

NORTH COAST REGIONAL DISTRICT
STATEMENT OF FINANCIAL INFORMATION (SOFI)
FOR THE YEAR ENDED DECEMBER 31, 2020



STATEMENT OF FINANCIAL INFORMATION (SOFI)

Prepared under the *Financial Information Act*

For the year ended December 31, 2020

INDEX

	Page No.
Management Report	1
Statement of Financial Information Approval	2
Schedule of Debts	3
Schedule of Guarantee and Indemnity Agreement	4
Schedule of Remuneration and Expenses	5
Statement of Severance Agreements	7
Schedule of Suppliers of Goods or Services	8
North Coast Regional District Audited 2020 Financial Statements	10

MANAGEMENT REPORT

Prepared under the Financial Information Regulation, Schedule 1, section 9

The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control.

The external auditors, CARLYLE SHEPHERD & CO, conduct an independent examination, in accordance with Canadian generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the *Act*. Their examination includes a review and evaluation of the corporation's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to the Board of Directors.

On behalf of the North Coast Regional District



Sharon Landrath, CPA, CA
Treasurer



STATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned, as authorized by the *Financial Information Regulation*, Schedule 1, subsection 9(2), approves all the statements and schedules included in this Statement of Financial Information, produced under the *Financial Information Act*.



Sharon Landrath, CPA, CA
Treasurer



Barry Pages
Chair



Date



Date



SCHEDULE OF DEBENTURE DEBT

Prepared under the Financial Information Regulation, Schedule 1, Section 4

City of Prince Rupert - Other	
MFA Issue #75	\$ 53,495
MFA Issue #94	1,127,556
District of Port Edward - Elementary School	
MFA Issue #126	908,326
Village of Queen Charlotte - Improvements to Water System	
MFA Issue #106	492,394
Village of Masset - New Hospital	
MFA Issue #99	2,663,683
MFA Issue #103	799,001
City of Prince Rupert - Airport	
MFA Issue #127	5,440,772
Vancouver Island Regional Library - Capital Financing	
MFA Issue #145	1,386,678
North Coast Regional District - Recycling Depot	
MFA Issue #152	500,000
Total Outstanding	\$ 13,371,905

MFA Issue #	Maturity Date	Interest Rate
75	December 2021	1.75%
94	October 2025	0.91%
126	September 2028	3.85%
106	October 2029	2.25%
99	October 2031	1.75%
103	October 2032	2.65%
127	April 2034	3.30%
145	April 2038	3.15%
152	October 2040	0.91%



SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS

Prepared under the Financial Information Regulation, Schedule 1, Section 5

The North Coast Regional District has not given any guarantees or indemnities under the *Indemnities and Guarantees Regulation*.

**SCHEDULE SHOWING THE REMUNERATION AND EXPENSES PAID IN RESPECT
OF EACH DIRECTOR**

Prepared under the Financial Information Regulation, Schedule 1, Section 6

NAME	POSITION	REMUNERATION	EXPENSES
Bergman, Karl	Director, Area C	20,435	1,296
Bjorndal, Knut	Director, Port Edward	16,701	-
Brain, Lee	Director, Prince Rupert	16,626	-
Cunningham, Barry	Director, Prince Rupert	16,813	-
Daugert, Douglas	Director, Port Clements	17,188	2,282
Nobels, Des	Vice Chair, Director, Area A	20,435	1,486
Olsen, Kris	Director, Queen Charlotte	17,001	2,251
Pages, Barry	Chair, Director, Masset	25,753	7,631
Putterill, Evan	Director, Area E	20,735	3,741
Young, Johanne	Director, Area D	20,735	5,373
TOTAL:		192,422	24,060

**SCHEDULE SHOWING THE REMUNERATION AND EXPENSES PAID IN RESPECT OF
EACH EMPLOYEE**

Prepared under the Financial Information Regulation, Schedule 1, Section 6

NAME	POSITION	REMUNERATION	EXPENSES
Bagnall, Jessica	Corporate Officer	96,296	8,004
DesChamp, Timothy	Superintendent of Waste Management	88,426	3,545
Fish, Daniel	Chief Administrative Officer	126,551	9,630
Kidd, Robert	Manager, Island Solid Waste	85,427	648
Landrath, Sharon	Treasurer	104,218	7,768
Total employees with remuneration greater than \$75,000		500,918	29,595
Add:			
Employees with remuneration less than \$75,000		775,814	4,839
Board of Directors		192,422	24,060
Total Remuneration and Expenses:		1,469,154	58,494

