documents chart the course for development within the community for the next few years.*

Another success story was Council's October 2012 adoption of the District's new Strategic Plan. This is a defining document that confirms Council's governance priorities for the immediate future. This document also underpins all of the operational priorities that will be carried out by staff in support of Council's directives. Contained within this Strategic Plan is the determination by Council that their greatest priority is the completion of a Sustainability Plan for the District. A renewed Interest in land development kicked off in 2012. Several District-owned properties were approved for sale negotiations following a series of letters of interest that were submitted by developers. One of the projects, the new Monkman Commons development, began in earnest in the fall of 2012 with 16 residential units being constructed. This development, and others, will continue in 2013.

Again in the fall of the year, the Tumbler Ridge Public Library Association transitioned in a Municipal Library Board. This provides a greater degree of stable funding support for the library operation.

During 2012, a number of staff changes occurred. Candie Laporte joined the organization in the early part of the year as the District's new Chief Financial Officer. Paul Hascarl, our Operations Manager, resigned in early summer, and he was replaced by Doug Beale in late November. In addition to these changes, postings went out for a newly created Director of Development & Engineering, and also for a Deputy CAO/Human Resources Manager. As of the end of the year, these positions had not yet been filled.

Staff "right-sizing" continued in 2012 with the introduction of a second full-time position in the Aquatic Centre and a second full-time Custodian in the Community Centre.

## PROTECTIVE SERVICES

2012 was the busiest year in the history of the Tumbler Ridge Fire Department. The Tumbler Ridge Fire Department responded to 208 calls, surpassing 178 calls in 2011. The Tumbler Ridge Fire Department was fortunate to acquire a mobile home for structural firefighting training. Training included forcible entry, ventilation, initial attack, Rapid Intervention Team (RIT) to rescue a downed firefighter, and overhaul.



The Tumbler Ridge Fire Department hosted a Fire Service Instructor course instructed by Shorty Smith, Fire Chief with the Dawson Creek Fire Department and instructor with the Justice Institute of British Columbia. Two firefighters from the Charlie Lake Fire Department and two firefighters from the Taylor Fire Department joined two members from the Tumbler Ridge Fire Department for the two day course. 5 volunteer firefighters travelled to Fort St. James, BC for Live Fire training; there they studied basic fire ground operations and incident command.

Dustin Curry and Brandon Braam completed the Fire Officer I program through the JIBC. Dustin Curry was also promoted to the rank of Lieutenant.

Tumbler Ridge Secondary students received CPR training from volunteer firefighters. Training included managing a choking patient and CPR for adults, children and infants. In September, the fire department hosted an open house. The community was invited to climb the ladder truck, and tour the fire hall and fire trucks. An auto extrication demonstration and grease fire demonstration were well received by the community.

The fire department was visited by groups of children from the Children's Centre who were treated to a tour of the Fire Hall and trucks. The children climbed the hose tower, sprayed water from a fire hose and sat in the driver's seat of a fire truck. In October, the Fire Chief and Sparky participated in Fire Prevention Week at Tumbler Ridge Elementary School. Each student at Tumbler Ridge Elementary was provided with a smoke detector to take home. A presentation was given to each class from Kindergarten to Grade 3. Fire Chief for the Day winner was awarded a gift card from Jade True Hardware and a ride to school in a fire truck.

In October, the fire department took delivery of a 2013 Chevrolet Silverado 2500HD command vehicle. The truck is used by the Fire Chief and the weekend duty officer. The old command vehicle was donated to volunteer avalanche rescue organization.

## EMERGENCY PLANNING AND ESS

Emergency Social Services was activated twice in 2012. In June there was a structure fire which resulted in one individual being displaced from his home. Two members of ESS attended and made arrangements for food and lodging for the individual.

In November, there was a chimney fire on Peace River Crescent. The fire spread to the attic and made the house temporarily uninhabitable. Two members of ESS responded although ESS services were not required. Members of ESS took part in the Grizfest Parade and Mass Registration and one member attended an Emergency Planning Course in Vancouver.



**119 First Responder Calls**

**32 Alarms Ringing**

**12 MVI**

**4 Report of Fire**

**4 Report of Smoke**

**5 Gas Smell**

**6 ATV Incidents**

**6 Alarms Ringing**

**1 Chimney Fire**

**2 Structure Fire**

**1 Dumpster Fire**

**7 Brush Fire**

**2 Rescue**

**1 Inter-Agency Assist**

**0 CO Alarm**

**1 Grass Fire**

**3 Gas Leak**

## BYLAW ENFORCEMENT

In 2012 the Bylaw Department handled many contraventions of the District's bylaws, most consisted of parking issues: too close to stop sign; contrary to sign; stopped on the sidewalk; too close to fire hydrant; parked on street over 24 hours and parked in a fire lane.

