



FORT ST JAMES

DISTRICT

District of Fort St. James

British Columbia
Canada

2008 Annual Report

Fiscal Year Ending December 31, 2008

District of Fort St. James

Annual Report

Fiscal Year Ended December 31, 2008

Table Of Contents	Page
Elected and Appointed Officials	3
Mayor’s Message	4
Notable Events and Accomplishments in 2008	5
Declaration on Disqualification of Councillors	5
Permissive Property Tax Exemptions	6
Progress Report on Council’s Objectives for 2008.....	7
Council’s Objectives For 2009 & 2010	10
Appendix: Audited Financial Statements	Following page 12



Telephone: 250-996-8233
Fax: 250-996-2248

www.fortstjames.ca
district@fortstjames.ca

Elected & Appointed Officials

2005-2008 Council Members



(left to right)

Councillor Byron Goerz
Councillor Kris Nielsen
Mayor Rob MacDougall
Councillor Brenda Gouglas
Councillor Keith Playfair

2008-2011 Council Members



(left to right)

Mayor Sandra Harwood
Councillor Dave Birdi
Councillor Brenda Gouglas
Councillor Kris Nielsen
Councillor Bev Playfair

2008 Appointed Officials

Chief Administrative Officer: Nigel Black
Public Works Superintendent: Dennis Saharchuk
Fire Chief: Rob Bennett



MAYOR'S MESSAGE

I am pleased to take this opportunity to provide an update to the citizens of Fort St. James regarding municipal services and operations in Fort St. James for the year 2008. Over the past year, Council has worked with staff and citizen volunteers to provide the residents of Fort St. James with the best possible municipal services and operations.

Council established a public visioning process in May 2007 and used this process to determine short and long term goals and objectives for the District. You will see that Council achieved a large degree of success in accomplishing the desired outcomes of their goals and objectives for the year. You will also see that there are a number of priorities that are ongoing and will continue to see attention and resources spent on them. I hope you will agree that the results have improved the community for the benefit of all residents.

As Council looks forward to this year and into the future, we will continue to set goals and report on progress on an ongoing basis. You will see in the balance of this report that Council has set goals and objectives for the current year and 2010. These goals and objectives will continue to be refined and developed as we proceed into the future.

2008 has continued to present some economic challenges, especially in the forest sector. Mayor and Council continue to work diligently with forest industry stakeholders while doing everything possible to diversify the economic base of the community.

Residents are welcome and encouraged to review this entire report and provide input on its contents for Council to consider as we strive to provide the best possible municipal services and operations for the citizens of Fort St. James.

Thank you for your ongoing support and input.

A handwritten signature in cursive script that reads "Sandra Harwood". The signature is written in black ink on a white background.

Sandra Harwood
Mayor

NOTABLE EVENTS AND ACCOMPLISHMENTS IN 2008

Municipal Services and Operations

- Community Forest operations continued and generated a profit
- Taxation increase was limited to an average 1.25% over 2007 rates
- Water, Sewer and Garbage user fees remained unchanged
- The summer recreation programs were well attended
- The Cottonwood Marina was at near capacity all season long
- The annual Canada Day celebration was a great success
- The Fort Forum was fully utilized by minor sports and other users
- The Mayor participated in the Northern Trust regional advisory committee
- The Mayor participated in the Omineca Beetle Action Coalition
- Invest Northern BC web site was replaced with an improved regional website, www.stuartnechako.ca.
- Received \$2,000,000 for the Job Opportunities Program to employ forest workers that were displaced by the economic downturn
- Started a comprehensive review of the Official Community Plan

Capital Improvements

- Purchase of a new wheel-loader
- Continued planning of the Community Centre and Arena Upgrades
- Started construction of the downtown Spirit Square Park
- Completed replacement of one finger of the Cottonwood Marina
- Paving of Library parking area
- Completed upgrade project on the sewer treatment lagoon
- Purchased a used sewer vacuum truck
- Purchased firefighter turnout gear and safety equipment
- Upgraded the emergency exit to the Emergency Operations Centre/Firehall

DECLARATION ON DISQUALIFICATION OF COUNCILLORS

There were no Disqualifications of Councillors of the District of Fort St. James in the year 2008.

PERMISSIVE PROPERTY TAX EXEMPTIONS

In accordance with Section 98(2)(b) of the Community Charter, Council provided permissive property tax exemptions to the following properties in 2008.

Legal Description	Civic Address	Organization	Value of Permissive Exemption
Lots 17-18, Block 1, Plan 1691, District Lot 110, Range 5, Coast Range 5 Land District; PID #012-616-486 and 012-616-494	222 Second Avenue West	United Church of Canada (Church Hall)	\$1,050
Lots 7-8, Block 2, Plan 1691, District Lot 110 & 111, Range 5, Coast Range 5 Land District; PID #012-637-505	237 Second Avenue West	Pentecostal Assemblies of Canada (Zion Chapel)	\$420
Lot 12, Block 2, Plan 3117, District Lot 110 & 111, Range 5, Coast Range 5 Land District; PID #012-352-268	271 Stuart Drive West	Anglican Synod Diocese Caledonia	\$335
Lot 6, Plan 4533, District Lot 110 & 111, Range 5, Coast Range 5 Land District; PID #011-546-468	603 Dogwood Street	Congregation of Jehovah Witnesses of Fort St. James	\$305
Lot A, Plan 4533, District Lot 111, Range 5, Coast Range 5 Land District, see H7923; PID #011-515-643	720 Fourth Avenue West	Fort St. James Evangelical Free Church	\$385
Lot 1, Plan 5467, District Lot 1266, Range 5, Coast Range 5 Land District; PID #010-468-480	1180-1200 Lakeshore Drive	Ranchery Holdings Inc. (Nak'albun School & Catholic Church)	\$2,150
Lot 16, Plan 8411, District Lot 4762, Range 5, Coast Range 5 Land District, see R/W D3196; PID #007-747-497	400 Ash Street East	Sahib Jorawar Singh- Sahib Fateh Singh Guru Sikh Temple	\$320
District Lot 3183, Range 5, Coast Range 5 Land District, Except Plans 4437, 4994, 5147; PID # 015-173-682	2704 Stones Bay Road (Class 8 portion only)	Stuart Lake Golf Club	\$2,960

PROGRESS REPORT ON COUNCIL’S OBJECTIVES FOR 2008

In the 2007 Annual Report, Council set objectives for 2008. These objectives, strategies and their outcomes as of December 31, 2008 are listed below.

Council

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Continuity of strategic direction	Continue to review direction and strive towards goals and objectives that were not met in 2006 and 2007	Completion of priorities from previous years	Ongoing
Continue to improve communication with the public	Develop a communication strategy	Communicate activities regularly to the public via newspaper columns, community meetings, website and other media	Ongoing
Complete the Economic Development Strategy	Continue to implement the short-term recommendations of the Economic Development Plan	Proceed with identified projects and priorities	Ongoing
Review the Official Community Plan	Complete a review of the Official Community Plan, incorporating results of Community Visioning Forum	An up-to-date revised Official Community Plan that reflect current community values	September 2009
Develop and Beautify the downtown core	Complete construction of the Spirit Square Park	Complete park construction	July 2009
	Improve and expand sidewalks	Complete sidewalk construction	September 2009

Taxation

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Continue with reasonable tax structure, with zero tax increase for 2009	Develop a Tax Policy	Establishment of a long term tax strategy	Included in 2009 Financial Plan Bylaw

Capital

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Continue to upgrade existing recreation facilities	Renovation to the Arena to include six new dressing rooms and additional storage space	Apply for funding through Towns for Tomorrow	Fall/Winter 2009
Construct new recreation facilities	Continue to work with community group to establish a Skateboard/Bike Park	Complete the Bike Skills Park	September 2008
	Obtain sufficient funding to construct a new community hall	Apply for grants through Western Economic Diversification	January 2008 (grant pending)

Capital (continued)