Add:	
Employer's portion of CPP and EI	76,925
Change in accrued wages and benefits, and other	284,722
Revised Total:	1,830,801
Total Expenses per Statement of Revenue and Expenditures	5,275,899
Less:	
Amortization	-149,269
Municipal debt payments	-1,236,595
Other expenditures	-2,059,234
Adjusted Financial Statement Expenses (Total of Salaries and wages and Director expenses)	1,830,801

SCHEDULE SHOWING PAYMENTS MADE FOR THE PROVISION OF GOODS OR SERVICES

Prepared under the Financial Information Regulation, Schedule 1, Section 7

1. Alphabetical list of suppliers who received aggregate payments exceeding \$25,000

Supplier Name	Aggregate amount paid to supplier
Aggressive Transport Ltd.	37,207
BC Hydro	31,714
Base Camp Connect	29,163
Big Red Enterprises Ltd.	213,052
C. and C. Beachy Contracting Ltd.	55,010
Collabria Payment Processing	51,480
Fast Fuels Ltd	25,363
Mack Sales & Service of Nanaimo Ltd.	41,360
Misty Isles Economic Development Society	56,395
Municipal Pension Plan	205,256
Pacific Blue Cross	87,351
Prudhomme, Bob	36,595
Rainbow Chrysler Dodge Jeep Ltd.	50,000
Receiver General	382,322
Regional District of Kitimat-Stikine	39,893
Ticker's Hauling and Storage	97,232
Works Safe BC	25,512
Total aggregate amount paid to suppliers	1,464,905

2. Consolidated total paid to suppliers who received aggregate payments of \$25,000 or less

Consolidated total <\$25,000	542,079
--	----------------

SCHEDULE SHOWING PAYMENTS MADE FOR THE PROVISION OF GOODS OR SERVICES

Prepared under the Financial Information Regulation, Schedule 1, Section 7

3. Alphabetical list of organizations who received grant payments

Supplier Name	Aggregate amount paid to organization
Delkatla Sanctuary Society	6,500
Dixon Entrance Maritime Museum Society	10,500
Dodge Cove Recreation Society	2,500
Haida Gwaii Arts Council Society	6,500
Haida Gwaii Museum	54,500
Haida Gwaii Regional Recreation Commission	57,541
North Coast Transition Society	2,470
Oona River Community Association	2,500
Port Clements Historical Society and Museum	13,500
Port Edward Historical Society (North Pacific Cannery)	130,000
Port Edward Harbour Authority	735
Prince Rupert Public Library	6,000
Prince Rupert Regional Archives	130,000
Sandspit Volunteer Fire Department	25,590
Vancouver Island Regional Library	46,332
Consolidated total	495,168

4. Consolidated total of contributions exceeding \$25,000

Consolidated total >\$25,000	-
--	----------

SCHEDULE SHOWING PAYMENTS MADE FOR THE PROVISION OF GOODS OR SERVICES

Prepared under the Financial Information Regulation, Schedule 1, Section 7

5. Reconciliation

Total of aggregate payments exceeding \$25,000 paid to suppliers	1,464,905
Consolidated total of payments of \$25,000 or less paid to suppliers	542,079
Consolidated total of all grants exceeding \$25,000	495,168
Consolidated total of all contributions exceeding \$25,000	-
TOTAL Cheques	2,502,152
Less	
Employee expenses not reportable on SOFI	-721,932
Change in accounts payable and accrued expenses, and payments for non-expense items and other	279,014
Revised Total:	2,059,234
Total Expenses per Statement of Revenue and Expenditures	5,275,899
Less:	
Salaries and wages	-1,609,450
Amortization	-149,269
Director expenses	-221,351
Municipal debt payments	-1,236,595
Adjusted Financial Statement Expenses	2,059,234

NORTH COAST REGIONAL DISTRICT

FINANCIAL STATEMENTS

DECEMBER 31, 2020

NORTH COAST REGIONAL DISTRICT
INDEX TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

- A STATEMENT OF FINANCIAL POSITION
- B STATEMENT OF FINANCIAL ACTIVITIES
- C STATEMENT OF CASH FLOWS
- D STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