The Bylaw Department has also been researching Off Road Vehicle activities in other communities to assist in the delivery of safe and lawful operations of these types of vehicles within the District of Tumbler Ridge. The department has also been working with the RCMP in assisting and receiving compliance with the District Bylaws.

#	Issue
26	Municipal Tickets Information (MTI)
83	Warning Notices
65	Business License issues
28	Unightly Premises
100+	Bylaw Information brochures distributed

## ANIMAL CONTROL

17	• Tickets Issued
3	• Warnings Issued
1	• Dog adopted
71	• Dogs returned before impounded
20	• Dogs impounded
2	• Dogs taken to the SPCA
70	• Hours spent at pound
160	• Complaints



## OPERATIONS – PUBLIC WORKS AND ENGINEERING

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

### IN 2012 THE FOLLOWING OBJECTIVES AND PROJECTS WERE PLANNED AND/OR IMPLEMENTED:

- Public Works Operations and Engineering departments divided into two distinct departments;
- Operations Manager hired;
- A Columbarium for the Tumbler Ridge Cemetery was ordered;
- Continued to upgrade and expand the Cemetery;
- Flow Meter was replaced at Sewage Lagoon;
- Recycling and Product Stewardships were improved on and changes implemented;
- Removal of dead trees in all areas around the community to insure the safety of the trails and residences, this is ongoing due to the Pine Beetle devastation that is around the community;
- Process of developing a plan for the use of the airport, working with a local business to expand their use of the airport and assist with incorporating improvements with edge way lighting;
- Water and Sewer Regulation Bylaws review and report to Council with changes;
- Review of Traffic Bylaw and propose changes and improvements;
- Review Cemetery Bylaw and propose changes and improvements;
- Continue with Horticulture improvements in the downtown core;
- Started planning for the Capital Projects to bring forward for 2013 budget approvals on such projects as the following to name a few;
- Replacement of shower house at Monkman RV Park;
- Replacement of Holder multi tool carrier responsible for mowing and sidewalk clearing;
- Bear walk expansion along Mackenzie Avenue;
- Sidewalk installation along Southgate towards Pioneer Loop and Mackenzie;
- Toboggan Hill improvements;
- Commercial water metering;
- Emergency generator for Community Centre;
- Water Treatment Plant refurbishment;
- Purchase of solid waste and recycle bins;
- Restructure the Utility Department to include a Utility Foreman to assist in developing a maintenance strategy and to put more of a focus on our most critical infrastructure in regards to water and sewer;
- Review and plan for our roads in and around our community for repair and long term replacement strategies.



**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

Invest in Tumbler Ridge was the key focus that the Community Development department relayed in 2012. The 2012 Economic Capacity Building project moved forward with the assistance of NDIIT (Northern Development Initiative Trust) included the Invest Northeast BC Portal which connects communities in Northeastern BC with potential investors. The interactive website is a key landing point that provides investors information on major projects and investment opportunities in Tumbler Ridge. Print marketing continued with numerous publications including Invest in BC, Business in Vancouver, Vancouver Sun, Northwest Business and the BC Oil & Gas Report. Radio and TV advertising continued in the Prince George, Grande Prairie and Fort St. John markets.



### 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 8<sup>th</sup> annual Northeast BC Community Coal & Energy Forum was held in Chetwynd at their Recreation Centre. Tumbler Ridge and Chetwynd alternate hosting this event which highlights current and upcoming coal and energy activities in our two communities. The 2012 theme was “Coal for the Future” and focused on educational opportunities for job placement in the energy sector. The event was well attended by delegates from our resource industries, governments, key stakeholders and the general public.

### Small Business Engagement

The Small Business Engagement Program was developed to assess the small business climate in the District of Tumbler Ridge. A Coordinator was hired to contact and engage all the small businesses, conduct surveys and find out how the District can improve its services and support for small businesses in Tumbler Ridge. With the on-set of industry growth and the need to recruit and retain a work force the District is looking to the small businesses for feedback on how to improve and support the small businesses and their expected growth now and in the future. Through this research we have assessed a strong support for the development of a Chamber of Commerce or a Small Business Association.