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Purchase necessary mobile and safety equipment	Evaluate the needs of the Fire Department	Purchase new pumper truck and other necessary equipment	September 2009
	Evaluate the needs of the Public Works Department	Purchase new Vactor truck, loader and attachments for the Tool Cat	May 2008
Improve streets and roads	Improvements to Douglas Street Bridge	Bridge improvements undertaken	2009
	Keep road surfaces in good condition	Identify streets that need paving or patching and undertake paving projects	Ongoing
Improve drinking water quality	Construct a water treatment facility	Reduced water hardness in water supplied to residents	No progress

Community Forest

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Continued development of the Community Forest	Continue to lobby for increased volume	Secure increase in volume	Ongoing
	Continue to lobby for a permanent solution to stumpage rates	Obtain long-term stumpage solution	Ongoing
		Maintain a healthy level of profit for the Community Forest	Ongoing
		Continue to allocate profits to Economic Development, Capital and Reserve Funds	Ongoing

Economic Development

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Improve the tourism profile of the Stuart Lake area	Hire a consultant to work with the community to create a marketable brand and logo	Brand and logo completed	December 2008
	Advertising campaign to market the area	Ads placed in suitable publications	March 2009
	Create user friendly tourism guide with maps	Guidebook completed	March 2009

Fire Department

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Make more effective use of the Fire Training Centre	Encourage lease of the facility to other users	Continue Justice Institute training	Ongoing
	Continue to host various training programs throughout the year	Work with region to encourage additional usage	Ongoing

**Fire Department
(continued)**

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Ensure the Firefighting force is adequate to cover protection areas	Maintain adequate number of trained volunteers	Full volunteer force	Ongoing
	Ensure that volunteers receive required training	Continued use of training centre for training and outside resources when necessary	Ongoing

Emergency Planning

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
To ensure effective management in emergency situations	Complete an updated Emergency Management Plan	Contract a consultant to complete the plan	January 2009
	Continue to engage all stakeholders in the process	Work with First Nations and Regional District	Ongoing
		Implement practice schedule for the Emergency Plan	Ongoing
		Continue to develop a working Emergency Operation Centre	Ongoing

Bylaw Enforcement

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
To address the number of unsightly premises in the community	Continue to lead by example	Ensure that developed municipal lots are well maintained	Ongoing
	Continue to act on complaints	Ensure action is taken on offenders if resources permit	Ongoing

Recreation

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Enhance recreation programming	Hire a permanent part time recreation programmer	Offer recreation programs for all ages throughout the year	Spring 2008
Maintain and improve our recreation facilities to a high standard	Proceed with potential improvement projects and identify funding	Install new seats in the arena	Summer 2008
		Continue to develop plans for community hall, arena dressing rooms and skateboard park.	Ongoing

COUNCIL'S GOALS & OBJECTIVES FOR 2009 AND 2010

In the 2007 Annual Report, Council established objectives for 2008 and 2009. They are reiterated below; many of these initiatives are under way at this time. Also included are objectives for 2010, and expected dates of completion

Council

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Continuity of strategic direction	Continue to review direction and strive towards goals and objectives that were not met in 2006 and 2007	Completion of priorities from previous years	Ongoing
Continue to improve communication with the public	Develop a communication strategy	Communicate activities regularly to the public via newspaper columns, community meetings, website and other media	Ongoing
Complete the Economic Development Strategy	Continue to implement the short-term recommendations of the Economic Development Plan	Proceed with identified projects and priorities	Ongoing
Review the Official Community Plan	Complete a review of the Official Community Plan, incorporating results of Community Visioning Forum	An up-to-date revised Official Community Plan that reflect current community values	September 2009
Develop and Beautify the downtown core	Complete construction of the Spirit Square Park	Complete park construction	July 2009
	Improve and expand sidewalks	Complete sidewalk construction	July 2009

Taxation

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Continue with reasonable tax structure	Develop a Tax Policy	Establishment of a long term tax strategy	2009

Capital

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Continue to upgrade existing recreation facilities	Renovation to the Arena to include five new dressing rooms and additional storage space	Apply for funding through Towns for Tomorrow Construction	Grant Approved. August 2009 Construction
Construct new recreation facilities	Obtain sufficient funding to construct a new community hall	Apply for grants through Western Economic Diversification	May 2010
Purchase necessary mobile and safety equipment	Evaluate the needs of the Fire Department	Purchase new pumper truck and other necessary equipment	September 2009

Capital (continued)

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Improve streets and roads	Improvements to Douglas Street Bridge	Bridge improvements undertaken	2009
	Keep road surfaces in good condition	Identify streets that need paving or patching and undertake paving projects	Ongoing
Improve drinking water quality	Construct a water treatment facility	Feasibility of reduced water hardness in water supplied to residents	Ongoing

Community Forest

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Continued development of the Community Forest	Continue to lobby for increased volume	Secure increase in volume	Ongoing
	Continue to lobby for a permanent solution to stumpage rates	Obtain long-term stumpage solution	Ongoing
		Maintain a healthy level of profit for the Community Forest	Ongoing
		Continue to allocate profits to Economic Development, Capital and Reserve Funds	Ongoing

Economic Development

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Improve the tourism profile of the Stuart Lake area	Advertising campaign to market the area	Ads placed in suitable publications	March 2009
	Create user friendly tourism guide with maps	Guidebook completed	March 2009

Fire Department

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Make more effective use of the Fire Training Centre	Encourage lease of the facility to other users	Continue Justice Institute training	Ongoing
	Continue to host various training programs throughout the year	Work with region to encourage additional usage	Ongoing
Ensure the Firefighting force is adequate to cover protection areas	Maintain adequate number of trained volunteers	Full volunteer force	Ongoing

Emergency Planning

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
	Ensure that volunteers receive required training	Continued use of training centre for training and outside resources when necessary	Ongoing
To ensure effective management in emergency situations	Complete an updated Emergency Management Plan	Contract a consultant to complete the plan	January 2009
	Continue to engage all stakeholders in the process	Work with First Nations and Regional District	Ongoing
		Implement practice schedule for the Emergency Plan	Ongoing
		Continue to develop a working Emergency Operation Centre	2009

Bylaws and Enforcement

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Update and improve regulatory bylaws	Adopt new cemetery regulation	New bylaw adopted	March 2009
	Adopt new business licence regulation	New bylaw adopted	September 2009
To address the number of unsightly premises in the community	Continue to lead by example	Ensure that developed municipal lots are well maintained	Ongoing
	Continue to act on complaints	Ensure action is taken on offenders if resources permit	Ongoing

Recreation

<i>Objective</i>	<i>Strategy/Measure</i>	<i>Desired Outcome</i>	<i>Completion</i>
Maintain and improve our recreation facilities to a high standard	Proceed with potential improvement projects and identify funding	Continue to develop plans for community hall, arena dressing rooms and skateboard park.	Ongoing

DISTRICT OF FORT ST. JAMES

FINANCIAL STATEMENTS

December 31, 2008

RHN SCHMITZ de GRACE
Chartered Accountants

DISTRICT OF FORT ST. JAMES
INDEX TO THE FINANCIAL STATEMENTS

December 31, 2008

	Page
Management's Report	2
Auditors' Report	3
Consolidated Financial Statements:	
- Statement of Financial Position	4
- Statement of Financial Activities	5
- Statement of Current Fund Operations	6
- Statement of Reserve Fund Operations	7
- Statement of Capital Fund Operations	8
- Statement of Cash Flow	9
- Statement of Investment in Tangible Capital Assets	10
- Notes to the Financial Statements	11-16
- Schedule 1 - Grants	17
- Schedule 2 - General Departmental Expenditure	18-19
Supplementary Financial Information:	
General Fund:	
- Exhibit A - Financial Position	20
- Exhibit B - Financial Activities	21
- Exhibit C - Current Fund Balance	22
- Exhibit D - Investment in Tangible Capital Assets	23
Sewer Fund:	
- Exhibit E - Financial Position	24
- Exhibit F - Financial Activities	25
- Exhibit G - Current Fund Balance	26
- Exhibit H - Investment in Tangible Capital Assets	27
Water Fund:	
- Exhibit I - Financial Position	28
- Exhibit J - Financial Activities	29
- Exhibit K - Current Fund Balance	30
- Exhibit L - Investment in Tangible Capital Assets	31
Reserve Funds:	
- Exhibit M - Financial Position	32
- Exhibit N - Reserve Financial Activities	33-35

MANAGEMENT'S REPORT

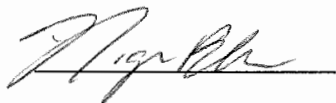
The accompanying consolidated financial statements of the District of Fort St. James (the "District") for the year ended December 31, 2008 and all information in this report are the responsibility of management.