NOTES TO FINANCIAL STATEMENTS

SCHEDULES

- 1 STATEMENT OF SURPLUS
- 2 STATEMENT OF RESERVE FUNDS
- 3 STATEMENT OF NORTHERN CAPITAL AND PLANNING GRANT RESERVE FUNDS
- 4 STATEMENT OF CHANGES IN EQUITY IN PHYSICAL ASSETS
- 5 STATEMENT OF PHYSICAL ASSETS
- 6 STATEMENT OF COVID-19 SAFE RESTART GRANT
- 7 2020 - SEGMENTED INFORMATION
- 8 2019 - SEGMENTED INFORMATION

INDEPENDENT AUDITOR'S REPORT

**To the Directors
North Coast Regional District**

Opinion

We have audited the financial statements of the North Coast Regional District, which comprise the statement of financial position as at December 31, 2020 and the statements of financial activities, changes in net financial assets, cash flows and schedules for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the North Coast Regional District as at December 31, 2020 and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. We are independent of the Regional District in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Regional District's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless conditions exist that do not allow for the going concern basis to be used.

The Board is responsible for overseeing the Regional District's financial reporting process.

Prince Rupert, BC
May 28, 2021

Carlyle Shepherd: Co.

**NORTH COAST REGIONAL DISTRICT
STATEMENT OF FINANCIAL POSITION
DECEMBER 31
STATEMENT A**

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash and investments (note 2)	8,524,584	6,738,678
Trade and other receivables (note 3)	335,265	313,986
MFA deposit (note 4)	346,093	337,893
Due from Municipalities	<u>12,871,905</u>	<u>13,845,155</u>
	<u>22,077,847</u>	<u>21,235,712</u>
LIABILITIES		
Accounts payable and accruals (note 5)	348,707	409,668
Landfill closure costs accrual (note 6)	429,093	363,218
Deferred revenue (note 7)	3,009,983	2,459,239
MFA debt reserve (note 4)	346,093	337,893
MFA loan for Regional District (note 8)	500,000	3,921
Debentures issued for Municipalities (note 9)	<u>12,871,905</u>	<u>13,845,155</u>
	<u>17,505,781</u>	<u>17,419,094</u>
NET FINANCIAL ASSETS	<u>4,572,066</u>	<u>3,816,618</u>
NON- FINANCIAL ASSETS		
Physical assets (schedule 5 and note 1)	2,754,255	2,840,850
Prepaid expenses	<u>30,583</u>	<u>46,941</u>
	<u>2,784,838</u>	<u>2,887,791</u>
REGIONAL DISTRICT POSITION (note 11)	<u>7,356,904</u>	<u>6,704,409</u>

APPROVED BY THE BOARD

 Chair

 Treasurer

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

**NORTH COAST REGIONAL DISTRICT
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31
STATEMENT B**

	Unaudited Budget 2020 \$	Actual 2020 \$	Actual 2019 \$
REVENUE			
Sales, fees and other	1,644,890	1,753,573	1,760,280
Taxation	1,835,125	1,835,128	1,725,244
Municipal debt payments	1,236,595	1,236,595	1,253,515
Provincial, federal and other grants	3,955,378	931,609	1,961,417
Grants in lieu	96,990	146,413	151,259
	<u>8,768,978</u>	<u>5,903,318</u>	<u>6,851,715</u>
EXPENDITURE			
General Government	2,408,130	1,119,867	1,181,018
Municipal debt payments	1,236,595	1,236,595	1,253,515
Protective Services	328,440	99,468	80,595
Environmental Services	2,010,910	1,967,657	1,920,858
Planning and Development	171,720	72,180	80,764
Recreation and Cultural Services	609,170	621,869	552,332
Utility Services	217,220	128,965	135,074
Projects	10,790	4,222	8,500
	<u>6,992,975</u>	<u>5,250,823</u>	<u>5,212,656</u>
REVENUE OVER EXPENDITURE	1,776,003	652,495	1,639,059
OPENING REGIONAL DISTRICT POSITION	<u>6,704,409</u>	<u>6,704,409</u>	<u>5,065,350</u>
CLOSING REGIONAL DISTRICT POSITION	<u>8,480,412</u>	<u>7,356,904</u>	<u>6,704,409</u>