## 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. Visitor numbers were down by 10% at the Visitor Centre in 2012 over 2011, but 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. A new recreation and town map was installed at the Visitor Centre to help guide visitors to our area and to our attractions. 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, Golf Course 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 2012 THE RECREATION SERVICES DEPARTMENT ACHIEVED NUMEROUS GOALS AND OBJECTIVES:

- Hosted a great 'Grand Opening' to celebrate the building envelope project;
- Worked with the TR Days Society to put on the Grizfest Music Festival that celebrated its 11<sup>th</sup> Anniversary;
- Maximized the use of the Community Centre and Golf Course through great programs, appropriate pricing, and improved marketing;
- Continued to have staff upgrade their skills through hands on experience and training;
- Operated the Community Centre and Golf Course efficiently and effectively;
- Continued to develop a junior program at the Golf Course;
- Worked effectively with other District of Tumbler Ridge Departments, and other District organizations, to help make the community a destination for visitors;
- Upgraded the fire suppression equipment at Town Hall;
- Purchased an exterior and interior electronic sign for improved marketing;
- Improved the Aquatic Centre humidity and energy efficiency through the installation of a Dry O Tron;
- Improved security at the Golf Course;
- Improved the flooring in the Community Centre front office and Golf Course Pro Shop;
- Repaired the net for the driving range;
- Cut down 'beetle kill' trees at the Golf Course;
- Hosted a successful Volunteer Appreciation banquet in September;
- Purchased new program enhancements for the Aquatic Centre including a climbing wall, new sprayers, new heater for the sauna, new water softener for the steam room and pool washroom upgrades;
- Upgrade the evacuation exits from the Aquatic Centre;
- Upgrade the Community Centre building by installing the outside murals, purchased some safety bollards, and signage;
- A new indoor playground was installed;
- Improve the golf course with some new sand trap sand, some cart trail paving, upgrading the irrigation system, some fencing, upgrade the restaurant acoustics, and purchase of some new cart batteries;
- Replace the Community Centre movie chairs;



- Worked with the Children Centre Society and Family Needs Committee to explore ways to upgrade the child care capacity;
- Completed Boiler repairs and Refrigeration room repairs;
- Completed the replacement of the heat exchangers at the pool;
- Completed re-grouting of the entire main pool, tots pool and whirl pool at the Aquatic Centre;
- Cooperated with BC Safety Authority and WorkSafe BC to ensure that the Community Centre has met all regulations;
- Purchased more pumps and motor for various locations around the Community Centre that needed replacing;
- Purchased Christmas Lighting for the front of the Community Centre, Town Hall and some of the main lights around the downtown core;
- Worked on getting fencing up around the golf course where the banks were eroding away around the river;
- Purchased a new washer and dryer for the janitorial department and Aquatic Centre;
- Completed installation of new audio and visual fire alarm system for the main sections of the Community Centre;
- Installed new blinds for all offices and the library.



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 Community Charter assigns statutory responsibility to the Financial Officer for this function. In addition to the aforementioned finance functions, the Chief Financial Officer is also responsible for the overall management of the Information Technology (IT) infrastructure.

A new Chief Financial Officer was hired in March 2012 and with an excellent Municipal Finance background. Months of updating records and review of past reporting were required.

There were several key initiatives implemented during the year that provided the Finance department with additional tools to better manage the financial resources of the District.

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### TANGIBLE CAPITAL ASSETS AND MAJOR MAINTENANCE

During 2012 the Finance Department worked with departments to identify capital expenditure which fell below the Tangible Capital Asset threshold and budget these items as major maintenance operating expenses, identified as "additions to base budgets".

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### BUDGET REPORTING

A more detailed monthly reporting procedure was put in place by the Finance department, to assist Administration and Senior Department heads with budget accountability. This new month-end Variance form requires an explanation of variances, which they then sign off and return to the CFO.

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### TUMBLER RIDGE GOLF & COUNTRY CLUB

In June 2012, a Golf Course Restaurant Operating Agreement was signed for a two-year period to handle the operation of the restaurant facility. Having a contractor in place alleviates a considerable amount of work for the Finance department, as the Contractor handles that segment of operations. The District continues to retain the operation of the remainder of the golf course, including the Pro Shop, as one of their recreation programs.

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### OFFICE EQUIPMENT

In 2012, two new colour photocopiers were purchased, one for Town Hall and one for the Community Centre. The new photocopiers gave us a cost savings in our computer supply budget of 34% for Town Hall and 53% for the Community Centre in the 2012 budget year.