The consolidated financial statements have been prepared by management, in accordance with generally accepted accounting principles established by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

To assist in its responsibility, management has established internal accounting systems to ensure that the financial information is objective and reliable and that the District's assets are appropriately accounted for and adequately safeguarded.

The Mayor and Council are responsible for ensuring management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements and the auditors' report.

The consolidated financial statements have been audited by independent auditors, RHN Schmitz de Grace Chartered Accountants, in accordance with Canadian generally accepted auditing standards and their audit report outlines the scope of their examination and their opinion on the financial statements.



Nigel Black, Chief Administrative Officer

Fort St. James, BC
March 6, 2009

RHN SCHMITZ de GRACE

Chartered Accountants

Partners

- Lynn Ross CA
- Norm Hildebrandt BBA, CA
- Kerry Nichiporik CA

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

• Denotes professional corporation

AUDITORS' REPORT

To the Mayor and Councillors of the District of Fort St. James

We have audited the consolidated statement of financial position of the District of Fort St. James (the "District") as at December 31, 2008 and the consolidated statements of financial activities, current fund operations, reserve fund operations, capital fund operations, cash flow and investment in tangible capital assets for the year then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion these financial statements present fairly, in all material respects, the financial position of the District as at December 31, 2008 and the results of its operations and cash flow for the year then ended.

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplementary information on the financial position and operating results of individual funds included in Exhibits A through N is presented for purposes of additional analysis. 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.

Prince George, BC
March 6, 2009


CHARTERED ACCOUNTANTS

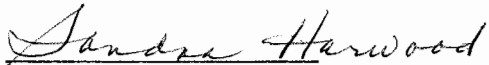
DISTRICT OF FORT ST. JAMES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2008

ASSETS

	<u>2008</u>	<u>2007</u>
FINANCIAL ASSETS		
Cash	\$ 1,936,401	\$ 1,709,000
Accounts Receivable	1,337,303	1,007,983
Prepaid Expenditures	31,832	28,774
Land Inventory (Note 3)	932,050	931,570
MFA Cash Deposits (Note 6)	8,194	7,863
	<u>4,245,780</u>	<u>3,685,190</u>
TANGIBLE CAPITAL ASSETS (Note 2)		
General	14,121,077	13,597,861
Sewer	2,698,701	2,431,779
Water	2,239,544	2,223,182
	<u>19,059,322</u>	<u>18,252,822</u>
	<u>\$ 23,305,102</u>	<u>\$ 21,938,012</u>

Approved by:



Mayor



Chief Administrative Officer

LIABILITIES

	<u>2008</u>	<u>2007</u>
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 410,623	\$ 281,459
Deferred Revenue (Note 8)	<u>532,469</u>	<u>291,818</u>
	943,092	573,277
MFA CASH RESERVES (Note 6)	8,194	7,863
CONDITIONAL SALES CONTRACTS (Note 5)	103,315	196,279
LONG TERM DEBT (Note 4)	<u>122,186</u>	<u>139,294</u>
	<u>1,176,787</u>	<u>916,713</u>

FINANCIAL POSITION

FINANCIAL EQUITY		
Current Fund	873,122	851,590
Reserve Fund	1,600,432	1,431,519
Capital Fund	<u>-</u>	<u>-</u>
	2,473,554	2,283,109
INVESTMENT IN TANGIBLE CAPITAL ASSETS	<u>19,654,761</u>	<u>18,738,190</u>
	<u>22,128,315</u>	<u>21,021,299</u>
CONTINGENT LIABILITIES (Note 7)		
	<u>\$ 23,305,102</u>	<u>\$ 21,938,012</u>

RHN SCHMITZ de GRACE

See notes to the consolidated financial statements Chartered Accountants

DISTRICT OF FORT ST. JAMES
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2008

	2008		2007
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
REVENUE			
Taxation (Note 9)	\$ 1,403,706	\$ 1,434,134	\$ 1,374,171
Grants (Schedule 1)	1,392,102	2,251,234	1,114,420
User Charges	301,770	298,268	293,303
Sale of Services	187,100	188,041	192,317
Grants in Lieu of Taxes	195,588	184,268	200,943
Internal Charges	151,500	178,128	171,362
Other Revenue	198,526	196,582	629,447
Rentals and Leases	121,582	66,501	88,121
Community Forest	600,000	576,735	225,255
Frontage Tax	64,258	64,452	64,244
Interest and Investment Income	39,700	138,823	84,088
Nak'azdli Band	27,600	27,600	27,600
	<u>4,683,432</u>	<u>5,604,766</u>	<u>4,465,271</u>
EXPENDITURES			
General (Schedule 2)	2,838,546	3,837,687	2,753,353
Sewer System Operations	139,811	150,588	138,229
Water System Operations	123,901	121,325	139,903
Interest on Long-Term Debt	23,244	38,465	23,135
Reserve and Trust Expenditures	-	108,960	1,517
Capital Expenditures	1,706,000	1,056,584	589,282
	<u>4,831,502</u>	<u>5,313,609</u>	<u>3,645,419</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>(148,070)</u>	<u>291,157</u>	<u>819,852</u>
Debt Principal Repayments	(119,963)	(100,712)	(155,744)
Funding Adjustment	-	-	(3,654)
	<u>(119,963)</u>	<u>(100,712)</u>	<u>(159,398)</u>
CHANGE IN FINANCIAL EQUITY	(268,033)	190,445	660,454
FINANCIAL EQUITY AT BEGINNING OF THE YEAR	<u>2,283,109</u>	<u>2,283,109</u>	<u>1,622,655</u>
FINANCIAL EQUITY AT END OF YEAR	<u>\$ 2,015,076</u>	<u>\$ 2,473,554</u>	<u>\$ 2,283,109</u>

DISTRICT OF FORT ST. JAMES
CONSOLIDATED STATEMENT OF CURRENT FUND OPERATIONS

For the year ended December 31, 2008

	2008		2007
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
REVENUE			
Taxation (Note 9)	\$ 1,403,706	\$ 1,434,134	\$ 1,374,171
Grants (Schedule 1)	1,097,252	2,191,734	989,156
User Charges	301,770	298,268	293,303
Sale of Services	187,100	188,041	192,317
Grants in Lieu of Taxes	195,588	184,268	200,943
Internal Charges	151,500	178,128	171,362
Rentals and Leases	121,582	66,501	88,121
Community Forest	600,000	576,735	225,255
Frontage Tax	64,258	64,452	64,244
Interest and Investment Income	39,700	99,675	57,977
Licences and Permits	29,300	26,544	32,458
Nak'azdli Band	27,600	27,600	27,600
Miscellaneous Revenue	14,848	30,472	24,881
Hydrant Rental	7,500	7,500	7,500
	<u>4,241,704</u>	<u>5,374,052</u>	<u>3,749,288</u>
EXPENDITURES			
General Departmental Expenditures (Schedule 2)	2,838,546	3,837,687	2,753,353
Sewer System Operations	139,811	150,588	138,229
Water System Operations	123,901	121,325	139,903
Interest on Long Term Debt	23,244	38,465	23,135
	<u>3,125,502</u>	<u>4,148,065</u>	<u>3,054,620</u>
NET REVENUE FOR THE YEAR	<u>1,116,202</u>	<u>1,225,987</u>	<u>694,668</u>
DEDUCTIONS FROM NET REVENUE			
Debt Principal Repayment	(119,963)	(100,712)	(155,744)
Funding Adjustment	-	-	(3,654)
Contributions to Capital Fund	(1,008,150)	(829,246)	(463,793)
Transfer to Reserve Funds	(125,000)	(318,991)	(245,735)
Transfer to Trust Funds	(750)	(573)	(585)
Transfers from Reserve Funds	97,027	45,067	54,570
	<u>(1,156,836)</u>	<u>(1,204,455)</u>	<u>(814,941)</u>
CHANGE IN CURRENT FUND BALANCE	(40,634)	21,532	(120,273)
CURRENT FUND BALANCE AT BEGINNING OF THE YEAR	<u>851,590</u>	<u>851,590</u>	<u>971,863</u>
CURRENT FUND BALANCE AT END OF THE YEAR	<u>\$ 810,956</u>	<u>\$ 873,122</u>	<u>\$ 851,590</u>
Balance is comprised of the following:			
General		\$ 405,480	\$ 241,793
Sewer		72,118	280,460
Water Utility		395,524	329,337
		<u>\$ 873,122</u>	<u>\$ 851,590</u>