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

**NORTH COAST REGIONAL DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31
STATEMENT C**

	2020 \$	2019 \$
OPERATING ACTIVITIES		
Revenue over expenditure	652,495	1,639,059
Loss on disposal of physical asset	3,670	-
Amortization	152,055	146,946
Landfill closure costs accrual	65,875	27,978
Accounts payables and accruals	- 60,961	41,174
Trade and other receivables	- 21,279	32,123
Deferred revenue	550,744	470,446
Prepaid expenses	16,358	- 37,081
	<u>1,358,957</u>	<u>2,320,645</u>
FINANCING ACTIVITIES		
Loan proceeds	500,000	-
Loan repayments	<u>- 3,921</u>	<u>- 8,817</u>
	<u>496,079</u>	<u>- 8,817</u>
INVESTING ACTIVITIES		
Purchase of physical assets	- 75,630	-
Proceeds on disposal of physical asset	<u>6,500</u>	<u>-</u>
	<u>- 69,130</u>	<u>-</u>
CHANGE IN CASH	1,785,906	2,311,828
OPENING CASH AND INVESTMENTS	<u>6,738,678</u>	<u>4,426,850</u>
CLOSING CASH AND INVESTMENTS	<u>8,524,584</u>	<u>6,738,678</u>

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

**NORTH COAST REGIONAL DISTRICT
STATEMENT OF CHANGES IN NET FINANCIAL ASSETS
YEAR ENDED DECEMBER 31
STATEMENT D**

	2020	2019
	\$	\$
Revenue over expenditure	652,495	1,639,059
Amortization	152,055	146,946
Purchase of physical assets	- 75,630	-
Disposal of physical asset	10,170	-
Prepaid expenses	<u>16,358</u>	<u>- 37,081</u>
Increase in net financial assets	755,448	1,748,924
Opening net financial assets	<u>3,816,618</u>	<u>2,067,694</u>
Closing net financial assets	<u>4,572,066</u>	<u>3,816,618</u>

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

NORTH COAST REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Regional District has adopted the reporting format from the recommendations of the Public Sector Accounting Board.

The Regional District maintains the following funds that are combined in the financial statements:

- Operating fund reports the general activities of the Regional District.
- Capital fund reports the physical assets of the Regional District together with the related financing.
- Reserve fund reports the activities of the funds established by bylaw for specific purposes.

Revenue recognition

Taxation revenues are recognized when requisitioned from the Province of British Columbia and member Municipalities. Sale of services and user fee revenues are recognized when the service or product is provided by the Regional District. Grant revenues are recognized when the commitments are met.

Revenues received in advance of expenses that will be incurred in a later period are deferred or transferred to the appropriate reserves until they are matched against those expenses.

Financial instruments

The Regional District measures financial assets and liabilities at market value at the date of acquisition except for those investments quoted in an active market, which are reported at market value.

It is management's opinion that the Regional District's financial instruments are not exposed to significant interest rate, liquidity, market or other price risks.

NORTH COAST REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

Physical assets

Physical assets are recorded at cost and are amortized using the straight-line method as follows:

Buildings	40 years
Automotive	10 years
Equipment	10, 15 and 20 years
Infrastructure	40 years

Equity in Physical Assets

Equity in Physical Assets reports the accumulated funded historical cost of physical assets less accumulated amortization.

Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

Segmented information

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The Regional District has provided definitions of the Regional District's segments in Note 12. A detailed summary of the 2020 revenues and expenditures can be found in Schedule 7, with 2019 comparative information in Schedule 8.

2. CASH AND INVESTMENTS

Cash and investments is comprised of cash on hand, cash on deposit at financial institutions, short-term investments in fixed income funds and investments held in the Municipal Finance Authority of British Columbia investment funds.

	2020	2019
Cash	\$ 1,701,466	\$ 811,857
Investments	<u>6,823,118</u>	<u>5,926,821</u>
	<u>\$ 8,524,584</u>	<u>\$ 6,738,678</u>

NORTH COAST REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

3. TRADE AND OTHER RECEIVABLES

	2020	2019
Provincial and federal governments	\$ 139,449	\$ 102,515
Regional and local governments	99,554	117,178
Trade receivables and other	<u>96,262</u>	<u>94,293</u>
	<u>\$ 335,265</u>	<u>\$ 313,986</u>

4. MFA DEPOSIT AND DEBT RESERVE

A condition of MFA borrowings stipulates that a portion of the debenture proceeds be withheld as a security deposit and a debt reserve fund.