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## IT UPGRADES

An upgrade of a more powerful Uninterrupted Power Supply Backup system for the Information Systems of the District was undertaken in 2012. This included a purchase of a more powerful APC Symmetra UPS backup system. There had been problems with power outages causing internet and server re-connection instability, which meant that employee efficiency in carrying out some of their regular daily duties was interrupted. This upgrade has solved that work interruption problem and streamlined the connectivity process for our servers.

An upgrade of the Districts Firewall to SonicWALL NSA 240 enabled our Server to easily provide seamless dual access to PRIS if the Telus connection failed. This installation prevented future work delays when our main system failed.

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## 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 2012 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 Tax Value
<b>Pentecostal Assemblies of Canada</b>	575.525	275 Murray Drive	\$ 58.15
<b>Grizzly Valley Saddle Club</b>	624.000	Mackenzie Way	\$ 1,690.80
<b>TR Branch Royal Canadian Legion</b>	645.000	380 Pioneer Loop	\$ 993.16
<b>TR Congregation of Jehovah's Witness</b>	647.100	419 Willow Drive	\$ 46.15
<b>TR Sportsman's Association of Outdoor Gun Range</b>	50066.000	Crown Land File #8003743	\$ 498.43

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 Tax Value
<b>1058887 Alberta Ltd.</b>	517.051	#1-320 Founders St.	\$ 3,574.45
<b>1058887 Alberta Ltd.</b>	517.052	#2-320 Founders St.	\$ 11,340.02
<b>Ambyon Holdings Inc.</b>	517.053	#3-320 Founders St.	\$ 3,341.24
<b>0889108 BC Ltd.</b>	620.100	108 Mesa Place	\$13,140.70
<b>Southpaw Rentals &amp; Sales Inc.</b>	620.105	120 Mesa Place	\$20,094.50
<b>Triple K Safety Inc.</b>	620.113	136 Mesa Place	\$4,597.00



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 Tax Value
<b>TR Fellowship Baptist Church</b>	543.001	115 Commercial Park	\$ 2,658.27
<b>Pentecostal Assemblies of Canada</b>	575.525	275 Murray Drive	\$ 2,406.29
<b>Roman Catholic Episcopal Corporation</b>	590.100	103 Commercial Park	\$ 3,383.75
<b>Seventh Day Adventist</b>	637.001	107 Commercial Park	\$ 1,690.80
<b>TR Congregation of Jehovah's Witness</b>	647.100	419 Willow Drive	\$ 1,184.22

**DISTRICT OF TUMBLER RIDGE  
CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2012**



**DISTRICT OF TUMBLER RIDGE  
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For the year ended December 31, 2012**

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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.

\_\_\_\_\_  
Mr. Barry Elliott,  
*Chief Administrative Officer/Corporate Officer*

\_\_\_\_\_  
Ms. Candie Laporte,  
*Chief Financial Officer*

Municipal Hall, Box 100, Tumbler Ridge, BC V0C 2W0 Phone: (250) 242-4242 Fax: (250) 242-3993  
Website: [www.TumblerRidge.ca](http://www.TumblerRidge.ca)



**KPMG LLP**  
**Chartered Accountants**  
400 - 177 Victoria Street  
Prince George BC V2L 5R8

Telephone (250) 563-7151  
Telefax (250) 563-5693  
Internet www.kpmg.ca

## **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, 2012 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 qualified audit opinion.

KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity



***Basis for Qualified Opinion***

The District of Tumbler Ridge did not maintain records of historical cost for certain tangible capital assets and land held for resale and did not record amortization for land improvements. As a result we were unable to verify the carrying value of tangible capital assets and completeness of Land held for resale included in management's financial statements. Since opening tangible capital assets and land held for resale enter into the determination of the financial activities and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the annual surplus for the year reported in the statement of financial activities and the net cash flows from operating activities reported in the statement of cash flows.

***Qualified Opinion***

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

***Other Matters***

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, 2011 has been restated. The consolidated financial statements of The District of Tumbler Ridge as at and for the year ended December 31, 2011, excluding the restatement described in Note 17 to the consolidated financial statements, were audited by another auditor who expressed an unmodified opinion on those financial statements on June 11, 2012.

As part of our audit of the consolidated financial statements as at and for the year ended December 31, 2012, we audited the restatement described in Note 17 to the consolidated financial statements that was applied to restate the comparative information as at and for the year ended December 31, 2011. In our opinion, the restatement is appropriate and has been properly applied.

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.