See notes to the consolidated financial statements

RHN SCHMITZ de GRACE
Chartered Accountants

DISTRICT OF FORT ST. JAMES
CONSOLIDATED STATEMENT OF RESERVE FUND OPERATIONS

For the year ended December 31, 2008

	2008		2007
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
REVENUE			
Interest and Investment Income	\$ 18,200	\$ 39,148	\$ 26,111
Grant - Federal Government	79,878	65,066	62,368
Donations	-	-	502,015
	<u>98,078</u>	<u>104,214</u>	590,494
EXPENDITURES	<u>-</u>	<u>108,960</u>	<u>1,517</u>
NET REVENUE FOR THE YEAR	<u>98,078</u>	<u>(4,746)</u>	<u>588,977</u>
OTHER			
Contributions to Capital Fund	(156,000)	(100,838)	-
Transfer to Current Fund	(97,027)	(45,067)	(54,570)
Transfer from Current Fund	151,810	319,564	246,320
	<u>(101,217)</u>	<u>173,659</u>	<u>191,750</u>
CHANGE IN RESERVE FUND BALANCE	(3,139)	168,913	780,727
RESERVE FUND BALANCE AT BEGINNING OF THE YEAR	<u>1,431,519</u>	<u>1,431,519</u>	<u>650,792</u>
RESERVE FUND BALANCE AT END OF THE YEAR	<u>\$ 1,428,380</u>	<u>\$ 1,600,432</u>	<u>\$ 1,431,519</u>

DISTRICT OF FORT ST. JAMES
CONSOLIDATED STATEMENT OF CAPITAL FUND OPERATIONS

For the year ended December 31, 2008

	2008		2007
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
SOURCES OF CAPITAL FINANCING			
Net Interfund Transfers from Current Fund	\$ 1,008,150	\$ 829,246	\$ 463,793
Net Interfund Transfers from Reserve Fund	156,000	100,838	-
Grants			
Federal Government	180,000	-	-
Provincial Government	289,850	55,000	-
Nak'azdli Band	-	-	45,264
Regional District	-	-	80,000
Other	5,000	4,500	-
Proceeds on Sale of Tangible Capital Assets	42,000	42,000	225
Donations	25,000	25,000	-
	<u>1,706,000</u>	<u>1,056,584</u>	<u>589,282</u>
CAPITAL EXPENDITURES			
Represented by:			
General Government	106,500	5,440	15,254
Fire Equipment	76,000	81,128	73,968
Roads and Streets (Paving)	519,000	250,972	174,130
Recreation	791,000	435,760	50,749
Sewer System	190,500	266,922	264,303
Water System	23,000	16,362	10,878
	<u>1,706,000</u>	<u>1,056,584</u>	<u>589,282</u>
CHANGE IN CAPITAL FUND BALANCE	-	-	-
CAPITAL FUND BALANCE AT BEGINNING OF THE YEAR	-	-	-
CAPITAL FUND BALANCE AT END OF THE YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to the consolidated financial statements

RHN SCHMITZ de GRACE
Chartered Accountants

DISTRICT OF FORT ST. JAMES
CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended December 31, 2008

	<u>2008</u>	<u>2007</u>
CASH PROVIDED (USED) BY:		
Operating Activities		
Excess of Revenue over Expenditures	\$ 291,157	\$ 819,852
Changes in Non-Cash Working Capital Items		
Accounts and Grants Receivable	(329,320)	(221,894)
Accounts Payable and Accrued Liabilities	369,815	304,734
Other	<u>(3,539)</u>	<u>(104,202)</u>
	<u>328,113</u>	<u>798,490</u>
Financing Activities		
Debt Principal Repayments	(100,712)	(155,744)
Funding Adjustment	<u>-</u>	<u>(3,654)</u>
	<u>(100,712)</u>	<u>(159,398)</u>
INCREASE IN CASH	227,401	639,092
CASH AT BEGINNING OF THE YEAR	<u>1,709,000</u>	<u>1,069,908</u>
CASH AT END OF THE YEAR	<u>\$ 1,936,401</u>	<u>\$ 1,709,000</u>

DISTRICT OF FORT ST. JAMES
CONSOLIDATED STATEMENT OF INVESTMENT IN TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2008

	<u>2008</u>	<u>2007</u>
BALANCE AT BEGINNING OF THE YEAR	\$ 18,738,190	\$ 18,010,350
ACTUARIAL ADJUSTMENT REDUCING LONG-TERM DEBT	8,035	7,221
CONTRIBUTIONS FROM CURRENT FUND		
Debt Reduction	9,073	9,073
Acquisition of Tangible Capital Assets	795,167	463,793
Conditional Sales Contract Payments	92,964	139,451
CONTRIBUTIONS FROM RESERVE FUNDS		
Cottonwood Park	7,003	-
Municipal Hall and Library	93,835	-
CAPITAL GRANTS		
Infrastructure Grant	59,500	45,264
Contribution from Regional District	34,079	80,000
CONTRIBUTION FROM OTHERS		
Donations	25,000	-
Proceeds on Disposal of Tangible Capital Assets	42,000	225
COST OF TANGIBLE CAPITAL ASSETS SOLD	<u>(250,085)</u>	<u>(17,187)</u>
CHANGE IN THE YEAR	<u>916,571</u>	<u>727,840</u>
BALANCE AT END OF THE YEAR	<u>\$ 19,654,761</u>	<u>\$ 18,738,190</u>
Balance is comprised of the following:		
General	\$ 14,716,516	\$ 14,083,229
Sewer	2,698,701	2,431,779
Water Utility	2,239,544	2,223,182
	<u>\$ 19,654,761</u>	<u>\$ 18,738,190</u>

See notes to the consolidated financial statements

RHN SCHMITZ de GRACE
Chartered Accountants

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

1. SIGNIFICANT ACCOUNTING POLICIES

The District of Fort St. James (the "District") is a local government in the Province of British Columbia. The District prepares its financial statements in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. The accounting policies of the District include the following:

Basis of Accounting

The consolidated financial statements include the accounts of all the funds of the District. Inter-fund transactions and balances have been eliminated.

Current funds include the revenues, expenditures and operating assets and liabilities of the District's operations. The general current, water utility current and sewer utility current funds are responsible for general government, water utility and sewer utility operations respectively.

Capital funds include property, buildings and equipment used in the District's general, water and sewer funds, together with related debt. Repayments of debt are made from and charged to the respective current funds.

Trust funds include assets held for specific purposes, while funds in reserve are subject to certain restrictions.

Budgeted figures disclosed throughout the financial statements have been extracted from the initial 2008 Financial Plan Bylaw #860 adopted on May 14, 2008.

Inventories of Supplies

Inventory is recorded at the lower of cost and market value.

Land Inventory

The District is engaged in the development of land for resale. The costs of development are recovered from land sales with profits retained in the Land Acquisition and Development Reserve Fund.

Tangible Capital Assets

Tangible Capital assets are recorded at cost and are not amortized.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported of sales and expenses during the year. Actual results could differ from management's best estimates as additional information becomes available in the future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

1. SIGNIFICANT ACCOUNTING POLICIES, continued

Financial Instruments and Fair Values

It is management's opinion that the District is not exposed to significant interest, currency or credit risks arising from its financial instruments, unless otherwise noted. The fair values of the District's financial instruments approximate their carrying values, unless otherwise noted.