5. ACCOUNTS PAYABLE AND ACCRUALS

	2020	2019
Payroll and benefits payable	\$ 215,041	\$ 208,156
Trade payables and other	77,801	150,310
Regional and local governments	44,362	40,013
Provincial and federal governments	<u>11,503</u>	<u>11,189</u>
	<u>\$ 348,707</u>	<u>\$ 409,668</u>

6. LANDFILL CLOSURE COSTS ACCRUAL

The Regional District is responsible for closing a landfill on Haida Gwaii in accordance with Ministry of Environment regulations. Management has prepared its estimates using a provisional phased closure plan.

	2020	2019
Opening balance	\$ 363,218	\$ 335,240
Annual provision	<u>65,875</u>	<u>27,978</u>
	<u>\$ 429,093</u>	<u>\$ 363,218</u>

NORTH COAST REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

7. DEFERRED REVENUE

	2020	2019
Gas tax	\$ 2,606,460	\$ 2,397,001
COVID-19 Safe Restart Grant	274,830	-
Other	128,693	62,238
	<u>\$ 3,009,983</u>	<u>\$ 2,459,239</u>

Gas Tax is a component of the federal government's "Investing in Canada Program" which allocates a portion of gas tax revenues to local governments to address infrastructure deficits. Interest income has been allocated to gas tax and reserve funds based on the relative equity.

The "COVID-19 Safe Restart Grants for Local Governments" was provided by the Province of British Columbia to support the NCRD as it deals with increased operating costs and lower revenue due to COVID-19. The funds must be fully allocated to services by December 31, 2021 and the NCRD must continue to annually report on the use of this grant money until the funds are drawn down (see Schedule 6).

8. MFA LOAN FOR REGIONAL DISTRICT

The loan with the Municipal Finance Authority will be repaid in accordance with approved bylaws and agreements.

FUNCTION	ISSUE	LOAN AUTHORIZATION BYLAW	MATURITY DATE	INTEREST RATE	ORIGINAL VALUE	2020	2019
Regional Recycling Depot	152	626	Oct, 2040	0.91%	\$ 500,000	\$ 500,000	\$ -

Principal repayments are \$21,096 per annum.

NORTH COAST REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

9. DEBENTURES ISSUED FOR MUNICIPALITIES

When a member municipality within the Regional District wishes to issue debenture debt through the Municipal Finance Authority of BC (MFA), the borrowing is done through the Regional District.

The Regional District is therefore responsible for repayment of the debt to MFA. When payments (principal and interest) are made on this debt, the Regional District pays MFA and is reimbursed by the municipality.

The Regional District reports the outstanding debt borrowed on behalf of the member municipalities as both a financial asset and financial liability. Municipal debt payments are shown as revenue and offsetting expenditure.

AREA	ISSUE	LOAN AUTHORIZATION BYLAW	MATURITY DATE	INTEREST RATE	ORIGINAL VALUE	2020	2019
Village of Queen Charlotte	106	23-2008	Oct, 2029	2.25%	\$ 900,000	\$ 492,394	\$ 537,132
City of Prince Rupert	127	3333	Apr, 2034	3.30%	7,000,000	5,440,772	5,726,773
	94	3201	Oct, 2025	0.91%	7,000,000	1,127,556	1,330,714
	75	3061	Dec, 2021	1.75%	700,000	53,495	104,443
					<u>14,700,000</u>	<u>6,621,823</u>	<u>7,161,930</u>
District of Port Edward	126	513	Sep, 2028	3.85%	1,500,000	908,326	1,003,113
Village of Masset	103	578	Oct, 2032	2.65%	1,250,000	799,001	845,208
	99	578	Oct, 2031	1.75%	4,750,000	2,663,683	2,853,596
					<u>6,000,000</u>	<u>3,462,684</u>	<u>3,698,804</u>
Vancouver Island Regional Library	145	615	Apr, 2038	3.15%	1,500,000	1,386,678	1,444,176
Total					<u>\$24,600,000</u>	<u>\$12,871,905</u>	<u>\$13,845,155</u>

NORTH COAST REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

10. PENSION INFORMATION

The Regional District and its employees contribute to the Municipal Pension Plan (the Plan), a jointly-trusted pension plan. The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2019, the Plan had about 213,000 active members and approximately 106,000 retired members. Active members include approximately 41,000 contributors from local governments.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Regional District paid \$109,257 (2019 - \$99,000) for employer contributions to the plan in fiscal 2020.