May 7, 2013

Chartered Accountants

Prince George, Canada



**DISTRICT OF TUMBLER RIDGE  
 CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
 December 31, 2012 with comparative information for 2011**



	2012	2011 (restated)
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (note 2)	\$ 14,516,270	\$ 9,300,347
Accounts receivable (note 3)	1,069,742	1,460,945
Municipal Finance Authority - deposits	25,676	24,923
Land held for resale	165,593	166,092
Investment in Tumbler Ridge Community Forest Corp. (note 4)	160,729	-
	\$ 15,938,010	\$ 10,952,307
 <b>LIABILITIES</b>		
Accounts payable and accrued liabilities (note 5)	\$ 1,209,710	\$ 754,769
Deferred revenue (note 6)	727,070	605,322
Deposits and holdbacks (note 7)	304,461	56,007
Long-term debt (net of sinking fund assets) (note 8)	1,922,057	2,048,452
	4,163,298	3,464,550
 <b>NET FINANCIAL ASSETS</b>	11,774,712	7,487,757
 <b>NON-FINANCIAL ASSETS</b>		
Inventory	\$ 38,305	\$ 33,573
Prepaid expenses	216,232	149,437
Tangible capital assets (note 9)	42,078,242	42,344,931
	\$ 42,332,779	\$ 42,527,941
 <b>ACCUMULATED SURPLUS (note 10)</b>	\$ 54,107,491	\$ 50,015,698

Commitments (note 11)

Contingencies (note 12)

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

Approved by:

  
 \_\_\_\_\_ Mayor  
  
 \_\_\_\_\_ Chief Financial Officer



**DISTRICT OF TUMBLER RIDGE**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES AND ACCUMULATED SURPLUS**  
 For the year ended December 31, 2012 ,with comparative information for 2011

	<u>2012</u> <u>Budget</u>	<u>2012</u> <u>Actual</u>	<u>2011</u> <u>Actual</u> (restated)
<b>REVENUE</b>			
Taxation, net (note 15)	\$ 8,774,121	\$ 8,768,024	\$ 7,612,010
Grants in lieu of taxes	118,160	28,005	115,844
Sale of services and other income	523,513	643,889	941,006
Licences, fines, and rentals	875,250	557,220	638,075
Return on investment	85,100	114,911	99,910
Government transfers (note 16)	1,990,638	2,708,920	3,204,819
Water and sewer	618,143	625,456	520,206
Gain on sale of land	-	264,808	3,215
	<u>\$ 12,984,925</u>	<u>\$ 13,711,233</u>	<u>\$ 13,135,085</u>
<b>EXPENSES</b>			
General Government Services	1,281,131	1,419,362	1,371,089
Protective Services	521,581	512,369	535,169
Transportation Services	1,335,177	1,623,242	1,200,888
Environmental Health Services	341,937	359,710	1,175,065
Economic Development Services	462,141	448,518	510,024
Recreational and Cultural Services	2,297,254	2,309,683	2,149,531
Sanitary Sewer Services	114,488	135,903	104,087
Water Services	269,238	304,179	285,192
Grants to other community organizations	588,719	584,947	532,907
Cemetery care	2,522	772	2,127
Interest	177,804	116,357	133,310
Loss on disposal of assets	-	499	-
Equity in loss of Tumbler Ridge Community Forest Corp. (note 5)	-	39,271	-
Amortization	1,935,900	1,764,628	1,741,283
	<u>\$ 9,327,892</u>	<u>\$ 9,619,440</u>	<u>9,740,672</u>
<b>ANNUAL SURPLUS</b>	<b>\$ 3,657,033</b>	<b>\$ 4,091,793</b>	<b>3,394,413</b>
<b>ACCUMULATED SURPLUS AT BEGINNING OF THE YEAR:</b>			
<b>AS ORIGINALLY REPORTED</b>	<b>50,556,388</b>	<b>50,556,388</b>	<b>47,013,050</b>
Restatement (note 17)	<u>(540,690)</u>	<u>(540,690)</u>	<u>(391,765)</u>
<b>AS RESTATED</b>	<b>50,015,698</b>	<b>50,015,698</b>	<b>46,621,285</b>
<b>ACCUMULATED SURPLUS AT END OF THE YEAR</b>	<b>53,672,731</b>	<b>\$ 54,107,491</b>	<b>\$ 50,015,698</b>

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, 2012, with comparative information for 2011