Future Accounting Developments

During the year, the District consulted the transitional provision guidelines of Public Sector Guideline 7 (PSG-7) in relation to the implementation and disclosure of tangible capital assets. The District has commenced the process of inventorying its assets by major category which includes, land, buildings, machinery and equipment, furniture and fixtures, information technology infrastructure, roads, water and sewer systems. Where necessary consultants have been engaged to assist in the inventorying and valuation process. The District is expected have fully adopted Public Sector Handbook Section 3150 (PS3150) for the year ending December 31, 2009.

2. TANGIBLE CAPITAL ASSETS

	<u>2008</u>	<u>2007</u>
GENERAL FUND		
Engineered Structures	\$ 6,015,397	\$ 5,702,229
Buildings	4,462,858	4,315,139
Machinery and Equipment	3,041,971	2,979,642
Land	600,851	600,851
	<u>14,121,077</u>	<u>13,597,861</u>
SEWER FUND		
Treatment and Disposal System	1,874,554	1,685,189
Lift Stations	416,102	416,102
Collections System	405,245	327,688
Land	2,800	2,800
	<u>2,698,701</u>	<u>2,431,779</u>
WATER FUND		
Transmission and Distribution System	2,238,644	2,222,282
Land	900	900
	<u>2,239,544</u>	<u>2,223,182</u>
	<u>\$ 19,059,322</u>	<u>\$ 18,252,822</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

3. LAND INVENTORY

	<u>2008</u>	<u>2007</u>
Lot 4, DL 1266	\$ 175,540	\$ 175,540
Lot 2, DL 1266	100,309	100,309
Lot 3, DL 1266	95,414	95,414
Lot 1, DL 1266	75,231	75,231
Murray Rd. Subdivision	50,311	50,311
Heathmont Street Subdivision	10,635	10,635
Watertower	57,754	57,754
Lot 13, DL 4762, Murray Rd.	17,547	17,547
Fourth Avenue	6,800	6,800
Lot 21, 707 W. 2nd Avenue	5,354	5,354
Ash Street	7,309	7,309
FSJ All Nations	109,986	109,986
Resort Hill	1,124	644
Stuart Drive	<u>83,444</u>	<u>83,444</u>
	796,758	796,278
Land held for Future Development	<u>135,292</u>	<u>135,292</u>
	<u>\$ 932,050</u>	<u>\$ 931,570</u>

4. LONG-TERM DEBT

Bylaw Number	Purpose	Amount Issued	Repaid to Date	<u>2008</u>	<u>2007</u>
<u>General Fund</u>					
572	Ambulance Station	\$ 300,000	\$ 177,814	<u>\$ 122,186</u>	<u>\$ 139,294</u>

This loan is repayable over 20 years with interest at 8.95% per annum and matures in 2014.

Principal repayments on existing debt over the next five years are as follows:

	<u>General Fund</u>	<u>Water Fund</u>	<u>Sewer Fund</u>
2009	\$ 9,073	\$ -	\$ -
2010	9,073	-	-
2011	9,073	-	-
2012	9,073	-	-
2013	<u>9,073</u>	<u>-</u>	<u>-</u>
	<u>\$ 45,365</u>	<u>\$ -</u>	<u>\$ -</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

5. **CONDITIONAL SALES CONTRACTS**

	<u>2008</u>	<u>2007</u>
Municipal Finance Authority - repayable in monthly instalments including interest at various rates, secured by specific pieces of equipment, with various due dates.	<u>\$ 103,315</u>	<u>\$ 196,279</u>

Payments required over the next two years are as follows:

2009	\$ 92,946
2010	\$ 10,369

6. **MFA RESERVES**

	<u>General Capital</u>	<u>Sewer Capital</u>	<u>Water Capital</u>	<u>Total</u>
MFA Reserves				
Balance at Beginning of the Year	\$ 7,863	\$ -	\$ -	\$ 7,863
Interest Allocation	340	-	-	340
Expenses	(9)	-	-	(9)
Balance at End of the Year	<u>\$ 8,194</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,194</u>

7. **CONTINGENT LIABILITIES**MFA Issues

The District is jointly and severally liable, as a member of the Regional District of Bulkley-Nechako, for any sinking fund deficiencies on capital debt issued through the Regional District.

In addition, the District has issued demand notes to the Regional District of Bulkley-Nechako totalling \$8,194. These notes are callable by the Regional District to meet the obligations, should the need arise, of the Municipal Finance Authority debt reserve fund.

Pension Issues

The municipality and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trusteed pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer contributory pension plan. Basic pension benefits provided are defined. The plan has about 150,000 active members and approximately 54,000 retired members. Active members include approximately 32,000 contributors from local government.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

7. CONTINGENT LIABILITIES, CONTINUED

Pension Issues, continued

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, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009, with results available in 2010. The actuary does not attribute portions of the surplus to individual employers. The District of Fort St. James paid \$63,301 for employer contributions to the plan in fiscal 2008.

MIA

The District is insured through 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 this deficit.

8. DEFERRED REVENUE

	<u>2008</u>	<u>2007</u>
Mountain Pine Beetle Road Grant	\$ 500,000	\$ -
Emergency Planning	15,792	3,660
Union of BC Municipalities (UBCM)	7,670	16,405
Business Licences	6,885	6,636
Fort St. James All Nations Grant	2,122	260,617
EOC Integris Grant	-	4,500
	<u>\$ 532,469</u>	<u>\$ 291,818</u>

9. TAXATION - net

	<u>2008</u>		<u>2007</u>
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
General Municipal Purposes	\$ 1,403,706	\$ 1,434,133	\$ 1,374,496
Collection for Other Governments:			
School District No. 91	718,745	620,667	701,195
Regional District	300,000	248,408	316,116
Northern Interior Regional Hospital District	102,464	106,123	99,965
Police Taxes	52,956	53,665	51,664
BC Assessment Authority	16,895	16,276	16,483
Municipal Finance Authority	31	24	30
	<u>2,594,797</u>	<u>2,479,296</u>	<u>2,559,949</u>
Less: Collections for Other Governments	<u>1,191,091</u>	<u>1,045,162</u>	<u>1,185,778</u>
Net Taxation Available for Municipal Purposes	<u>\$ 1,403,706</u>	<u>\$ 1,434,134</u>	<u>\$ 1,374,171</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2008

10. **GAS TAX AGREEMENT**

Gas Tax and Public Transit funding is provided by the Government of Canada. The use of the funding is established by a funding agreement between the Municipality and the Union of British Columbia Municipalities (UBCM). Gas Tax Agreement funding may be used towards designated public transit, community energy, water, wastewater, solid waste and capacity building projects, as specified in the funding agreements.

DISTRICT OF FORT ST. JAMES

17

CONSOLIDATED SCHEDULE OF GRANTS

Schedule 1

For the year ended December 31, 2008

	2008		2007
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
OPERATING - PROVINCIAL GOVERNMENT			
GENERAL CURRENT FUND			
Revenue Sharing	\$ 344,143	\$ 347,203	\$ 307,825
Miscellaneous	328,937	1,573,555	516,280
	673,080	1,920,758	824,105
OPERATING - FEDERAL GOVERNMENT			
GENERAL CURRENT FUND			
Economic Development	157,000	24,113	-
Recreation Program	4,000	2,000	-
Canada Day	2,000	2,162	2,000
	163,000	28,275	2,000
OTHER OPERATING GRANTS			
GENERAL CURRENT FUND			
Nak'azdli Reserve Fire Protection	32,900	32,900	32,900
Regional District - Fire Protection	110,212	114,815	114,391
- Arena Benefit Area	15,760	15,760	15,760
- Tourism	8,000	-	-
Other	94,300	79,226	-
	261,172	242,701	163,051
TOTAL OPERATING GRANTS	<u>1,097,252</u>	<u>2,191,734</u>	<u>989,156</u>
GENERAL CAPITAL FUND			
Provincial Government - Infrastructure	289,850	55,000	-
Other	5,000	4,500	-
	294,850	59,500	-
SEWER CAPITAL FUND			
Regional District	-	-	80,000
Nak'azdli Infrastructure	-	-	45,264
	-	-	125,264
TOTAL CAPITAL GRANTS	<u>294,850</u>	<u>59,500</u>	<u>125,264</u>
TOTAL GRANTS	<u>\$ 1,392,102</u>	<u>\$ 2,251,234</u>	<u>\$ 1,114,420</u>