The next valuation will be as at December 31, 2021, with results available in 2022.

Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the plan.

11. REGIONAL DISTRICT POSITION

	2020	2019
Reserve Funds (Schedule 2)	\$ 1,010,557	\$ 935,222
Northern Capital and Planning Grant		
Reserve Funds (Schedule 3)	2,253,591	1,723,098
Equity in Physical Assets (Schedule 4)	2,754,255	2,836,929
Statement of Surplus (Schedule 1)	1,338,501	1,209,160
	<u>\$ 7,356,904</u>	<u>\$ 6,704,409</u>



NORTH COAST
REGIONAL DISTRICT

NORTH COAST REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

12. SEGMENTED INFORMATION

The North Coast Regional District is a partnership of four electoral areas and five municipalities that provide local government services to approximately 20,000 residents living on the North Coast of British Columbia and Haida Gwaii.

The Regional District administers services ranging from solid waste management and recycling to land use planning, water supply and public safety. As a requirement of the Local Government Act, separate financial records must be kept for each service providing detailed allocation of assets and liabilities, revenues and expenses, information concerning reserve funds and other pertinent financial details. For each reported segment, revenues and expenditures represent amounts that are directly attributable to the segment and also amounts that are allocated on a reasonable basis.

Segmentation has been determined on a functional basis with consideration to service delivery and department accountabilities. The following is a description of the types of services included in each of the main service segments of the Regional District's financial statement. A detailed summary of the 2020 revenue and expenses can be found in Schedule 7, with 2019 comparative information in Schedule 8.

General Government

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

Municipal Debt Payments

Municipal debt payments provides for debenture interest and principal repayment on debt taken out by member municipalities.

Protective Services

Protective services includes volunteer fire departments and emergency programs.

Environmental Services

Environmental services includes regional solid waste management and regional recycling programs.

Planning and Development

Planning and development includes regional land use planning and economic development services.

NORTH COAST REGIONAL DISTRICT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

12. SEGMENTED INFORMATION (continued)

Recreation and Cultural Services

Recreation and cultural services includes recreation facilities and programs, community halls and contributions towards libraries, archives and the North Pacific Cannery.

Utility Services

Utility services includes regional water services.

Projects

Projects includes feasibility studies.

13. COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation.



NORTH COAST
REGIONAL DISTRICT

**NORTH COAST REGIONAL DISTRICT
STATEMENT OF SURPLUS
YEAR ENDED DECEMBER 31
SCHEDULE 1**

	2020	2019
	\$	\$
General Government	673,795	535,439
Protective Services	101,147	133,154
Environmental Services	132,945	149,921
Planning and Development	177,201	129,150
Recreation and Cultural Services	136,366	149,164
Utility Services	100,417	95,135
Projects	<u>16,630</u>	<u>17,197</u>
	<u>1,338,501</u>	<u>1,209,160</u>

**NORTH COAST REGIONAL DISTRICT
STATEMENT OF RESERVE FUNDS
YEAR ENDED DECEMBER 31
SCHEDULE 2**

	2020	2019
	\$	\$
Opening balance	935,222	645,489
Transfer from Operating Fund	52,520	272,540
Interest	<u>22,815</u>	<u>17,193</u>
Closing balance	<u>1,010,557</u>	<u>935,222</u>

Represented by the following reserve funds

Bylaw 486 Sandspit Water	105,570	103,056
Bylaw 561 Electoral Area Administration	42,883	41,862
Bylaw 562 Elections	10,657	5,200
Bylaw 563 Emergency Programming Area A and C	18,000	-
Bylaw 564 Emergency Programming Area D	20,000	-
Bylaw 565 Emergency Programming Area E	23,577	6,420
Bylaw 566 General Administration	92,916	90,704
Bylaw 567 Feasibility Studies	39,212	33,397
Bylaw 568 Regional Recycling	318,307	237,513
Bylaw 569 Island Solid Waste	127,198	241,633
Bylaw 571 Rural Land Use Planning	204,269	175,000
Bylaw 602 Haida Gwaii Recreation	4,089	87
Bylaw 661 Tlell Fire Services	<u>3,879</u>	<u>350</u>
	<u>1,010,557</u>	<u>935,222</u>