	Budget	2012	2011 (restated)
<b>ANNUAL SURPLUS</b>	<b>\$ 3,657,033</b>	<b>\$ 4,091,793</b>	<b>\$ 3,394,413</b>
Tangible Capital Assets:			
Acquisition	-	(1,568,707)	(3,644,829)
Gain on sale	-	(264,808)	(3,216)
Proceeds on sale	-	276,156	
Write-offs	-	59,420	64,302
Amortization	1,935,900	1,764,628	1,741,283
	<b>5,592,933</b>	<b>4,358,482</b>	<b>1,551,953</b>
Non-Financial Assets:			
Consumption (acquisition) of supplies inventories, net	-	(4,732)	(10,307)
Consumption (acquisition) of prepaid expenses, net	-	(66,795)	10,292
	<b>-</b>	<b>(71,527)</b>	<b>(15)</b>
<b>CHANGE IN NET FINANCIAL ASSETS</b>	<b>5,592,933</b>	<b>4,286,955</b>	<b>1,551,938</b>
<b>NET FINANCIAL ASSETS AT BEGINNING OF THE YEAR:</b>			
<b>AS ORIGINALLY REPORTED</b>	<b>8,028,447</b>	<b>8,028,447</b>	<b>6,327,584</b>
Restatement (note 17)	(540,690)	(540,690)	(391,765)
	<b>7,487,757</b>	<b>7,487,757</b>	<b>5,935,819</b>
<b>NET FINANCIAL ASSETS AT END OF THE YEAR</b>	<b>\$ 13,080,690</b>	<b>\$ 11,774,712</b>	<b>\$ 7,487,757</b>

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, 2012, with comparative information for 2011**

	2012	2011 (restated)
Cash and cash equivalents, provided by (used in)		
<b>Operating activities:</b>		
Annual surplus	\$ 4,091,793	\$ 3,394,413
Items not involving cash:		
Amortization of tangible capital assets	1,764,628	1,741,283
Loss on Tumbler Ridge Community Forest Corp.	39,272	-
Actuarial adjustment on debt	(12,190)	(9,950)
Write off of tangible capital asset, net	59,420	64,302
Gain on sale of land	(264,808)	(3,215)
Loss on disposal of assets	499	-
	\$ 5,678,614	\$ 5,186,833
Changes in non-cash operating assets and liabilities		
MFA cash deposits	(753)	(2,055)
Accounts receivable	391,203	(85,177)
Accounts payable and accrued liabilities	454,940	(14,766)
Deferred revenue	121,748	213,556
Deposits and holdbacks	248,454	(359,494)
Inventory	(4,732)	(10,307)
Prepaid expense	(66,795)	10,292
	\$ 1,144,065	\$ (270,819)
<b>Capital activities:</b>		
Acquisition of tangible capital assets	(1,568,706)	(3,644,819)
Proceeds on sale of tangible capital assets	276,156	-
Purchase of shares in Tumble Ridge Community Forest Corp.	(200,000)	-
	\$ (1,492,550)	\$ (3,644,819)
<b>Financial activities:</b>		
Repayment of long-term debt	(114,206)	(114,206)
Repayment of obligation under capital leases	-	(4,446)
	\$ (114,206)	\$ (118,652)
Increase in cash and cash equivalents	\$ 5,215,923	\$ 1,152,543
Cash and cash equivalents, beginning of year	\$ 9,300,347	\$ 8,147,804
Cash and cash equivalents, end of year	\$ 14,516,270	\$ 9,300,347

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, 2012**

The District of Tumbler Ridge (the "District") 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 local 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 or 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 financial activities 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, 2012

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 included in cash equivalents are stated at the lower of cost and market value.

(e) Land held for resale:

Land held for resale is valued at the lower of cost and 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, 2012

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>	
Land Improvements	10 - 80
Buildings	1 - 80
Vehicles	1 - 20
Equipment	1 - 20
Furniture and fixtures	3 - 10
Information technology	1 - 7
Water, sewer, road infrastructure	1 - 100

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the 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 consolidated 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 consolidated 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, 2012

1. SIGNIFICANT ACCOUNTING POLICIES: (continued)

(vi) Inventory:

Inventory 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 benefits under the Worker's Compensation Board. The obligations under these benefit plans are accrued on projected benefits as the employees render services necessary to earn the future benefits.

The District and its employees participate in the 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.