See notes to the consolidated financial statements

RHN SCHMITZ de GRACE
Chartered Accountants

DISTRICT OF FORT ST. JAMES

SCHEDULE OF GENERAL DEPARTMENTAL EXPENDITURE

For the year ended December 31, 2008

	2008		2007
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
GENERAL GOVERNMENT SERVICES			
Administrative	\$ 655,422	\$ 621,059	\$ 889,899
Economic Development	338,027	133,182	72,299
Legislative Council Indemnity	36,495	34,912	35,763
Job Opportunity Program	-	1,281,968	-
	<u>1,029,944</u>	<u>2,071,121</u>	<u>997,961</u>
PROTECTIVE SERVICES			
Fire Protection	261,923	254,808	285,968
Fire Training Facility	42,361	22,406	29,915
Animal and Pest Control	15,100	15,897	14,752
Building Inspection	6,350	4,011	8,131
Ambulance Station	4,672	3,082	5,647
Municipal Emergency Program	313,675	292,962	252,141
	<u>644,081</u>	<u>593,166</u>	<u>596,554</u>
PUBLIC WORKS			
Roads and Streets	443,787	491,573	501,576
Common Services	155,440	143,998	167,316
Air and Water Transport	39,827	40,188	40,319
Special Projects	10,000	8,740	10,365
Traffic Services	10,000	10,841	9,858
	<u>659,054</u>	<u>695,340</u>	<u>729,434</u>
ENVIRONMENTAL HEALTH			
Garbage Disposal	83,437	86,416	80,645
Garbage Discounts	11,000	10,571	10,604
	<u>94,437</u>	<u>96,987</u>	<u>91,249</u>
PUBLIC HEALTH			
Cemetaries	<u>7,355</u>	<u>4,856</u>	<u>4,408</u>

DISTRICT OF FORT ST. JAMES

SCHEDULE OF GENERAL DEPARTMENTAL EXPENDITURE

For the year ended December 31, 2008

	<u>2008</u>		<u>2007</u>
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
ENVIRONMENTAL DEVELOPMENT			
Planning and Zoning	\$ 25,000	\$ 25,201	\$ -
RECREATIONAL AND CULTURAL			
Arena	203,898	193,741	192,184
Library	91,257	83,836	85,644
Parks and Playground	42,520	37,172	27,531
Summer Recreation	41,000	36,267	28,388
	<u>378,675</u>	<u>351,016</u>	<u>333,747</u>
TOTAL GENERAL EXPENDITURES	<u>\$ 2,838,546</u>	<u>\$ 3,837,687</u>	<u>\$ 2,753,353</u>

RHN SCHMITZ de GRACE

See notes to the consolidated financial statements Chartered Accountants

DISTRICT OF FORT ST. JAMES
GENERAL
STATEMENT OF FINANCIAL POSITION

December 31, 2008

ASSETS

CURRENT FUND

	<u>2008</u>	<u>2007</u>
CURRENT ASSETS		
Cash	\$ 1,936,401	\$ 1,709,000
Accounts Receivable		
Sundry	1,092,806	759,994
Taxes	89,709	122,927
Federal Government	57,904	38,998
Due from Sewer Capital Fund	46,127	46,127
Due from General Capital Fund	111,110	110,629
Prepaid Expenditures	31,832	28,774
	<u>3,365,889</u>	<u>2,816,449</u>
MFA DEPOSITS (Note 6)	<u>8,194</u>	<u>7,863</u>
	<u><u>\$ 3,374,083</u></u>	<u><u>\$ 2,824,312</u></u>

CAPITAL FUND

LAND INVENTORY (Note 3)	\$ 932,050	\$ 931,570
TANGIBLE CAPITAL ASSETS (Note 2)	<u>14,121,077</u>	<u>13,597,861</u>
	<u><u>\$ 15,053,127</u></u>	<u><u>\$ 14,529,431</u></u>

LIABILITIES AND SURPLUS

CURRENT FUND

	<u>2008</u>	<u>2007</u>
CURRENT LIABILITIES		
Accounts Payable and Accrued Charges	\$ 943,092	\$ 573,277
Due to Reserve Funds	1,600,432	1,431,519
Due to Water Current Fund	370,829	310,565
Due to Sewer Current Fund	<u>46,056</u>	<u>259,295</u>
	2,960,409	2,574,656
MFA RESERVES (Note 6)	8,194	7,863
CURRENT FUND BALANCE	<u>405,480</u>	<u>241,793</u>
	<u><u>\$ 3,374,083</u></u>	<u><u>\$ 2,824,312</u></u>

CAPITAL FUND

CONDITIONAL SALES CONTRACTS (Note 5)	\$ 103,315	\$ 196,279
LONG-TERM DEBT (Note 4)	122,186	139,294
DUE TO GENERAL REVENUE	111,110	110,629
INVESTMENT IN TANGIBLE CAPITAL ASSETS	<u>14,716,516</u>	<u>14,083,229</u>
CONTINGENT LIABILITIES (Note 7)	<u><u>\$ 15,053,127</u></u>	<u><u>\$ 14,529,431</u></u>

DISTRICT OF FORT ST. JAMES
GENERAL
STATEMENT OF FINANCIAL ACTIVITIES
For the year ended December 31, 2008

REVENUE

	2008		2007
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
TAXATION			
Property Taxes, net (Note 9)	\$ 1,403,706	\$ 1,434,134	\$ 1,374,171
Grants in Lieu of Taxes	195,588	184,268	200,943
	<u>1,599,294</u>	<u>1,618,402</u>	<u>1,575,114</u>
SALE OF SERVICES			
Garbage Collection	95,000	95,508	95,159
Other Services	600	11,512	10,341
Recreation and Cultural Services	91,500	81,021	86,817
	<u>187,100</u>	<u>188,041</u>	<u>192,317</u>
LICENCES AND PERMITS			
Business Licences	23,500	22,863	24,303
Building Permits	4,000	2,105	6,725
Dog Licences and Fees	1,300	1,245	950
Municipal Vehicle Licences	500	331	480
	<u>29,300</u>	<u>26,544</u>	<u>32,458</u>
RENTALS			
Ambulance Station Rental	40,680	40,680	40,680
Fire Training Facility	68,200	13,300	35,114
Property Rentals	12,702	12,521	12,327
	<u>121,582</u>	<u>66,501</u>	<u>88,121</u>
COMMUNITY FOREST	<u>600,000</u>	<u>576,735</u>	<u>225,255</u>
MISCELLANEOUS			
Other Revenue	5,500	25,090	18,017
Cemetary	5,500	2,713	3,110
School Tax Administration Fee	3,848	2,669	3,754
	<u>14,848</u>	<u>30,472</u>	<u>24,881</u>
INTEREST AND PENALTIES			
Tax Penalties and Interest	20,000	76,958	23,006
Return on Investments	10,000	7,495	12,332
	<u>30,000</u>	<u>84,453</u>	<u>35,338</u>
INTERFUND ALLOCATIONS AND TRANSFERS			
Equipment Services	113,000	139,628	132,862
Supervisory Services	38,500	38,500	38,500
	<u>151,500</u>	<u>178,128</u>	<u>171,362</u>
TRANSFERS FROM OTHER GOVERNMENTS			
Provincial Government	673,080	1,920,758	824,105
Federal Government	163,000	28,275	2,000
Nak'azdli Reserve Fire Protection	32,900	32,900	32,900
Regional District			
Fire Protection	110,212	114,815	114,391
Tourism	8,000	-	-
Arena Benefiting Area	15,760	15,760	15,760
Other	94,300	79,226	-
	<u>1,097,252</u>	<u>2,191,734</u>	<u>989,156</u>
TRANSFERS FROM RESERVE FUNDS			
Community Forest	97,027	45,067	54,570
	<u>97,027</u>	<u>45,067</u>	<u>54,570</u>
	<u>\$ 3,927,903</u>	<u>\$ 5,006,077</u>	<u>\$ 3,388,572</u>