**NORTH COAST REGIONAL DISTRICT
STATEMENT OF NORTHERN CAPITAL AND PLANNING GRANT RESERVE FUNDS
YEAR ENDED DECEMBER 31
SCHEDULE 3**

	2020 \$	2019 \$
Opening balance	1,723,098	-
Contributions	439,000	1,712,000
Transfers from (to) Operating Fund	42,133	- 11,556
Interest	<u>49,360</u>	<u>22,654</u>
Closing balance	<u>2,253,591</u>	<u>1,723,098</u>

Represented by the following reserve funds

Bylaw 637 - General Administration	7,177	7,007
Bylaw 638 - Electoral Area Administration	363,677	304,213
Bylaw 639 - Sandspit Fire Service	36,446	20,018
Bylaw 640 - Emergency Program Areas A and C	88,040	40,035
Bylaw 641 - Emergency Program Area D	169,394	137,870
Bylaw 642 - Emergency Program Area E	31,132	20,018
Bylaw 643 - Island Solid Waste	347,819	240,210
Bylaw 644 - Regional Recycling	274,653	212,185
Bylaw 645 - Rural Land Use Planning	18,626	30,026
Bylaw 647 - Haida Gwaii Recreation	49,189	40,035
Bylaw 648 - Sandspit Community Hall	108,590	80,070
Bylaw 649 - Sandspit Water	139,096	100,087
Bylaw 655 - Area E Parks and Recreation Service	218,809	187,664
Bylaw 656 - Tlell Fire Service	111,712	65,332
Bylaw 657 - Area D Parks and Recreation Service	154,577	125,810
Bylaw 658 - Mainland Recreation Area A	14,241	11,076
Bylaw 659 - Mainland Recreation Area C	56,502	55,156
Bylaw 660 - Regional Solid Waste	<u>63,911</u>	<u>46,286</u>
	<u>2,253,591</u>	<u>1,723,098</u>



NORTH COAST
REGIONAL DISTRICT

**NORTH COAST REGIONAL DISTRICT
STATEMENT OF CHANGES IN EQUITY IN PHYSICAL ASSETS
YEAR ENDED DECEMBER 31
SCHEDULE 4**

	2020 \$	2019 \$
Opening balance	<u>2,836,929</u>	<u>2,975,058</u>
Increase (decrease) in equity		
Purchase of physical assets	75,630	-
Disposal of physical asset	- 10,170	-
Amortization	- 152,055	- 146,946
Loan repayments	<u>3,921</u>	<u>8,817</u>
	<u>- 82,674</u>	<u>- 138,129</u>
Closing balance	<u>2,754,255</u>	<u>2,836,929</u>

NORTH COAST REGIONAL DISTRICT
STATEMENT OF PHYSICAL ASSETS
YEAR ENDED DECEMBER 31
SCHEDULE 5

	COST			ACCUMULATED AMORTIZATION				NET BOOK VALUE		
	Opening Balance \$	Additions \$	Disposals \$	Closing Balance \$	Opening Balance \$	Annual Amortization \$	Disposals \$	Closing Balance \$	Total 2020 \$	Total 2019 \$
Land	279,748	-	-	279,748	-	-	-	-	279,748	279,748
Buildings	1,556,043	-	-	1,556,043	495,241	38,901	-	534,142	1,021,901	1,060,802
Automotive	255,231	47,768	-46,701	256,298	162,526	27,662	-36,531	153,657	102,641	92,705
Equipment	600,759	27,862	-	628,621	382,387	39,753	-	422,140	206,481	218,372
Infrastructure	1,829,571	-	-	1,829,571	640,348	45,739	-	686,087	1,143,484	1,189,223
	4,521,352	75,630	-46,701	4,550,281	1,680,502	152,055	-36,531	1,796,026	2,754,255	2,840,850

**NORTH COAST REGIONAL DISTRICT
STATEMENT OF COVID-19 SAFE RESTART GRANT
YEAR ENDED DECEMBER 31
SCHEDULE 6**

	2020 \$	2019 \$
Opening balance	-	-
Contributions	390,000	-
Transfers from (to) Operating Fund	<u>- 115,170</u>	<u>-</u>
Deferred Revenue remaining	<u>274,830</u>	<u>-</u>

NORTH COAST REGIONAL DISTRICT
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2020
SCHEDULE 7 - SEGMENTED INFORMATION