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

For the year ended December 31, 2012

**2. CASH AND CASH EQUIVALENTS**

	2012	2011
Lakeview Credit Union		
Internally Restricted	\$ 2,852,271	\$ 5,135
Unrestricted	9,143,094	6,548,019
	11,995,365	6,553,154
Municipal Finance Authority of British Columbia		
Internally Restricted	2,520,905	2,747,193
	\$ 14,516,270	\$ 9,300,347

**3. ACCOUNTS RECEIVABLE**

	2012	2011
Federal Government	\$ 164,719	\$ 224,572
Provincial Government	338,251	-
Taxation		
Current	323,027	419,164
Arrears/Delinquent	99,889	166,146
Accounts receivable - trade	143,856	651,063
	\$ 1,069,742	\$ 1,460,945

**4. INVESTMENT IN TUMBLER RIDGE COMMUNITY FOREST CORP.**

	2012
Investment:	
Investment in shares of the Corporation	\$ 200,000
Accumulated deficit	(39,271)
Total investment	\$ 160,729

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

	2012
(i) Financial position:	
Assets	
Current	\$ 194,920
Capital	700
Total assets	\$ 195,620
Liabilities	
Current	\$ 34,891
Equity	
Share Capital	200,000
Deficit	(39,271)
Total equity	160,729
Total liabilities and equity	\$ 195,620



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

**For the year ended December 31, 2012**

**4. INVESTMENT IN TUMBLER RIDGE COMMUNITY FOREST CORP. (continued)**

(ii) Operations:	
Revenue	\$ 108
Expenses	39,379
Net loss	<u>\$ (39,271)</u>

**5. ACCOUNTS PAYABLE**

	<u>2012</u>	<u>2011</u>
Due to other governments	\$ 154,297	\$ -
Accounts payable - Trade	800,448	573,254
Payroll wages and benefits	211,066	160,358
Taxation	43,899	21,157
	<u>\$ 1,209,710</u>	<u>\$ 754,769</u>

**6. DEFERRED REVENUE**

	<u>2012</u>	<u>2011</u>
Federal Gas Tax	\$ 536,705	\$ 540,690
Operations	190,365	64,632
	<u>\$ 727,070</u>	<u>\$ 605,322</u>

**7. DEPOSITS AND HOLDBACKS**

	<u>2012</u>	<u>2011</u>
Building deposits	\$ 286,034	\$ 45,735
Holdbacks	8,363	7,258
Builders/performance bonds	1,309	1,309
Land sale deposits	7,050	-
Other	1,705	1,705
	<u>\$ 304,461</u>	<u>\$ 56,007</u>





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

**For the year ended December 31, 2012**

**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 2012	Net debt 2011
542	2009	15	4.85%	\$2,286,804	\$ 25,676	\$ 1,922,057	\$ 2,048,452
<b>Purpose: Community Center development project</b>							

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

2013	\$ 114,205
2014	114,205
2015	114,205
2016	114,205
2017	114,205
Onward	1,351,032



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

Year ended December 31, 2012

**9. TANGIBLE CAPITAL ASSETS**

	Cost, beginning of Year	Additions	Disposals	Write-downs	Accumulated amortization beginning of year	Amortization expense	Accumulated amortization reductions on disposals	Accumulated amortization end of year	Net carrying amount end of year
Engineered Structures	\$ 35,317,692	\$ 206,041	\$ (95,879)	-	\$ 12,885,378	\$ 629,387	\$ (61,774)	\$ 13,452,991	\$ 21,974,863
Buildings	31,504,190	303,641	-	-	16,112,107	784,376	-	16,896,483	14,911,348
Vehicles	3,696,577	82,666	-	-	2,362,759	160,133	-	2,522,892	1,256,351
Equipment	2,132,036	147,898	-	-	1,443,469	119,726	-	1,563,195	716,739
IT Infrastructure	755,318	9,728	-	-	675,075	36,004	-	711,079	53,967
Furniture and Fixtures	258,347	155,786	-	-	169,177	32,693	-	201,870	212,263
Land and land improvements	2,338,293	662,945	(36,663)	-	9,555	2,309	-	11,864	2,952,711
	<u>\$ 76,002,453</u>	<u>\$ 1,568,705</u>	<u>\$ (132,542)</u>	<u>\$ -</u>	<u>\$ 33,657,520</u>	<u>\$ 1,764,628</u>	<u>\$ (61,774)</u>	<u>\$ 35,360,374</u>	<u>\$ 42,078,242</u>

Supplemental Information:

Tangible capital assets under construction and not yet subject to amortization \$ 580,521

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, 2012

**10. ACCUMULATED SURPLUS**

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

	2012	2011
Surplus:		
Investment in tangible capital assets	\$ 40,156,185	\$ 40,296,479
Consolidated surplus	7,659,363	4,642,446
	47,815,548	44,938,925
Reserve funds set aside for specific purposes by Council:		
Stabilization	1,309,010	1,033,270
Equipment replacement	2,159,171	1,705,059
Land sales	277,723	1,567
Municipal buildings	27,713	27,434
RCMP building	87,152	86,274
Drainage	849,664	841,102
Water	510,331	408,323
Sewer	1,071,179	973,744
	6,291,943	5,076,773
	\$ 54,107,491	\$ 50,015,698