EXPENDITURES

	2008		2007
	Budget (unaudited)	Actual	Actual
DEPARTMENTAL			
General Government Services	\$ 1,029,944	\$ 2,071,121	\$ 997,961
Public Works	659,054	695,340	729,434
Recreation and Cultural	378,675	351,016	333,747
Protective Services	644,081	593,166	596,554
Environmental Health Services	94,437	96,987	91,249
Public Health	7,355	4,856	4,408
Environmental Development	25,000	25,201	-
	<u>2,838,546</u>	<u>3,837,687</u>	<u>2,753,353</u>
FISCAL SERVICES			
Principal Debt Repayments	119,963	100,712	155,744
Interest on Debentures, Tax Assessment Appeals and Other Debt	23,244	38,465	23,135
Funding Adjustment	-	-	3,654
	<u>143,207</u>	<u>139,177</u>	<u>182,533</u>
CONTRIBUTIONS TO OTHER FUNDS			
General Capital Fund	794,650	545,962	313,876
Cemetery Trust	750	573	585
Arena (Equipment and Capital)	-	-	7,880
Land Development	-	-	12,600
Fire Department Equipment	26,060	-	-
Community Forest	125,000	318,991	225,255
	<u>946,460</u>	<u>865,526</u>	<u>560,196</u>
TOTAL EXPENDITURES	3,928,213	4,842,390	3,496,082
CHANGE IN CURRENT FUND	<u>(310)</u>	<u>163,687</u>	<u>(107,510)</u>

\$ 3,927,903 \$ 5,006,077 \$ 3,388,572

RHN SCHMITZ de GRACE
Chartered Accountants

See notes to the consolidated financial statements

DISTRICT OF FORT ST. JAMES
GENERAL
STATEMENT OF CURRENT FUND BALANCE
For the year ended December 31, 2008

	<u>2008</u>	<u>2007</u>
BALANCE AT BEGINNING OF THE YEAR	\$ 241,793	\$ 349,303
CHANGE IN CURRENT YEAR	<u>163,687</u>	<u>(107,510)</u>
BALANCE AT END OF THE YEAR	<u>\$ 405,480</u>	<u>\$ 241,793</u>

DISTRICT OF FORT ST. JAMES

GENERAL

STATEMENT OF INVESTMENT IN TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2008

	<u>2008</u>	<u>2007</u>
BALANCE AT BEGINNING OF THE YEAR	\$ 14,083,229	\$ 13,630,570
ACTUARIAL ADJUSTMENT	8,035	7,221
CONTRIBUTIONS FROM CURRENT FUND		
Acquisition of Tangible Capital Assets	511,883	313,876
Conditional Sales Contract Payments	92,964	139,451
Debt Reduction	9,073	9,073
CONTRIBUTIONS FROM RESERVE FUNDS		
Cottonwood Park	7,003	-
Community Centre	93,835	-
CAPITAL GRANTS		
Infrastructure Grant	59,500	-
CONTRIBUTION FROM OTHERS		
Donation for Bike Park	25,000	-
Sale of Tangible Capital Assets	42,000	225
Contribution From Regional District	34,079	-
COST OF TANGIBLE CAPITAL ASSETS SOLD	<u>(250,085)</u>	<u>(17,187)</u>
CHANGE IN THE YEAR	<u>633,287</u>	<u>452,659</u>
BALANCE AT END OF THE YEAR	<u><u>\$ 14,716,516</u></u>	<u><u>\$ 14,083,229</u></u>

RHN SCHMITZ de GRACE

See notes to the consolidated financial statements Chartered Accountants

DISTRICT OF FORT ST. JAMES
SEWER UTILITY
STATEMENT OF FINANCIAL POSITION

December 31, 2008

ASSETS

CURRENT FUND

	<u>2008</u>	<u>2007</u>
CURRENT ASSETS		
Accounts Receivable		
Sewer Rates	\$ 26,062	\$ 21,165
Due from General Revenue Fund	<u>46,056</u>	<u>259,295</u>
	<u>\$ 72,118</u>	<u>\$ 280,460</u>

CAPITAL FUND

ACCOUNTS RECEIVABLE	\$ 46,127	\$ 46,127
TANGIBLE CAPITAL ASSETS (Note 2)		
Sewer System	<u>2,698,701</u>	<u>2,431,779</u>
	<u>\$ 2,744,828</u>	<u>\$ 2,477,906</u>

LIABILITIES AND SURPLUS

CURRENT FUND

	<u>2008</u>	<u>2007</u>
CURRENT FUND BALANCE	<u>\$ 72,118</u>	<u>\$ 280,460</u>

CAPITAL FUND

DUE TO GENERAL FUND	\$ 46,127	\$ 46,127
INVESTMENT IN TANGIBLE CAPITAL ASSETS	<u>2,698,701</u>	<u>2,431,779</u>
CONTINGENT LIABILITIES (Note 7)		
	<u>\$ 2,744,828</u>	<u>\$ 2,477,906</u>

DISTRICT OF FORT ST. JAMES

SEWER UTILITY

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2008

	2008		2007
	<u>Budget</u> (unaudited)	<u>Actual</u>	<u>Actual</u>
REVENUE			
User Charges	\$ 152,670	\$ 150,054	\$ 146,756
Frontage Tax	31,716	31,984	31,949
Nak'azdli Band	18,600	18,600	18,600
Interest on Surplus	8,200	8,530	12,686
	<u>211,186</u>	<u>209,168</u>	<u>209,991</u>
EXPENDITURES			
Operations			
Administration	74,222	70,541	69,892
Sewage Treatment	37,898	31,610	31,356
Collection Systems	8,713	20,961	17,345
Sewer Maintenance	18,978	27,476	19,636
	<u>139,811</u>	<u>150,588</u>	<u>138,229</u>
Contributions to Other Funds			
Sewer Capital Fund	190,500	266,922	139,039
	<u>330,311</u>	<u>417,510</u>	<u>277,268</u>
CHANGE IN CURRENT FUND	<u>\$ (119,125)</u>	<u>\$ (208,342)</u>	<u>\$ (67,277)</u>

RHN SCHMITZ de GRACE

See notes to the consolidated financial statements Chartered Accountants

DISTRICT OF FORT ST. JAMES
SEWER UTILITY
STATEMENT OF CURRENT FUND BALANCE
For the year ended December 31, 2008

	<u>2008</u>	<u>2007</u>
BALANCE AT BEGINNING OF THE YEAR	\$ 280,460	\$ 347,737
CHANGE IN CURRENT FUND	<u>(208,342)</u>	<u>(67,277)</u>
BALANCE AT END OF THE YEAR	<u>\$ 72,118</u>	<u>\$ 280,460</u>

DISTRICT OF FORT ST. JAMES

Exhibit H

SEWER UTILITY

STATEMENT OF INVESTMENT IN CAPITAL ASSETS

For the year ended December 31, 2008

	<u>2008</u>	<u>2007</u>
BALANCE AT BEGINNING OF THE YEAR	\$ 2,431,779	\$ 2,167,476
CONTRIBUTIONS FROM SEWER CURRENT FUND		
Acquisition of Tangible Capital Assets	266,922	139,039
Capital Grants		
Infrastructure Grant	-	45,264
Contribution from Regional District	-	80,000
BALANCE AT END OF THE YEAR	<u>\$ 2,698,701</u>	<u>\$ 2,431,779</u>

DISTRICT OF FORT ST. JAMES

WATER UTILITY

STATEMENT OF FINANCIAL POSITION

December 31, 2008

ASSETS

CURRENT FUND

	<u>2008</u>	<u>2007</u>
CURRENT ASSETS		
Accounts Receivable		
Water Rates	\$ 24,695	\$ 18,772
Due from General Revenue Fund	<u>370,829</u>	<u>310,565</u>
	<u>\$ 395,524</u>	<u>\$ 329,337</u>

CAPITAL FUND

TANGIBLE CAPITAL ASSETS (Note 2)		
Water System	<u>\$ 2,239,544</u>	<u>\$ 2,223,182</u>
	<u>\$ 2,239,544</u>	<u>\$ 2,223,182</u>