	General Government	Municipal Debt Payments	Protective Services	Environmental Services	Planning and Development	Recreation and Cultural Services	Utility Services	Projects	2020 Total
REVENUE									
Sales, fees and other	392,174	-	14,970	1,271,140	6,215	13,315	51,511	4,248	1,753,573
Taxation	589,891	-	82,560	472,431	94,570	539,476	51,250	4,950	1,835,128
Municipal debt payments	-	1,236,595	-	-	-	-	-	-	1,236,595
Provincial, federal and other grants	295,796	-	200,963	283,225	32,138	92,957	26,530	-	931,609
Grants in lieu	47,837	-	6,180	37,234	5,177	48,975	739	271	146,413
	<u>1,325,698</u>	<u>1,236,595</u>	<u>304,673</u>	<u>2,064,030</u>	<u>138,100</u>	<u>694,723</u>	<u>130,030</u>	<u>9,469</u>	<u>5,903,318</u>
EXPENDITURE									
Salaries and wages	603,991	-	36	921,332	352	83,739	-	-	1,609,450
Amortization	854	-	2,786	82,229	-	20,447	45,739	-	152,055
Director expenses	221,351	-	-	-	-	-	-	-	221,351
Municipal debt payments	-	1,236,595	-	-	-	-	-	-	1,236,595
Other	293,671	-	96,646	964,096	71,828	517,683	83,226	4,222	2,031,372
	<u>1,119,867</u>	<u>1,236,595</u>	<u>99,468</u>	<u>1,967,657</u>	<u>72,180</u>	<u>621,869</u>	<u>128,965</u>	<u>4,222</u>	<u>5,250,823</u>
REVENUE OVER EXPENDITURE	<u>205,831</u>	<u>-</u>	<u>205,205</u>	<u>96,373</u>	<u>65,920</u>	<u>72,854</u>	<u>1,065</u>	<u>5,247</u>	<u>652,495</u>
OPENING REGIONAL DISTRICT POSITION	<u>981,863</u>	<u>-</u>	<u>423,192</u>	<u>4,165,797</u>	<u>334,177</u>	<u>588,590</u>	<u>161,062</u>	<u>49,728</u>	<u>6,704,409</u>
CLOSING REGIONAL DISTRICT POSITION	<u>1,187,694</u>	<u>-</u>	<u>628,397</u>	<u>4,262,170</u>	<u>400,097</u>	<u>661,444</u>	<u>162,127</u>	<u>54,975</u>	<u>7,356,904</u>

NORTH COAST REGIONAL DISTRICT
STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED DECEMBER 31, 2019
SCHEDULE 8 - SEGMENTED INFORMATION

	General Government	Municipal Debt Payments	Protective Services	Environmental Services	Planning and Development	Recreation and Cultural Services	Utility Services	Projects	2019 Total
REVENUE									
Sales, fees and other	416,010	-	6,403	1,283,112	226	5,273	48,518	738	1,760,280
Taxation	574,221	-	81,820	419,524	92,270	502,578	50,000	4,831	1,725,244
Municipal debt payments	-	1,253,515	-	-	-	-	-	-	1,253,515
Provincial, federal and other grants	505,532	-	294,325	498,246	55,440	499,374	100,000	8,500	1,961,417
Grants in lieu	53,344	-	7,013	37,222	5,103	47,582	728	267	151,259
	1,549,107	1,253,515	389,561	2,238,104	153,039	1,054,807	199,246	14,336	6,851,715
EXPENDITURE									
Salaries and wages	588,752	-	1,066	890,031	-	75,796	69	-	1,535,714
Amortization	854	-	-	79,906	-	20,447	45,739	-	146,946
Director expenses	259,588	-	-	124	-	-	-	-	259,712
Municipal debt payments	-	1,253,515	-	-	-	-	-	-	1,253,515
Other	351,824	-	79,529	950,797	80,764	456,089	89,266	8,500	2,016,769
	1,181,018	1,253,515	80,595	1,920,858	80,764	552,332	135,074	8,500	5,212,656
REVENUE OVER EXPENDITURE	368,089	-	308,966	317,246	72,275	502,475	64,172	5,836	1,639,059
OPENING REGIONAL DISTRICT POSITION	613,774	-	114,226	3,848,551	261,902	86,115	96,890	43,892	5,065,350
CLOSING REGIONAL DISTRICT POSITION	981,863	-	423,192	4,165,797	334,177	588,590	161,062	49,728	6,704,409