**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.

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

2013	\$ 17,400
2014	17,400
2015	17,400
2016	8,700
	\$ 60,900



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

**For the year ended December 31, 2012**

**12. CONTINGENCIES**

(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 Community Charter, 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, 2012 totaled \$90,701 (2011 – \$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 consolidated 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 District and its employees contribute to the Municipal Pension Plan ('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 176,000 active members and approximately 67,000 retired members. Active members include approximately 35,000 contributors from local governments.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of plan funding. The most recent valuation as at December 31, 2009 indicated an unfunded liability of \$1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. The actuary does not attribute portions of the unfunded liability to individual employers.



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

**For the year ended December 31, 2012**

**12. CONTINGENT LIABILITIES (continued)**

The District of Tumbler Ridge paid \$210,473 (2011 - \$197,682) for employer contributions while employees contributed \$178,568 (2011 - \$170,985) to the Plan in fiscal 2012.

(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 District
- British Columbia Assessment Authority
- Municipal Finance Authority
- Peace River Regional Hospital District
- 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 63% of the District's property taxation revenue.

**13. OBJECT REPORTING**

Classification of expenses by object:

	2012	2011
Salaries, wages and employee benefits	\$ 3,866,438	\$ 3,669,746
Materials, goods, supplies and utilities	2,907,932	1,564,244
Contracted and other services	964,085	2,632,089
Interest and finance charges	116,357	133,310
Amortization	1,764,628	1,741,283
Total expenses by object	\$ 9,619,440	\$ 9,740,672



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

**For the year ended December 31, 2012**

**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, Internment and Funeral Services Act. The fund balance has not been incorporated into the consolidated financial statements of the District.

	2012	2011
Alaska Challenge account	\$ 5,150	\$ 5,135
Cemetery Perpetual Care account	280	280
	\$ 5,430	\$ 5,415

**15. NET TAXATION REVENUE**

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

	2012	2011
Taxes collected		
General purpose	\$ 8,768,024	\$ 7,612,010
Collection for other governments	2,700,815	2,487,540
	11,468,839	10,099,550
Transfer to other governments		
Ministry of Education, Province of B.C.	1,597,365	1,511,348
Peace River Regional Hospital District	454,886	418,573
Peace River Regional District	360,544	304,551
British Columbia Assessment Authority	73,594	66,927
Municipal Finance Authority	156	142
Royal Canadian Mounted Police	214,270	192,733
	2,700,815	2,494,274
	\$ 8,768,024	\$ 7,612,010



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

For the year ended December 31, 2012

**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:

	2012	2011
Revenue:		
Provincial grants:		
Stimulus	\$ 1,503,913	\$ 1,266,882
Unconditional	517,635	504,787
Miscellaneous	460,620	875,234
	2,482,168	2,646,903
Federal grant:		
Gas tax	158,414	-
Miscellaneous	3,300	502,402
	161,714	502,402
Regional District:		
Waste management	65,038	55,514
	\$ 2,708,920	\$ 3,204,819

**17. RESTATEMENT**

During the year, management determined that unspent funds received under the Federal Gas Tax program were included in revenue instead of being included in deferred revenue. 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
<b>Statement of Financial Position</b>			
Deferred revenue	\$ 64,631		
Federal Gas Tax funds unspent		\$ 540,690	\$ 605,321
<b>Statement of Operations and Accumulated Surplus</b>			
Government transfers	3,353,744		
Federal Gas Tax funds unspent		(148,925)	3,204,819
Annual surplus	3,543,338	(148,925)	3,394,413
Accumulated Surplus, Opening	47,013,050		
Federal Gas Tax funds unspent		(391,765)	46,621,285
Accumulated Surplus, Closing	\$ 50,556,388	\$ (540,690)	\$ 50,015,698



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

**For the year ended December 31, 2012**

**18. BUDGET**

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

**19. COMPARATIVE FIGURES**

Certain of the comparative figures have been reclassified to conform with the presentation adopted in the current year.





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

**For the year ended December 31, 2012**

	<u>2012</u>	<u>2011</u>
		(restated)
Balance, beginning of year	\$ 540,690	\$ 391,764
Add: Amount received during year	148,925	148,925
Interest earned during year	5,504	1
	<u>695,119</u>	<u>540,690</u>
Less: Amount spent during year	(158,414)	-
Balance, end of year	<u>\$ 536,705</u>	<u>\$ 540,690</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.