LIABILITIES AND SURPLUS

CURRENT FUND

	<u>2008</u>	<u>2007</u>
CURRENT FUND BALANCE	<u>\$ 395,524</u>	<u>\$ 329,337</u>

CAPITAL FUND

INVESTMENT IN TANGIBLE CAPITAL ASSETS	<u>2,239,544</u>	<u>2,223,182</u>
---------------------------------------	------------------	------------------

CONTINGENT LIABILITIES (Note 7)

	<u>\$ 2,239,544</u>	<u>\$ 2,223,182</u>
--	---------------------	---------------------

DISTRICT OF FORT ST. JAMES
WATER UTILITY
STATEMENT OF FINANCIAL ACTIVITIES
For the year ended December 31, 2008

	<u>2008</u>		<u>2007</u>
	Budget (unaudited)	Actual	Actual
REVENUE			
User Charges	\$ 149,100	\$ 148,214	\$ 146,547
Frontage Tax	32,542	32,468	32,295
Nak'azdli Band	9,000	9,000	9,000
Hydrant Rental	7,500	7,500	7,500
Interest on Surplus	1,500	6,692	9,953
	<u>199,642</u>	<u>203,874</u>	<u>205,295</u>
EXPENDITURES			
Operations			
Service Maintenance	50,629	45,441	81,316
Administration	60,233	65,773	48,156
Pumping	13,039	10,111	10,431
	<u>123,901</u>	<u>121,325</u>	<u>139,903</u>
Contributions to Other Funds			
Water Capital Fund	23,000	16,362	10,878
	<u>146,901</u>	<u>137,687</u>	<u>150,781</u>
CHANGE IN CURRENT FUND	<u>\$ 52,741</u>	<u>\$ 66,187</u>	<u>\$ 54,514</u>

RHN SCHMITZ de GRACE

See notes to the consolidated financial statements Chartered Accountants

DISTRICT OF FORT ST. JAMES

WATER UTILITY

STATEMENT OF CURRENT FUND BALANCE

For the year ended December 31, 2008

	<u>2008</u>	<u>2007</u>
BALANCE AT BEGINNING OF THE YEAR	\$ 329,337	\$ 274,823
CHANGE IN CURRENT FUND	<u>66,187</u>	<u>54,514</u>
BALANCE AT END OF THE YEAR	<u>\$ 395,524</u>	<u>\$ 329,337</u>

DISTRICT OF FORT ST. JAMES

WATER UTILITY

STATEMENT OF INVESTMENT IN CAPITAL ASSETS

For the year ended December 31, 2008

	<u>2008</u>	<u>2007</u>
BALANCE AT BEGINNING OF THE YEAR	\$ 2,223,182	\$ 2,212,304
CONTRIBUTIONS FROM WATER REVENUE FUND		
Acquisition of Tangible Capital Assets	<u>16,362</u>	<u>10,878</u>
BALANCE AT END OF THE YEAR	<u>\$ 2,239,544</u>	<u>\$ 2,223,182</u>

DISTRICT OF FORT ST. JAMES

RESERVE FUNDS

STATEMENT OF FINANCIAL POSITION

December 31, 2008

ASSETS

	<u>2008</u>	<u>2007</u>
CURRENT ASSETS		
Due from Current Fund	<u>\$ 1,600,432</u>	<u>\$ 1,431,519</u>
FUND BALANCES		
RESERVES		
Fire Department (Machinery, Equipment and Capital)	\$ 6,351	\$ 6,189
Ambulance Station	48,785	47,543
Cottonwood Park Recreation	-	6,825
Public Works (Machinery and Equipment)	1,149	1,120
Land Development	25,307	24,663
Community Centre	419,226	498,715
Indoor Pool	14,202	13,841
Arena (Equipment and Capital)	36,219	35,297
Gas Tax	232,511	162,757
Community Forest	795,619	614,600
Cemetary Trust	14,336	13,413
CISM Team Trust	3,078	3,000
Disaster Relief Trust	3,337	3,252
2010 Olympic Trust	<u>312</u>	<u>304</u>
CONTINGENT LIABILITIES (Note 7)		
	<u>\$ 1,600,432</u>	<u>\$ 1,431,519</u>

RHN SCHMITZ de GRACE

See notes to the consolidated financial statements Chartered Accountants

DISTRICT OF FORT ST. JAMES

Exhibit N

RESERVE FUNDS

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2008

	<u>2008</u>	<u>2007</u>
FIRE DEPARTMENT (MACHINERY, EQUIPMENT AND CAPITAL)		
Beginning Balance	\$ 6,189	\$ 5,956
Interest	<u>162</u>	<u>233</u>
Ending Balance	<u>6,351</u>	<u>6,189</u>
AMBULANCE STATION		
Beginning Balance	47,543	45,755
Interest	<u>1,242</u>	<u>1,788</u>
Ending Balance	<u>48,785</u>	<u>47,543</u>
COTTONWOOD PARK RECREATION		
Beginning Balance	6,825	6,568
Interest	178	257
Transfer to General Capital Fund	<u>(7,003)</u>	<u>-</u>
Ending Balance	<u>-</u>	<u>6,825</u>
PUBLIC WORKS (MACHINERY AND EQUIPMENT)		
Beginning Balance	1,120	1,078
Interest	<u>29</u>	<u>42</u>
Ending Balance	<u>1,149</u>	<u>1,120</u>
LAND DEVELOPMENT		
Beginning Balance	24,663	11,609
Interest	644	454
Transfer from Current Fund	<u>-</u>	<u>12,600</u>
Ending Balance	<u>25,307</u>	<u>24,663</u>

RHN SCHMITZ de GRACE

See notes to the consolidated financial statements Chartered Accountants

DISTRICT OF FORT ST. JAMES

Exhibit N

RESERVE FUNDS

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2008

	<u>2008</u>	<u>2007</u>
COMMUNITY CENTRE		
Beginning Balance	\$ 498,715	\$ -
Interest	14,346	-
Transfer to Capital Fund	(93,835)	-
Donation	-	498,715
Ending Balance	<u>419,226</u>	<u>498,715</u>
INDOOR POOL		
Beginning Balance	13,841	13,320
Interest	361	521
Ending Balance	<u>14,202</u>	<u>13,841</u>
ARENA (EQUIPMENT AND CAPITAL)		
Beginning Balance	35,297	26,387
Interest	922	1,030
Transfer from Current Fund	-	7,880
Ending Balance	<u>36,219</u>	<u>35,297</u>
GAS TAX (Note 10)		
Beginning Balance	162,757	95,920
Interest	4,688	4,469
Grant - Federal Government	65,066	62,368
Ending Balance	<u>232,511</u>	<u>162,757</u>
COMMUNITY FOREST		
Beginning Balance	614,600	427,220
Interest	16,055	16,695
Transfer to Current Fund	(45,067)	(54,570)
Bad Debt	(108,960)	-
Transfer from Current Fund	318,991	225,255
Ending Balance	<u>795,619</u>	<u>614,600</u>

RHN SCHMITZ de GRACE

See notes to the consolidated financial statements Chartered Accountants

DISTRICT OF FORT ST. JAMES

Exhibit N

RESERVE FUNDS

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended December 31, 2008

	<u>2008</u>	<u>2007</u>
CEMETARY TRUST		
Beginning Balance	\$ 13,413	\$ 12,346
Interest	350	482
Transfer from Current Fund	<u>573</u>	<u>585</u>
Ending Balance	<u>14,336</u>	<u>13,413</u>
CISM TEAM TRUST		
Beginning Balance	3,000	-
Donations	<u>78</u>	<u>3,000</u>
Ending Balance	<u>3,078</u>	<u>3,000</u>
DISASTER RELIEF TRUST		
Beginning Balance	3,252	3,130
Interest	<u>85</u>	<u>122</u>
Ending Balance	<u>3,337</u>	<u>3,252</u>
2010 OLYMPIC TRUST		
Beginning Balance	304	1,503
Interest	8	18
Donations	-	300
Payouts	<u>-</u>	<u>(1,517)</u>
Ending Balance	<u>312</u>	<u>304</u>
	<u><u>\$ 1,600,432</u></u>	<u><u>\$ 1,431,519</u></u>

RHN SCHMITZ de GRACE

See notes to the consolidated financial statements Chartered Accountants